



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/TRF-125/SECL-2009/10421-10423
July 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)

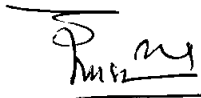
Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff components (Annex-I) (02 pages) regarding quarterly indexation/adjustment of tariff of Sapphire Electric Company Ltd. for the quarter July – September 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 Components attached as Annex-I are to be notified in the official Gazette.

Enclosure: As above


22.07.16
(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 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 July - September 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 July-Sep 2016
Capacity Charge(Rs./kW/Hour)		
Fixed O&M - Local	0.0762	0.1015
Fixed O&M - Foreign	0.0965	0.1347
Cost of Working Capital-Gas	0.0449	0.0248
Cost of Working Capital-HSD	0.0961	0.0530
Return on Equity	0.3964	0.4979
Return on Equity During Construction	0.1061	0.1333
Debt Servicing	1.3145	1.0527
Total (Gas)	2.0346	1.9449
Total (HSD)	2.0858	1.9731
Variable O&M (Rs./kWh)		
Variable O&M - Foreign -Gas	0.2583	0.3606
Variable O&M - Foreign -HSD	0.3728	0.5204

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.

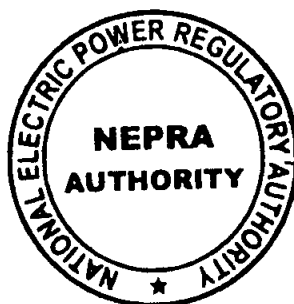
AUTHORITY

—
Maj (R) Haroon Rashid
Member

—
Syed Masood ul Hassan
Member

—
Himayat Ullah Khan
Vice Chairman

—
Brig (R) Tariq Saddozai
Chairman



—
22.07.16

Sapphire Electric Company Limited
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Component	Revised July-Sep 2016
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0762	0.1015
Fixed O&M - Foreign	0.0965	0.1347
Cost of Working Capital-Gas	0.0449	0.0248
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Total (Gas)	2.0346	1.9449
Total (HSD)	2.0858	1.9731
Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2583	0.3606
Variable O&M – Foreign -HSD	0.3728	0.5204
Indexation Values		
CPI (General)	154.720	205.990
US CPI	216.177	240.236
Exchange Rate	83.350	104.700
KIBOR	12.60%	6.05%
Principal Outstanding (Rs. in Million)	12,268	7,486
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.

