



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/PAR-137/1062-1064

January 14, 2020

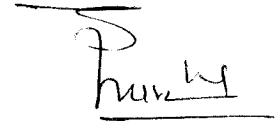
Subject: **Approval of Amendment No. 5 of Tariff effective from 1st January 2017 to 31st December 2019 in Contract dated 6th November 2002 between NTDC/CPPA-G and TAVANIR, Iran for Supply of 100 MW (Case No. NEPRA/PAR-137)**

Dear Sir,

Please find enclosed herewith the subject Approval/Decision of the Authority (02 pages) in the matter Approval of Amendment No. 5 of Tariff effective from 1st January 2017 to 31st December 2019 in Contract dated 6th November 2002 between NTDC/CPPA-G and TAVANIR, Iran for Supply of 100 MW in Case No. NEPRA/PAR-137.

2. The Approval / Decision is being intimated to the Federal Government for the purpose of notification of adjustment in the approved tariff through the official Gazette pursuant to Section 31 (7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

Enclosure: As above


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(Syed Safer Hussain)

Secretary,
Ministry of Energy (Power Division),
'A' Block, Pak Secretariat
Government of Pakistan
Islamabad.

CC:

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

Approval of Amendment No. 5 of Tariff effective from 1st January 2017 to 31st December 2019 in Contract dated 6th November 2002 between NTDC/CPPA-G and TAVANIR, Iran for Supply of 100 MW

1. Central Power Purchasing Agency Guarantee Limited (CPPA-G) vide letter dated November 4, 2019 submitted that contract between the WAPDA and Power Generation and Transmission Management Company Iran, (TAVANIR) was signed on 6th November 2002 for supply of electricity in QESCO area of Balochistan on 132 KV Jakigur (Iran) Mand (Pakistan) transmission line. CPPA-G submitted that Amendment No. 5 has been signed between the CPPA-G and TAVANIR on 15th March 2019. According to CPPA-G the contract has been assigned / novated to CPPA-G vide para (f) of Amendment No. 5.
2. CPPA-G further stated that the approval has been granted by NEPRA till Amendment No. 4 for the period January 2016 to 31st December 2016 wherein the tariff was mentioned in the range of US Cents 6.10/kWh to US Cents 9.50/kWh depending upon the variation in oil prices. According to CPPA-G, Amendment No. 5 has been signed between the representatives of NTDC, CPPA and TAVANIR on 15th March 2019 wherein it has been agreed to extend the same tariff provided in Amendment No. 4 upto December 31, 2019. According to CPPA-G the tariff approved by NEPRA is as under:

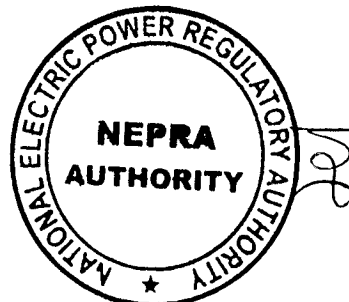
$$R = 2.5 + 0.07 * P$$

Where:

- R: Electricity Energy payable in US\$ cents per each kWh
- 2.5: US Cents per kWh for the fixed portion of the delivered electricity cost 51.5 US\$ < P < 100 US\$

Wherein P is monthly average crude oil price ranging from US\$ 51.5 to US\$ 100 per barrel. By applying this formula the tariff will remain within the range of US Cents 6.10/kWh to US Cents 9.50/kWh.

3. CPPA-G stated that the Board of Directors (BOD) of CPPA-G as well as Economic Coordination Committee of the Cabinet has approved the Amendment No. 5. CPPA-G requested the Authority to accord approval of tariff vide Amendment No. 5, pursuant to Rule 7 of the NEPRA Interim Power Procurement (Procedure & Standards) Regulations, 2005 dated 16th March 2005.
4. The Authority considered the request of CPPA-G and observed that the approval has been solicited in terms of Rule 7 of the IPPR-2005 whereas the matter was required to be submitted in pursuance to the NEPRA Import of Power Regulations 2017. The Rule 7 of the IPPR-2005 have been repealed. The Authority further observed that CPPA-G have entered into the 5th Amendment in March 2019 after the time period of 26 months. The Authority also noted that the request was submitted by the power purchaser in November 2019 when almost one month is left for the expiry of the requested time period. The Authority therefore hereby directs CPPA-G to ensure

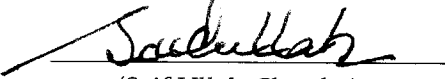


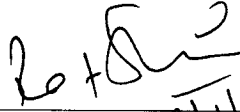


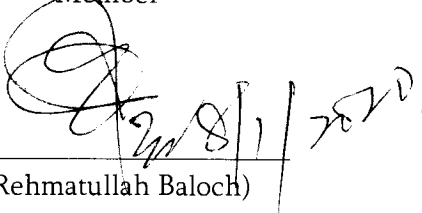
timely submission of the request for consideration / approval of the Authority in line with the NEPRA Import of Power Regulations 2017.

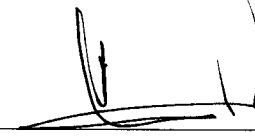
5. The Authority considered the Amendment No. 5 and noted that there is no change in the mutually agreed tariff. The Authority considers that the consumers of Balochistan are benefited from the import of electricity from TAVANIR. Since no change is made in the agreed tariff already approved by the Authority therefore it has been decided to process the case on the basis of available information and no need to conduct hearing in terms of Rule 9(1) of the Tariff (Standards & Procedure) Rules – 1998.
6. Having considered the submissions of the CPPA-G, already approved Amendments in the contract dated November 6, 2002 and all aspects of the case, the Authority decided to approve the Amendment No. 5 submitted by the CPPA-G with the direction that next contract shall be submitted in accordance with the NEPRA Import of Power Regulations 2017.

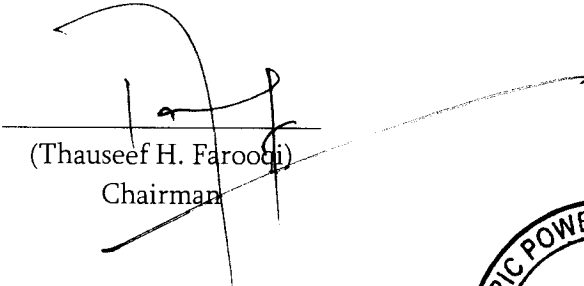
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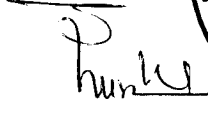

(Saif Ullah Chattha) 7.1.2020
Member


(Rafique Ahmed Shaikh) 27/1/2020
Member


(Rehmatullah Baloch)
Member


(Engineer Bahadur Shah)
Vice Chairman


(Thauseef H. Farooqi)
Chairman


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