



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

2nd Floor, OPF Building, G-5/2, Islamabad

Ph: 9206500, 9207200, Fax: 9210215

E-mail: registrar@nepra.org.pk

Registrar

No. NEPRA/TRF-72/EEL-2007/5887-5889

July 25, 2011

Subject: Decision of the Authority in the Matter of Quarterly Indexation/Adjustment of Tariff for Engro Powergen Qadirpur Ltd. (Case No. NEPRA/TRF-72/EEL-2007) - 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 revised schedule of tariff (Annex-I) (02 pages) regarding adjustment in tariff for the July - September 2011 quarter on account of US CPI, WPI (Local), exchange rate LIBOR and KIBOR variation in respect of Engro Powergen Qadirpur Ltd. in Case No. NEPRA/TRF-72/EEL-2007.

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.

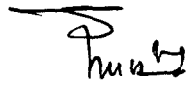
3. Please note that the schedule of revised Tariff to be notified in the official Gazette is attached as Annex-I.

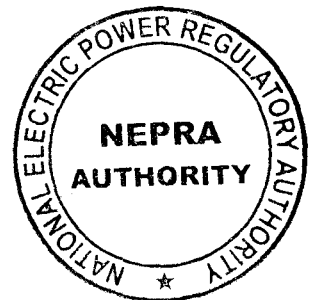
Enclosure: As above

Secretary,
Ministry of Water & Power,
Government of Pakistan
Islamabad.

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, Islamabad.


(Syed Safeer Hussain)





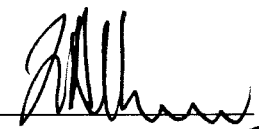
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY
INDEXATION/ADJUSTMENT OF TARIFF FOR ENGRO POWERGEN QADIRPUR LIMITED**


Pursuant to the decision of the Authority dated 1st April 2011 in the matter of motion for leave for review filed by Engro Powergen Qadirpur Limited (EPQL), formerly Engro Energy Limited against the decision of the Authority dated 3rd November 2010 regarding adjustment at commercial operation date, the tariff of EPQL in respect of July-September 2011 quarter has been revised on account of US CPI, WPI (Local), exchange rate LIBOR and KIBOR variation in accordance with the requisite indexation/adjustment mechanism stipulated in the decision of the Authority. The revised tariff indicated hereunder shall be immediately applicable:

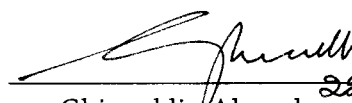
Tariff Components	Reference	Revised Jul.-Sep. 11 Quarter
Capacity Charge (Rs./kW/Hour)		
Fixed O&M - Foreign	0.0096	0.0102
Fixed O&M - Local	0.1366	0.1858
Insurance	0.0630	0.0630
Cost of Working Capital	0.0537	0.0580
ROE	0.3438	0.3514
ROEDC	0.1265	0.1293
Debt Servicing	0.7422	0.7490
Total Capacity Charge	1.4754	1.5467
Energy Charge (Rs./kWh)		
Variable O&M - Foreign	0.1917	0.2042
Variable O&M - Local	0.0381	0.0518
Total Variable O&M	0.2298	0.2560

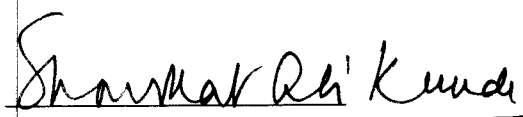
The above referred revised tariff components attached as **Annex-I** is recommended to the Federal Government for notification in the official gazette, in accordance with the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

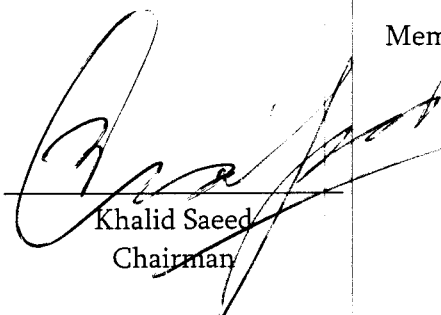
AUTHORITY

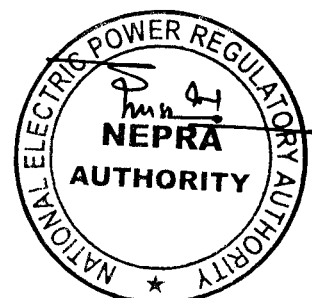

Zafar Ali Khan
Member
21/7/11


Maqbool Ahmad Khawaja
Member


Ghiasuddin Ahmed
Member
22/7


Shaukat Ali Kundt
Member/ Vice Chairman
22.07.2011


Khalid Saeed
Chairman



ENGRO POWERGEN QADIRPUR LIMITED
(Formerly Engro Energy Limited)
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Indexation	Reference	Revised
			Jul.-Sep. 11 Quarter
Capacity Charge (Rs./kW/Hour)			
Fixed O&M - Foreign	US CPI & Exchange Rate	0.0096	0.0102
Fixed O&M - Local	WPI- Local	0.1366	0.1858
Insurance	Actual on yearly basis	0.0630	0.0630
Cost of Working Capital	Kibor Variation	0.0537	0.0580
ROE	Exchange Rate	0.3438	0.3514
ROEDC	Exchange Rate	0.1265	0.1293
Debt Servicing	Libor Variation & Exchange Rate	0.7422	0.7490
Total Capacity Charge		1.4754	1.5467
Energy Charge (Rs./kWh)			
Variable O&M - Foreign	US\$/Rs. & US CPI	0.1917	0.2042
Variable O&M - Local	WPI- Local	0.0381	0.0518
Total Variable O&M		0.2298	0.2560

Following Values are used for adjustment/indexation of tariff:

	Reference	Revised
		Jul.-Sep. 11 Quarter
Exchange Rate (Rs./USD)	84.200	86.050
US CPI (All Urban Consumers)	216.741	225.964
WPI (Manufactures) - Local	159.310	216.650
3 Monthly LIBOR	0.29%	0.25%
3 Monthly KIBOR	12.36%	13.53%
Hours in the quarter	-	2208



Handwritten signature/initials