



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/TRF-108/IESCO-2008/474-476

January 29, 2009

Subject: Decision of the Authority in the Matter of Monthly Adjustment of Power Purchase Price (PPP) for Islamabad Electric Supply Company Ltd. (IESCO) [Case No. NEPRA/TRF-108/IESCO-2008 (3)] - Intimation of Decision of Tariff pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997)

Dear Sir,

Please find enclosed decision of the Authority along with Annex-I (02 pages) in respect of monthly adjustment of Power Purchase Price variation for the month of December 2008 for IESCO in Case No. NEPRA/TRF-108/IESCO-2008 (3) as notified by the Federal Government vide SRO 959(I)/2008.

2. The decision is being intimated to the Federal Government for the purposes of notification of adjustments in the Power Purchase Price through the official Gazette pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997) and Rule 16(11) of the National Electric Power Regulatory Authority Tariff (Standards and Procedure) Rules, 1998.

3. Please note that only Annex-I attached with the decision needs to be notified in the official Gazette.

Enclosure: As above.

The Secretary
Cabinet Division
Government of Pakistan
Cabinet Secretariat
Islamabad

CC: 1. Secretary, Ministry of Water & Power, Islamabad.
2. Secretary, Ministry of Finance, Islamabad


(Hussnain Zaigham)



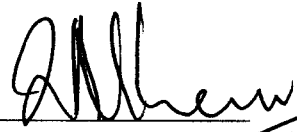
January 27, 2009

Decision of the Authority in the Matter of
Monthly Adjustment of Power Purchase Price (PPP) for
Islamabad Electric Supply Company Limited (IESCO)


The Authority considered IESCO's request for monthly adjustment of power purchase price (PPP) variation pursuant to paragraph II of the order of the Authority dated 23rd August 2008 notified by the Federal Government vide SRO 959(I)/2008. According to the information/evidence placed before the Authority, the actual PPP for the month of December 2008, charged to IESCO by Central Power Purchasing Agency (CPPA), was Rs. 5.5256/kWh, which was Rs. 0.0770/kWh higher than the reference PPP of Rs. 5.4486/kWh. After incorporating the impact of target distribution losses of 11%, the required upward per unit adjustment in the determined tariff has been assessed as Rs. 0.09 (Annex I). This adjustment shall apply to all consumer categories except life line residential consumers.

Authority

Zafar Ali Khan
Member


28/1/09

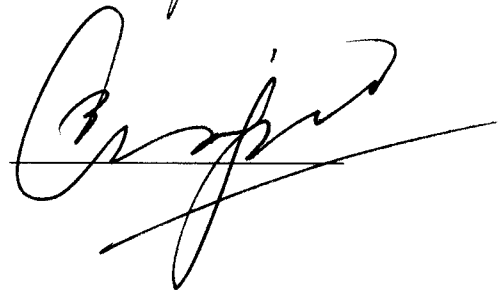
Maqbool Ahmad Khawaja
Member



Ghiasuddin Ahmed
Member



Khalid Saeed
Chairman







Islamabad Electric Supply Company Limited
Adjustment for Power Purchase Price
For the Month of December 2008

$$\Delta PPP = \pm \frac{(PPP_{(Act)} - PPP_{(Ref)})}{(1 - L)}$$

Where:

ΔPPP is the variation in Power Purchase Price including fuel price variation in terms of Rs./kWh purchased occurred in a month against the reference PPP.

$PPP_{(Act)}$ is the actual PPP (Rs. 5.5256/kWh purchased for December 2008) during the month for which the adjustment is required to be made.

$PPP_{(Ref)}$ is the reference power purchase price (PPP) of Rs. 5.4486/kWh.

L is the target losses which are 11% for FY 2008-09.

Replacing values in the formula we get,

$$\Delta PPP = (5.5256 - 5.4486) / (1 - 11\%)$$

$$\Delta PPP = (+) \text{Rs. } 0.09/\text{kWh}$$

According to the decision of the Authority, the impact of variation in the power purchase price shall not be passed on to the lifeline residential consumers. The ratio of lifeline consumers in IESCO's total sales is around 2.11%. The adjusted ΔPPP shall be calculated as under:

$$\Delta PPP = 0.09 / (1 - 2.11\%)$$

$$\Delta PPP = (+) \text{Rs. } 0.09/\text{kWh}$$

The impact of change in the power purchase price will be calculated according to the following formula:

$$\text{PPP Adjustment} = \pm \Delta PPP \times U(C)$$

Where:

$U(C)$ are units consumed by the consumer during the month for which the adjustment is required to be made.

[Signature]



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