



Registrar

**National Electric Power Regulatory Authority**  
**Islamic Republic of Pakistan**

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No. NEPRA/UTCPP-2017/678-680

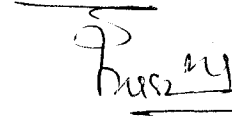
January 16, 2018

**Subject: Decision of the Authority in the matter of Review Motion filed against Authority's Decision dated 28<sup>th</sup> July 2017 in the matter of Upfront Tariff for Captive Power Plants on RFO for Short Term Utilization of the Available Generation Capacity**

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority (02 pages) in the matter of Review Motion filed by Sitara Energy Ltd. against Authority's Determination dated 28<sup>th</sup> July 2017 in the matter of Upfront Tariff for Captive Power Plants on RFO for Short Term Utilization of the Available Generation Capacity for information.

Enclosure: As above

  
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( Syed Safer Hussain )

Secretary  
Ministry of Energy  
'A' Block, Pak Secretariat  
Islamabad

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.

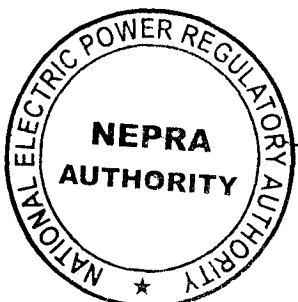


**DECISION OF THE AUTHORITY IN THE MATTER OF REVIEW MOTION FILED  
AGAINST AUTHORITY'S DECISION DATED 28<sup>TH</sup> JULY 2017 IN THE MATTER OF  
UPFRONT TARIFF FOR CAPTIVE POWER PLANTS ON RFO FOR SHORT TERM  
UTILIZATION OF THE AVAILABLE GENERATION CAPACITY**

- 1.1. The Authority in exercise of powers under Section 7 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 read with Rule 3(1) of the NEPRA (Tariff Standards and Procedures) Rules, 1998 and Regulation 3(1) of NEPRA Upfront Tariff (Approval & Procedure) Regulations, 2011 initiated suo moto proceedings for determination of upfront tariff for short term utilization of the available generation capacity from captive power plants on RFO. The said upfront tariff was issued on July 28, 2017.
- 1.2. The upfront tariff comprised of fuel cost component and fixed cost component. The fuel cost component was allowed on the basis of net LHV thermal efficiency of 38.43%, HHV calorific value of 40,486 Btu/ Kg, LHV-HHV factor of 1.05 and reference RFO price of Rs. 45.116 per ton including freight charges of Rs. 4,780 per ton. The following upfront tariff on RFO was approved for captive power plants on take and pay basis:

Description	Rs./kWh
Fuel Cost Component	10.3916
Fixed Cost Component	1.8581
<b>Total</b>	<b>12.2497</b>

- 1.3. The fuel cost component was allowed to be adjusted for variation in RFO price and variation in actual calorific value of RFO.
- 1.4. Being aggrieved from the Determination of the Authority dated July 28, 2017 (hereinafter referred to as the "Impugned Determination"), M/s Sitara Energy Limited (hereinafter referred to as the "Petitioner" or "SEL") vide letter dated August 25, 2017, filed a Review Motion under Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 and National Electric Power Regulatory Authority (Review Procedure) Regulations, 2009. The Petitioner sought review on the following items:
- Fuel Cost Component
  - Fixed Cost Component
  - O&M costs
  - Insurance
  - Return on Equity
  - Cost of Working Capital



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- vii. Indexation of Fixed Cost Component
- viii. Adjustment for Actual Calorific Value
- ix. Applicability Period

- 1.5. The Authority admitted the Review Motion on September 13, 2017. In order to consider the review motion, an opportunity of hearing was granted to the Petitioner. Hearing was held on October 17, 2017 at NEPRA Tower, Islamabad which was attended by the Petitioner. During the hearing, the Petitioner could not produce any additional evidence in support of its review motion nor could point out any error in the Impugned Determination.
- 1.6. Keeping in view of the above stated facts, the Authority is of the view that in terms of Regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009, a motion seeking review of any order or decision of the Authority is competent only upon discovery of new and important matter of evidence or on account of some mistake or error apparent on the face of record or for any other sufficient reasons. The perusal of the Impugned Determination sought to be reviewed clearly indicated that all material facts and issues were examined in detail and there is no occasion to amend or modify the Impugned Determination. Therefore, the Authority is convinced that the Review Motion shall not result in the withdrawal or modification of the Impugned Determination, hence the Review Motion is hereby dismissed.

**AUTHORITY**

(Himayat Ullah Khan)  
Member

(Syed Masood-ul-Hassan Naqvi)  
Member

(Saif-Ullah Chattha)  
Vice Chairman 12.1.2018

(Brig (R) Tariq Saddozai)  
Chairman



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