No. NEPRA/TRF-80/SPL-2007/11178-11180
October 9, 2013

Subject: **Decision of the Authority in the Matter of Quarterly Indexation/Adjustment of Tariff for Saif Power Ltd.**
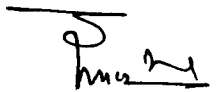
Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff (Annex-I) (02 pages) regarding quarterly indexation/adjustment of tariff of Saif Power Ltd. for the quarter October-Decembers 2013 on account of US CPI, CPI (General) Local, Exchange Rate and KIBOR variation 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 revised tariff to be notified in the official Gazette is attached as Annex-I.

Enclosure: <u>As above</u>

(Syed Safeer Hussain)

Secretary
Ministry of Water & Power,
'A' Block, Pak Secretariats
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
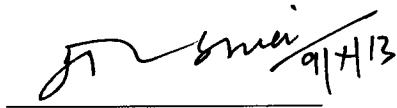
Pursuant to the decision of the Authority dated June 20, 2011 in the matter of adjustment at commercial operation date and decision of the Authority dated 20th December 2012 regarding change of index in the case of Saif Power Limited (hereinafter "SPL"), the tariff of SPL in respect of October-December 2013 quarter has been revised on account of US CPI, CPI (General) local, exchange rate and KIBOR variation in accordance with the requisite indexation/adjustment mechanism stipulated in the above referred decisions of the Authority. The revised tariff indicated hereunder shall be immediately applicable:
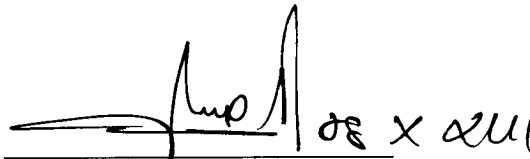
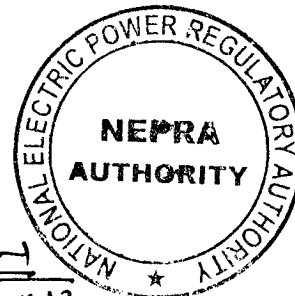| Tariff Components	Reference COD Decision 20 Jun 2011	Revised Oct-Dec 2013 Quarter
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0792	0.0951
Fixed O&M - Foreign	0.1016	0.1371
Cost of Working Capital-Gas	0.0424	0.0339
Cost of Working Capital-HSD	0.0909	0.0726
Return on Equity	0.3824	0.4803
ROEDC	0.1129	0.1418
Debt Servicing	1.3848	1.2222
Total (Gas)	**2.1033**	**2.1104**
Total (HSD)	**2.1518**	**2.1491**
Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2650	0.3577
Variable O&M – Foreign -HSD	0.3825	0.5163

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

(Habibullah Khilji)
Member

(Maj (R) Haroon Rashid)
Member

(Khawaja Muhammad Naeem)
Vice Chairman

Saif Power Limited
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference COD Decision 20 Jun 2011	Revised Oct-Dec 2013 Quarter
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0792	0.0951
Fixed O&M - Foreign	0.1016	0.1371
Cost of Working Capital-Gas	0.0424	0.0339
Cost of Working Capital-HSD	0.0909	0.0726
Return on Equity	0.3824	0.4803
Return on Equity During Construction	0.1129	0.1418
Debt Servicing	1.3848	1.2222
Total (Gas)	**2.1033**	**2.1104**
Total (HSD)	**2.1518**	**2.1491**
Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2650	0.3577
Variable O&M – Foreign -HSD	0.3825	0.5163
Indexation Values		
CPI (General)	154.720	185.710
US CPI	217.631	233.877
Exchange Rate	84.000	105.500
KIBOR	12.34%	9.43%
Principal Outstanding (Rs. Mlns.)	12,908	10,354
Hours in the Quarter		2208

Note:- Insurance component of capacity charge is not part of quarterly indexaqtion. It is adjusted annualy on actual basis as per mechanism stipulated in the decision of the Authority.