



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

NEPRA Office Building, G-5/1, Attaturk Avenue (East), Islamabad

Phone: 051-9206500, Fax: 051-2600026

Website: www.nepra.org.pk, Email: registrar@nepra.org.pk

OFFICE OF THE REGISTRAR

No. NEPRA/SAT-I/H/TRF-308/1089 - 1108

January 27, 2016

Subject: **INLAND COAL TRANSPORTATION AGREEMENT SIGNED BETWEEN SPONSONOR HUANENG SHANDONG RUYI (PAKISTAN) ENERGY (PVT) LTD AND PAKISTAN RAILWAY FREIGHT TRANSPORTATION COMPANY PRIVATE LIMITED (ON BEHALF OF GOP) SUPPLY OF COAL FOR 2x660 MW COAL FIRED PROJECT LOCATED IN SAHIWAL.**

It is to inform you that Punjab Power Development Board (PPDB) submitted a draft Inland Coal Transportation Agreement (ICTA) on the subject matter. In this regard, notice to seek comments of all the stakeholders has been published in daily national newspapers on November 28, 2015 (copy attached).

2. The Authority has decided to conduct hearing in the subject matter as per the following schedule:

Date : 25th February, 2016 (Thursday)
Time : 11:00 AM
Venue : NEPRA Tower G-5/1 Islamabad

3. In the view of above you may like to attend the hearing for any valuable input/comments in order to assist the Authority in arriving at a just and informed decision.

Encl: As Above

(Signature)
(Iftikhar Ali Khan)
 Deputy Registrar

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|----|---|----|---|
| 1. | Chief Executive Officer National Transmission & Despatch Co. Ltd. (NTDC), 414 WAPDA House, Shaharah-e-Quaid-e-Azam, Lahore | 2. | Managing Director, Private Power Infrastructure Board (PPIB), 50-Nazimuddin Road, F-7/4, Islamabad |
| 3. | Member Power Water & Power Development Authority (WAPDA) 738 - WAPDA House, Shakra-e-Quaid-e-Azam, Lahore | 4. | Chief Executive Officer Central Power Purchasing Agency Limited (CPPAG) Shaheed-e-Millat Secretariat, venue, Blue Area, Islamabad |
| 5. | Executive Director, Transparency International-Pakistan, 5-C, 2nd Floor, Khayaban-e-Ittehad, Phase VII, D.H.A., Karachi . | | Consumer Rights Commission of Pakistan H. No. 13, Street 1, G-6/3, Islamabad |
| 7. | Chief Executive Office Thar Power Company 4th Floor, The Harbor Front Building HC-3, Marine Drive, Block - 4, Clifton, Karachi. Tel: 92-21- 35297501-10, | 8. | Director General, Pakistan Environmental Protection Agency, Plot No. 41, Street No. 6, H-8/2, Islamabad. |



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| 9. | Chief Executive Officer Port Qasim Electric Power Company Pvt Ltd. House N0.63, Street No.5, Sector F-8/3 Islamabad Tel: 92-51-2266341 | 10. | Chief Executive Officer Thar Coal Energy Board, (TCEB) Karachi 1st Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, (Opposite CM House), Karachi. Tel: 92-21-99207528-31 , 92-21- 99206368-69 |
| 11. | Chief Executive Officer Lal Pir Power Limited 1.B, Aziz Avenue, Canal Bank, Gulberg V, Lahore ph: 042-35717090 | 12. | Chief Executive Officer Grange Power Limited 2nd Floor, 65-Z, Commercial Area, DHA, Lahore |
| 13. | Chief Executive Officer Engro Pwoergen Thar (Pvt) Ltd. 4th Floor, The Harbor Front Building, HC-3, Marine Drive, Block 4, Clifton Karachi | 14. | Chief Executive Officer Pakgen Power Limited 1.B, Aziz Avenue, Canal Bank, Gulberg V, Lahore ph: 042-35717090 |
| 15. | Chief Executive Officer Lucky Electric Power Company Limited 6-A, A.Aziz Hashim Tabba Street Muhammad Ali Housing Society Karachi Ph: 021-111786555 | 16. | Chief Executive Officer China Power Hub Generation Company Ltd. 3rd Floor, Islamic Chambers Building, Block-9, Main Clifton Road Karachi, Pakistan T +92 21 3587 4677-86+92 21 3583 9018 |
| 17. | Chief Executive Officer China Machinery Engineering Corporation Power Pvt Ltd House No.3, Street No. F-7/2 Islamabad Ph: 2609710 | 18. | Chief Executive Officer Siddiqsons Energy Limited 27th Floor, Ocean Tower, G-3, Block-9, Scheme # 5, Main Clifton Road, • Karachi, Pakistan. Ph: +92 21 35166571 (5 Lines) |
| 19. | Chief Executive Officer K-Electric Limited KESC House, Punjab Chowrangi 39-B, Sunset Boulevard phase-II Karachi | 20. | Chief Executive Officer K-Energy Private Limited (KEPL) House No. 1, Street No. 7, F-8/3 Islamabad |

Handwritten note: 1/11/16



National Electric Power Regulatory Authority
(NEPRA)

NOTICE TO SEEK COMMENTS

Inland Coal Transportation Agreement Signed between sponsor Company "Huaneng Shandong Ruyi (Pakistan) Energy (private) Limited and Pakistan Railway Freight Transportation Company Private Limited (on behalf of GOP) Supply of Coal for 2 *660 MW coal fired project located in Sahlwal Punjab.

1. All stakeholders, interested/affected persons and the general public are hereby informed that the Authority received a draft Inland Coal Transportation Agreement (ICTA) from Punjab Power Development Board (PPDB) for approval and guidance.
2. PPDB submitted that the following railway freight charges are under negotiation:
Fixed Freight Charges (FFC) = Rs 1.330 /ton/km
Variable freight charges (VFC) = Rs0.708 /ton/km which includes a fuel cost component of Rs 0.404/ton/km and O&M of Rs 0.27/t/km
Other Freight charges component (OCC) = Rs 0.722/ton/km
Profit margin = Rs 0.23/ton/km
Total = Rs2.99/ton/km:
3. After reviewing the draft ICTA, the Authority decided to seek comments from general public/stakeholders on the following issues:
 - a. Whether the approval of freight rates quoted above come under the domain of NEPRA or these rates should be approved by the relevant/competent Authority and then forward to NEPRA?
 - b. Whether the proposed payment of fixed capacity charges irrespective of coal transported or not is justified?
 - c. Similarly, whether LDs/Penalties arising due to non-performance of any of the parties, i.e. the transporter and/or the coal purchaser, under this agreement should be passed on to the end electricity consumers?
 - d. Whether the requirement of Fixed Deposit Account (FDA) equal to six months of required coal quantity is justified?
 - e. Whether the options of having private companies using the Pakistan Railways infrastructure for the transport of coal for the project have been explored to arrive at a competitive freight charges?Any person may also file the comments on the above issue or any other aspect of the draft ICTA uploaded on the NEPRA website within ten (10) days of the publication

Registrar NEPRA

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad
Phone: 051-2013200 Fax: 051-2600021, E.mail registrar@nepra.org.pk

For further information and downloading the tariff petition please visit: www.nepra.org.pk

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