

**National Electric Power Regulatory Authority
Tariff Department**

**ISSUES FRAMED FOR HEARING IN THE MATTER OF EPC STAGE
TARIFF PETITION FILED BY KAROT POWER COMPANY (PVT.) LIMITED
(720 MW KAROT HYDROPOWER PROJECT)**

- i) Whether EPC bidding process has been conducted in a transparent manner and whether increase in EPC cost from the one allowed by the Authority at the feasibility stage and indexation of EPC cost as claimed by the petitioner are justified?
- ii) Whether increase in construction period from 4 years allowed at the feasibility stage to 5 years claimed by the petitioner is justified?
- iii) Whether change in project design has been approved by any competent forum?
- iv) Whether the capacity and net annual energy generation (3,174 Gwh claimed as against 3,250 Gwh allowed at the feasibility stage) claimed by the petitioner are justified?
- v) Whether land acquisition and resettlement cost, in view of acquisition through private parties, will be materially altered from the claimed figure of US \$ 12.50 million?
- vi) Whether engineering and supervision cost, project development cost and legal fees and charges, claimed by the petitioner, are justified?
- vii) Whether O & M mobilization cost of US \$ 12.80 million claimed by the petitioner is justified?
- viii) Whether insurance during construction claimed @ 2.75% of EPC cost plus customs duties, as against 2.40% of the EPC cost allowed at the feasibility stage is justified?
- ix) Whether financial fees and charges claimed @ 3.50% of debt amount, as against 3% of the total debt allowed (excluding the impact of interest during construction, Sinasure fees and financial charges) at the feasibility stage is justified?
- x) Whether Sinasure fees claimed by the petitioner, both on debt and equity, is justified?
- xi) Whether withholding tax, on bank interest and Sinasure fees, claimed by the petitioner is justified?
- xii) Whether claimed return on equity @ 20% (IRR based) as against 17% (IRR based) allowed by the Authority at the feasibility stage is justified?
- xiii) Whether the claimed fixed O & M cost during operations, is justified?
- xiv) Any other issue with the approval of the Authority.

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