



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/TRF-71/NPL-2007/5863-5865

July 25, 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 (July - September, 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.

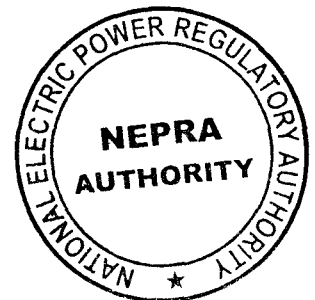
Enclosure: As above

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

CC:

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


(Syed Safer Hussain)





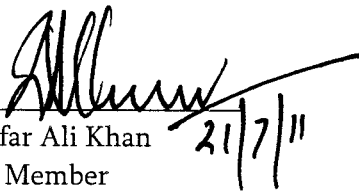
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ADJUSTMENT
OF TARIFF FOR NISHAT POWER LIMITED**

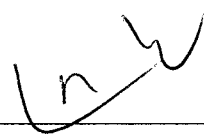
Pursuant to the decisions of the Authority dated 27th August 2010, 15th October 2010 and March 22, 2011 in the matter of adjustment at commercial operation date in the case of Nishat Power Limited (NPL), the tariff of NPL in respect of July-September 2011 quarter has been revised on account of US CPI, 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:

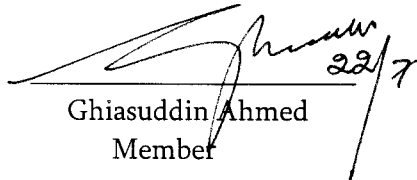
Tariff Components	Reference	Revised Jul.-Sep. 11 Quarter
Capacity Charge (Rs./kW/Hour)		
Fixed O&M - Foreign	0.1018	0.1063
Fixed O&M - Local	0.0965	0.1229
Insurance	0.1220	0.1220
Cost of Working Capital	0.1997	0.2161
ROE	0.3436	0.3462
ROEDC	0.0598	0.0603
Debt Servicing	1.5978	1.6890
Total Capacity Charge	2.5212	2.6628
Energy Charge (Rs./kWh)		
Variable O&M - Foreign	0.5178	0.5408
Variable O&M - Local	0.1327	0.1690
Total Variable O&M	0.6505	0.7098

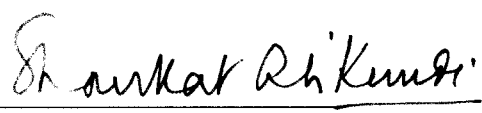
The above referred revised tariff components attached as **Annex-I** is recommended to the Federal Government for notification in the official gazette, in accordance with the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

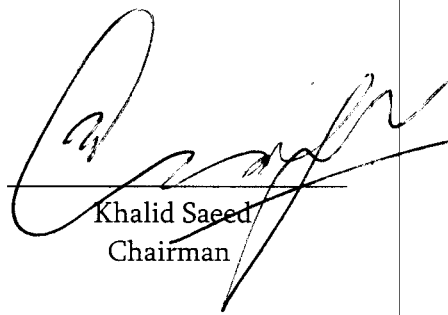
AUTHORITY

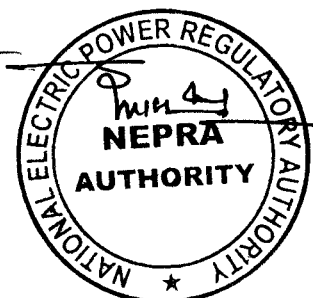

Zafar Ali Khan
Member


Maqbool Ahmad Khawaja
Member


Ghiasuddin Ahmed
Member


Shaukat Ali Kundi
Member/Vice Chairman


Khalid Saeed
Chairman



NISHAT POWER LIMITED
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Indexation	Reference	Revised Jul.-Sep. 11 Quarter
Capacity Charge (Rs./kW/Hour)			
Fixed O&M - Foreign	US\$/Rs. & US CPI	0.1018	0.1063
Fixed O&M - Local	WPI- Local	0.0965	0.1229
Insurance	Actual on yearly basis	0.1220	0.1220
Cost of Working Capital	Kibor Variation	0.1997	0.2161
ROE	US\$/Rs.	0.3436	0.3462
ROEDC	US\$/Rs.	0.0598	0.0603
Debt Servicing	Kibor Variation	1.5978	1.6890
Total Capacity Charge		2.5212	2.6628
Energy Charge (Rs./kWh)			
Variable O&M - Foreign	US\$/Rs. & US CPI	0.5178	0.5408
Variable O&M - Local	WPI- Local	0.1327	0.1690
Total Variable O&M		0.6505	0.7098
Following Values are used for adjustment/indexation of tariff:			
		Reference	Revised Jul.-Sep. 11 Quarter
Exchange Rate (Rs./USD)		85.400	86.050
US CPI (All Urban Consumers)		218.011	225.964
WPI (Manufactures) - Local		170.150	216.650
3 Monthly KIBOR		12.34%	13.53%
Hours in the quarter		-	2208

