



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/TRF-125/SECL-2009/1057-1059
January 22, 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)

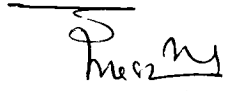
Dear Sir,

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 January – March 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: As above


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(Syed Safeer Hussain)

Secretary,
Ministry of Energy,
Government of Pakistan
Islamabad.

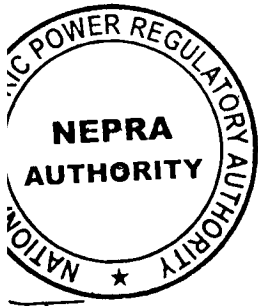
CC:

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 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 Jan-March 2018
Capacity Charge (Rs./kW/Hour)		
Fixed O&M – Local	0.0762	0.1086
Fixed O&M - Foreign	0.0965	0.1460
Cost of Working Capital-Gas	0.0449	0.0248
Cost of Working Capital-HSD	0.0961	0.0531
Return on Equity	0.3964	0.5255
Return on Equity During Construction	0.1061	0.1407
Debt Servicing	1.3145	1.1255
Total (Gas)	2.0346	2.0711
Total (HSD)	2.0858	2.0994
Variable O&M (Rs./kWh)		
Variable O&M – Foreign - Gas	0.2583	0.3907
Variable O&M – Foreign - HSD	0.3728	0.5639



Per my

22.01.18

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
19.1.18

Himayat Ullah Khan
Member

Syed Masood-ul-Hassan Naqvi
Member

Saif Ullah Chattha
19.1.2018

Saif Ullah Chattha
Vice Chairman

Brig (R) Tariq Sadozai
22.01.18

Brig (R) Tariq Sadozai
Chairman

Sapphire Electric Company Limited
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Component	Revised Jan-March 2018
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0762	0.1086
Fixed O&M - Foreign	0.0965	0.1460
Cost of Working Capital-Gas	0.0449	0.0248
Cost of Working Capital-HSD	0.0961	0.0531
Return on Equity	0.3964	0.5255
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Total (Gas)	2.0346	2.0711
Total (HSD)	2.0858	2.0994
Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2583	0.3907
Variable O&M – Foreign -HSD	0.3728	0.5639
Indexation Values		
CPI (General)	154.720	220.420
US CPI	216.177	246.669
Exchange Rate	83.350	110.500
KIBOR	12.60%	6.16%
Principal Outstanding (Rs. in Million)	12,268	5,378
Hours in the Quarter		2,160



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