



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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E-mail: registrar@nepra.org.pk

No. NEPRA/TRF-72/EEL-2007/8681-8683
October 24, 2012

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 tariff (Annex-I) (02 pages) regarding quarterly indexation/adjustment of tariff of Engro Powergen Qadirpur Ltd. for the quarter October-December 2012 on account of US CPI, WPI (Local), Exchange Rate and KIBOR variation 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.

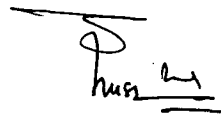
3. Please note that the schedule of revised Tariff to be notified in the official Gazette is attached as Annex-I.

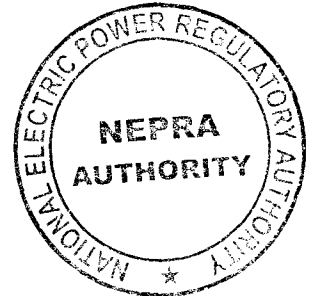
Enclosure: As above

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

CC:

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


(Syed Safer Hussain)





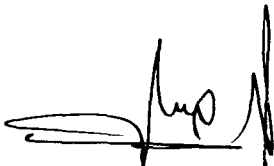
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/
ADJUSTMENT OF TARIFF FOR ENGRO POWERGEN QADIRPUR LIMITED**

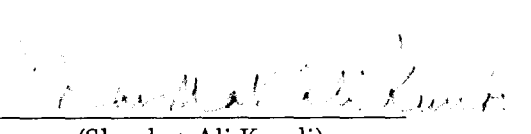
Pursuant to the decisions of the Authority in the matter of adjustment at Commercial Operation Date (COD) regarding Engro Powergen Qadirpur Limited (EPQL), formerly Engro Energy Limited dated 3rd November 2010, 26th August 2011 and Corrigendum dated May 14, 2012, the tariff of EPQL in respect of October-December 2012 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 decisions of the Authority. The revised tariff indicated hereunder shall be immediately applicable:

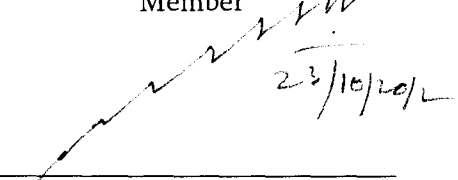
Tariff Components	Reference		Revised Oct-Dec 2012 Quarter	
	GAS	HSD	GAS	HSD
Capacity Charge (Rs./kW/Hour)				
Fixed O&M - Foreign	0.0096	0.0099	0.0115	0.0118
Fixed O&M - Local	0.1366	0.1404	0.1796	0.1846
Insurance	0.0630	0.0648	0.0648	0.0666
Cost of Working Capital	0.0537	0.0553	0.0457	0.0471
ROE	0.3438	0.3534	0.3867	0.3975
ROEDC	0.1265	0.1300	0.1423	0.1462
Debt Servicing	0.7121	0.7320	0.8046	0.8271
Total Capacity Charge	1.4453	1.4858	1.6352	1.6809
Variable O&M (Rs./kWh)				
Variable O&M - Foreign	0.1917	0.1971	0.2292	0.2356
Variable O&M - Local	0.0381	0.0392	0.0501	0.0515
Total Variable O&M	0.2298	0.2363	0.2793	0.2871

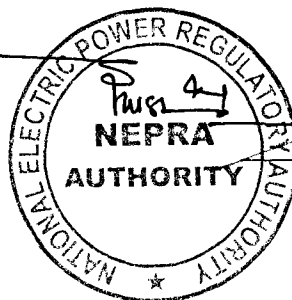
The above referred revised tariff components attached as **Annex-I** is to be notified in the official gazette in accordance with the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

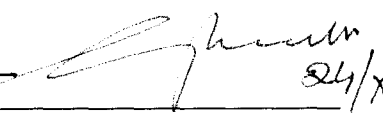
AUTHORITY


(Khawaja Muhammad Naeem)
Member


(Shoukat Ali Kundi)
Member


(Habibullah Khilji)
Member




(Ghiasuddin Ahmed)
Acting Chairman

ENGRO POWERGEN QADIRPUR LIMITED

(Formerly Engro Energy Limited)

Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference		Revised Oct-Dec 2012 Quarter	
	GAS	HSD	GAS	HSD
Capacity Charge (Rs./kW/Hour)				
Fixed O&M - Foreign	0.0096	0.0099	0.0115	0.0118
Fixed O&M - Local	0.1366	0.1404	0.1796	0.1846
Insurance	0.0630	0.0648	0.0648	0.0666
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Indexation Values				
Exchange Rate (Rs./USD)	84.200		94.700	
US CPI (All Urban Consumers)	216.741		230.379	
* WPI (Manufactures) - Local	159.310		209.470	
3 Monthly LIBOR	0.29%		0.36%	
3 Monthly KIBOR	12.36%		10.20%	
Hours in the quarter			2208	

* For the purpose of indexation of local O&M for October-December 2012 quarter, WPI (Manufactures) for August 2012 was required to be used. However, with the revision of base values of WPI from 2000-01 to 2007-08 by Federal Bureau of Statistics, the commodity group of WPI (Manufactures) has now ceased to exist and the latest available WPI (Manufactures) pertaining to July 2011 has been used for the indexation. The local O&M component will be revised, if required, in terms of Para 12.3 of Part V of Schedule 1 of the PPA on determination of new index by the Authority.

