



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

2nd Floor, OPF Building, G-5/2, Islamabad
Ph: 9206500, 9207200, Fax: 9210215
E-mail: registrar@nepra.org.pk

Registrar

No. NEPRA/TRF-71/NPL-2007/10370-10372
November 4, 2011

Subject: **Decision of the Authority in the Matter of Quarterly Indexation/Adjustment of Tariff for Nishat Power Ltd. (Case No. NEPRA/TRF-71/NPL-2007) - Intimation of Decision of Tariff pursuant to Section 31 (4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997)**

Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised schedule of tariff (Annex-I) (02 pages) regarding adjustment of tariff for the quarter (October-December, 2011) on account of US CPI, WPI (Local), exchange rate and KIBOR variation in respect of Nishat Power Ltd. in Case No. NEPRA/TRF-71/NPL-2007.

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 (4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997) and Rule 16(11) of the National Electric Power Regulatory Authority Tariff (Standards and Procedure) Rules, 1998.

3. Please note that revised tariff schedule to be notified in the official Gazette is attached as Annex-I.

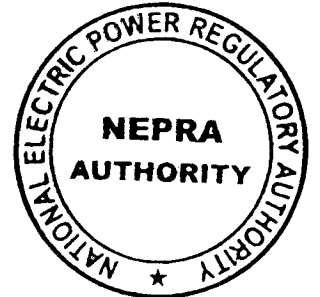
Enclosure: As above

(Syed Safer Hussain)

Secretary,
Ministry of Water & Power,
Government of Pakistan
Islamabad.

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, Islamabad.





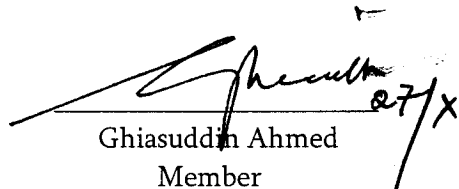
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ADJUSTMENT
OF TARIFF FOR NISHAT POWER LIMITED**

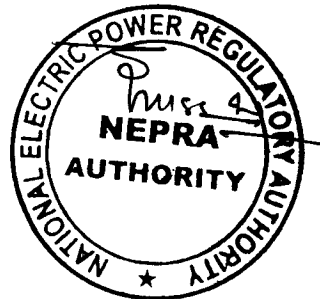
Pursuant to the decisions of the Authority dated 27th August 2010, 15th October 2010 and March 22, 2011 in the matter of adjustment at commercial operation date in the case of Nishat Power Limited (NPL), the tariff of NPL in respect of October-December 2011 quarter has been revised on account of US CPI, WPI (Local), exchange rate and KIBOR variation in accordance with the requisite indexation/adjustment mechanism stipulated in the decisions of the Authority. The revised tariff indicated hereunder shall be immediately applicable:

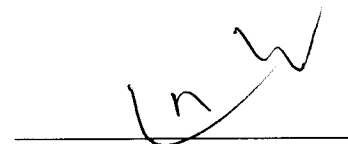
Tariff Components	Reference	Revised Oct-Dec 11 Quarter
Capacity Charge (Rs./kW/Hour)		
Fixed O&M - Foreign	0.1018	0.1083
Fixed O&M - Local	0.0965	0.1188
Insurance	0.1220	0.1220
Cost of Working Capital	0.1997	0.2116
ROE	0.3436	0.3516
ROEDC	0.0598	0.0612
Debt Servicing	1.5978	1.6628
Total Capacity Charge	2.5212	2.6363
Variable O&M (Rs./kWh)		
Variable O&M - Foreign	0.5178	0.5507
Variable O&M - Local	0.1327	0.1634
Total Variable O&M	0.6505	0.7141

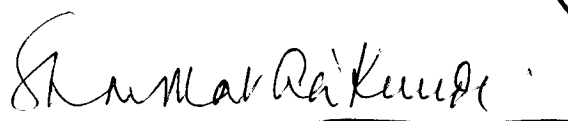
The above referred revised tariff components attached as **Annex-I** is to be notified in the official gazette, in accordance with the provision of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.


AUTHORITY


Ghiasuddin Ahmed
Member




Maqbool Ahmad Khawaja
Member


Shaukat Ali Kundi
Member/Vice Chairman


Khalid Saeed
Chairman

NISHAT POWER LIMITED
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference	Revised Oct-Dec 11 Quarter
Capacity Charge (Rs./kW/Hour)		
Fixed O&M - Foreign	0.1018	0.1083
Fixed O&M - Local	0.0965	0.1188
Insurance	0.1220	0.1220
Cost of Working Capital	0.1997	0.2116
ROE	0.3436	0.3516
ROEDC	0.0598	0.0612
Debt Servicing	1.5978	1.6628
Total Capacity Charge	2.5212	2.6363
Variable O&M (Rs./kWh)		
Variable O&M - Foreign	0.5178	0.5507
Variable O&M - Local	0.1327	0.1634
Total Variable O&M	0.6505	0.7141
Indexation Values		
Exchange Rate (Rs./USD)	85.400	87.400
US CPI (All Urban Consumers)	218.011	226.545
*WPI (Manufactures) - Local	170.150	209.470
3 Monthly KIBOR	12.34%	13.20%
Hours in the quarter	-	2208

* For the purpose of indexation of local O&M for October-December 2011 quarter, WPI (Manufactures) for August 2011 was required to be used. However, with the revision of base values of WPI from 2000-01 to 2007-08 by Federal Bureau of Statistics, the commodity group of WPI (Manufactures) has now ceased to exist and the latest available WPI (Manufactures) pertaining to July 2011 has been used for the indexation. The local O&M component will be revised, if required, in terms of Para 12.3 of Part V of Schedule 1 of the PPA on determination of new index by the Authority.

