



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/TRF-80/SPL-2007/10555-10557

November 11, 2011

Subject: **Decision of the Authority in the Matter of Quarterly Indexation/Adjustment of Tariff for Saif Power Ltd. (Case No. NEPRA/TRF-80/SPL-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 schedule of tariff (Annex-I) (02 pages) regarding adjustment of tariff applicable during the quarter of October-December 2011 on account of US CPI, WPI (Manufactures) Local, KIBOR and Exchange Rate variations in respect of Saif Power Ltd. in Case No. NEPRA/TRF-80/SPL-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.

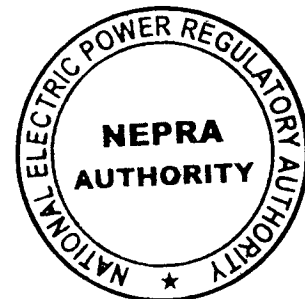
3. Please note that only revised schedule (Annex-I) of tariff is required to be notified in the official Gazette.

Enclosure: As above


Registrar

Secretary
Ministry of Water & Power,
'A' Block, Pak Secretariat
Islamabad

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





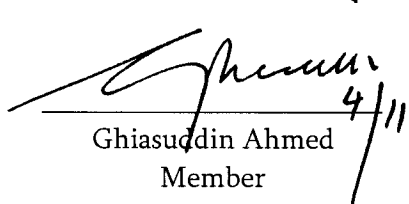
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/
ADJUSTMENT OF TARIFF FOR SAIF POWER LIMITED**


Pursuant to the Paragraph 23(III) of the Authority's decision dated June 20, 2011 in the case of Saif Power Limited (hereinafter "SPL"), the tariff of SPL 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 decision of the Authority. The revised tariff indicated hereunder shall be immediately applicable during the quarter: *October - December, 2011: 7.5%*

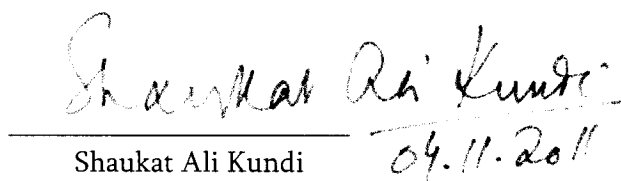
Tariff Components	Reference	Revised Oct-Dec 2011
<u>Capacity Charge(Rs./kW/Hour)</u>		
Fixed O&M – Local	0.0612	0.0792
Fixed O&M - Foreign	0.1016	0.1100
Insurance	0.0933	0.0933
Cost of Working Capital-Gas	0.0424	0.0449
Cost of Working Capital-HSD	0.0909	0.0962
Return on Equity	0.3824	0.3979
Return on Equity During Construction	0.1129	0.1175
Debt Servicing	1.3848	1.4404
Total Capacity Charge (Gas)	2.1786	2.2832
Total Capacity Charge (HSD)	2.2271	2.3345
<u>Variable O&M (Rs./kWh)</u>		
Variable O&M – Foreign -Gas	0.2650	0.2870
Variable O&M – Foreign -HSD	0.3825	0.4143

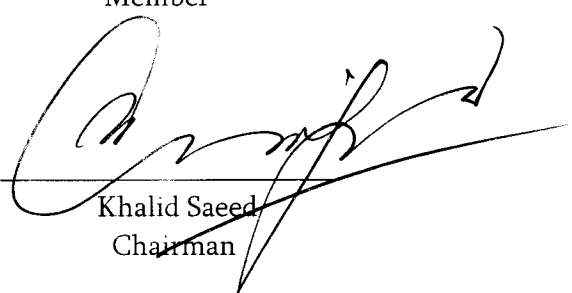
The above referred revised tariff components attached as **Annex-I** is to be notified in the official gazette, in accordance with the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

Authority


Ghiasuddin Ahmed
Member


Maqbool Ahmad Khawaja
Member


Shaukat Ali Kundi
Member/ Vice Chairman


Khalid Saeed
Chairman

Saif Power Limited
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference	Revised Oct-Dec 2011
Capacity Charge(Rs./kW/Hour)		
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Fixed O&M - Foreign	0.1016	0.1100
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Variable O&M – Foreign -HSD	0.3825	0.4143
Indexation Values		
WPI (Manufactures)	161.770	209.470
US CPI	217.631	226.545
Exchange Rate	84.000	87.400
KIBOR	12.34%	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.

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