



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/TRF-125/SECL-2009/807-809
January 22, 2016

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)

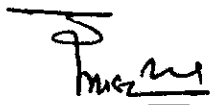
Dear Sir,

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 January – March 2016 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


22.01.16
(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**

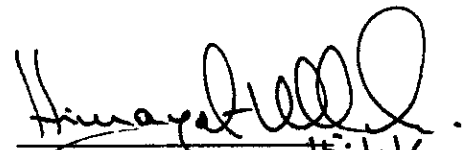
Pursuant to the decisions the Authority dated 23rd November 2012 in the matter of Motion for Leave for Review filed against the decision of the Authority at Commercial Operation Date (COD) and decision of the Authority dated 20th December 2012 regarding change of index in the case of Sapphire Electric Company Limited (hereinafter "SECL"), the tariff of SECL in respect of January to March 2016 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 Jan-March 2016
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0762	0.1006
Fixed O&M – Foreign	0.0965	0.1332
Cost of Working Capital-Gas	0.0449	0.0260
Cost of Working Capital-HSD	0.0961	0.0557
Return on Equity	0.3964	0.4984
Return on Equity During Construction	0.1061	0.1334
Debt Servicing	1.3145	1.0478
Total (Gas)	2.0346	1.9394
Total (HSD)	2.0858	1.9691
Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2583	0.3566
Variable O&M – Foreign -HSD	0.3728	0.5146

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

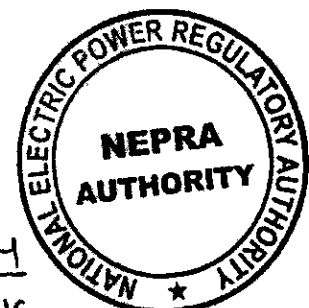

Himayat Ullah Khan
Member


Syed Masood Hassan Naqvi
Member


Maj (R) Haroon Rashid
Vice Chairman


Brig (R) Tariq Saddoza
Chairman


22.01.16



Sapphire Electric Company Limited
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Component	Revised Jan-March 2016
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0762	0.1006
Fixed O&M - Foreign	0.0965	0.1332
Cost of Working Capital-Gas	0.0449	0.0260
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Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2583	0.3566
Variable O&M – Foreign -HSD	0.3728	0.5146
Indexation Values		
CPI (General)	154.720	204.220
US CPI	216.177	237.336
Exchange Rate	83.350	104.800
KIBOR	12.60%	6.49%
Principal Outstanding (Rs. in Million)	12,268	8,088
Hours in the Quarter		2,184

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.

