



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

Registrar

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No. NEPRA/TRF-56/JPCL-2006/8761-8764
July 16, 2013

Subject: Decision of the Authority relating to the Tariff Adjustment of Jamshoro Power Co. Ltd. (JPCL) for Variation in CPI w.e.f. July 01, 2013 (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 decision of the Authority along with revised schedule of tariff (Annex-I) (03 pages) regarding adjustment in Jamshoro Power Co. Ltd.'s tariff on account of CPI variation w.e.f. July 1, 2013 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

(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.
3. Secretary, Privatization Commission, Islamabad.



**DECISION OF THE AUTHORITY RELATING TO THE TARIFF ADJUSTMENT OF JAMSHORO
POWER COMPANY LIMITED FOR VARIATION IN CPI w.e.f JULY 01, 2013**
(Case No. NEPRA/TRF-56/JPCL-2006)

1. 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 11th 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. Jamshoro Power Company Limited (JPCL) vide letter No. FD/JPCL/CF-1/1/8164 dated 7th June 2013 requested the Authority to determine the adjustment in tariff on account of inflation indexation applicable w.e.f 1st July 2013 to enable the Company to issue the CPP and EPP invoices on revised rates to CPPA.
3. The Federal Bureau of Statistics revised the base values of CPI from 2000-01 to 2007-08 by adoption of latest international classification developed by United Nations, i.e. "Classification Of Individual Consumption according to Purpose (COICOP)". The Authority, therefore, revised the reference values of CPI and Escalable Component of the Capacity Charge Part of Tariff of JPCL vide its decision dated 15th May 2012. The instant request of JPCL for adjustment of the Escalable Component and Variable O&M has been adjusted in accordance with the revised mechanism which is as under:

$$EC_{(REV)} = EC_{(RREF)} * CPI_{(REV)} / CPI_{(RREF)}$$

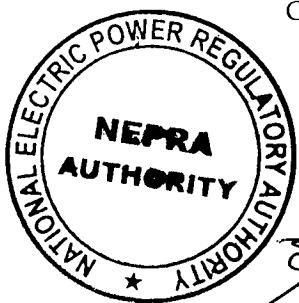
Where:

- $EC_{(REV)}$ = the revised applicable Escalable Component of the Capacity Purchase Price
 $EC_{(RREF)}$ = the Revised Reference Escalable Component of the CPP w.e.f 1st July 2011
 $CPI_{(REV)}$ = the Revised Consumer Price Index
 $CPI_{(RREF)}$ = the Reference Consumer Price Index as notified by Federal Bureau of Statistics for the month of May 2011 i.e. 151.33.

$$\text{Variable O\&M}_{(RREV)} = \text{Variable O\&M}_{(RREF)} * CPI_{(REV)} / 151.33$$

Where:

- Variable $O\&M_{(RREV)}$ = the revised applicable Variable O&M tariff Component
 $CPI_{(REV)}$ = the Revised Consumer Price Index
 $CPI_{(RREF)}$ = the Revised Reference Consumer Price Index as notified by Federal Bureau of Statistics for the month of May 2011 i.e. 151.33

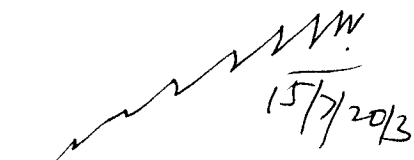


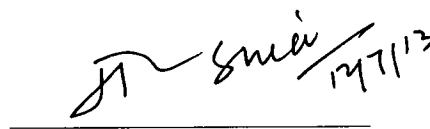
4. The tariff has therefore been accordingly revised w.e.f July 01, 2013. The revised Capacity Charge and Variable O&M after adjustments are indicated as under:

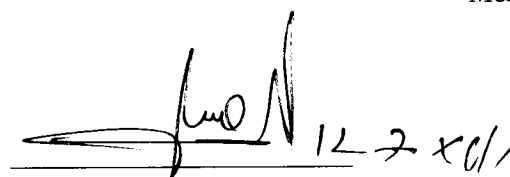
Capacity Purchase Price	Revised w.e.f 1 st July 2013 (Rs./kW/Month)
Fixed O&M:	
Salaries, Wages & Benefits	106.9122
Repair & Maintenance	91.0304
Admin & General Expenses	12.6969
Other Income	-4.7345
Total Escalable CPP	205.9051
Non Escalable Component	204.9517
Capacity Purchase Price (A+B)	410.8568
Energy Purchase Price	Revised
Variable O&M (Rs./kWh)	0.1359

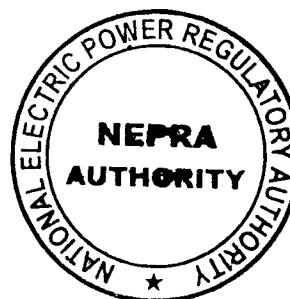
5. The revised Non-Escalable part of Capacity Purchase price and Variable O&M part of Energy Purchase Price of JPCL tariff relating to CPI to be notified in the official Gazette is attached as (Annex-I).

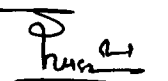
AUTHORITY


(Habibullah Khilji)
Member


(Maj. Rtd. Haroon Rashid)
Member


(Khawaja Muhammad Naeem)
Vice Chairman




16.07.13

**DECISION OF THE AUTHORITY RELATING TO THE TARIFF ADJUSTMENT OF JAMSHORO POWER COMPANY
LIMITED FOR VARIATION IN CPI w.e.f JULY 01, 2013**

	Capacity Purchase Price	Rev. Reference w.e.f 1-7-2011 (Rs./kW/Month)	Previous w.e.f 1-1-2013 (Rs./kW/Month)	Revised w.e.f 1-7-2013 (Rs./kW/Month)
	Fixed O&M:			
	Salaries, Wages & Benefits	90.5627	103.1839	106.9122
	Repair & Maintenance	77.1096	87.8559	91.0304
	Admin & General Expenses	10.7553	12.2542	12.6969
	Other Income	-4.0105	-4.5694	-4.7345
A	Total Escalable CPP	174.4171	198.7246	205.9051
B	Non Escalable Component	204.9517	204.9517	204.9517
	Capacity Purchase Price (A+B)	379.3688	403.6763	410.8568

Energy Purchase Price	Rev. Reference	Previous	Revised
	(Rs./kWh)	(Rs./kWh)	(Rs./kWh)
Variable O&M	0.1151	0.1312	0.1359