No. NEPRA/TRF-125/SECL-2009/6575-6577
April 23, 2018

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 April – June 2018 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: <u>As above</u>

(Iftikhaf Ali Khan)

Secretary,
Ministry of Energy,
(Power Division)
Government of Pakistan
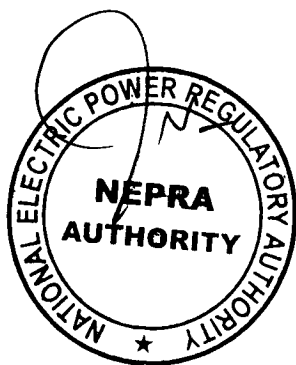Islamabad.

CC:
1.   Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2.   Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.

Sapphire Electric Company Limited
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Component	Revised April-June 2018
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0762	0.1081
Fixed O&M - Foreign	0.0965	0.1539
Cost of Working Capital-Gas	0.0449	0.0261
Cost of Working Capital-HSD	0.0961	0.0558
Return on Equity	0.3964	0.5488
Return on Equity During Construction	0.1061	0.1469
Debt Servicing	1.3145	1.1507
Total (Gas)	**2.0346**	**2.1345**
Total (HSD)	**2.0858**	**2.1642**
Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2583	0.4119
Variable O&M – Foreign -HSD	0.3728	0.5945
Indexation Values		
CPI (General)	154.720	219.580
US CPI	216.177	248.991
Exchange Rate	83.350	115.400
KIBOR	12.60%	6.50%
Principal Outstanding (Rs. in Million)	12,268	4,977
Hours in the Quarter		2,184

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 April-June 2018 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 April-June 2018
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0762	0.1081
Fixed O&M - Foreign	0.0965	0.1539
Cost of Working Capital-Gas	0.0449	0.0261
Cost of Working Capital-HSD	0.0961	0.0558
Return on Equity	0.3964	0.5488
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Total (Gas)	**2.0346**	**2.1345**
Total (HSD)	**2.0858**	**2.1642**
Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2583	0.4119
Variable O&M – Foreign -HSD	0.3728	0.5945

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.
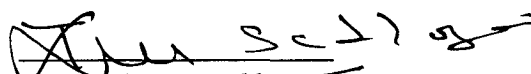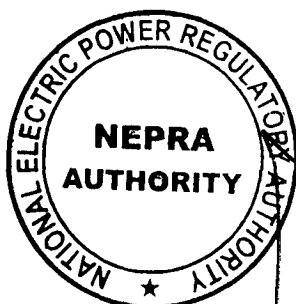
AUTHORITY

Himayat Ullah Khan
Member

Saif Ullah Chattha
Member
19.4.2018

Rehmatullah
Member

Syed Masood ul Hassan Naqvi
Vice Chairman

Brig (R) Tariq Saddozai
Chairman

NEPRA AUTHORITY

23-4-18

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