



**National Electric Power Regulatory Authority**  
Islamic Republic of Pakistan

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Registrar

No. NEPRA/TRF-56/JPCL-2006/4448-4450  
May 15, 2012

**Subject: Decision of the Authority in the Matter of Revision of the Consumer Price Index (CPI) References due to Rebasing by Pakistan Bureau of Statistics for Adjustment of the Escalable Component of Capacity Charge Part of Tariff of Jamshoro Power Company Ltd. (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 subject decision of the Authority (02 pages) regarding revision of the Consumer Price Index (CPI) references due to rebasing by Pakistan Bureau of Statistics for Adjustment of the Escalable Component of Capacity Charge Part of Tariff of Jamshoro Power Company Ltd. 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.

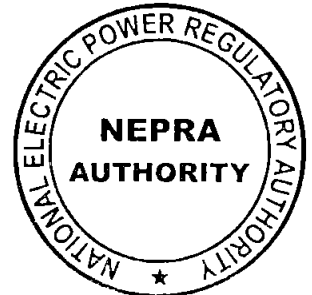
3. Please note that revised reference CPI and Escalable Component shall supersede to the extent of CPI adjustment formula and references notified in S.R.O. 1078(I)/2007 dated October 29, 2007.

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 REVISION OF THE CONSUMER PRICE INDEX (CPI) REFERENCES DUE TO REBASING BY PAKISTAN BUREAU OF STATISTICS FOR ADJUSTMENT OF THE ESCALABLE COMPONENT OF CAPACITY CHARGE PART OF TARIFF OF JAMSHORO POWER COMPANY LIMITED (JPCL)**

Pursuant to the Authority's determination in Case No. NEPRA/TRF-56/JPCL-2006, the tariff of Jamshoro Power Generation Company Limited (JPCL) is subject to adjustment in Escalable Component of Capacity Purchase Price to compensate for variation in the Consumer Price Index (CPI) notified by the Federal Bureau of Statistics. According to determination of the Authority:

*"The Escalable component of CPP will be adjusted in future, on account of Inflation (CPI) only. Indexation adjustment due to inflation will be made twice a year on January 01 and July 01. The adjustment will be on the basis of the latest monthly CPI as notified by the Federal Bureau of Statistics (FBS). As per present practice according to which CPI is updated on 11<sup>th</sup> of every month, the indexation on January 01 will be based on CPI for preceding November while the indexation on July 01 will be based on CPI of preceding May."*

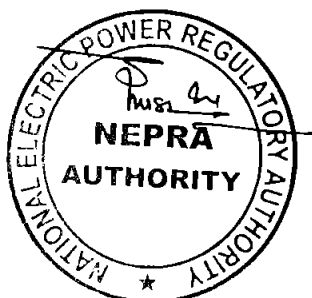
2. The reference CPI in the case of JPCL at the time of determination was 144.94 for the month of May 2007. The Federal Bureau of Statistics revised the base values of CPI from 2000-01 to 2007-08 in view of the adoption of latest international classification developed by United Nations, i.e. "Classification Of Individual Consumption according to Purpose (COICOP)". Consequent to the number of groups and grouping of the items has changed from the previous base 2000-01. The geographical coverage of the 2000-01 CPI was 35 cities, which has been increased to 40 cities in the new CPI.
3. Due to change / revision of the base year from 2001 to 2007-08 the Consumer Price index (CPI) for the month of November 2011 has been changed against the CPI of 253.17 for the month of May 2011. This has necessitated revision of the references indicated in the determination notified in the official gazette. The Authority subsequent to the hearing held on 31<sup>st</sup> January 2012 has already approved the revision of the reference CPI in its meeting RM 12-186 dated 21<sup>st</sup> March 2012. In accordance with the Authority's decision, the reference CPI in the instant case is also being revised.
4. In view of the above, in future, the escalable component part of Capacity Charge will be adjusted according to the following formula:

$$EC_{(REV)} = EC_{(RREF)} \cdot CPI_{(REV)} / CPI_{(RREF)}$$

Where:

$EC_{(REV)}$  = the revised applicable Escalable Component of the Capacity Purchase Price

$EC_{(RREF)}$  = the Revised Reference Escalable Component of the CPP w.e.f 1<sup>st</sup> July





2011

$CPI_{(REV)}$  = the Revised Consumer Price Index

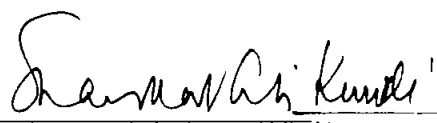
$CPI_{(REF)}$  = the Reference Consumer Price Index as notified by Federal Bureau of Statistics for the month of May 2011 i.e. 151.33.

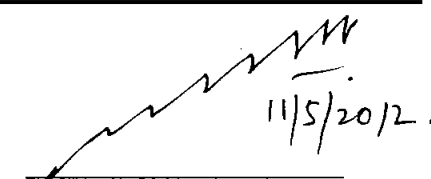
5. Based on the information, the CPI for the month of November 2011 has changed to 161.25 as against the revised reference CPI of 151.33. In view thereof the escalable component of the Capacity Charge part of tariff and variable O&M has been revised as under:

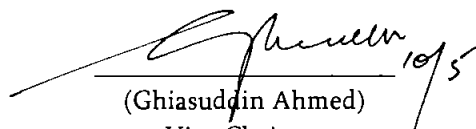
	Description	Old Ref.	Rev. Reference 1-7-2011	Revised w.e.f 1-1-2012
	Capacity Charge – Rs./kW/Month			
	<b>Fixed O&amp;M:</b>			
	Salaries, Wages & Benefits	51.8472	90.5627	96.4993
	Repair & Maintenance	44.1453	77.1096	82.1643
	Admin & General Expenses	6.1574	10.7553	11.4603
	Other Income	-2.2960	-4.0105	-4.2734
<b>A</b>	<b>Total Escalable CPP</b>	<b>99.8539</b>	<b>174.4171</b>	<b>185.8505</b>
<b>B</b>	Non Escalable Component	204.9517	204.9517	204.9517
	<b>Capacity Purchase Price (A+B)</b>	<b>304.8055</b>	<b>379.3688</b>	<b>390.8022</b>
	Energy Purchase Price – Rs./kWh			
	Variable O&M	0.0659	0.1151	0.1227

6. The decision of the Authority to be notified in the official Gazette in accordance with the Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 is forwarded to the Federal Government. The revised reference CPI and Escalable Component shall supersede to the extent of CPI adjustment formula and references notified in S.R.O 1078(I)/2007 dated October 29, 2007.

AUTHORITY

  
(Shaukat Ali Kundi) 14.05.2012  
Member

  
(Habibullah Khilji)  
Member

  
(Ghiasuddin Ahmed)  
Vice Chairman

