



**Registrar**

# **National Electric Power Regulatory Authority**

## **Islamic Republic of Pakistan**

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No. NEPRA/R/DG(Trf)/TRF-125/SECL-2009/ 34529-33

October 19, 2023

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Sapphire Electric Company Ltd. for October-December 2023 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 2023** on account of US CPI, N-CPI, 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

  
( Engr. Mazhar Iqbal Ranjha )

Secretary,  
Ministry of Energy,  
(Power Division)'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 042-111000100.

**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ ADJUSTMENT OF TARIFF FOR SAPPHIRE ELECTRIC COMPANY LIMITED FOR OCTOBER TO DECEMBER 2023 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"), 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 and the decision of the Authority dated March 10, 2021 notified vide S.R.O. No. 1041(I)/2023 on August 09, 2023 in the matter of change of base year 2007-2008 to base year 2015-16 for Consumer Price Index (CPI) for indexation of fixed and variable O&M (Local) components, the relevant tariff components are required to be adjusted on account of US CPI, N-CPI, Exchange Rate and KIBOR variation.

The Authority in its collective and joint wisdom decided with consensus as under; which will be hereafter called as decision of Authority in the matter:-

"Indexation/adjustment for October to December 2023 quarter has been made in the tariff components in accordance with the requisite indexation/adjustment mechanism stipulated in the decision(s) of the Authority. The revised components are indicated hereunder shall be immediately applicable."

Tariff Components	Reference Nov 23, 2012, Dec 20, 2012, Apr 2, 2021, Mar 10, 2021 & May 7, 2021	Revised Oct-Dec 2023 Quarter
<b>Capacity Charge(Rs./kW/Hour)</b>		
Fixed O&M - Local	0.1321	0.2413
Fixed O&M - Foreign	0.0965	0.4754
Cost of Working Capital - Gas	0.0449	0.0756
Cost of Working Capital - HSD	0.0961	0.1618
ROE - Local	0.6387	0.6387
ROE - Foreign	0.0632	0.2192
ROEDC - Local	0.1674	0.1674
ROEDC - Foreign	0.0178	0.0617
<b>Total (Gas)</b>	<b>1.1606</b>	<b>1.8793</b>
<b>Total (HSD)</b>	<b>1.2118</b>	<b>1.9655</b>
<b>Variable O&amp;M (Rs./kWh)</b>		
Variable O&M - Foreign - Gas	0.2583	1.2724
Variable O&M - Foreign - HSD	0.3728	1.8365

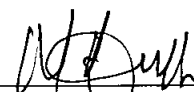
The above referred revised tariff components attached as **Annex-I** are to be notified in the Official Gazette in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

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

**AUTHORITY**



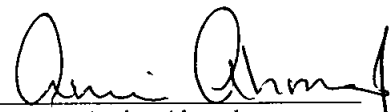
Mathar Niaz Rana (nsc)  
Member



Engr. Maqsood Anwar Khan  
Member



Engr. Raffique Ahmed Shaikh  
Member



Amina Ahmed  
Member



Waseem Mukhtar  
Chairman



**Sapphire Electric Company Limited**  
**Quarterly Indexation/Adjustment of Tariff**

Tariff Components	Reference Nov 23, 2012, Dec 20, 2012, Apr 2, 2021, Mar 10, 2021 & May 7, 2021	Revised Oct-Dec 2023 Quarter	Indexation
<b>Capacity Charge(Rs./kW/Hour)</b>			
Fixed O&M - Local	0.1321	0.2413	N-CPI Local
Fixed O&M - Foreign	0.0965	0.4754	US CPI & Rs./US\$
Cost of Working Capital - Gas	0.0449	0.0756	KIBOR
Cost of Working Capital - HSD	0.0961	0.1618	KIBOR
ROE - Local	0.6387	0.6387	-
ROE - Foreign	0.0632	0.2192	Rs./US\$
ROEDC - Local	0.1674	0.1674	-
ROEDC - Foreign	0.0178	0.0617	Rs./US\$
<b>Total (Gas)</b>	<b>1.1606</b>	<b>1.8793</b>	
<b>Total (HSD)</b>	<b>1.2118</b>	<b>1.9655</b>	
<b>Variable O&amp;M (Rs./kWh)</b>			
Variable O&M – Foreign -Gas	0.2583	1.2724	US CPI & Rs./US\$
Variable O&M – Foreign -HSD	0.3728	1.8365	US CPI & Rs./US\$
<b>Indexation Values</b>			<b>Source</b>
N-CPI (Local)	131.010	239.270	Pakistan Bureau of Statistics - Revised value of Aug 2023
US CPI	216.177	307.026	U.S. Bureau of Labor Statistics - Revised value of Aug 2023
Exchange Rate	83.350	289.100	NBP - Revised rate of Sep 28, 2023
KIBOR	12.60%	22.66%	SBP - Revised rate of Sep 28, 2023
Hours in the Quarter	-	2,208	

- Based on the data declared by Sapphire Electric Company Limited.

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