



# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

Registrar

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No. NEPRA/TRF-125/SECL-2009/13824-13826  
October 31, 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 October-December 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 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.



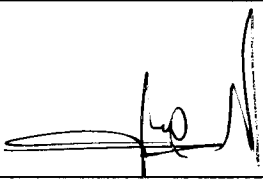
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/  
ADJUSTMENT OF TARIFF FOR SAPPHIRE ELECTRIC COMPANY LIMITED**

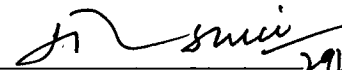
Pursuant to the decisions the Authority dated 23<sup>rd</sup> November 2012 in the matter of motion for leave for review filed against the decision of the Authority at Commercial Operation Date (COD) and decision of the Authority dated 20<sup>th</sup> December 2012 regarding change of index in the case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

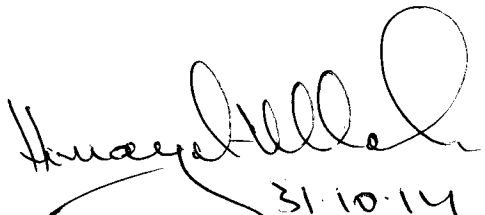
Tariff Components	Reference 23rd Nov. 2012	Revised Oct-Dec 2014
<b>Capacity Charge(Rs./kW/Hour)</b>		
Fixed O&M – Local	0.0762	0.0979
Fixed O&M - Foreign	0.0965	0.1308
Cost of Working Capital-Gas	0.0449	0.0375
Cost of Working Capital-HSD	0.0961	0.0802
Return on Equity	0.3964	0.4884
Return on Equity During Construction	0.1061	0.1307
Debt Servicing	1.3145	1.1900
<b>Total (Gas)</b>	<b>2.0346</b>	<b>2.0753</b>
<b>Total (HSD)</b>	<b>2.0858</b>	<b>2.1180</b>
<b>Variable O&amp;M (Rs./kWh)</b>		
Variable O&M – Foreign -Gas	0.2583	0.3502
Variable O&M – Foreign -HSD	0.3728	0.5054

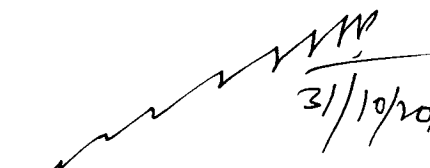
The above referred revised tariff components attached as **Annex-I** is to be notified in the official gazette, in accordance with the provision of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

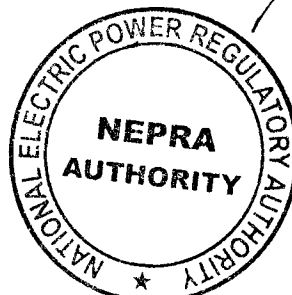
**AUTHORITY**


  
(Khawaja Muhammad Naeem)  
Member

  
(Maj (R) Haroon Rashid)  
Member

  
(Himayat Ullah Khan)  
Member

  
(Habibullah Khilji)  
Vice Chairman



  
31.x.14

## Annex-I

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

Tariff Components	Reference 23rd Nov. 2012	Revised Oct-Dec 2014
<b>Capacity Charge(Rs./kW/Hour)</b>		
Fixed O&M – Local	0.0762	0.0979
Fixed O&M - Foreign	0.0965	0.1308
Cost of Working Capital-Gas	0.0449	0.0375
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Variable O&M – Foreign -Gas	0.2583	0.3502
Variable O&M – Foreign -HSD	0.3728	0.5054
<b>Indexation Values</b>		
CPI (General)	154.720	198.700
US CPI	216.177	237.852
Exchange Rate	83.350	102.700
KIBOR	12.60%	10.18%
Principal Outstanding (Rs. in Million)	12,268	9,406
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.

