



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-125/SECL-2009/20633-37
October 21, 2022

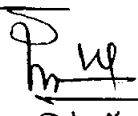
Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Sapphire Electric Company Ltd. for October-December 2022 Quarter (Case No. NEPRA/TRF-125/SECL-2009)

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 **October-December 2022** 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 sent to the Federal Government for intimation and action, if any, by the Federal Government under Proviso (ii) of Section 31(7) of NEPRA Act, before its notification by NEPRA pursuant to the said Proviso of Section 31(7) of NEPRA Act, 1997.

Enclosure: As above


21 X 22
(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.
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
4. Chief Executive Officer, Sapphire Electric Company Ltd., 7-A/K, Main Boulevard, Gulberg-II, Lahore

DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ ADJUSTMENT OF TARIFF FOR SAPPHIRE ELECTRIC COMPANY LIMITED FOR OCTOBER TO DECEMBER 2022 QUARTER.

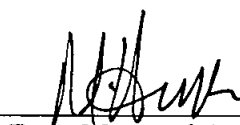
Pursuant to the decisions the Authority dated November 23, 2012 in the matter of Motion for Leave for Review filed against the decision of the Authority at Commercial Operation Date (COD), decision of the Authority dated December 20, 2012 regarding change of index in the case of Sapphire Electric Company Limited (hereinafter "SECL") and decisions of the Authority dated April 2, 2021 and May 7, 2021 in the matter of application filed by CPPA-G for adjustment of ROE and ROEDC components of tariff pursuant to the agreement with SECL, the tariff of SECL in respect of October to December 2022 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 to Dec 2022 Quarter
Capacity Charge(Rs./kW/Hour)		
Fixed O&M - Local	0.0762	0.1326
Fixed O&M - Foreign	0.0965	0.3647
Cost of Working Capital - Gas	0.0449	0.0546
Cost of Working Capital - HSD	0.0961	0.1168
ROE - Local	0.6387	0.6387
ROE - Foreign	0.0632	0.1744
ROEDC - Local	0.1674	0.1674
ROEDC - Foreign	0.0178	0.0491
Total (Gas)	1.1047	1.5815
Total (HSD)	1.1559	1.6437
Variable O&M (Rs./kWh)		
Variable O&M - Foreign -Gas	0.2583	0.9763
Variable O&M - Foreign -HSD	0.3728	1.4091

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).

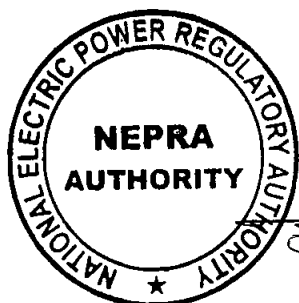
AUTHORITY



Engr. Maqsood Anwar Khan
Member



Engr. Rafique Ahmed Shaikh
Member



Taussef H. Farooqi
Chairman

21 x 22

Sapphire Electric Company Limited
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Component	Revised Oct to Dec 2022 Quarter
Capacity Charge(Rs./kW/Hour)		
Fixed O&M - Local	0.0762	0.1326
Fixed O&M - Foreign	0.0965	0.3647
Cost of Working Capital - Gas	0.0449	0.0546
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ROE - Local	0.6387	0.6387
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Variable O&M (Rs./kWh)		
Variable O&M – Foreign -Gas	0.2583	0.9763
Variable O&M – Foreign -HSD	0.3728	1.4091
Indexation Values		
CPI (General)	154.720	269.270
US CPI	216.177	296.171
Exchange Rate	83.350	229.950
KIBOR	12.60%	15.77%
Hours in the Quarter	-	2,208

* For the purpose of indexation of Local O&M components for Oct-Dec 2022 quarter, CPI for Aug 2022 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.

