



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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E-mail: registrar@nepra.org.pk

No. NEPRA/TRF-124 /OPCL-2009/9700-9702
October 24, 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 tariff Annex-I & Annex-II (03 pages) regarding quarterly indexation/adjustment of tariff of Orient Power Company (Pvt.) Ltd. for the quarter October-December 2012 on account of US CPI, WPI (Local), Exchange Rate and KIBOR variation 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.

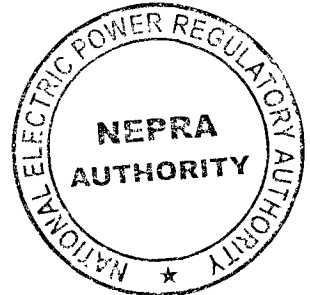
Enclosure: As above

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

CC:

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


(Syed Safer Hussain)





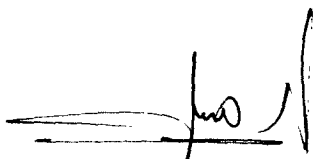
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ ADJUSTMENT
OF TARIFF FOR ORIENT POWER COMPANY (PRIVATE) LIMITED**

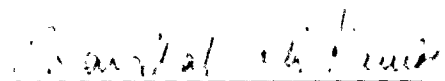
Pursuant to the decision of the Authority dated 12th January 2012 in the matter of Motion for leave for Review filed by Orient Power Company (Private) Limited (hereinafter "OPCL") against the decision of the Authority dated April 13, 2011 regarding adjustment at Commercial Operation Date (COD) and subsequent Corrigendum dated 23rd April 2012 the tariff of OPCL in respect of October-December 2012 quarter has been revised on account of US CPI, WPI (Local), exchange rate 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:

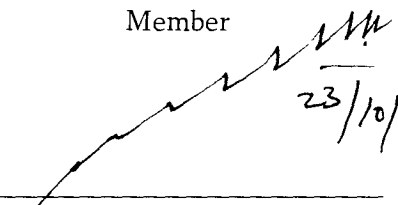
Tariff Components	Reference COD Decision Review 12 Jan 2012	Revised Oct-Dec 2012 Quarter
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0885	0.1336
Fixed O&M - Foreign	0.1065	0.1357
Insurance	0.0400	0.0608
Cost of Working Capital-Gas	0.0473	0.0376
Cost of Working Capital-HSD	0.1013	0.0805
ROE	0.3964	0.4663
ROEDC	0.0795	0.0935
Debt Servicing	1.0297	0.8905
Capacity Charge (Gas)	1.7879	1.8180
Capacity Charge (HSD)	1.8419	1.8609
Variable O&M (Rs./kWh)		
Variable O&M – Gas	0.1459	0.1859
Variable O&M – HSD	0.2392	0.3048

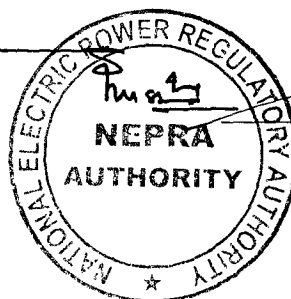
The above referred revised tariff components attached as **Annex-I** is to be notified in the official gazette in accordance with the provision of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

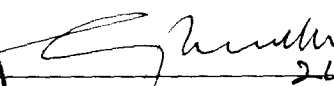
Authority


(Khawaja Muhammad Naeem)
Member


(Shaukat Ali Kundi)
Member


(Habibullah Khilji)
Member




(Ghiasuddin Ahmed)
Acting Chairman

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

Tariff Components	Reference COD Decision Review 12 Jan 2012	Revised Oct-Dec 2012 Quarter
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0885	0.1336
Fixed O&M - Foreign	0.1065	0.1357
Insurance	0.0400	0.0608
Cost of Working Capital-Gas	0.0473	0.0376
Cost of Working Capital-HSD	0.1013	0.0805
ROE	0.3964	0.4663
ROEDC	0.0795	0.0935
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Capacity Charge (Gas)	1.7879	1.8180
Capacity Charge (HSD)	1.8419	1.8609
Variable O&M (Rs./kWh)		
Variable O&M – Gas	0.1459	0.1859
Variable O&M – HSD	0.2392	0.3048
Indexation Values		
WPI (Manufactures)	138.810	209.470
US CPI	212.709	230.379
Exchange Rate	80.500	94.700
KIBOR	13.39%	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.

