



**Registrar**

# **National Electric Power Regulatory Authority**

## **Islamic Republic of Pakistan**

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad  
Ph: +92-51-9206500, Fax: +92-51-2600026  
Web: [www.nepra.org.pk](http://www.nepra.org.pk), E-mail: [registrar@nepra.org.pk](mailto:registrar@nepra.org.pk)

No. NEPRA/TRF-125/SECL-2009/10920-10922  
July 16, 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)**

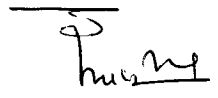
Dear Sir,

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 July-September 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

  
16.07.15  
( 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.

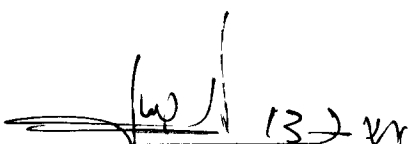
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/  
ADJUSTMENT OF TARIFF FOR SAPPHIRE ELECTRIC COMPANY LIMITED**

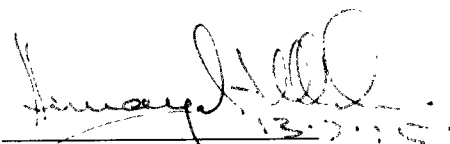
Pursuant to the decisions the Authority dated 23<sup>rd</sup> November 2012 in the matter of motion for leave for review filed against the decision of the Authority at Commercial Operation Date (COD) and decision of the Authority dated 20<sup>th</sup> December 2012 regarding change of index in the case of Sapphire Electric Company Limited (hereinafter "SECL"), the tariff of SECL in respect of July to Sept 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 July-Sept 2015
<b>Capacity Charge(Rs./kW/Hour)</b>		
Fixed O&M – Local	0.0762	0.0983
Fixed O&M - Foreign	0.0965	0.1295
Cost of Working Capital-Gas	0.0449	0.0277
Cost of Working Capital-HSD	0.0961	0.0593
Return on Equity	0.3964	0.4837
Return on Equity During Construction	0.1061	0.1295
Debt Servicing	1.3145	1.0565
<b>Total (Gas)</b>	<b>2.0346</b>	<b>1.9252</b>
<b>Total (HSD)</b>	<b>2.0858</b>	<b>1.9568</b>
<b>Variable O&amp;M (Rs./kWh)</b>		
Variable O&M – Foreign -Gas	0.2583	0.3467
Variable O&M – Foreign -HSD	0.3728	0.5004

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.

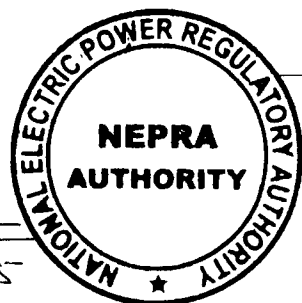
**AUTHORITY**

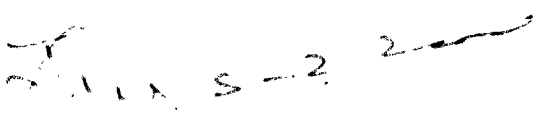
  
Khawaja Muhammad Naeem  
Member

  
Himayat Ullah Khan  
Member

  
Syed Masood-ul-Hassan Naqvi  
Member

(On tour)  
Maj (R) Haroon Rashid  
Vice Chairman



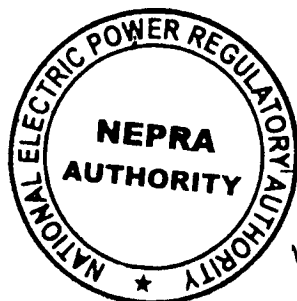
  
Brig (R) Tariq Sadloza  
Chairman

16.07.15

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

Tariff Components	Reference 23rd Nov. 2012	Revised July-Sept 2015
<b>Capacity Charge(Rs./kW/Hour)</b>		
Fixed O&M – Local	0.0762	0.0983
Fixed O&M - Foreign	0.0965	0.1295
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<b>Variable O&amp;M (Rs./kWh)</b>		
Variable O&M – Foreign -Gas	0.2583	0.3467
Variable O&M – Foreign -HSD	0.3728	0.5004
<b>Indexation Values</b>		
CPI (General)	154.720	199.660
US CPI	216.177	237.805
Exchange Rate	83.350	101.700
KIBOR	12.60%	7.01%
Principal Outstanding (Rs. in Million)	12,268	8,646
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.



16/07/15