



**Registrar**

# **National Electric Power Regulatory Authority**

## **Islamic Republic of Pakistan**

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No. NEPRA/TRF-125/SECL-2009/4324-4326  
April 30, 2014

**Subject: Decision of the Authority in the Matter of Quarterly Indexation/Adjustment of Tariff for Sapphire Electric Company Ltd. (Case No. NEPRA/TRF-125/SECL-2009)**

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 April-June 2014 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, 'Q' Block, Pak Secretariat, Islamabad.




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

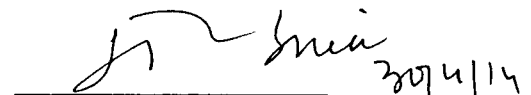
Pursuant to the decisions the Authority dated 23<sup>rd</sup> November 2012 in the matter of motion for leave for review filed against the decision of the Authority at Commercial Operation Date (COD) and decision of the Authority dated 20<sup>th</sup> December 2012 regarding change of index in the case of Sapphire Electric Company Limited (hereinafter "SECL"), the tariff of SECL in respect of for April- June 2014 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:

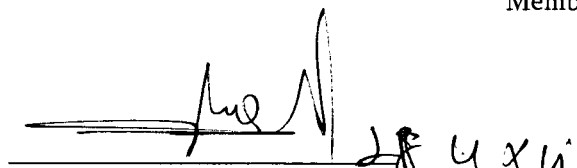
Tariff Components	Reference 23rd Nov. 2012	Revised Apr-Jun 2014
<b>Capacity Charge(Rs./kW/Hour)</b>		
Fixed O&M – Local	0.0762	0.0931
Fixed O&M - Foreign	0.0965	0.1231
Cost of Working Capital-Gas	0.0449	0.0374
Cost of Working Capital-HSD	0.0961	0.0801
Return on Equity	0.3964	0.4656
Return on Equity During Construction	0.1061	0.1246
Debt Servicing	1.3145	1.1856
<b>Total (Gas)</b>	<b>2.0346</b>	<b>2.0294</b>
<b>Total (HSD)</b>	<b>2.0858</b>	<b>2.0721</b>
<b>Variable O&amp;M (Rs./kWh)</b>		
Variable O&M – Foreign -Gas	0.2583	0.3295
Variable O&M – Foreign -HSD	0.3728	0.4756

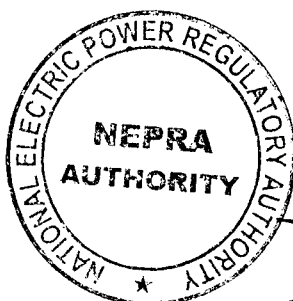
The above referred revised tariff components attached as **Annex-I** is to be notified in the official gazette, in accordance with the provision of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

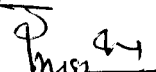
**AUTHORITY**

  
(Habibullah Khilji)  
Member

  
(Maj (R) Haroon Rashid)  
Member

  
(Khawaja Muhammad Naeem)  
Vice Chairman



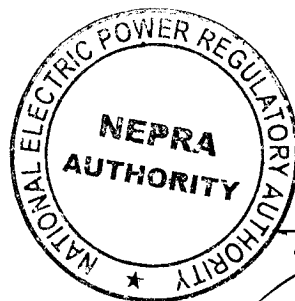
  
30.04.14

## Annex-I

**Sapphire Electric Company Limited**  
**Quarterly Indexation/Adjustment of Tariff**

Tariff Components	Reference 23rd Nov. 2012	Revised Apr-Jun 2014
<b>Capacity Charge(Rs./kW/Hour)</b>		
Fixed O&M – Local	0.0762	0.0931
Fixed O&M - Foreign	0.0965	0.1231
Cost of Working Capital-Gas	0.0449	0.0374
Cost of Working Capital-HSD	0.0961	0.0801
Return on Equity	0.3964	0.4656
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Debt Servicing	1.3145	1.1856
<b>Total (Gas)</b>	<b>2.0346</b>	<b>2.0294</b>
<b>Total (HSD)</b>	<b>2.0858</b>	<b>2.0721</b>
<b>Variable O&amp;M (Rs./kWh)</b>		
Variable O&M – Foreign -Gas	0.2583	0.3295
Variable O&M – Foreign -HSD	0.3728	0.4756
<b>Indexation Values</b>		
CPI (General)	154.720	189.000
US CPI	216.177	234.781
Exchange Rate	83.350	97.900
KIBOR	12.60%	10.18%
Principal Outstanding (Rs. in Million)	12,268	9,866
Hours in the Quarter		2184

**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.



30.04.14