

## **ISSUES FRAMED FOR HEARING**

1. Whether the claimed plant Capacity factor of 60.7% net annual Energy of 5126.31 GWh is justified? Whether the impact of Kishanganga project in occupied Kashmir on the annual energy of the project has been accounted for?
2. What is the total amount of Neelum Jhelum Surcharge collected from consumers and what is its impact on the tariff of the project?
3. Whether the construction period of 8 years (96 months) is justified?
4. Whether the Return on Equity (ROE) and Return on Equity during Construction (ROEDC) computed at 17% is justified?
5. Whether tariff control period of 50 years is justified?
6. Whether this project qualifies as a BOOT project and whether Equity Redemption in this case is justified?
7. Whether the WHT on dividend as pass-through item is justified?
8. Whether the contracts for Civil Work and Electro Mechanical & Hydraulics were awarded through fair and transparent bidding?
9. Whether the main Contract Prices for Civil Work and Electro Mechanical & Hydraulics amounting to a total of PKR 90,900 Million are justified?
10. Whether Variation orders pertaining to Civil Work and Electro Mechanical & Hydraulics contracts amounting to a total of PKR 107,664 Million are justified?
11. Whether the claimed Engineering Supervision Cost of PKR 19,040 million is justified?
12. Whether the claimed Land Acquisition & Lease Cost of PKR 2,000 million is justified?
13. Whether the claimed CSR & Mitigation Measures Cost of PKR 5,237 million is justified?
14. Whether the claimed Project Management Cost of PKR 5,955 million is justified?
15. Whether the claimed Exchange Losses of PKR 94,304 million is justified?
16. Whether the claimed Cost Escalation of PKR 73,252 million is justified? Whether the cost escalation formula is in line with the NEPRA 3-stage mechanism for determination of tariff for hydropower projects?
17. Whether the claimed Physical Contingencies cost of PK 4,957 million is justified?
18. Whether the claimed Contractor Claims of PKR 4,500 million is justified?

19. Whether the claimed cost of Insurance & Performance Guarantees of PKR 3,577 million is justified?
20. Whether the claimed Duties & Taxes of PKR 7,500 million is justified?
21. Whether the claimed per annum O&M Variable cost of PKR 938 million for local and PKR 402 million for Foreign Components during the operation phase is justified?
22. Whether the claimed per annum O&M Fixed cost of PKR 1,609 million for local and PKR 3,753 million for Foreign Components during the operation phase is justified?
23. Whether the claimed Insurance cost per annum for the operation period based at 0.6% of the total project cost justified?
24. Whether the project's tariff should still be allowed tariff on take or pay basis as requested by the company, considering the high project cost, and the uncertainty about the future generation due to diversion of water at Kishanganga and also keeping in view the fact that the project has already been completed.
25. Whether the Feasibility study and the detailed design were approved by the competent Authority?
26. Any other issues the Authority deems appropriate.