



# National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/TRF-46/NPGCL-2005/919-921

February 2, 2010

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 January 2010 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 of 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 January 2010 only.

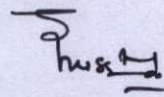
3. The decision is being intimated to the Federal Government for the purpose of notification of adjustment in the approved tariff through the official Gazette pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997) and Rule 16(11) of 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, No. 9299-9301 dated 18.09.2009, No. 9304-9306 dated 18.09.2009, No. 10137-10139 dated 16.10.2009, No. 210-212 dated 22.10.2009, No. 254-256 dated 28.10.2009, No. 557-559 dated 04.11.2009, No. 684-686 dated 13.11.2009, No. 795-797 dated 18.11.2009, No. 915-917 dated 26.11.2009, No. 1231-1233 dated 16.12.2009, No. 1274-1276 dated 18.12.2009, No. 1353-1355 dated 23.12.2009, No. 1490-1492 dated 31.12.2009, No. 341-343 dated 18.01.2010 and No. 914-916 dated 02.02.2010 need to be notified prior to the notification of the attached schedules 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.

  
( Syed Safeer Hussain )







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

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 January 2010 to cater for the Advance Income Tax amounting to Rs. 32,147,576/- paid to the Federal Government by NPGCL for 2<sup>nd</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 January 2010 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<br>month of January 2010<br>(Rs./kW/Month) |
|-------------------------|-------------------------------------|---|
| A                       | Escalable Component                 | 60.1744   |
|                         | Non-Escalable Component(CPP)        |   |
|                         | Depreciation                        | 58.2696   |
|                         | Interest payment for long term loan | 6.6560  |
|                         | Return on Equity                    | 117.2630  |
|                         | Tax                                 | 20.5023   |
| B                       | Total Non-Escalable Component(CPP)  | 202.6909  |
|                         | Total Capacity Purchase Price (A+B) | 262.8653  |

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

(Zafar Ali Khan)  
Member

(Maqbool Ahmad Khawaja)  
Member

(Shaukat Ali Kundi)  
Member

(Ghiasuddin Ahmed)  
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 January 2010**

| Capacity Purchase Price |  | Reference       | Current         | CPP Payable only<br>for the month of<br>January 2010 |
|-------------------------|--|-----------------|-----------------|--|
|                         |  | (Rs./kW/Month)  | (Rs./kW/Month)  | (Rs./kW/Month)                                       |
| <b>A</b>                | <b>Escalable Component</b>                 | <b>37.1854</b>  | <b>60.1744</b>  | <b>60.1744</b>                                       |
|                         | <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  | -               |                 | 20.5023  |
| <b>B</b>                | <b>Total Non-Escalable Component(CPP)</b>  | <b>182.1886</b> | <b>182.1886</b> | <b>202.6909</b>                                      |
|                         | <b>Total Capacity Purchase Price (A+B)</b> | <b>219.3739</b> | <b>242.3630</b> | <b>262.8653</b>                                      |



*[Signature]*  
26/1/2010

*[Signature]*