



Registar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

NEPRA Tower, Ataturk Avenue (East) G-5/1, Islamabad
Ph: +92-51-9206500, Fax: +92-51-2600026
Web: www.nepra.org.pk, E-mail: info@nepra.org.pk

No. NEPRA/TRF-125/SECL-2009/417-419
January 9, 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 January-March 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.

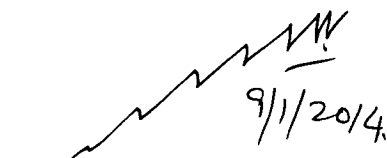
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/
ADJUSTMENT OF TARIFF FOR SAPPHIRE ELECTRIC COMPANY LIMITED**


Pursuant to the decisions the Authority dated 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 January-March 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:

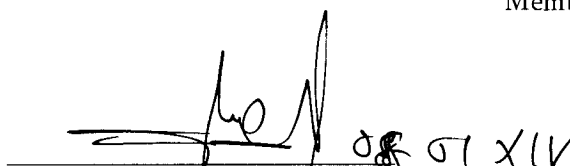
| Tariff Components | Reference 23rd Nov. 2012 | Revised Jan-Mar 2014 |
|--------------------------------------|--------------------------------|----------------------------|
| Capacity Charge(Rs./kW/Hour) | | |
| Fixed O&M – Local | 0.0762 | 0.0942 |
| Fixed O&M - Foreign | 0.0965 | 0.1313 |
| Cost of Working Capital-Gas | 0.0449 | 0.0371 |
| Cost of Working Capital-HSD | 0.0961 | 0.0793 |
| Return on Equity | 0.3964 | 0.5003 |
| Return on Equity During Construction | 0.1061 | 0.1339 |
| Debt Servicing | 1.3145 | 1.1764 |
| Total (Gas) | 2.0346 | 2.0732 |
| Total (HSD) | 2.0858 | 2.1154 |
| Variable O&M (Rs./kWh) | | |
| Variable O&M – Foreign -Gas | 0.2583 | 0.3515 |
| Variable O&M – Foreign -HSD | 0.3728 | 0.5073 |

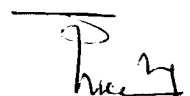
The above referred revised tariff components attached as **Annex-I** is to be notified in the official gazette, in accordance with the provision of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

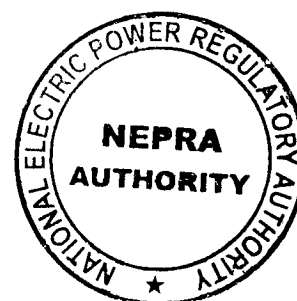
AUTHORITY


(Habibullah Khilji)
Member


(Maj (R) Haroon Rashid)
Member


(Khawaja Muhammad Naeem)
Vice Chairman


07.01.14



Annex-I

Sapphire Electric Company Limited
Quarterly Indexation/Adjustment of Tariff

| Tariff Components | Reference 23rd Nov. 2012 | Revised Jan-Mar 2014 |
|----------------------------------------|--------------------------------|----------------------------|
| Capacity Charge(Rs./kW/Hour) | | |
| Fixed O&M – Local | 0.0762 | 0.0942 |
| Fixed O&M - Foreign | 0.0965 | 0.1313 |
| Cost of Working Capital-Gas | 0.0449 | 0.0371 |
| Cost of Working Capital-HSD | 0.0961 | 0.0793 |
| Return on Equity | 0.3964 | 0.5003 |
| Return on Equity During Construction | 0.1061 | 0.1339 |
| Debt Servicing | 1.3145 | 1.1764 |
| Total (Gas) | 2.0346 | 2.0732 |
| Total (HSD) | 2.0858 | 2.1154 |
| Variable O&M (Rs./kWh) | | |
| Variable O&M – Foreign -Gas | 0.2583 | 0.3515 |
| Variable O&M – Foreign -HSD | 0.3728 | 0.5073 |
| Indexation Values | | |
| CPI (General) | 154.720 | 191.210 |
| US CPI | 216.177 | 233.069 |
| Exchange Rate | 83.350 | 105.200 |
| KIBOR | 12.60% | 10.09% |
| Principal Outstanding (Rs. in Million) | 12,268 | 10,084 |
| Hours in the Quarter | | 2160 |

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.

