



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/TRF-81/SHYDO-2007/263-265

January 18, 2011

Subject: **Decision of the Authority in the matter of Periodic Indexation/Adjustment of Tariff for SHYDO's Malakand-III Hydro Power Project in 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 schedule of tariff (Annex-I) (02 pages) regarding adjustment of tariff for the period from January 2009 – December 2010 on account of US CPI, WPI (Local), US\$/PKR exchange rate and KIBOR variation in respect of SHYDO's Malakand-III Hydropower Project in Case No. NEPRA/TRF-81/SHYDO-2007.

2. The decision is being intimated to the Federal Government for the purpose of notification in 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 schedule of tariff attached to the decision as Annex-I is required to be notified in the official Gazette.

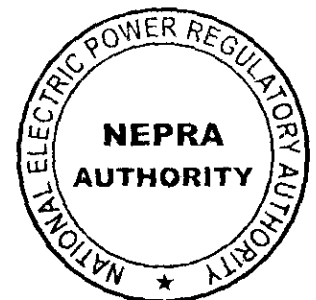
Enclosure: As above

(Syed Safeer Hussain)

Secretary
Ministry of Water & Power .
'A' Block, Pak Secretariat
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 SHYDO's 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 of 2nd April 2008 and subsequent corrigendum/addendum of 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 January 2009 -December 2010 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, 2009	W.e.f April 01, 2009	W.e.f May 01, 2009	W.e.f July 01, 2009	W.e.f October 01, 2009	W.e.f November 01, 2009	W.e.f January 01, 2010	W.e.f April 01, 2010	W.e.f May 01, 2010	W.e.f July 01, 2010	W.e.f Oct 01, 2010	W.e.f November 01, 2010	
		Rs/kWh	Rs/kWh	Rs/kWh	Rs/kWh	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	0.0815	0.0805	0.0805	0.0821	0.0835	0.0835	0.0876	0.0926	0.0926	0.0989	0.1007	0.1007	
Fixed O&M Foreign	0.2169	0.2906	0.2958	0.2958	0.3015	0.3117	0.3117	0.3162	0.3164	0.3164	0.3238	0.3263	0.3263	
Debt Service Component	1.9067	1.9067	1.9067	1.7548	1.7548	1.7548	1.7153	1.7153	1.7153	1.6785	1.6785	1.6785	1.7573	
ROE	1.0651	1.0311	1.0507	1.0507	1.0625	1.0886	1.0886	1.1017	1.1004	1.1004	1.1187	1.1265	1.1265	
ROEDC	0.8938	0.8652	0.8817	0.8817	0.8916	0.9135	0.9135	0.9245	0.9234	0.9234	0.9387	0.9453	0.9453	
Variable Charges														
Variable O&M	0.1000	0.1340	0.1364	0.1364	0.1390	0.1437	0.1437	0.1458	0.1459	0.1459	0.1493	0.1504	0.1504	
Water Use Charge	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1742	0.1742	0.1742	0.1742	0.1742	0.1742	0.2116	
Total Tariff	4.4048	4.4592	4.5018	4.3499	4.3815	4.4459	4.4306	4.4653	4.4682	4.4314	4.4822	4.5019	4.6181	

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

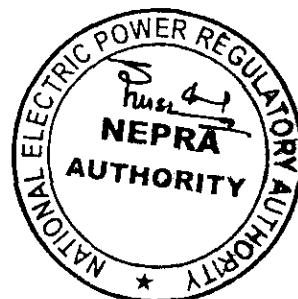
AUTHORITY

Zafar Ali Khan
Member

Maqbool Ahmad Khawaja
Member

Ghiasuddin Ahmed
Member

Shaukat Ali Kundi
Acting Chairman



AMK

Tariff Components	Reference	Revised											
		W.e.f January 01, 2009	W.e.f April 01, 2009	W.e.f May 01, 2009	W.e.f July 01, 2009	W.e.f October 01, 2009	W.e.f November 01, 2009	W.e.f January 01, 2010	W.e.f April 01, 2010	W.e.f May 01, 2010	W.e.f July 01, 2010	W.e.f Oct 01, 2010	W.e.f November 01, 2010
		Rs/kWh	Rs/kWh	Rs/kWh	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	0.0815	0.0805	0.0805	0.0821	0.0835	0.0835	0.0876	0.0926	0.0926	0.0989	0.1007	0.1007
Fixed O&M Foreign	0.2169	0.2906	0.2958	0.2958	0.3015	0.3117	0.3117	0.3162	0.3164	0.3164	0.3238	0.3263	0.3263
Debt Service Component	1.9067	1.9067	1.9067	1.7548	1.7548	1.7548	1.7153	1.7153	1.7153	1.6785	1.6785	1.6785	1.7573
ROE	1.0651	1.0311	1.0507	1.0507	1.0625	1.0886	1.0886	1.1017	1.1004	1.1004	1.1187	1.1265	1.1265
ROEDC	0.8938	0.8652	0.8817	0.8817	0.8916	0.9135	0.9135	0.9245	0.9234	0.9234	0.9387	0.9453	0.9453
Variable Charges													
Variable O&M	0.1000	0.1340	0.1364	0.1364	0.1390	0.1437	0.1437	0.1458	0.1459	0.1459	0.1493	0.1504	0.1504
Water Use Charge	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1742	0.1742	0.1742	0.1742	0.1742	0.1742	0.2116
Total Tariff	4.4048	4.4592	4.5018	4.3499	4.3815	4.4459	4.4306	4.4653	4.4682	4.4314	4.4822	4.5019	4.6181
Benchmarks													
USCPI	208.490	212.425	212.193		213.856	215.834		216.330	216.741		218.178	218.312	
WPI	124.360	140.240	138.380		141.250	143.570	144.390	150.650	159.310		170.150	173.160	175.400
Rs/US\$ For O&M	60.00	78.90	80.40		81.30	83.30		84.30	84.20		85.60	86.20	
Rs/US\$ For Equity	81.50	78.90	80.40		81.30	83.30		84.30	84.20		85.60	86.20	
KIBOR 6- Month	15.10%			13.35%			12.84%			12.33%			13.23%



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