TO BE PUBLISHED IN THE GAZETTE OF PAKISTAN
EXTRA ORDINARY, PART-II

National Electric Power Regulatory Authority

NOTIFICATION

Islamabad, the 30th day of July, 2026

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S.R.O. **(I)/2026**.- In pursuance of Proviso-ii of Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), NEPRA hereby notifies the Decision of the Authority dated July 15, 2026 along with **Annex-I** in the matter of quarterly indexation/adjustment of tariff of 720 MW Karot Power Company (Pvt.) Limited for **July - September 2026** quarter in Case No. NEPRA/TRF-309/KPCL-2015.

2. While effecting the Decision, the concerned entities including Central Power Purchasing Agency Guarantee Limited shall keep in view and strictly comply with the orders of the courts notwithstanding this Decision.

(Wasim Anwar Bhinder)
Registrar

DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ADJUSTMENT OFF THE TARIFF OF 720MW KAROT POWER COMPANY (PVT.) LTD.

Pursuant to the stipulated mechanism in the tariff determination of the Authority dated February 24, 2016, in the matter of the petition filed by Karot Power Company Pvt. Ltd (KPCL) for the determination of EPC Stage Generation Tariff in respect of the 720-MW Karot Hydropower Project, decision of the Authority dated April 27, 2016, in the matter of Motion for Leave for Review, the decision of the Authority dated March 10, 2021, regarding the change of base year from 2007-2008 to 2015-16 for the Consumer Price Index (CPI) and the decisions of the Authority dated December 05, 2024 and December 13, 2024 regarding the transition from London Interbank Offered Rate (LIBOR) to Secured Overnight Financing Rate (SOFR) with effect from July 01, 2023 for generation IPPs which is notified vide SRO 73(1)12025 dated January 28, 2025 in the official Gazette, the tariff components of KPCL are required to be indexed/adjusted.

2. According to KPCL, it achieved Commercial Operations Date (COD) on June 29, 2022, and submitted its request for a 'One Time Adjustment of Tariff at COD' on September 30, 2022 which is under process. Subsequently, KPCL, vide letter dated October 25, 2022, also submitted a request for interim indexations on tariff components computed on a reduced project cost of USD 1,562 million instead of the approved USD 1,698 million, on account of applicable variations in exchange rate, LIBOR, US CPI, and Local CPI for the period from COD till October-December 2022. Based on the reduced project cost, the relevant tariff components were revised and accordingly, the Authority, vide decision dated February 09, 2023, approved the interim indexation from COD till December 2022, subject to adjustment in light of the COD decision of the Authority. Similarly the indexation requests for the subsequent periods upto December 2023 were also provisionally approved.

3. However, KPCL was required to submit the Audit report with its COD true-up petition in compliance to Authority's letter dated November 17, 2022. Due to non-compliance with the Authority's direction, the Authority restricted the indexation of ROE & ROEDC components on revised reference from Jan 2024 to Dec 2024. However, after the KPCL's compliance with the Authority's direction, indexation on all the tariff components were allowed from January 2025 onwards. KPCL's has now requested interim indexation for the July - September 2026 period.

4. Thus the Authority in its collective and joint wisdom considering all aspects decided with consensus as under; which will be hereafter called as decision of the Authority in the matter:

> *"Allowed interim indexation of tariff components for the period of July - September 2026 quarter provisionally on account of exchange rate variation, N-CPI local, US CPI and SOFR.*

5. The indexation allowed shall be subject to adjustment in the light of the final decision of the Authority w.r.t KPCL's COD tariff adjustment.

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6. The revised tariff components attached as Annex-I are to be notified in the official Gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

7. CPPA (G) to ensure that all payments are consistent with tariff determination(s).

AUTHORITY

Amina Ahmed
Member

Engr. Maqsood Anwar Khan
Member

Waseem Mukhtar
Chairman

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Annex - I

Karot Power Company
720 MW Karot Hydropower Project
Quarterly Indexation/Adjustment

Tariff Components	Revised Reference Tariff	Jul - Sep 2026	Indexation
Variable Charge (Rs./kWh)			
V. O&M Local	0.1560	0.3504	N-CPI local
V. O&M Foreign	0.0497	0.1926	US CPI & Rs./US$
Water Use Charge (WUC) *	0.1500	0.2513	N-CPI local
Fixed Charge (Rs./kW/Month)			
Fixed O&M Local	99.1983	222.8688	N-CPI local
Fixed O&M Foreign	172.2791	667.7918	US CPI & Rs./US$
ROE	630.9966	1,729.9616	Rs./ US$
ROEDC	278.8558	764.5204	Rs./ US$
Loan Repayment	1,123.1137	3,079.1666	Rs./ US$
Interest Charge(Term SOFR+Daily SOFR)	574.0630	2,470.0061	SOFR & US$
Sinosure	81.8837	224.4952	Rs./ US$
Indexation Values			**Sources (Websites)**
Exchange Rate (PKR/USD)	101.60	278.55	NBP
Term SOFR 6 Month+CAS of 0.42826%	0.36%	4.2777%	cmegroup.com
Daily SOFR+CAS of 0.42826%	0.36%	4.0679%	cmegroup.com
Spread	4.50%	4.5%	Tariff Determination
N-CPI Local for O&M Local	131.01	294.34	Pakistan Bureau of Statistics
N-CPI Local for Water Use Charge	175.71	294.34	Pakistan Bureau of Statistics
US CPI	237.03	335.12	US Bureau of Labor Statistics
Outstanding Loan US$ in Million (CDB)		316.73	As per KPCL
Outstanding Loan US$ in Million (CEXIM+SFR+IFC)		554.95	As per KPCL
Total Loan US$ Million (CDB)+(CEXIM+SFR+IFC)		**871.672**	As per KPCL
Capacity (MW) Net	712.80	712.80	Tariff Determination

* As per KPCL, the project achieved COD on June 29, 2022 and WUC is subject to indexation on annual basis. Therefore, the reference value is indexed w.e.f July 2026 with applicable N-CPI and will remain applicable till Jun 2027.

> The debt servicing and sinosure component are subject to indexation biannually and are indexed till December 31, 2026. Moreover, for outstanding loan of China Development Bank (CDB), Daily Simple SOFR, whereas for CEXIM, SFT & IFC 06 months term SOFR has been applied.

> The above indexations are on provisional basis and shall be subject to adjustment in light of COD adjustment decision of the Authority.

> Based on the data declared by Karot Power Company (Pvt.) Limited.

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National Electric Power Regulatory Authority

Islamic Republic of Pakistan

REGISTRAR

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The Manager
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Shahrah-e-Suharwardi,
Islamabad

Subject: **NOTIFICATION REGARDING DECISION OF THE AUTHORITY**

In pursuance of Proviso (ii) to Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), enclosed please find herewith a notification in respect of the following Decision of the Authority for immediate publication in the official Gazette of Pakistan:

S. No.	Decision	Issuance No. and Date
1.	Decision of the Authority regarding quarterly indexation/adjustment of tariff of Karot Power Company (Pvt.) Limited for the quarter **July - September 2026**	12375-12379 15-07-2026

2. Please also furnish ten (10) copies of the Notifications to this Office after its publication.

Encl: 01 Notification

Wasim Anwar

(Wasim Anwar Bhinder)
Registrar

CC:

1. Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Limited, 73 East, AK Fazl-e-Haq Road, Block H, G-7/2, Blue Area, Islamabad

2. **Syed Mateen Ahmed**, Deputy Secretary (T&S), Ministry of Energy – Power Division, 'A' Block, Pak Secretariat, Islamabad