



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/TRF-124 /OPCL-2009/1007-1009

February 2, 2012

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 the quarter (January-March 2012) 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.

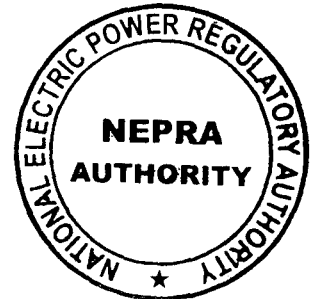
Enclosure: As above

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)





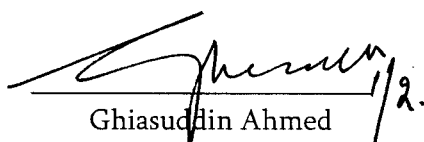
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/
ADJUSTMENT OF TARIFF FOR ORIENT POWER COMPANY (PRIVATE) LIMITED**

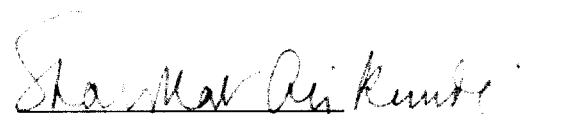
Pursuant to the decision of the Authority dated 1st June 2012 in the matter of adjustment at Commercial Operation Date (COD) regarding Orient Power Company (Private) Limited (hereinafter "OPCL"), the tariff of OPCL has been revised on account of US CPI, WPI (Manufactures) Local, KIBOR and Exchange Rate 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 January-March 2012:

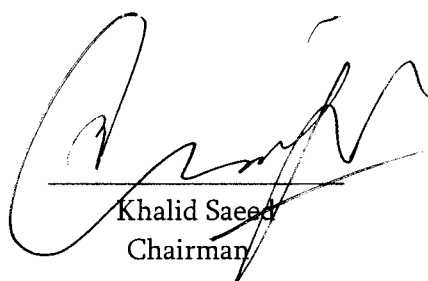
Tariff Components	Reference COD Decision 01 Jun 2011	Revised Jan-Mar 2012 Quarter
<u>Capacity Charge(Rs./kW/Hour)</u>		
Fixed O&M – Local	0.0885	0.1336
Fixed O&M - Foreign	0.1065	0.1264
Insurance	0.0400	0.0400
Cost of Working Capital-Gas	0.0465	0.0422
Cost of Working Capital-HSD	0.0996	0.0904
Return on Equity	0.3964	0.4422
Return on Equity During Construction	0.0795	0.0887
Debt Servicing	1.0247	0.9598
Total Capacity Charge (Gas)	1.7821	1.8329
Total Capacity Charge (HSD)	1.8352	1.8811
<u>Variable O&M (Rs./kWh)</u>		
Variable O&M – Foreign	0.1459	0.1731

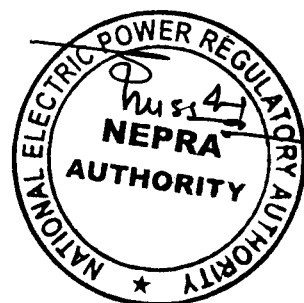
The above referred revised tariff components attached as **Annex-I** is to be notified in the official gazette, in accordance with the provision of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

Authority


Ghiasuddin Ahmed
Member


Shaikat Ali Kundi
Member 02.02.2012


Khalid Saeed
Chairman



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

Tariff Components	Reference COD Decision 01 Jun 2011	Revised Jan-Mar 2012 Quarter
<u>Capacity Charge(Rs./kW/Hour)</u>		
Fixed O&M – Local	0.0885	0.1336
Fixed O&M - Foreign	0.1065	0.1264
Insurance	0.0400	0.0400
Cost of Working Capital-Gas	0.0465	0.0422
Cost of Working Capital-HSD	0.0996	0.0904
Return on Equity	0.3964	0.4422
Return on Equity During Construction	0.0795	0.0887
Debt Servicing	1.0247	0.9598
Total Capacity Charge (Gas)	1.7821	1.8329
Total Capacity Charge (HSD)	1.8352	1.8811
<u>Variable O&M (Rs./kWh)</u>		
Variable O&M – Foreign	0.1459	0.1731
<u>Indexation Values</u>		
WPI (Manufactures)	138.810	209.470
US CPI	212.709	226.230
Exchange Rate	80.500	89.800
KIBOR	13.39%	11.98%
Hours in the Quarter		2184

* For the purpose of indexation of local O&M for January-March 2012 quarter, WPI (Manufactures) for November 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.

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