



# National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/TRF-46/NPGCL-2005/254-256

October 28, 2009

**Subject: Decision of the Authority in the Matter of Adjustment of the Non-Escalable Component of Capacity Part of Tariff Relating to Tax (applicable for the month of October 2009 only) for Northern Power Generation Company Ltd. (NPGCL) (Case No. NEPRA/TRF-46/NPGCL-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 the decision along with schedule of tariff (02 pages) of the Authority in respect of adjustment on the Non-escalable Component of Capacity Part of tariff relating to tax for Northern Power Generation Company Ltd. (NPGCL) in Case No. NEPRA/TRF-46/NPGCL-2005.

2. Summary of decision is:

- Adjustment on account of Non-escalable component of capacity part of the tariff relating to Tax and applicable for the month of October 2009 only.

3. 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.

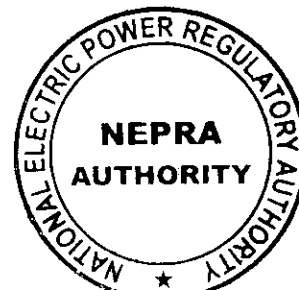
4. In view of above, the tariff adjustments intimated vide letters No. NEPRA/TRF-46/NPGCL-2005/7108-10 dated 19.10.2006, No. 1424-26 dated 12.03.2007, No. 5716-18 dated 22.01.2008, No. 5811-13 dated 25.01.2008, No. 1316-18 dated 04.12.2008, No. 1232-34 dated 27.03.2009, No. 1828-1830 dated 29.04.2009, No. 2461-63 dated 15.05.2009, No. 3955-3957 dated 29.05.2009, No. 6550-6552 dated 24.06.2009, No. 6870-6872 dated 16.07.2009, No. 6965-6967 dated 22.07.2009, No. 6970-6972 dated 22.07.2009, No. 7289-7291 dated 5.08.2009, No. 7722-7724 dated 27.08.2009, No. 7740-7742 dated 01.09.2009, No. 9112-9114 dated 14.09.2009, 9299-9301 dated 18.09.2009, No. 9304-9306 dated 18.09.2009, No. 10137-10139 dated 16.10.2009 and No. 210-212 dated 22.10.2009 need to be notified prior to the notification of the attached schedule in order to implement tariff adjustments in respect of NPGCL.

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.

  
( Arshad Mehmood )



**DECISION OF THE AUTHORITY IN THE MATTER OF ADJUSTMENT OF THE NON-ESCALABLE COMPONENT OF CAPACITY PART OF TARIFF RELATING TO TAX FOR NPGCL FOR THE MONTH OF OCTOBER, 2009**

Pursuant to the Authority's decision dated May 02, 2006 in respect of generation tariff for Northern Power Generation Company Ltd. (NPGCL), the Non-Escalable part of Capacity Purchase Price has been adjusted for the month of October, 2009 to cater for the Advance Income Tax amounting to Rs. 106,781,823/- paid to the Federal Government by NPGCL for 1<sup>st</sup> quarter of Tax Year 2010 u/s 147 of Income Tax Ordinance 2001 (amended till August 2009). This adjustment on account of tax payment shall only be applicable for the month of October 2009 and all the remaining components of the Non-Escalable capacity charge will remain the same. The Non-Escalable part of Capacity Purchase Price of (NPGCL) tariff is accordingly been revised, as indicated hereunder:

Capacity Purchase Price		CPP Payable only for the month of October, 2009
		(Rs./kW/Month)
A	Escalable Component	56.1215
	Non-Escalable Component(CPP)	
	Depreciation	58.2696
	Interest payment for long term loan	6.6560
	Return on Equity	117.2630
	Tax	68.1007
B	Total Non-Escalable Component(CPP)	250.2893
	Total Capacity Purchase Price (A+B)	306.4108

The revised tariff shall become immediately applicable as mentioned in S.R.O 997(I)/2006 dated September 20, 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 later than the succeeding billing month.

The revised Non-Escalable part of (NPGCL) tariff relating to tax to be notified in the official Gazette is attached as (Annex-I)

Authority

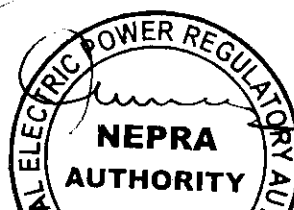
(Zaheer Ali Khan)  
Member

(Ghousuddin Ahmed)  
Member

(Shaukat Ali Kundi)  
Member

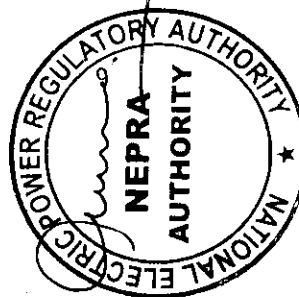
(Maqbool Ahmad Khawaja)  
Member / Vice Chairman

(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 NPGCL, Valid for the Month of October, 2009**

Capacity Purchase Price		Reference	Current	CPP Payable only for the month of October, 2009
		(Rs./kW/Month)	(Rs./kW/Month)	(Rs./kW/Month)
<b>A</b>	<b>Escalable Component</b>	37.1854	56.1215	56.1215
	<b>Non-Escalable Component(CPP)</b>			
	Depreciation	58.2696	58.2696	58.2696
	Interest payment for long term loan	6.6560	6.6560	6.6560
	Return on Equity	117.2630	117.2630	117.2630
	Tax			68.1007
<b>B</b>	<b>Total Non-Escalable Component(CPP)</b>	182.1886	182.1886	250.2893
	<b>Total Capacity Purchase Price (A+B)</b>	219.3739	238.3101	306.4108



*Signature*