



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/Dir.(Tariff-I)/TRF-125/SECL-2009/39714-16
November 5, 2020

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)**

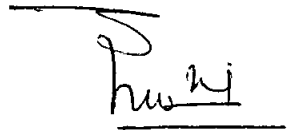
Dear Sir,

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 October - December 2020 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 (7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

3. The revised Tariff Components attached as Annex-I are to be notified in the official Gazette.

Enclosure: As above


05 11 20
(Syed Safeer Hussain)

Secretary,
Ministry of Energy,
(Power Division)
Government of Pakistan
'A' Block, Pak Secretariat
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 November 23, 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 December 20, 2012 regarding change of index in the case of Sapphire Electric Company Limited (hereinafter "SECL"), the tariff of SECL in respect of Oct-Dec 2020 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 Oct-Dec 2020 Quarter
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0762	0.1326
Fixed O&M - Foreign	0.0965	0.2316
Cost of Working Capital - Gas	0.0449	0.0285
Cost of Working Capital - HSD	0.0961	0.0611
Return on Equity	0.3964	0.7914
Return on Equity During Construction	0.1061	0.2118
Debt Servicing (01-10-2020 to 04-10-2020)	1.3145	1.3466
Total (Gas)	2.0346	2.7425
Total (HSD)	2.0858	2.7751
Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2583	0.6200
Variable O&M – Foreign -HSD	0.3728	0.8949

Since the project's 10 years debt tenure is completing on 4th October 2020, debt servicing component shall be applicable for October 1, 2020 to October 4, 2020 only.

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(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

AUTHORITY

Saif Ullah Chattha

Member

27.10.2020

Rehmatullah Baloch

Member

Engr. Rafique Ahmed Shah

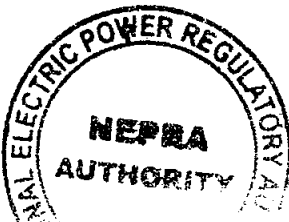
Member

Engr. Bahadur Shah

Member

Tauseef H. Farooq

Chairman



Sapphire Electric Company Limited

Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Component	Revised Oct-Dec 2020 Quarter
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0762	0.1326
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Variable O&M – Foreign -Gas	0.2583	0.6200
Variable O&M – Foreign -HSD	0.3728	0.8949
Indexation Values		
CPI (General)	154.720	269.270
US CPI	216.177	259.918
Exchange Rate	83.350	166.400
KIBOR	12.60%	7.25%
Hours in the Quarter	-	2,208

*For the purpose of indexation of Local O&M components for Oct-Dec 2020 quarter, CPI for August -2020 was required to be used. However, Pakistan Bureau of Statistics has discontinued the publication of CPI for base year 2007-08 w.e.f. July 2020 and replaced it with National CPI for new base year 2015-16. As per relevant provision of the PPA, the latest available CPI of June 2020 for base year 2007-08 has been used for the instant indexation/adjustment. The indexation of Local O&M components is being made on provisional basis, subject to revision upon decision of new reference index value by the Authority.

*Debt Servicing component shall be applicable for October 1, 2020 to October 4, 2020.

