



National Electric Power Regulatory Authority (NEPRA)

NOTICE OF ADMISSION / PUBLIC HEARING

REQUEST FILED BY NATIONAL TRANSMISSION & DESPATCH COMPANY (NTDC) FOR APPROVAL OF NEGOTIATED FEASIBILITY STAGE TARIFF

All stakeholders, interested/affected persons and the general public are notified that the National Transmission & Despatch Company (NTDC) has filed request for approval of feasibility-stage negotiated tariff in respect of power procurement from 1100 MW Kohala Hydropower Project located in the state of Azad Jammu & Kashmir (AJK).

A summary indicating salient features of the proposed tariff as submitted by the applicant is mentioned hereunder:

1. The project is located on the Jhelum River in District Muzaffarabad near Siran village about 100 km from Islamabad in Azad Jammu & Kashmir (AJ&K) and to be setup on build, own, operate and transfer (BOOT) basis.
2. The project, on completion, is expected to annually generate 5093.632 GWh (net) energy at 53.39% average annual plant capacity factor.
3. Construction period of 72 months has been assumed.
4. The proposed reference tariff is typical two part tariff comprising an Energy Purchase Price (EPP) for the energy generated and delivered to the power purchaser and a Capacity Purchase Price (CPP). The reference tariff proposed for the project is based on 17% return on equity (IRR based).
5. The lending for the project has been assumed to be arranged through foreign financial institutions for a period of 18 years inclusive of 72 months grace period at interest rates of 6 month LIBOR plus 4.75% premium.
6. The summary of the proposed tariff is as under:

Tariff Component	Total Tariff	
	PKR/kWh	Cents/kWh*
Average tariff (01-12 years)	7.1504	8.9380
Average tariff (13-30 years)	4.0733	5.0917
Levelized tariff over 30 years at 10% discount rate	6.3259	7.9074

* 80PKR = 1 US \$

7. The breakup of project cost provided by the petitioner is given hereunder:

Description	Estimated	Estimated
	PKR (Mil)	USD (Mil)
Base EPC Cost	140,069.12	1,750.86
Investigation & Design Cost	8,512.80	106.41
Other Costs	14,270.72	178.38
Financing Cost	9,692.72	121.16
Project Cost (excluding IDC)	172,545.36	2,156.82
Interest During Construction	19,256.56	240.71
Total Project Cost	191,801.92	2,397.52

* 1 US \$ = 80 PKR

8. The Authority has decided to hold public hearing of the petition on the date, time and venue mentioned below:

Date Tuesday, 16th September, 2014
Time 10:30 a.m.
Venue NEPRA Tower, Sector G-5/1, Islamabad, Pakistan

9. Any person or party, who intends to participate in the proceedings, may deliver to the Registrar a statement of comments along with evidence (if any). Comments should reach the office of the Registrar NEPRA before aforementioned hearing date.

10. All communications should be addressed to:

Registrar NEPRA

NEPRA Tower, Ataturk Avenue, Sector G-5/1, Islamabad, Pakistan,
Ph: 051-201 3200 Fax: 051-921 0215, Email: office@nepra.org.pk

For further information please visit our website: www.nepra.org.pk