



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-124 /OPCL-2009/10388-10390

November 4, 2011

Subject: **Decision of the Authority in the Matter of Quarterly Indexation/Adjustment of Tariff for Orient Power Company (Pvt.) Ltd. (Case No. NEPRA/TRF-124/OPCL-2009(2)) - 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 of tariff for October-December 2011 quarter on account of US CPI, WPI (Manufactures) Local, KIBOR and Exchange Rate variations in respect of Orient Power Company (Pvt.) Ltd. in Case No. NEPRA/TRF-124/OPCL-2009(2).

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


(Syed Safeer Hussain)

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

CC:

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





**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/
ADJUSTMENT OF TARIFF FOR ORIENT POWER COMPANY (PRIVATE) LIMITED**

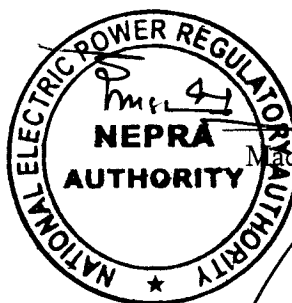
Pursuant to the decisions of the Authority in the matter of adjustment at Commercial Operation Date (COD) regarding Orient Power Company (Private) Limited (hereinafter "OPCL") dated April 13, 2011 and June 01, 2011, the tariff of OPCL has been revised on account of US CPI, WPI (Manufactures) Local, KIBOR and Exchange Rate variations in accordance with the requisite indexation/adjustment mechanisms stipulated in the decisions of the Authority. The revised tariff indicated hereunder shall be immediately applicable for the quarter October - December 2011:

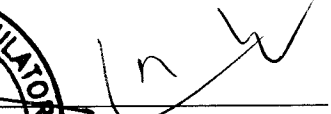
Tariff Components	Reference	Revised Oct-Dec 2011
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0885	0.1336
Fixed O&M - Foreign	0.1065	0.1231
Insurance	0.0400	0.0400
Cost of Working Capital-Gas	0.0465	0.0459
Cost of Working Capital-HSD	0.0996	0.0984
Return on Equity	0.3964	0.4304
Return on Equity During Construction	0.0795	0.0863
Debt Servicing	1.0247	1.0159
Total Capacity Charge (Gas)	1.7821	1.8752
Total Capacity Charge (HSD)	1.8352	1.9277
Variable O&M (Rs./kWh)		
Variable O&M – Foreign	0.1459	0.1687

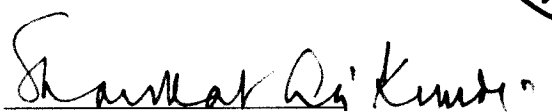
The above referred revised tariff components attached as **Annex-I** is to be notified in the official gazette, in accordance with the provision of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

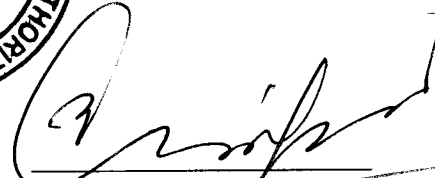
Authority


Ghiasuddin Ahmed 31/x
Member




Matbool Ahmad Khawaja
Member


Shaukat Ali Kundi
Member/ Vice Chairman 01.11.2011


Khalid Saeed
Chairman

Orient Power Company (Pvt.) Limited
Adjustment on account of Quarterly Indexations

Tariff Components	Reference	Revised Oct-Dec 2011
<u>Capacity Charge(Rs./kW/Hour)</u>		
Fixed O&M – Local	0.0885	0.1336
Fixed O&M - Foreign	0.1065	0.1231
Insurance	0.0400	0.0400
Cost of Working Capital-Gas	0.0465	0.0459
Cost of Working Capital-HSD	0.0996	0.0984
Return on Equity	0.3964	0.4304
Return on Equity During Construction	0.0795	0.0863
Debt Servicing	1.0247	1.0159
Total Capacity Charge (Gas)	1.7821	1.8752
Total Capacity Charge (HSD)	1.8352	1.9277
<u>Energy Charge (Rs./kWh)</u>		
Variable O&M – Foreign	0.1459	0.1687
<u>Indexation Values</u>		
WPI (Manufactures)	138.810	209.470
US CPI	212.709	226.545
Exchange Rate	80.500	87.400
KIBOR	13.39%	13.20%
Hours in the Quarter		2208

* For the purpose of indexation of local O&M for October-December 2011 quarter, WPI (Manufactures) for August 2011 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.

