



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/TRF-294/ 4872-79

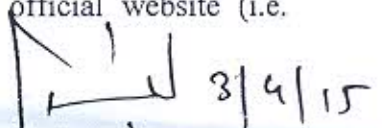
April 03, 2015

Subject: **Hearing in the matter of Tariff Petition filed by Fimcotex (Private) Limited for Determination of Tariff For 35.538 MW Power Project**

The Authority has admitted the tariff petition filed by Fimcotex (Private) Limited for Tariff Determination of 35.538 MW Power Plant and has decided to hold the public hearing in the matter. In this regard, notice of hearing along with Salient features of the petition has been published in daily national newspapers on 1st April 2015 (copy attached) inviting comments (if any) from stakeholders, interested/affected persons and from the general public. The hearing in the subject matter is scheduled according to the date, time and venue as mentioned below:

Date : April 15, 2015 (Wednesday)
Time : 11:30 AM
Venue : NEPRA Tower, G/5-1, Islamabad

- In case you wish to become a party to the proceedings and participate in the tariff setting process in a more wholesome manner, you may do so by filing an intervention request. Format for intervention request and the contents of an affidavit (to be attached with the Intervention Request) are sent herewith for information and guidance regarding the mode and manner in which you can participate in the proceedings.
- Given your representative status, you may like to express your views and comments on the subject matter on behalf of your members/clients and file replies or communication in support or in opposition of the petition to assist the Authority in arriving at informed decision. Please submit your comments, if any, on the subject matter latest by April 15, 2015.
- Copy of tariff petition can be downloaded from NEPRA's official website (i.e. www.nepra.org.pk).


Iftikhar Ali Khan
Deputy Registrar

Attachment:

- Copy of advertisement of Notice of Admission/Hearing
- Sample format for Intervention Request
- Contents of Affidavit

1.	President The Federation of Pakistan Chamber of Commerce and Industry (FPCCI), Federation House, Main Clifton Karachi – 5675600	2.	Chairman Public Sector Utility, Sub-Committee Karachi Chamber of Commerce & Industries (KCCI) Aiwan-e-Tijarat Road, Shahrah-e-Liaquat Karachi-2
3.	President Hyderabad Chamber of Commerce & Industry 488, Chamber Road, Saddar, Hyderabad	4.	President Karachi Chamber of Commerce & Industries (KCCI) Aiwan-e-Tijarat Road, Shahrah-e-Liaquat Karachi-2

Contd...p/2

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5.	M/s SHEHRI 206-G, Block - 2, P.E.C.H.S, <u>Karachi - 75400</u>	6.	President Senior Citizen Foundation of Pakistan 5-P, Markaz G-7, Sitara Market, <u>Islamabad</u>
7.	Executive Director, Transparency International-Pakistan, 5-C, 2nd Floor, Khayaban-e-Ittehad, Phase VII, D.H.A., <u>Karachi.</u>	8.	Director General, Sindh Environmental Protection Agency, Plot No. ST 2/1, Sector 23, Korangi Industrial Area, Karachi

WS
04-2015



NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)

HEARING IN THE MATTER OF TARIFF PETITION FILED BY FIMCOTEX INDUSTRIES (PRIVATE) LIMITED FOR DETERMINATION OF TARIFF FOR 35.538 MW POWER PROJECT

All stakeholders interested / affected parties / person(s) are hereby informed that in accordance with the provision of NEPRA Tariff (Standards & Procedure) Rules – 1998, the Authority has admitted the Petition filed by Fimcotex Industries (Pvt.) Ltd (hereinafter "FIL") for consideration. Salient features of the petition are as under:

- Hyderabad Electric Supply Company Limited (HESCO) issued an LOI for setting up a new captive power plant in the premises of Fimcotex Industries at Kotri, Sindh, Pakistan
- The sponsors, to develop and implement the power project, established a Special Purpose Company called Fimcotex Industries (Pvt.) Ltd.
- The Sponsors have secured a gas allocation of 4.9 MMCFD for Sui Southern Gas Company Limited (SSGC).
- The power plant will be developed in two phases; viz Phase I will install 16.5 MW and Phase II will install another 16.5 in Simple Cycle and conversion of all 33 MW to Combined Cycle thus achieving an installed capacity of 35.538 MW (approximately).
- The project costing is presented only for Phase I, i.e. 16.5 MW.

2. The project cost requested by the Petitioner is as under:

Equity	US\$ M	3.857
Debt	US\$ M	11.572
Total Project Cost	US\$ M	15.429
Debt: Equity Ratio		75:25

3. This translates into USD (M) 935/kW. The petitioner has requested the Authority to allow following tariff:

FCC	Variable O&M			Fixed O&M	Insurance	ROE	Debt Servicing	Total fixed	Total Tariff
	Local	Foreign	Total						
2.700	0.3475	0.8200	3.8675	0.3760	0.1280	0.623	2.42	3.549	7.4165

4. On current gas price of Rs. 573.28/MMBTU the generation tariff works out as Rs. 11.2097/kWh. The requested tariff is based on the following assumptions:

- Gas Price of Rs. 238.38/MBTU
- Heat Rate of 11309 BTU/kWh or efficiency of 30.5%
- Financing fees and charges @ 1.5% of the debt
- The LC Charges are assumed 1% of the equipment value
- Owner's Engineer cost as Rs. 7.95 million.
- Another 0.5% of the debt is assumed on the undrawn loan as commitment fee.
- Working capital of Rs. 57.91 million has been assumed based on 30 days gas bill, 60 days spare parts and 60 days cash requirement for operation and maintenance.

5. In order to arrive at just and informed decision, the Authority has decided to provide opportunity to all stakeholders for meaningful participation. The Authority has decided to hold the hearing in the matter as per the following schedule:

Date: 15.4.2015 (Wednesday)
Time: 11:30 a.m
Venue: NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad-5.

6. Following issues have been framed for the hearing:

- Whether the project cost indicated by the Petitioner is reasonable & justified?
- Whether the proposed heat rates of 11309 BTU/kWh or 30.5% efficiency indicated after all corrections are reasonable & justified?
- Whether the proposed variable O&M cost is reasonable and justified?
- Whether the fixed O&M cost is reasonable and justified?
- Whether the insurance at 1.35% of the EPC cost is reasonable and justified?
- Whether the ROE of 17% requested by the Petitioner is reasonable and justified?

7. In terms of rule 6 of NEPRA (Tariff Standards & Procedure) Rules, 1998, any interested person who desires to participate in the proceedings may file an intervention request within seven (7) 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. In the intervention request, the intervenor may specifically admit, deny or explain the facts stated in the petition and may also state additional facts which are relevant and necessary for reaching a just and informed decision in the proceedings. 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. The intervenor shall also serve a copy of the intervention request duly attested as true copy to the petitioner or his authorized representative and the petitioner may file a rejoinder to the intervention request which shall be filed before the commencement of the hearing.

8. Any person may also file the comments in the matter within seven (7) days of the publication and the Authority, if deemed fit, may permit participation of such person into the proceedings and also may consider those comments in the final determination. All communications should be addressed to:

Registrar NEPRA

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

Phone: 051-9206500, Fax: 051-2600021, E-mail: registrar@nepra.org.pk

PDR/AS/11/15

CONTENTS OF AFFIDAVIT

The affidavit to be submitted with any petition or communication where in any statement of fact or opinion is made by the petitioner or the communicator, shall be drawn up in the first person stating the full name, age, occupation and address of the deponent and the capacity in which he is signing and indicating that the statement made therein is true to the best of the knowledge of the deponent, information received by the deponent and belief of the deponent, and shall be signed and sworn before a person lawfully authorized to take and receive affidavit, provided that, a communication filed during the course of a hearing may be affirmed in person before the Authority by the person filing the same.

Where any statement in an affidavit given as per paragraph above is stated to be true according to the information received by the deponent, the affidavit shall also disclose the source of such information.

**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
INTERVENTION REQUEST**

Hearing in the matter of Tariff Petition filed by Fimcotex (Private) Limited for
Determination of Tariff For 35.538 MW Power Project

Name/Address	
Manner in which the intervener is likely to be affected by any determination in the proceeding.	(*)
Contention / Grounds of making the formal request	(*)
Relief Sought (if any).	(*)
Brief of evidence (if any)	(*)
Comments.	(*)

(*) Add additional Supplements if required

Date: _____

Signature

To be accompanied with:

1. An affidavit on stamped paper (sample attached), sworn before an authorized officer.
2. Intervention Request Fee Rs. /-