



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/TRF-125/SECL-2009/6072-6074
April 21, 2015

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 component (Annex-I) (02 pages) regarding quarterly indexation/adjustment of tariff of Sapphire Electric Company Ltd. for the quarter April-June 2015 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. The Revised Tariff Component attached as Annex-I is to be notified in the official Gazette.

Enclosure: As above


21.04.15

(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.

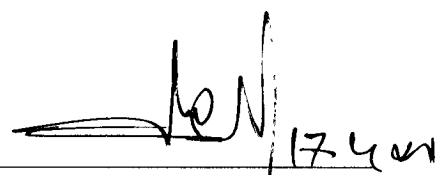
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/
ADJUSTMENT OF TARIFF FOR SAPPHIRE ELECTRIC COMPANY LIMITED**

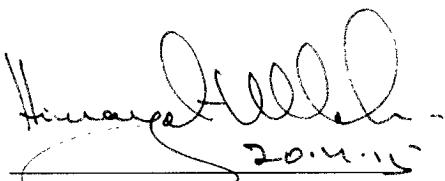
Pursuant to the decisions the Authority dated 23rd November 2012 in the matter of motion for leave for review filed against the decision of the Authority at Commercial Operation Date (COD) and decision of the Authority dated 20th December 2012 regarding change of index in the case of Sapphire Electric Company Limited (hereinafter "SECL"), the tariff of SECL in respect of April to June 2015 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:

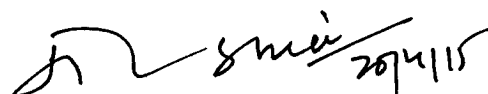
Tariff Components	Reference 23rd Nov. 2012	Revised April-June 2015
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0762	0.0961
Fixed O&M - Foreign	0.0965	0.1278
Cost of Working Capital-Gas	0.0449	0.0307
Cost of Working Capital-HSD	0.0961	0.0657
Return on Equity	0.3964	0.4837
Return on Equity During Construction	0.1061	0.1295
Debt Servicing	1.3145	1.0929
Total (Gas)	2.0346	1.9607
Total (HSD)	2.0858	1.9957
Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2583	0.3422
Variable O&M – Foreign -HSD	0.3728	0.4939

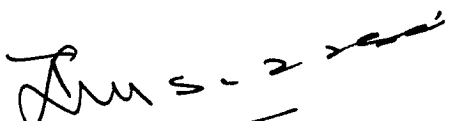
The above referred revised tariff components attached as **Annex-I** is to be notified in the official gazette, in accordance with the provision of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

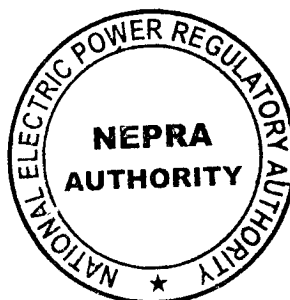
AUTHORITY

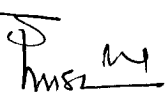

(Khawaja Muhammad Naeem)
Member


(Himayat Ullah Khan)
Member


(Maj (R) Haroon Rashid)
Vice Chairman


Brig (R) Tariq Saddique
Chairman

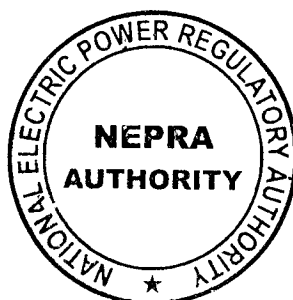



21.04.15

Sapphire Electric Company Limited
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference 23rd Nov. 2012	Revised April-June 2015
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0762	0.0961
Fixed O&M - Foreign	0.0965	0.1278
Cost of Working Capital-Gas	0.0449	0.0307
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Total (Gas)	2.0346	1.9607
Total (HSD)	2.0858	1.9957
Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2583	0.3422
Variable O&M – Foreign -HSD	0.3728	0.4939
Indexation Values		
CPI (General)	154.720	195.130
US CPI	216.177	234.722
Exchange Rate	83.350	101.700
KIBOR	12.60%	7.99%
Principal Outstanding (Rs. in Million)	12,268	8,909
Hours in the Quarter		2,184

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.



21.04.15