



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No.NEPRA/TRF-81/SHYDO-2007/7995-7997
October 4, 2012

Subject: **Decision of the Authority in the Matter of Periodic Indexation/Adjustment of Tariff for Malakand-III Hydropower Project (SHYDO) (Case No. NEPRA/TRF-81/SHYDO-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 tariff (Annex-I) (02 pages) regarding periodic indexation/adjustment of tariff of Sarhad Hydel Development Organization on account of US CPI, WPI (Local), US\$/PKR Exchange Rate and KIBOR variation in Case No. NEPRA/TRF-81/SHYDO-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.

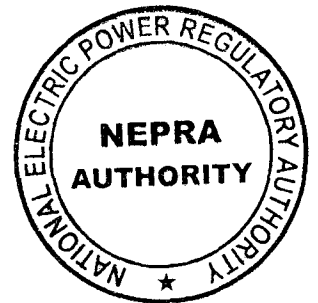
Enclosure: As above

(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 PERIODIC INDEXATION/ADJUSTMENT
OF TARIFF FOR MALAKAND-III HYDRO POWER PROJECT (SHYDO)**

Pursuant to paragraph 52 subsection IV of the Authority's determination in case No. NEPRA/TRF-81/SHYDO-2007 dated 2nd April 2008 and subsequent corrigendum/addendum dated 12th June 2008 notified vide SRO 643(I)/2008 dated 18th June 2008 and the decisions of the Authority dated 27th September 2010 notified vide SRO 1117(I)/2010 dated December 09, 2010 in the matter of adjustment at commercial operation date, the tariff of SHYDO from December 2010 – May 2012 has been revised on account of US CPI, WPI (Local), US\$/PKR exchange rate and KIBOR variation in accordance with the requisite indexation/adjustment mechanism stipulated in the aforementioned determination/decision of the Authority. The revised tariff indicated hereunder shall be immediately applicable for the period as defined in the following table:

Tariff Components	Reference	Revised								
		W.e.f January 01, 2011	W.e.f April 01, 2011	W.e.f May 01, 2011	W.e.f July 01, 2011	W.e.f October 01, 2011	W.e.f November 01, 2011	W.e.f January 01, 2012	W.e.f April 01, 2012	W.e.f May 01, 2012
		Rs/kWh	Rs/kWh	Rs/kWh	Rs/kWh	Rs/kWh	Rs/kWh	Rs/kWh	Rs/kWh	Rs/kWh
Fixed Charges										
Fixed O&M Local	0.0723	0.1125	0.1203	0.1203	0.1218	0.1218	0.1218	0.1218	0.1218	0.1218
Fixed O&M Foreign	0.2169	0.3259	0.3271	0.3271	0.3371	0.3433	0.3433	0.3522	0.3580	0.3580
Debt Service Component	1.9067	1.7573	1.7573	1.7963	1.7963	1.7963	1.6699	1.6699	1.6699	1.6872
ROE	1.0651	1.1226	1.1141	1.1141	1.1246	1.1422	1.1422	1.1736	1.1853	1.1853
ROEDC	0.8938	0.9421	0.9349	0.9349	0.9437	0.9585	0.9585	0.9848	0.9947	0.9947
Variable Charges										
Variable O&M	0.1000	0.1502	0.1508	0.1508	0.1554	0.1583	0.1583	0.1624	0.1651	0.1651
Water Use Charge	0.1500	0.2116	0.2116	0.2116	0.2116	0.2116	0.2527	0.2527	0.2527	0.2527
Total Tariff	4.4048	4.6222	4.6161	4.6551	4.6905	4.7320	4.6467	4.7174	4.7475	4.7648

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

AUTHORITY

Shaukat Ali Kundi

(Shaukat Ali Kundi)
Member

04.10.2012

Habibullah Khilji
25/9/2012

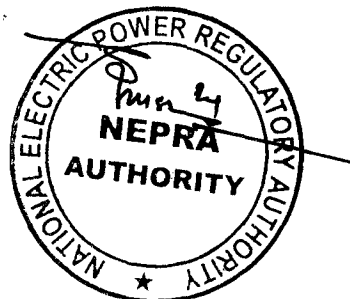
(Habibullah Khilji)
Member

Khawaja Muhammad Naeem
24/9/12

(Khawaja Muhammad Naeem)
Member

Ghiasuddin Ahmed
4/X

(Ghiasuddin Ahmed)
Acting Chairman



Tariff Components	Reference	Revised								
		W.e.f January 01, 2011	W.e.f April 01, 2011	W.e.f May 01, 2011	W.e.f July 01, 2011	W.e.f October 01, 2011	W.e.f November 01, 2011	W.e.f January 01, 2012	W.e.f April 01, 2012	W.e.f May 01, 2012
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Total Tariff	4.4048	4.6222	4.6161	4.6551	4.6905	4.7320	4.6467	4.7174	4.7475	4.7648
US CPI	208.490	218.803	221.309	221.309	225.964	226.545	226.545	226.230	227.663	227.663
WPI	124.360	193.440	206.860	206.860	209.470	209.470	209.470	209.470	209.470	209.470
Rs/US\$ For O&M	60.00	85.90	85.25	85.25	86.05	87.40	87.40	89.80	90.70	90.700
Rs/US\$ For Equity	81.50	85.90	85.25	85.25	86.05	87.40	87.40	89.80	90.70	90.700
KIBOR 6- Month	15.10%			13.67%				11.91%		12.01%

* For the purpose of indexation of local O&M and Water Use Charge for the period July 2011 to May 2012, WPI (Manufactures) values for the relevant months were 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 and Water Use Charge will be revised, if required, on determination of a new index by the Authority.

