



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-125/SECL-2009/32664-32666

July 26, 2021

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)

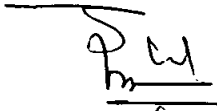
Dear Sir,

Please find enclosed herewith the subject 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 2021** 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


26 07 21
(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 Jul-Sep 2021 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 Jul-Sep 2021 Quarter
Capacity Charge (Rs./kW/Hour)		
Fixed O&M – Local	0.0762	0.1326
Fixed O&M - Foreign	0.0965	0.2282
Cost of Working Capital - Gas	0.0449	0.0292
Cost of Working Capital - HSD	0.0961	0.0625
Return on Equity	0.3964	0.7529
Return on Equity During Construction	0.1061	0.2015
Total (Gas)	0.7201	1.3444
Total (HSD)	0.7713	1.3777
Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2583	0.6109
Variable O&M – Foreign -HSD	0.3728	0.8817

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).

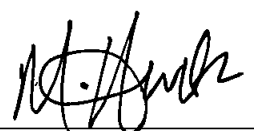
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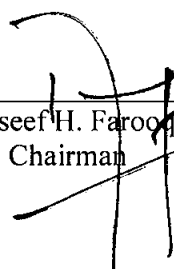
Rehmatullah Baloch
Member



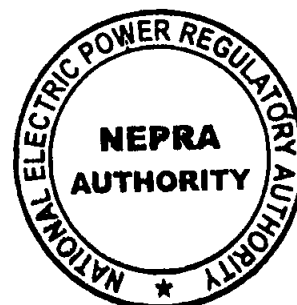
Engr. Rafique Ahmed Shaikh
Member



Engr. Maqsood Anwar Khan
Member



Tauseef H. Farooqi
Chairman



26 07 21

Sapphire Electric Company Limited
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Component	Revised Jul-Sep 2021 Quarter
Capacity Charge(Rs./kW/Hour)		
Fixed O&M – Local	0.0762	0.1326
Fixed O&M - Foreign	0.0965	0.2282
Cost of Working Capital - Gas	0.0449	0.0292
Cost of Working Capital - HSD	0.0961	0.0625
Return on Equity	0.3964	0.7529
Return on Equity During Construction	0.1061	0.2015
Total (Gas)	0.7201	1.3444
Total (HSD)	0.7713	1.3777
Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2583	0.6109
Variable O&M – Foreign -HSD	0.3728	0.8817
Indexation Values		
CPI (General)	154.720	269.270
US CPI	216.177	269.195
Exchange Rate	83.350	158.300
KIBOR	12.60%	7.45%
Hours in the Quarter	-	2,208

* For the purpose of indexation of Local O&M components for Jul-Sep 2021 quarter, CPI for May 2021 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.

** The Authority vide its decision dated March 10, 2021 replaced CPI Base Year 2007-08 with N-CPI Base Year 2015-16. The decision shall be implemented upon Notification in the Official Gazette.

