



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/R/SAT-I/PARs-147-48/15615-54

October 28, 2015

Subject: - **NOTICE OF HEARINGS IN THE MATTER OF POWER ACQUISITION REQUESTS (PARs) FILED BY K-ELECTRIC FOR PURCHASE OF 50 MW (NET) (GAS BASED) POWER EACH FROM SINDH NOORIABAD POWER COMPANY PRIVATE LIMITED (SNPC) AND SINDH NOORIABAD POWER COMPANY PRIVATE LIMITED PHASE II (SNPC-II)**

5. K-Electric has submitted Power Acquisition Requests (PARs) in accordance with the provisions of NEPRA Interim Power Procurement (Procedure & Standards) Regulations, 2005 (IPPR-2005) for purchase of 50 MW (net) power (Gas Based) each from Sindh Nooriabad Power Company Private Limited (SNPC) and Sindh Nooriabad Power Company Private Limited Phase-II (SNPC-II). The Authority has decided to hold public hearings on the subject matter as per the details mentioned below.

	<u>SNPC</u>	<u>SNPC-II</u>
Date:	November 5, 2015	-
Time:	11:00 AM	-
Venue:	NEPRA, Tower Islamabad	

2. In view of your interest in the matter, you are invited to attend the hearing and present your views in the case so as to assist the Authority in arriving at informed decision.

3. Notices of hearings were published in daily newspapers on 27th October, 2015 (Tuesday) (Copies attached). Copies of the Act, Rules, Petitions/ Requests are available at NEPRA website: www.nepra.org.pk

Encl:/As above

(Signature)
(Iftikhar Ali Khan)
Deputy Registrar

1. Chairman Pakistan Engineering Council Ataturk Avenue (East) Islamabad	2. Member (Power) WAPDA 738- WAPDA House, Shahrah-e-Quaid-e-Azam, Lahore
3. Managing Director Private Power & Infrastructure Board House No. 50, Nazimuddin Road, F-7/4, Islamabad	4. Managing Director Pakistan Electric Power Company Ltd. (PEPCO), 721-WAPDA House, Shahrah-e-Quaid-e-Azam, Lahore
5. Chief Executive Officer National Transmission and Despatch 414-WAPDA House, Shahrah-e-Quaid-e-Azam, Lahore	6. Chief Operating Officer Central Power Purchasing Agency 325-WAPDA House, Shahrah-e-Quaid-e-Azam, Lahore
7. Chief Executive Officer Hyderabad Electric Supply Company (HESCO) WAPDA Water Wing Complex, Hussainabad, Hyderabad	8. Chief Executive Officer Quetta Electric Supply Company (QESCO), 14-A Zarghoon Road, Quetta

9.	Chief Executive Officer Faisalabad Electric Supply Company (FESCO), Abdullahpur, Canal Bank Road, Faisalabad	10.	Chief Executive Officer Lahore Electric Supply Company (LESCO), 22-A, Queen's Road, Lahore
11.	Chief Executive Officer Peshawar Electric Supply Company (PESCO), WAPDA House, Sakhi Chashma, Shami Road, Peshawar	12.	Chief Executive Officer Multan Electric Power Company (MEPCO) MEPCO Complex, WAPDA Colony, Khanewal Road, Multan
13.	Chief Executive Officer Gujranwala Electric Power Company (GEPCO) 565/A, Model Town G.T. Road, Gujranwala	14.	Chief Executive Officer Islamabad Electric Supply Company (IESCO), Street No. 40, G-7/4 Islamabad
15.	President Institute of Electric & Electronics Engineers of Pakistan, 4-Lawrence Road, Lahore	16.	President The Institute of Engineers Pakistan IEP Roundabout Engineering Centre Gulberg-III, Lahore
17.	Managing Director Sui Southern Gas Co. Ltd. SSGC House, Sir Shah Suleman Road, Karachi-75300	18.	Managing Director Pakistan State Oil PSO House, Khayaban-e-Iqbal, Clifton Karachi-75600
19.	Chief Executive Officer Tapal Wind Energy (Pvt.) Limited Amejee Chambers Campbell Street, Karachi	20.	Chief Executive Officer Gul Ahmed Energy Limited 35-B, Block 6, P.E.C.H.S., Karachi
21.	Chief Executive Officer Karachi Nuclear Power Plant (KANUPP) Paradise Point, Karachi	22.	Chief Executive Officer Pakistan Steel Mills Company Bin Qasim, Zaffarabad, Karachi 75600
23.	Chief Executive Officer Anoud Power Generation Limited 603-604 6 th Floor, Laxion Building No. 3, Sarwar Shaheed Road, Karachi	24.	Chief Executive Officer International Industries Limited 101-Basement Plaza, 10 Beaumont Road, Karachi
25.	Chairman Transparency International Pakistan 5-C, 2 nd Floor, Khayban-e-Ittehad, Phase-VII, DHA, Karachi	26.	Chief Executive Officer Sindh Nooriabad Power Company (Private) Ltd. (SNPC-I) 28, Army Housing Scheme, National Stadium Colony, Karachi Phone: +92 21 3483 8755-56 Fax +92 21 3483 8757
27.	Chief Executive Officer Sindh Nooriabad Power Company (Private) Ltd. (SNPC-II) 28, Army Housing Scheme, National Stadium Colony, Karachi Phone: +92 21 3483 8755-56 Fax +92 21 3483 8757	28.	Chairman Public Sector Utility Sub-Committee Karachi Chamber of Commerce & Industries Aiwan-e- Tijarat Road, Shahrah-e-Liaquat, Karachi-2
29.	President The Federation of Pakistan Chamber of Commerce and Industry (FPOCI), Federation House, Main Clifton, Karachi	30.	SHEHRI 206-G, Block-2, P.E.C.H.S. Karachi
31.	Chairman S.I.T.E. Association of Industry H-16, S.I.T.E., Karachi	32.	President Senior Citizen Foundation of Pakistan 5-P, Markaz G-7, Sitara Market, Islamabad
33.	Chairman All Pakistan Textile Mills Association, APTMA House, 44-A, Lalazar P.O. Box 5446, Moulvi Tamizuddin Khan Road, Karachi	34.	Chairman Pakistan Cotton Ginners' Association 1119-1120, 2 nd Floor, Unit Plaza, I. I. Chundrigar Road, Karachi
35.	Executive Director Sustainable Development Policy Institute No. 3, UN Boulevard, Diplomatic Enclave-I G-5, Islamabad	36.	Mr. Abdul Sattar Vice Chairman All Pakistan Textile Mills Association, House No. 16, Textile Avenue, SITE, Karachi



37.	Mr. Muhammad Arif Bilwani 24, Modern C.H. Society, Block-3, Shaheed-e-Millat Road Karachi	38.	Mr. Jawed Bilwani Central Chairman Pakistan Hosiery Manufacturer Association 37-H, Block-6, PECHS, Karachi
39.	Chairman Whistleblower, Pakistan 72-F/II Jami Commercial Street No. 9 Phase VII Defence Housing Authority Karachi Ph: +92-21-35391778	40.	Anwar Kamal Law Associates, 1-Turner Road, Lahore Ph: +92-42-37311810-37358845

National Electric Power Regulatory Authority (NEPRA)

HEARING IN THE MATTER OF POWER ACQUISITION REQUEST (PAR) FILED BY K-ELECTRIC UNDER NEPRA INTERIM POWER PROCUREMENT (PROCEDURE & STANDARDS) REGULATIONS 2005 FOR PURCHASE OF 50MW (NET) POWER (GASBASED) FROM SINDH NOORABAD POWER COMPANY PRIVATE LIMITED (SNPC).

1. All stakeholders, interested / affected persons / parties are hereby informed that K-Electric has submitted Power Acquisition Request (PAR) in accordance with the provisions of NEPRA Interim Power Procurement (Procedure & Standards) Regulations, 2005 (PPR-2005) for purchase of 50 MW (net) power (GasBased) from Sindh Noorabad Power Company Private Limited (SNPC).

2. Following are the details of the proposed tariff

Tariff Components	Levelized Tariff (Rs./kWh)
Fuel Cost	4.0017
Variable O&M	0.9728
Fixed O&M	0.4161
Insurance	0.1553
Working Capital	0.5687
Return on Equity	0.5032
Return on Equity During Construction	0.968
Withholding Tax on Dividend	0.6428
Debt Servicing	1.3731
Total Tariff (Levelized)	7.8026

3. In addition to above tabulated tariff, K-Electric in its PAR has also requested for the wheeling charges of Rs. 0.5030/kWh (levelized) for evacuation of power from SNPC. In this regard, SNPC shall enter into long term wheeling agreement with Sindh Transmission and Dispatch Company (STDC) and shall invoice the agreed upon wheeling charges to K-Electric.

4. In order to arrive at a just and informed decision on subject PAR, the Authority has decided to hold a hearing as per the details mentioned below:

Date : November 05, 2015 (Thursday)
 Time : 11:00 a.m.
 Venue : NEPRA Tower, Ataturk Avenue (East), G-5/1, Islamabad

5. Following issues have been framed for the aforementioned public hearing:

- Whether the proposed EPC cost of USD 47.424 million (USD 0.510 million/MW) is justified?
- Whether the proposed Non EPC/ Other costs of USD 7.812 million (USD 0.152 million/MW) are justified?
- Whether the proposed efficiency of 41.62% (Net HHV) is justified?
- Whether the proposed Tariff control period of 25 years is justified?
- Whether the proposed two part tariff comprising of Energy and Capacity Charges is justified?
- Whether the proposed IRR of 18% is justified?
- Whether the proposed financing terms i.e. loan period of 10 years and interest rate of KIBOR + 3% are justified?
- Whether the proposed fixed and variable O&M components are justified?
- Whether the proposed insurance cost is justified?
- Whether the proposed working capital cost is justified?
- Whether the proposed withholding tax cost component is justified?
- Whether the proposed tariff indexation / adjustment mechanism is justified?
- Whether the proposed interconnection arrangement is justified?
- Whether the proposed wheeling tariff is justified?
- Whether any commitment of gas supply is in place?
- Whether there is any negative impact of this power purchase on the existing tariff of K-Electric?
- Whether WNF/WPPF requested to be allowed as a pass through item is justified?
- Any other matter considered relevant/important by the Authority.

6. Any interested person who desires to participate in the proceedings may file an intervention request within ten days from the date of publication of this notice. Such intervention request shall state the name and address of the person filing the same, objections and the manner in which such person is or is likely to be substantially and specifically affected by any determination in the proceedings. The intervention request may also contain the contentions of the person making the same, the relief sought and the evidence, if any, in support of the case. The intervention request shall be signed, verified and supported by means of an affidavit in the same manner as in the case of the petition.

7. Any person may also file comments in the matter within seven days of the publication of this notice and the Authority, if deemed fit, may permit participation of such person into the proceedings and may also consider those comments in the final determination.

8. Copies of the Act, Rules, Petition/ Request are available at NEPRA website www.nepra.org.pk. All communications should be addressed to: PID/2074/15

Registrar NEPRA
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HEARING IN THE MATTER OF POWER ACQUISITION REQUEST (PAR) FILED BY K-ELECTRIC UNDER NEPRA INTERIM POWER PROCUREMENT (PROCEDURE & STANDARDS) REGULATIONS 2005 FOR PURCHASE OF 50MW (NET) POWER (GASBASED) FROM SINDH NOORABAD POWER COMPANY PRIVATE LIMITED-PHASE II (SNPC-II).

1. All stakeholders, interested / affected persons / parties are hereby informed that K-Electric has submitted Power Acquisition Request (PAR) in accordance with the provisions of NEPRA Interim Power Procurement (Procedure & Standards) Regulations, 2005 (PPR-2005) for purchase of 50 MW (net) power (GasBased) from Sindh Noorabad Power Company Private Limited-Phase II (SNPC-II).

2. Following are the details of the proposed tariff

Tariff Components	Levelized Tariff (Rs./kWh)
Fuel Cost	4.0017
Variable O&M	0.9728
Fixed O&M	0.4161
Insurance	0.1553
Working Capital	0.5687
Return on Equity	0.5032
Return on Equity During Construction	0.968
Withholding Tax on Dividend	0.6428
Debt Servicing	1.3731
Total Tariff (Levelized)	7.8026

3. In addition to above tabulated tariff, K-Electric in its PAR has also requested for the wheeling charges of Rs. 0.5030/kWh (levelized) for evacuation of power from SNPC-II. In this regard, SNPC-II shall enter into long term wheeling agreement with Sindh Transmission and Dispatch Company (STDC) and shall invoice the agreed upon wheeling charges to K-Electric.

4. In order to arrive at a just and informed decision on subject PAR, the Authority has decided to hold a hearing as per the details mentioned below:

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7. Any person may also file comments in the matter within seven days of the publication of this notice and the Authority, if deemed fit, may permit participation of such person into the proceedings and may also consider those comments in the final determination.

8. Copies of the Act, Rules, Petition/ Request are available at NEPRA website www.nepra.org.pk. All communications should be addressed to: PID/2075/15

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