



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

2nd Floor, OPF Building, G-5/2, Islamabad

Ph: 9206500, 9207200, Fax: 9210215

E-mail: registrar@nepra.org.pk

Registrar

No. NEPRA/TRF-44/CPGCL-2005/8632-8634

September 27, 2011

Subject: Decision of the Authority in the Matter of Adjustment of the Non-Escalable Component of Capacity Part of Tariff Relating to Tax (valid for the month of August 2011 only) for Central Power Generation Company Ltd. (Case No. NEPRA/TRF-44/CPGCL-2005) - 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 herewith the decision of the Authority along with schedule of tariff (Annex-I) (03 pages) regarding adjustment of the Non-escalable Component of Capacity Part of Central Power Generation Company Ltd.'s tariff relating to tax valid for the month of August 2011 only in Case No. NEPRA/TRF-44/CPGCL-2005.

2. The decision is being intimated to the Federal Government for the purpose of notification of adjustment in the approved tariff 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.

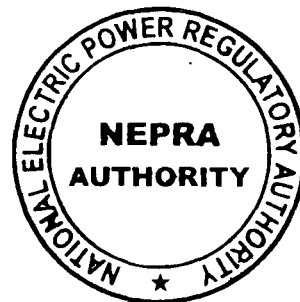
3. Please note that revised schedule of tariff attached to the decision as Annex-I is required to be notified in the official Gazette.

Enclosure: As above

(Syed Safeer Hussain)

Secretary
Ministry of Water & Power
'A' Block, Pak Secretariat
Islamabad

CC: 1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, Islamabad.

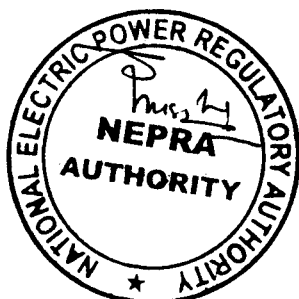


DECISION OF THE AUTHORITY IN THE MATTER OF ADJUSTMENT OF THE NON-ESCALABLE COMPONENT OF CAPACITY PART OF THE TARIFF RELATING TO TAX FOR CENTRAL POWER GENERATION COMPANY LTD. (CPGCL) CASE NO. NEPRA/TRF-44/CPGCL-2005

Central Power Generation Company Ltd. (CPGCL) in accordance with the Authority's decision dated February 24, 2006 in Case No. NEPRA/TRF-44/CPGCL-2005 requested the Authority for adjustment of the Non-Escalable component of Capacity Charge part of Generation tariff on account of:

- i) Advance Income Tax amounting to Rs. 69,308,284 paid to the Federal Government on 27-6-2011 for the 4th Quarter of the FY 2010-11.
 - ii) Surcharge amount of Rs. 8,955,636 paid on 18-4-2011 for the payable income tax of the 4th Quarter of the FY 2010-11
 - iii) Arrear demand by Federal Board of Revenue (FBR) for FY 2006-08 amounting to Rs. 35,000,000 & Rs. 29,436,485 on 20-6-2011 & 30-6-2011.
2. CPGCL in support of its claim submitted the tax payment receipts of Income Tax Department indicating the amount paid to the Federal Government. CPGCL's referred the Paragraph No. 6 of the determination of the Authority according to which:
- "If CPGC is required to pay any income tax to the federal government, the exact amount paid by the company will be reimbursed by CPPA to CPGC after approval of the Authority. CPGC would be required to submit its claim for approval supported by the original receipt of payment. The Authority will allow the payment to be recovered as Rs./kW/month through Non-Escalable component of CPP for the particular month in which the claim is submitted."*
3. Documentary evidence provided by CPGCL substantiates its claim with respect to payment made to the Federal Government under Income Tax Ordinance 2001. In view thereof, the Authority has decided to allow adjustment in the Non-Escalable component of Capacity Charge on account of tax amounting to Rs. 142,700,405 paid to the Federal Government. This adjustment shall only be applicable for the month of August 2011 and all the remaining components of the Non- Escalable capacity charge shall remain the same. The Non-Escalable part of Capacity Purchase Price of CPGCL tariff is accordingly been revised, as indicated hereunder:

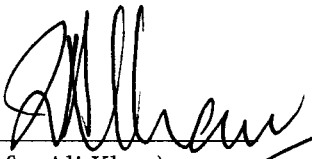
Capacity Purchase Price (CPP)		CPP Payable only for the month of August 2011 (Rs./kW/Month)
A	Escalable Component	98.9809
	Non Escalable Component(CPP)	
	Return on Equity	26.9500
	Interest Expense	25.9869



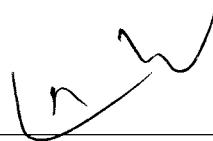
	Depreciation	32.9833
	Tax	101.9289
B	Total Non Escalable Component(CPP)	187.8491
	Total Capacity Purchase Price (A+B)	286.8300

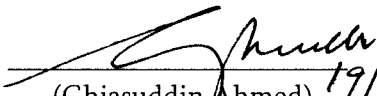
4. The revised tariff shall become immediately applicable as mentioned in S.R.O 661(I)/2006 dated June 24, 2006, subject to any difference in the tariff notified by the Federal Government as per section 31 (4) of the National Electric Power Regulatory Authority Act, 1997. In case the notified rate is different from the one already allowed for the immediate application the requisite adjustment in tariff shall be made as soon as possible but not than the succeeding billing month.
5. The revised Non-Escalable part of (CPGCL) tariff relating to tax to be notified in the official Gazette is attached as Annex-I.

Authority



 (Zafar Ali Khan)
 Member

13/9/11


 (Maqbool Ahmad Khawaja)
 Member

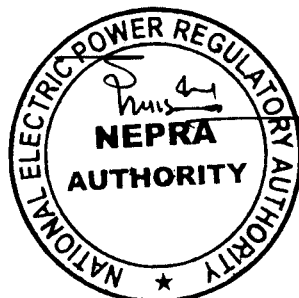

 (Ghiasuddin Ahmed)
 Member

19/9


 (Shaukat Ali Kundi)
 Vice Chairman

20-09-2011


 (Khalid Saeed)
 Chairman



**Decision of the Authority in the Matter of Adjustment of the Non-Escalable component of Capacity Part of the Tariff
Relating to Tax for CPGCL valid for the Month of August 2011**

	Capacity Purchase Price	Reference	Current	CPP Payable only for the month of August 2011
		(Rs./kW/Month)	(Rs./kW/Month)	(Rs./kW/Month)
A	Escalable Component	51.2244	98.9809	98.9809
	Non-Escalable Component(CPP)			
	Return on Equity	26.9500	26.9500	26.9500
	Interest Expense	25.9869	25.9869	25.9869
	Depreciation	32.9833	32.9833	32.9833
	Tax	-	-	101.9289
B	Total Non-Escalable Component(CPP)	85.9202	85.9202	187.8491
	Total Capacity Purchase Price (A+B)	137.1446	184.9011	286.8300

MA

M. S. Saldan

