



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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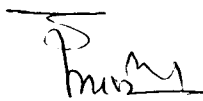
No. NEPRA/TRF-80/SPL-2007/18406-10
December 31, 2015

Chief Executive Officer,
Saif Power Ltd.,
4th Floor, Kulsum Plaza,
Blue Area,
Jinnah Avenue, Islamabad

Subject: **Decision of the Authority in the Matter of Fuel Price Adjustment (RLNG) for Saif Power Ltd. on Provisional Basis (Case No. NEPRA/TRF-80/SPL-2007)**

Enclosed please find herewith the subject decision of the Authority (02 pages) in the matter of fuel price adjustment for RLNG in respect of Saif Power Ltd. on provisional basis. The notification on the subject decision will follow.

Enclosure: As above


(Syed Safeer Hussain) 31-12-15

CC:

1. Secretary. Ministry of Water & Power, Islamabad
2. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
3. Secretary, Ministry of Finance, Islamabad.
4. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited
6th Floor, Shaheed-e-Millat Secretariat, Jinnah Avenue, Blue Area, Islamabad.

**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL PRICE ADJUSTMENT (RLNG) FOR
SAIF POWER LIMITED (SPL) ON PROVISIONAL BASIS**

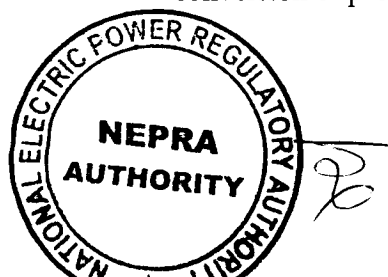
1. Pursuant to the decision of the Authority dated June 20, 2011 in the case of Saif Power Limited (hereinafter "SPL"), the fuel portion of energy charge part of tariff of SPL has to be adjusted for variation in gas prices.
2. SPL vide letter No. NEPRA/15/035 dated October 12, 2015 submitted its request for revision of its Fuel Cost Component based on the RLNG price.
3. SPL is now procuring the imported Re-gasified Liquefied Natural Gas (RLNG) for which there is no prescribed mechanism for adjustment in the fuel portion of energy charge part of tariff for variation in R-LNG prices in the aforementioned determination. Therefore, in order to prescribe adjustment mechanism in this regard, modification in the existing notified mechanism is required in accordance with the NEPRA Tariff Standard and Procedures Rules 1998. Accordingly the Authority decided to treat the request of SPL as a Petition and decided to initiate the proceedings for determination of fuel cost component on the basis of RLNG.
4. Further, while admitting the petition of Saif Power Limited for fuel price adjustment on the basis of RLNG, the Authority considered the request of SPL application of adjustment and decided to allow immediate application for adjustment in the Fuel Cost Component on the basis of RLNG Price (Provisional), as notified by OGRA, in terms of Rule 4(7) of Tariff Standards & Procedures Rules 1998, subject to the order of refund for the protection of the consumers, while the proceedings for devising the fuel price adjustment are pending before the Authority.
5. Oil & Gas Regulatory Authority's (OGRA) vide its determination dated October 07, 2015 in the matter of RLNG Price has provisionally notified the RLNG price. Based on the provisional price of RLNG notified by OGRA vide para 5.18 & 5.19 of its determination, the Authority has worked out the Fuel Cost Component of SPL for provision basis, indicated hereunder, which shall be immediately applicable on units delivered basis:

Provisional RLNG Price (USD) HHV	*Exchange Rate	Provisional RLNG price (PKR) HHV	**Provisional RLNG price (PKR) LHV	Reference Gas Price (June 20,2011) LHV	Reference Fuel Cost Component (June 20,2011)	Provisional Fuel Cost Component on RLNG Price w.e.f March 2015
USD./MMBTU	USD/PKR	RS./MMBTU	RS./MMBTU	RS./MMBTU	Rs./kWh	Rs./kWh
8.6368	104.3189	900.9815	997.9271	368.12	2.4540	6.6525

*Exchange rate as assumed by PSO in its submitted cost break up for the month of Sept,2015 as per OGRA determination for RLNG Price on Provisional basis

**Provisional RLNG price is adjusted for LHV-HHV factor of 1.1076

6. Since, at this point there is no clarification regarding the exchange rate to be applicable for the conversion of provisionally notified RLNG price from US dollars to PKR, therefore, the Authority has

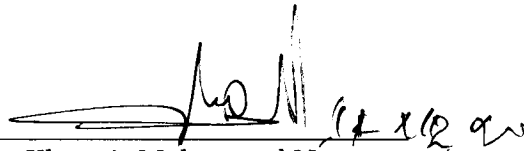


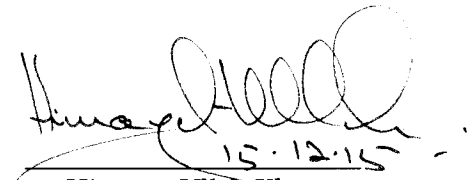


decided to apply the exchange rate applied by PSO in its submitted cost break up for RLNG for the month of September, 2015 as per Para 2.3 of the OGRA determination of RLNG Price on provisional basis, which will be subject to adjustment once the proceedings are finalized.

7. In case the IPP uses pipeline quality gas, the Fuel Cost Component shall be adjusted in accordance with the already notified adjustment mechanism.
8. The above referred Provisional fuel cost component 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


Himayat Ullah Khan
Member

(DID NOT ATTEND)
Syed Masood-ul-Hassan Naqvi
Member

- On leave -
Maj (R) Haroon Rashid
Vice Chairman


Brig (R) Tariq Saddozai
Chairman
15/12/15



