



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad
Ph: +92-51-9206500, Fax: +92-51-2600026
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/R/Dir(Tech)/PAR-118/504-506
January 12, 2023

Subject: **Decision of the Authority in the matter of Approval of the PPA for Procurement of up to 3.0 MW (Bagasse Based) Power from M/s. Faran Sugar Mills Limited (FSML) under NEPRA IPPR-2005 [Case # PAR-118]**

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority (01 Page) in the matter of Approval of the PPA for Procurement of up to 3.0 MW (Bagasse Based) Power from M/s. Faran Sugar Mills Limited (FSML) under NEPRA IPPR-2005 in Case No. NEPRA/PAR-118.

2. The Decision is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 within 30 days from the intimation of this Decision. In the event the Federal Government fails to notify the subject tariff Decision or refer the matter to the Authority for reconsideration, within the time period specified in Section 31(7), then the Authority shall notify the same in the official Gazette pursuant to Section 31(7) of NEPRA Act.

Enclosure: As above

7/-


(Engr. Mazhar Iqbal Ranjha)

Secretary
Ministry of Energy (Power Division)
'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 Approval of the PPA for Procurement of Up to 3.0 MW (Bagasse Based) Power from
M/s Faran Sugar Mills Limited (FSML) under NEPA IPPR-2005

NEPRA granted generation license to FSML dated January 08, 2014 in respect of 13 MW bagasse based generation facility at Tando Muhammad Khan.

2. NEPRA approved the Power Acquisition Request (PAR) filed by HESCO for procurement of power from FSML on November 05, 2021 and directed to negotiate Power Purchase Agreement and submit the same for approval of the Authority.

3. In pursuance to regulation 5(1) of IPPR-2005, HESCO vide its letter dated December 12, 2022 submitted the PPA for procurement of up to 03 MW power from FSML, for 05 years from signing of the PPA.

4. The Authority considered the matter and decided to approve the PPA for purchase of up to 3 MW power by HESCO from FSML, under regulation 5(1) of IPPR-2005

ORDER

5. In pursuance of Regulation 5 of NEPRA Interim Power Procurement (Procedure & Standards) Regulations 2005 read with Section 7 & 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, the power purchase agreement between Hyderabad Electric Supply Company (HESCO) and Faran Sugar Mills Limited (FSML) for acquisition of power of up to 3 MW on "take and pay" basis is hereby approved subject to the following conditions:

- i. The tariff of Rs. the fuel cost component (Rs. 6.04/kWh) and fixed cost component (Rs. 1.53/kWh).
- ii. The contractual disputes, referred in clause (v) of the PPA, shall be resolved under Arbitration Act, 1940 instead of referral to NEPRA.
- iii. The cost of purchase of energy from FSML shall be accounted for in the basket of HESCO, instead of CPPAGL.
- iv. For any subsequent adjustment in the tariff, the parties shall request the Authority for its approval.

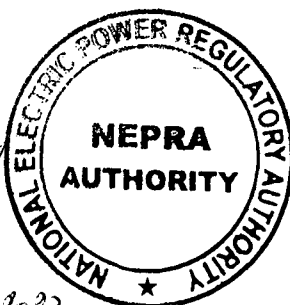
AUTHORITY

(Mathar Niaz Rana)
Member

(Engr. Maqsood Anwar Khan)
Member

(Rafique Ahmed Sheikh)
Member

(Tauseef H. Farooqi)
Chairman



12/01/2023