



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/TRF-80/SPL-2007/804-806

January 30, 2012

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)**

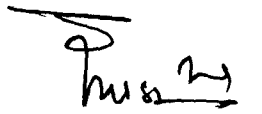
Dear Sir,

Please find enclosed herewith the decision of the Authority along with schedule of tariff (Annex-I) (02 pages) regarding adjustment of tariff for the quarter (January-March, 2012) on account of US CPI, WPI (Local), Exchange Rate and KIBOR 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.

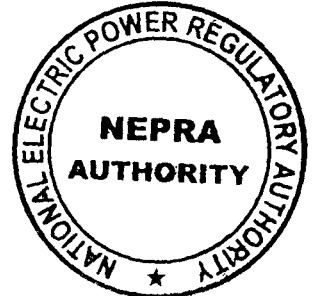
3. Please note that only revised schedule (Annex-I) of tariff is required to be notified in the official Gazette.

Enclosure: As above


(Syed Safeer Hussain)

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

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



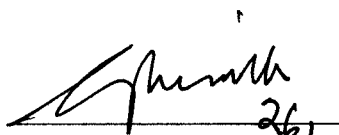
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/
ADJUSTMENT OF TARIFF FOR SAIF POWER LIMITED**

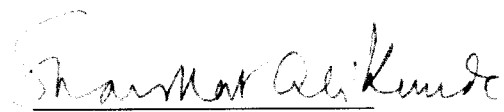
Pursuant to the Paragraph 23(III) of the Authority's decision dated June 20, 2011 in the matter of adjustment at commercial operation date in the case of Saif Power Limited (hereinafter "SPL"), the tariff of SPL in respect of January-March 2012 quarter has been revised on account of US CPI, WPI (Local), 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 20 Jun 2011	Revised Jan-Mar 2012 Quarter
<u>Capacity Charge(Rs./kW/Hour)</u>		
Fixed O&M – Local	0.0612	0.0792
Fixed O&M - Foreign	0.1016	0.1129
Insurance	0.0933	0.0850
Cost of Working Capital-Gas	0.0424	0.0413
Cost of Working Capital-HSD	0.0909	0.0885
Return on Equity	0.3824	0.4088
Return on Equity During Construction	0.1129	0.1207
Debt Servicing	1.3848	1.3616
Total Capacity Charge (Gas)	2.1786	2.2095
Total Capacity Charge (HSD)	2.2271	2.2567
<u>Variable O&M (Rs./kWh)</u>		
Variable O&M – Foreign -Gas	0.2650	0.2945
Variable O&M – Foreign -HSD	0.3825	0.4251

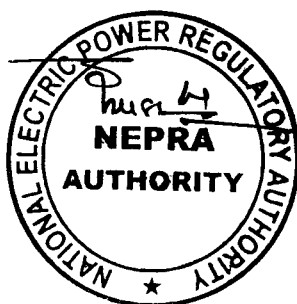
The above referred revised tariff components attached as **Annex-I** is to be notified in the official gazette, in accordance with the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

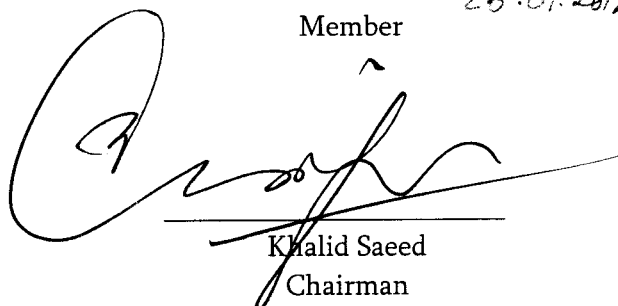
Authority


Ghiasuddin Ahmed
Member


Shaukat Ali Kundi
Member

Maqbool Ahmad Khawaja
Member/Vice Chairman




Khalid Saeed
Chairman

Saif Power Limited
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference COD Decision 20 Jun 2011	Revised Jan-Mar 2012 Quarter
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0612	0.0792
Fixed O&M - Foreign	0.1016	0.1129
Insurance	0.0933	0.0850
Cost of Working Capital-Gas	0.0424	0.0413
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Total Capacity Charge (HSD)	2.2271	2.2567
Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2650	0.2945
Variable O&M – Foreign -HSD	0.3825	0.4251
Indexation Values		
WPI (Manufactures)	161.770	209.470
US CPI	217.631	226.230
Exchange Rate	84.000	89.800
KIBOR	12.34%	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.

