



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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No. NEPRA/TRF-125/SECL-2009/11148-11150

October 9, 2013

Subject: Decision of the Authority in the Matter of Quarterly Indexation/Adjustment of Tariff for Sapphire Electric Company 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 Sapphire Electric Company Ltd. for the quarter (October-December, 2013) on account of US CPI, CPI (Local), Exchange Rate and KIBOR variation in Case No. NEPRA/TRF-125/SECL-2009.

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: As above

(Syed Safeer Hussain)

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

CC:

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

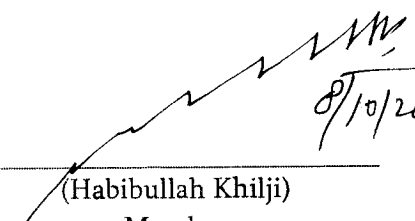
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/
ADJUSTMENT OF TARIFF FOR SAPPHIRE ELECTRIC COMPANY LIMITED**


Pursuant to the decisions the Authority dated 23rd November 2012 in the matter of motion for leave for review filed against the decision of the Authority at Commercial Operation Date (COD) and decision of the Authority dated 20th December 2012 regarding change of index in the case of Sapphire Electric Company Limited (hereinafter "SECL"), the tariff of SECL in respect of for October-December 2013 quarter has been revised on account of US CPI, CPI (Local), exchange rate and KIBOR variation in accordance with the requisite indexation/adjustment mechanisms stipulated in the above referred decisions of the Authority. The revised tariff indicated hereunder shall be immediately applicable:

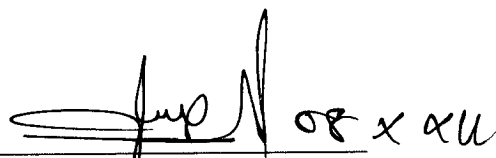
Tariff Components	Reference 23rd Nov. 2012	Revised Oct-Dec 2013
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0762	0.0915
Fixed O&M - Foreign	0.0965	0.1321
Cost of Working Capital-Gas	0.0449	0.0352
Cost of Working Capital-HSD	0.0961	0.0752
Return on Equity	0.3964	0.5017
Return on Equity During Construction	0.1061	0.1343
Debt Servicing	1.3145	1.1403
Total (Gas)	2.0346	2.0351
Total (HSD)	2.0858	2.0751
Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2583	0.3537
Variable O&M – Foreign -HSD	0.3728	0.5105

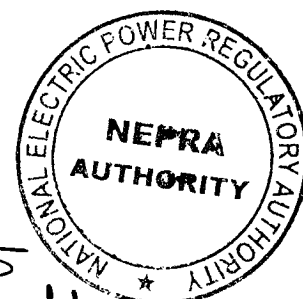
The above referred revised tariff components attached as **Annex-I** is to be notified in the official gazette, in accordance with the provision of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

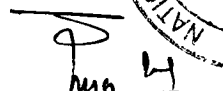
AUTHORITY


(Habibullah Khilji)
Member


(Maj (R) Haroon Rashid)
Member


(Khawaja Muhammad Naeem)
Vice Chairman




9/11/13

Annex-I

Sapphire Electric Company Limited
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference 23rd Nov. 2012	Revised Oct-Dec 2013
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0762	0.0915
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Variable O&M – Foreign -HSD	0.3728	0.5105
Indexation Values		
CPI (General)	154.720	185.710
US CPI	216.177	233.877
Exchange Rate	83.350	105.500
KIBOR	12.60%	9.43%
Principal Outstanding (Rs. in Million)	12,268	10,293
Hours in the Quarter		2208

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

