



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/TRF-125/SECL-2009/12503-12505

July 24, 2017

**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 2017 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

  
24.07.17  
( 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 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-September 2017 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 2017
<b>Capacity Charge(Rs./kW/Hour)</b>		
Fixed O&M – Local	0.0762	0.1065
Fixed O&M - Foreign	0.0965	0.1376
Cost of Working Capital-Gas	0.0449	0.0249
Cost of Working Capital-HSD	0.0961	0.0535
Return on Equity	0.3964	0.4994
Return on Equity During Construction	0.1061	0.1337
Debt Servicing	1.3145	1.1029
<b>Total (Gas)</b>	<b>2.0346</b>	<b>2.0050</b>
<b>Total (HSD)</b>	<b>2.0858</b>	<b>2.0336</b>
<b>Variable O&amp;M (Rs./kWh)</b>		
Variable O&M – Foreign -Gas	0.2583	0.3684
Variable O&M – Foreign -HSD	0.3728	0.5317


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.

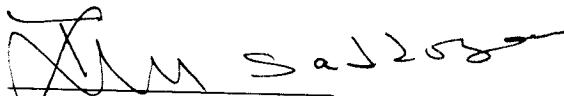
**AUTHORITY**

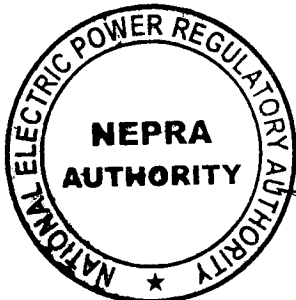
  
18.7.17  
Himayat Ullah Khan  
Member

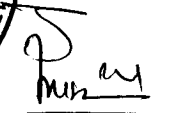
  
18/7/17  
Maj (R) Haroon Rashid  
Member

  
18.7.17  
Syed Masood Ali Hassan Naqvi  
Member

  
19.7.2017  
Saif Ullah Chattha  
Vice Chairman

  
Brig (R) Tariq Sadozai  
Chairman



  
24.07.17

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

Tariff Components	Reference Component	Revised July-Sep 2017
<b>Capacity Charge(Rs./kW/Hour)</b>		
Fixed O&M – Local	0.0762	0.1065
Fixed O&M - Foreign	0.0965	0.1376
Cost of Working Capital-Gas	0.0449	0.0249
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<b>Variable O&amp;M (Rs./kWh)</b>		
Variable O&M – Foreign -Gas	0.2583	0.3684
Variable O&M – Foreign -HSD	0.3728	0.5317
<b>Indexation Values</b>		
CPI (General)	154.720	216.330
US CPI	216.177	244.733
Exchange Rate	83.350	105.000
KIBOR	12.60%	6.14%
Principal Outstanding (Rs. in Million)	12,268	6,135
Hours in the Quarter		2,208

