



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/TRF-125/SECL-2009/8145-8147

July 14, 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 July-September 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 component attached as Annex-I is to be notified in the official Gazette.

Enclosure: As above

(Syed Safer 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.

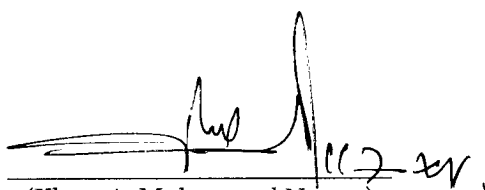
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/
ADJUSTMENT OF TARIFF FOR SAPPHIRE ELECTRIC COMPANY LIMITED**

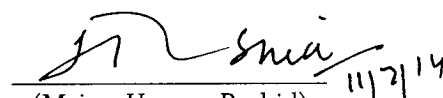
Pursuant to the decisions the Authority dated 23rd November 2012 in the matter of motion for leave for review filed against the decision of the Authority at Commercial Operation Date (COD) and decision of the Authority dated 20th December 2012 regarding change of index in the case of Sapphire Electric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

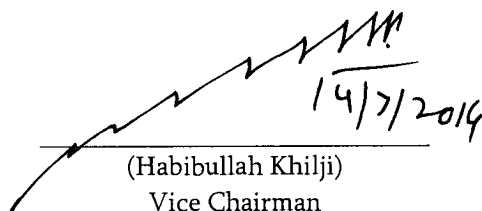
Tariff Components	Reference 23rd Nov. 2012	Revised July-sep 2014
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0762	0.0953
Fixed O&M - Foreign	0.0965	0.1258
Cost of Working Capital-Gas	0.0449	0.0374
Cost of Working Capital-HSD	0.0961	0.0802
Return on Equity	0.3964	0.4696
Return on Equity During Construction	0.1061	0.1257
Debt Servicing	1.3145	1.1894
Total (Gas)	2.0346	2.0432
Total (HSD)	2.0858	2.0860
Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2583	0.3368
Variable O&M – Foreign -HSD	0.3728	0.4861

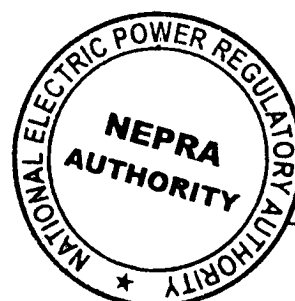
The above referred revised tariff components attached as **Annex-I** is to be notified in the official gazette, in accordance with the provision of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

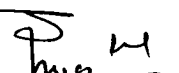
AUTHORITY


(Khawaja Muhammad Naeem)
Member


(Maj (R) Haroon Rashid)
Member


(Habibullah Khilji)
Vice Chairman




14.07.14

Sapphire Electric Company Limited
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference 23rd Nov. 2012	Revised July-sep 2014
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Indexation Values		
CPI (General)	154.720	193.550
US CPI	216.177	237.900
Exchange Rate	83.350	98.750
KIBOR	12.60%	10.17%
Principal Outstanding (Rs. in Million)	12,268	9,641
Hours in the Quarter		2,208

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.

