



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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OFFICE OF THE
REGISTRAR

No. NEPRA/R/SAT-I/PAR-146/ 8660-84

June 05, 2015

Subject: **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 52MW POWER (COAL FIRED) FROM FFBL POWER COMPANY LIMITED (FPCL)**

The Authority has admitted the PAR in the subject matter and decided to hold the public hearing in the matter. Notice of hearing along with salient feature along with issues framed of the PAR have been published in the newspaper on 4th June 2015 (copy attached). The hearing in the subject matter is scheduled according to the date, time and venue as mentioned below:

Date : 12th June, 2015 (Friday)
Time : 10:00 AM
Venue : Marriot Hotel, Karachi.

2. In view of your interest, you may like to comment on the subject matter to assist the Authority in arriving at a just and informed decision. If you have any comments please forward the same latest by June 12, 2015. Copy of PAR can be downloaded from NEPRA's website (i.e. www.nepra.org.pk)

Encl:/As above

5/6/15
(Iftikhar Ali Khan)
Deputy Registrar

1. 10	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, 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, Zulfiqarabad, 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 Besumont Road, Karachi
25.	Chairman Transparency International Pakistan 5-C, 2 nd Floor, Khayban-e-Ittehad, Phase-VII, DHA, Karachi		

نیشنل الیکٹرک پاور ریگولیٹری اتھارٹی (نیپرا)



داخلہ نوٹس / شنوائی

نیشنل الیکٹرک پاور ریگولیٹری اتھارٹی نے 2005ء کے IPPR-2005 کے تحت ایک مشورہ نامہ پیش کیا ہے کہ لائیو ویئرنگ کے لیے ایک 52 MW پاور پلانٹ (کولنگ ٹیکنالوجی) کی خریداری کیلئے اہتمام پاور پروکوریٹ (پاور ایڈجسٹمنٹ روٹ) کے لیے ایک پاور اکیویژن ریکوئسٹ (PAR) میں شامل ہے۔ درخواست کی تفصیلات مندرجہ ذیل ہیں:

Project Company	FFBL Power Company Limited (FPCL)	
Major Sponsors	Fauji Fertilizer Bin Qasim Limited	
Project Capacity	52 MW (net)	
Interconnectivity	132 KVA	
Project Location	Bin Qasim, Karachi, Sindh, Pakistan	
Plant Technology	High Pressure Circulating Fluidized Bed (CFB) Technology	
Project Lifecycle	30 Years from DOD	
Power Purchaser	K-Electric Limited	
Fuel Type	Coal	
Plant Factor	85%	
Plant Efficiency	29%	
Energy Production	455.520 GWh at 100% load factor	
Energy Production	387.192 GWh at 85% load factor	
Project	US\$	
	EPC:	97.1
	Project Management:	3.0
	Financing Fees & Charges:	2.6
	Insurance during Construction:	1.0
	Power & Fuel during Construction:	1.0
	Interest During Construction	9.3
	Total	114
Capital Structure	Project Financing: Equity: 25% = 28.5 Debt: 75% = 85.5	
Financing Terms	Loan period: 10 years Interest Rate: KIBOR + 3.5% p.a. KIBOR: 10.10% p.a. PKR 10.1554/kWh at 85% load factor	
Concession Documents	Power Acquisition Contract	
Construction Period	24 months after financial close	
Applicable Framework	Interim Power Procurement Regulations 2005	

2. The project cost has been allocated on the basis of steam & power at the ratio of 58.7% & 41.3% to FFBL & K-Electric respectively.

3. The proposed tariff is as under:

Tariff Inputs	At 100%		PKR/kWh	At 85% - PKR/kWh
	Year 1-10	Year 11-30	Levelized	
Variable O&M Cost				
Fuel Cost	4.3333	4.3333	4.3333	4.3333
Variable O&M (Foreign)	0.0811	0.0811	0.0811	0.0811
Variable O&M (Local)	0.1711	0.1711	0.1711	0.1711
As Disposal	0.1753	0.1753	0.1753	0.1753
Limestone	0.0897	0.0897	0.0897	0.0897
EPP: Operating Costs	4.8505	4.8505	4.8505	4.8505
Fixed Capital Cost				
ROE	1.3580	1.3580	1.3580	1.5978
Debt Servicing	3.5445		2.3103	2.7180
CPP: Capital Cost	4.9025	1.3580	3.6683	4.3156
Total Tariff	10.5939	7.0494	9.3597	10.1554



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4. For the purpose of transparency through participation of the stakeholders in the tariff setting proceedings NEPRA has decided to hold the hearing as per the following schedule:

Date: 12th June 2015
 Time: 10.00 a.m
 Venue: Marriott Hotel, Karachi

5. Following issues have been framed for the hearing:

- Whether the efficiency of 29% is reasonable?
- Whether the project cost is justified?
- Whether the cost allocation indicated by K-Electric is justified?
- Whether the proposed two part tariff comprising Energy and Capacity Charge is justified?
- Whether the tariff indexation / adjustment mechanism proposed by K-Electric is justified?
- Whether the fixed O&M component requested by K-Electric is justified?
- Whether variable O&M cost requested is justified?
- Whether all aspects and procedural requirements regarding environmental issues have been fulfilled?
- K-Electric to provide detailed explanation along with working in respect of the impact of this power purchase will have on the existing tariff of K-Electric?
- Whether the interconnection cost requested by K-Electric is justified?

5۔ ذمہ داروں سے اسٹوریڈ پائلٹ کو اجازت دی جاتی ہے کہ وہ مشمولی میں کارٹون کے تحت تحریر یا زبانی آراء اور اعتراضات پیش کریں۔ مشمولی کا تصحیح شدہ ورژن 10 جون 2015ء تک کی طرف موصول ہوا کی ایک سب سے زیادہ
www.nepra.org.pk پر دستیاب کیا جاسکتا ہے۔

