



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, E-mail: registrar@nepra.org.pk

No. NEPRA/TRF-125/SECL-2009/1650-1652

January 31, 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)

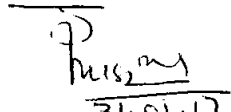
Dear Sir,

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 January – March 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


31.01.17
(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.

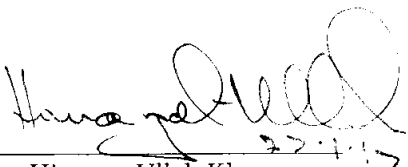
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ ADJUSTMENT OF
TARIFF FOR SAPPHIRE ELECTRIC COMPANY LIMITED**


Pursuant to the decisions the Authority dated 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 -March 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:

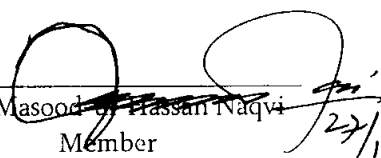
Tariff Components	Reference Component	Revised Jan-March 2017
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0762	0.1044
Fixed O&M - Foreign	0.0965	0.1355
Cost of Working Capital-Gas	0.0449	0.0247
Cost of Working Capital-HSD	0.0961	0.0529
Return on Equity	0.3964	0.4984
Return on Equity During Construction	0.1061	0.1334
Debt Servicing	1.3145	1.0727
Total (Gas)	2.0346	1.9691
Total (HSD)	2.0858	1.9973
Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2583	0.3626
Variable O&M – Foreign -HSD	0.3728	0.5233

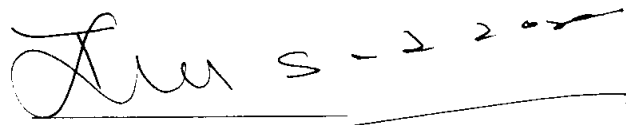
The above referred revised tariff components attached as **Annex-I** are to be notified in the official gazette in accordance with the provision of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

AUTHORITY

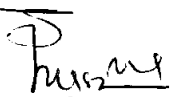

Himayat Ullah Khan
Vice Chairman


Maj (R) Haroon Rashid
Member


Syed Masood Hassan Naqvi
Member


Brig (R) Tariq Sadozai
Chairman




31.01.17

Sapphire Electric Company Limited
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Component	Revised Jan-March 2017
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0762	0.1044
Fixed O&M - Foreign	0.0965	0.1355
Cost of Working Capital-Gas	0.0449	0.0247
Cost of Working Capital-HSD	0.0961	0.0529
Return on Equity	0.3964	0.4984
Return on Equity During Construction	0.1061	0.1334
Debt Servicing	1.3145	1.0727
Total (Gas)	2.0346	1.9691
Total (HSD)	2.0858	1.9973
Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2583	0.3626
Variable O&M – Foreign -HSD	0.3728	0.5233
Indexation Values		
CPI (General)	154.720	212.010
US CPI	216.177	241.353
Exchange Rate	83.350	104.800
KIBOR	12.60%	6.12%
Principal Outstanding (Rs. in Million)	12,268	6,837
Hours in the Quarter		2,160

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.

