



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/ADG(Trf)/TRF-125/SECL-2009/ 757-61

January 17, 2024

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for January-March 2024 Quarter for Sapphire Electric Company Limited (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 **January-March 2024** 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 JANUARY TO MARCH 2024 QUARTER 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), 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 considering all aspects decided with consensus as under; which will be hereafter called as decision of Authority in the matter:-

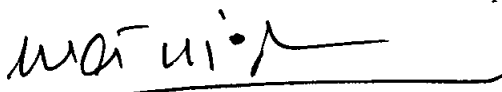
"Indexation/adjustment for January to March 2024 quarter has been made in the tariff components in accordance with the requisite indexation/adjustment mechanism stipulated in the decision(s) of the Authority. The revised components are indicated hereunder shall be immediately applicable."

| Tariff Components | Reference Nov 23, 2012, Dec 20, 2012, Apr 2, 2021, Mar 10, 2021 & May 7, 2021 | Revised Jan-Mar 2024 Quarter |
|-------------------------------------|--|------------------------------------|
| Capacity Charge(Rs./kW/Hour) | | |
| Fixed O&M - Local | 0.1321 | 0.2553 |
| Fixed O&M - Foreign | 0.0965 | 0.4644 |
| Cost of Working Capital - Gas | 0.0449 | 0.0722 |
| Cost of Working Capital - HSD | 0.0961 | 0.1546 |
| ROE - Local | 0.6387 | 0.6387 |
| ROE - Foreign | 0.0632 | 0.2141 |
| ROEDC - Local | 0.1674 | 0.1674 |
| ROEDC - Foreign | 0.0178 | 0.0603 |
| Total (Gas) | 1.1606 | 1.8724 |
| Total (HSD) | 1.2118 | 1.9548 |
| Variable O&M (Rs./kWh) | | |
| Variable O&M – Foreign -Gas | 0.2583 | 1.2430 |
| Variable O&M – Foreign -HSD | 0.3728 | 1.7941 |

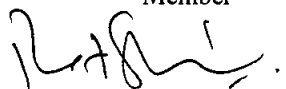
The above decision of the Authority along with revised tariff components attached as **Annex-I** are to be notified in the Official Gazette in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

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

AUTHORITY



Mathar Niaz Rana (nsc)
Member



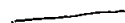
Engr. Rafique Ahmed Shaikh
Member



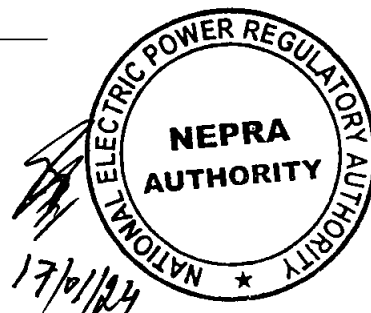
Waseem Mukhtar
Chairman



Engr. Maqsood Anwar Khan
Member



Amina Ahmed
Member



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 Jan-Mar 2024 Quarter | Indexation |
|-------------------------------------|--|---|---|
| Capacity Charge(Rs./kW/Hour) | | | |
| Fixed O&M - Local | 0.1321 | 0.2553 | N-CPI Local |
| Fixed O&M - Foreign | 0.0965 | 0.4644 | US CPI & Rs./US\$ |
| Cost of Working Capital - Gas | 0.0449 | 0.0722 | KIBOR |
| Cost of Working Capital - HSD | 0.0961 | 0.1546 | KIBOR |
| ROE - Local | 0.6387 | 0.6387 | - |
| ROE - Foreign | 0.0632 | 0.2141 | Rs./US\$ |
| ROEDC - Local | 0.1674 | 0.1674 | - |
| ROEDC - Foreign | 0.0178 | 0.0603 | Rs./US\$ |
| Total (Gas) | 1.1606 | 1.8724 | |
| Total (HSD) | 1.2118 | 1.9548 | |
| Variable O&M (Rs./kWh) | | | |
| Variable O&M – Foreign -Gas | 0.2583 | 1.2430 | US CPI & Rs./US\$ |
| Variable O&M – Foreign -HSD | 0.3728 | 1.7941 | US CPI & Rs./US\$ |
| Indexation Values | | | Source |
| N-CPI (Local) | 131.010 | 253.150 | Pakistan Bureau of Statistics - Revised value of Nov 2023 |
| US CPI | 216.177 | 307.051 | U.S. Bureau of Labor Statistics - Revised value of Nov 2023 |
| Exchange Rate | 83.350 | 282.400 | NBP - Revised rate of Dec 29, 2023 |
| KIBOR | 12.60% | 21.46% | SBP - Revised rate of Dec 29, 2023 |
| Hours in the Quarter | - | 2,184 | |

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

