



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/Tariff-71/NPL-2007/359-361

January 24, 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 July-September 2010 to January - March, 2011 quarters 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.

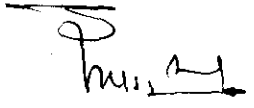
3. Please note that revised tariff schedule to be notified in the official Gazette is attached as Annex-I.

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 Safeer Hussain)





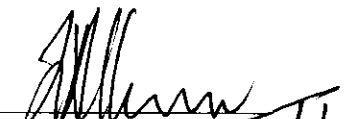
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY
INDEXATION/ADJUSTMENT OF TARIFF FOR NISHAT POWER LIMITED**

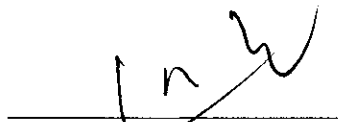
Pursuant to the decisions of the Authority dated 27th August 2010 & 15th October 2010 in the matter of adjustment at commercial operation date in the case of Nishat Power Limited (NPL), the tariff of NPL in respect of July-September 2010 to January-March 2011 quarters has been revised on account of US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

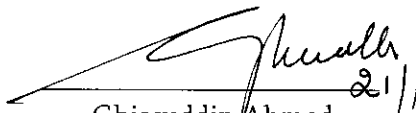
Tariff Components	Reference	Revised	Revised	Revised
		Jul-Sep 10 Quarter	Oct-Dec 10 Quarter	Jan-Mar 11 Quarter
Capacity Charge (Rs./kW/Hour)				
Fixed O&M - Foreign	0.1018	0.1021	0.1029	0.1028
Fixed O&M - Local	0.0965	0.0965	0.0982	0.1097
Insurance	0.1220	0.1220	0.1220	0.1220
Cost of Working Capital	0.1997	0.1991	0.2092	0.2141
ROE	0.3424	0.3432	0.3456	0.3444
ROEDC	0.0596	0.0597	0.0602	0.0599
Debt Servicing	1.5978	1.5938	1.6574	1.6871
Total Capacity Charge	2.5198	2.5164	2.5955	2.6400
Energy Charge (Rs./kWh)				
Variable O&M - Foreign	0.5178	0.5194	0.5234	0.5227
Variable O&M - Local	0.1327	0.1327	0.1350	0.1509
Total Variable O&M	0.6505	0.6521	0.6584	0.6736

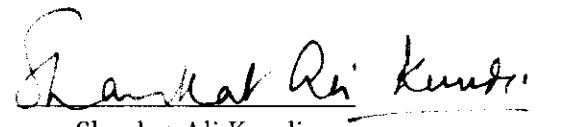
The revised tariff schedule to be notified in the official gazette is attached as Annex-I.


AUTHORITY

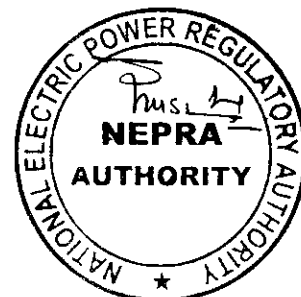

Zafar Ali Khan
Member


Maqbool Ahmad Khawaja
Member


Ghiasuddin Ahmed
Member


Shaukat Ali Kundi
Member/ Vice Chairman


Khalid Saeed
Chairman

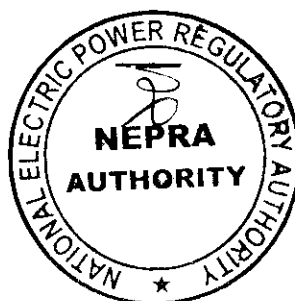


NISHAT POWER LIMITED
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Indexation	Reference	Revised	Revised	Revised
			Jul-Sep 10 Quarter	Oct-Dec 10 Quarter	Jan-Mar 11 Quarter
Capacity Charge (Rs./kW/Hour)					
Fixed O&M - Foreign	US\$/Rs. & US CPI	0.1018	0.1021	0.1029	0.1028
Fixed O&M - Local	WPI- Local	0.0965	0.0965	0.0982	0.1097
Insurance	Actual on yearly basis	0.1220	0.1220	0.1220	0.1220
Cost of Working Capital	Kibor Variation	0.1997	0.1991	0.2092	0.2141
ROE	US\$/Rs.	0.3424	0.3432	0.3456	0.3444
ROEDC	US\$/Rs.	0.0596	0.0597	0.0602	0.0599
Debt Servicing	Kibor Variation	1.5978	1.5938	1.6574	1.6871
Total Capacity Charge		2.5198	2.5164	2.5955	2.6400
Energy Charge (Rs./kWh)					
Variable O&M - Foreign	US\$/Rs. & US CPI	0.5178	0.5194	0.5234	0.5227
Variable O&M - Local	WPI- Local	0.1327	0.1327	0.1350	0.1509
Total Variable O&M		0.6505	0.6521	0.6584	0.6736

Following Values are used for adjustment/indexation of tariff:

	Reference	Revised	Revised	Revised
		Jul-Sep 10 Quarter	Oct-Dec 10 Quarter	Jan-Mar 11 Quarter
Exchange Rate (Rs./USD)	85.400	85.600	86.200	85.900
US CPI (All Urban Consumers)	218.011	218.178	218.312	218.803
WPI (Manufactures) - Local	170.150	170.150	173.160	193.440
3 Monthly KIBOR	12.34%	12.29%	13.09%	13.46%
Hours in the quarter	-	2208	2208	2160



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