



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/TRF-125/SECL-2009/15702-15704
October 30, 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)

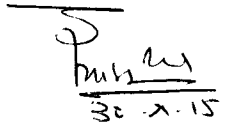
Dear Sir,

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 October-December 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


(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.

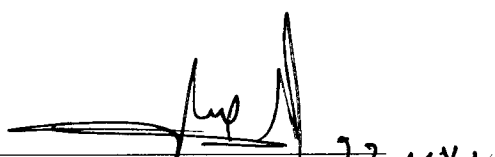
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ ADJUSTMENT
OF TARIFF FOR SAPPHIRE ELECTRIC COMPANY LIMITED**

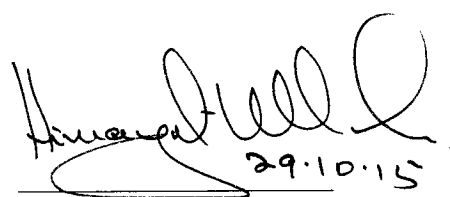
Pursuant to the decisions the Authority dated 23rd November 2012 in the matter of Motion for Leave for Review filed against the decision of the Authority at Commercial Operation Date (COD) and decision of the Authority dated 20th December 2012 regarding change of index in the case of Sapphire Electric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

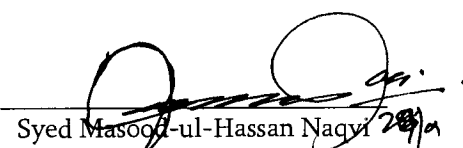
Tariff Components	Reference Component	Revised Oct-Dec 2015
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0762	0.0995
Fixed O&M – Foreign	0.0965	0.1332
Cost of Working Capital-Gas	0.0449	0.0264
Cost of Working Capital-HSD	0.0961	0.0566
Return on Equity	0.3964	0.4965
Return on Equity During Construction	0.1061	0.1329
Debt Servicing	1.3145	1.0463
Total (Gas)	2.0346	1.9348
Total (HSD)	2.0858	1.9650
Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2583	0.3567
Variable O&M – Foreign -HSD	0.3728	0.5148

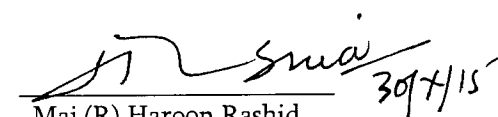
The above referred revised tariff components attached as **Annex-I** are to be notified in the official gazette in accordance with the provision of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

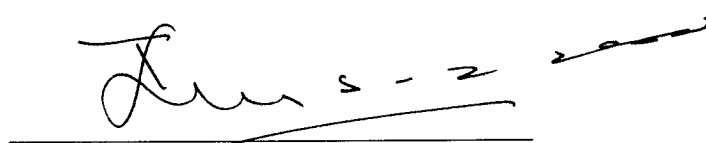
AUTHORITY

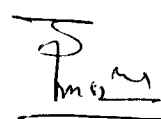

Khawaja Muhammad Naeem
Member

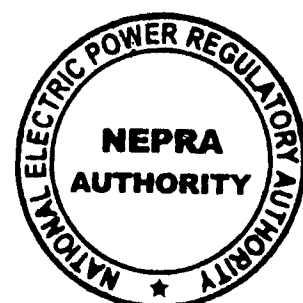

Himayat Ullah Khan
Member


Syed Masood-ul-Hassan Naqvi
Member


Maj (R) Haroon Rashid
Vice Chairman


Brig (R) Tariq Saddozai
Chairman

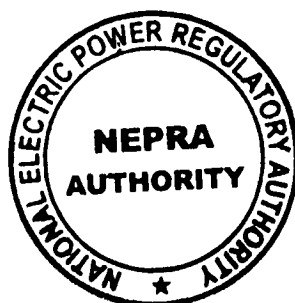

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Sapphire Electric Company Limited
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Component	Revised Oct-Dec 2015
Capacity Charge(Rs./kW/Hour)		
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Fixed O&M - Foreign	0.0965	0.1332
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Variable O&M – Foreign -Gas	0.2583	0.3567
Variable O&M – Foreign -HSD	0.3728	0.5148
Indexation Values		
CPI (General)	154.720	202.110
US CPI	216.177	238.316
Exchange Rate	83.350	104.400
KIBOR	12.60%	6.60%
Principal Outstanding (Rs. in Million)	12,268	8,373
Hours in the Quarter		2,208

Note:- Insurance component is not part of quarterly indexation. It is adjusted annually on actual basis as per mechanism stipulated in the decision of the Authority.



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