



# National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/TRF-56/JPCL-2006/4981-4984

July 5, 2011

Subject: **Decision of the Authority in the Matter of Adjustment of the Non-Escalable Component of Capacity Part of the Tariff Relating to Tax (Valid for the month of June 2011 only) for Jamshoro Power Company Ltd. (JPCL) (Case No. NEPRA/TRF-56/JPCL-2006) - 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 the tariff relating to tax valid for the month of June 2011 in respect of Jamshoro Power Company Ltd. (JPCL) in Case No. NEPRA/TRF-56/JPCL-2006.

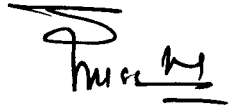
2. The decision is being intimated to the Federal Government for the purpose of notification of adjustment in the approved tariff through the official Gazette pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997) and Rule 16(11) of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

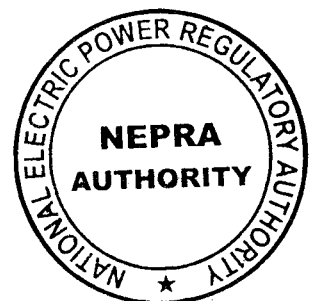
3. Please note that only revised schedule (Annex-I) of tariff is required to be notified in the official Gazette.

Enclosure: As above

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

- CC: 1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.  
2. Secretary, Ministry of Finance, Islamabad.  
3. Secretary, Privatization Commission, Islamabad.

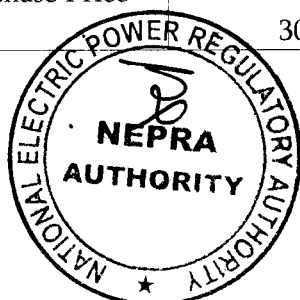
  
( Syed Safer Hussain )



**DECISION OF THE AUTHORITY IN THE MATTER OF ADJUSTMENT OF THE NON-ESCALABLE COMPONENT OF CAPACITY PART OF THE TARIFF RELATING TO TAX FOR JPCL, VALID FOR THE MONTH OF JUNE 2011**

1. Jamshoro Power Company Ltd. (JPCL) requested the Authority to adjust the Non-Escalable part of Capacity Purchase Price in accordance with the Authority's decision dated July 02, 2007 on account of advance tax of Rs. 66,827,054 paid by the Company to Federal Government of Pakistan. JPCL submitted that the advance tax for the 4<sup>th</sup> Quarter of the FY 2010-11 was assessed as Rs. 58,110,482 and 15% surcharge amount of Rs. 8,716,572 on this assessed advance tax was also paid to the Federal Government. JPCL in support thereof submitted the original challans.
2. The Authority observed that JPCL's calculations with respect to advance tax for the 4<sup>th</sup> Quarter of the FY 2010-11 were not correct since 15% surcharge amount of Rs. 1,102,981 already paid for the 3<sup>rd</sup> Quarter of the FY 2010-11 was not added in the total tax amount of Rs. 116,327,571 already paid by the Company to the Federal Government for the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarters of the FY 2010-11. Thus JPCL was required to pay Rs. 57,007,501 instead of Rs. 58,110,482 and 15% surcharge on this amount as Rs. 8,551,125 instead of Rs. 8,716,572. The Authority's considers this extra burden of Rs. 1,268,428 cannot be shifted to the power purchaser and ultimately to the end-consumers. The Authority has therefore decided to allow the amount of Rs. 65,558,626 as tax adjustment in the Non-Escalable Component of Capacity Charge part of tariff as against the claimed amount of Rs. 66,827,054 which will increase the Non-Escalable component by Rs. 82.1022/kW/Month (65,558,626 / 798,500 kW). This adjustment shall only be applicable for the month of June 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 JPCL tariff is accordingly been revised, as indicated hereunder:

Capacity Purchase Price		Reference	Current	CPP Payable only for the month of June 2011
		(Rs./kW/Month)	(Rs./kW/Month)	(Rs./kW/Month)
A	Fixed C&M (Escalable)	99.8539	168.6783	168.6783
	Non-Escalable Component(CPP)			
	Insurance	7.8774	7.8774	7.8774
	Return on Equity	95.5297	95.5297	95.5297
	Financial Charges	27.3430	27.3430	27.3430
	Depreciation	74.2016	74.2016	74.2016
	Taxes			82.1022
B	Total Non-Escalable Component(CPP)	204.9517	204.9517	287.0539
	Total Capacity Purchase Price (A+B)	304.8055	373.6300	455.7322



3. The revised tariff shall become immediately applicable as mentioned in S.R.O 1078(I)/2007 dated October 29, 2007, 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 later than the succeeding billing month. The revised Non-Escalable part of JPCI. tariff relating to tax to be notified in the official Gazette is attached as Annex-I. *h*

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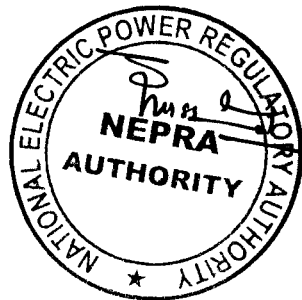
*Zafar Ali Khan*  
(Zafar Ali Khan)  
Member  
*30/6/11*

*Maqbool Ahmad Khawaja*  
(Maqbool Ahmad Khawaja)  
Member

*Ghiasuddin Ahmed*  
(Ghiasuddin Ahmed)  
Member  
*1/7*

*Shaukat Ali Kundi*  
(Shaukat Ali Kundi)  
Vice Chairman  
*04.07.2011*

*Khalid Saeed*  
(Khalid Saeed)  
Chairman  
*27*



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

Capacity Purchase Price		Reference	Current	CPP Payable only for the month of June 2011
		(Rs./kW/Month)	(Rs./kW/Month)	(Rs./kW/Month)
<b>A</b>	<b>Fixed O&amp;M (Escalable)</b>	<b>99.8539</b>	<b>168.6783</b>	<b>168.6783</b>
	<b>Non-Escalable Component(CPP)</b>			
	Insurance	7.8774	7.8774	7.8774
	Return on Equity	95.5297	95.5297	95.5297
	Financial Charges	27.3430	27.3430	27.3430
	Depreciation	74.2016	74.2016	74.2016
	Taxes	-	-	82.1022
<b>B</b>	<b>Total Non-Escalable Component(CPP)</b>	<b>204.9517</b>	<b>204.9517</b>	<b>287.0539</b>
	<b>Total Capacity Purchase Price (A+B)</b>	<b>304.8055</b>	<b>373.6300</b>	<b>455.7322</b>



*Safdar*