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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Tariff)/TRF-44/CPGCL-2005/ 3686-90

March 11, 2025

Subject: **Decision of the Authority in the matter of Tariff Modification Petition filed by Central Power Generation Company Limited for inclusion of Open Cycle Operations on gas for its Block-I and Block-II**

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority (total 12 pages) in the matter of Tariff Modification Petition filed by Central Power Generation Company Limited for inclusion of Open Cycle Operations on gas for its Block-I and Block-II Case No. NEPRA/TRF-44/CPGCL-2005.

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 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**

(Syed Zawar Haider)

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

Copy to:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
4. Chief Executive Officer, Three Gorges Third Wind Farm Pakistan Pvt. Ltd. Serena Business Complex Level 6, Khayaban-e-Suharwardy, Islamabad

DECISION OF THE AUTHORITY IN THE MATTER OF TARIFF MODIFICATION PETITION FILED BY CENTRAL POWER GENERATION COMPANY LIMITED FOR INCLUSION OF OPEN CYCLE OPERATIONS ON GAS FOR ITS BLOCK-I AND BLOCK-II.

BACKGROUND

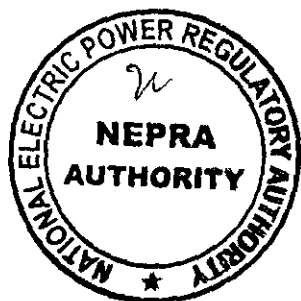
1. Central Power Generation Company Limited (hereinafter refer as "CPGCL" or "Petitioner") is a public limited company wholly owned by the Government of Pakistan and incorporated on October 26, 1998. CPGCL commenced its commercial operations on March 1, 1999. The company was granted a Generation License number GL/02/2002 on July 1, 2002. The modification-I of generation license was issued on April 26, 2013 and Modification-II of generation license was issued on July 10, 2019.
2. The Authority determined generation tariff for CPGCL through its decision dated March 29, 2004 and revised generation tariff vide its decision dated February 24, 2006. Motion for leave for review was decided on June 8, 2006.

FILING OF MODIFICATION PETITION

3. CPGCL submitted a tariff modification petition for the inclusion of open cycle operations for Block-I & II in the already determined tariff dated February 24, 2006 under Rule 3(1) of NEPRA Tariff (Standards & Procedure) Rules, 1998. The Summary of the Modification Petition is hereunder:
 - i. Allow the Petitioner to undertake open cycle operations of Block-I & II on the System Operator/NPCC's demand.
 - ii. Allow the Petitioner Fuel Cost Components of 150% (1.5 times) for open cycle (OC) operations on the approved combined cycle (CC) operations rates. The requested tariff is as hereunder:

| Blocks | Reference | CC Operations | OC Operation |
|-----------------------------|-------------------------------|---------------|--------------|
| | Fuel Cost Component (Rs./kWh) | | |
| Block-I (Unit # 11-13) | 1.9537 | 8.9596 | 13.4394 |
| Block-II (Unit # 5-10) | 2.1707 | 9.9547 | 14.9321 |
| Gas Rate (Rs./MMBTU) | 228.96 | 1050 | 1050 |

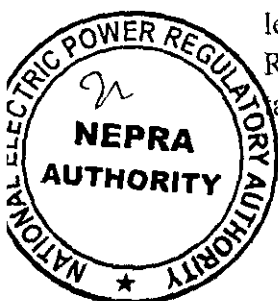
- iii. Allow the open cycle tariff of Block-I & II respectively w.e.f. February 24, 2006, enabling to recover its prudent cost already incurred on open cycle generation, on the instruction of NPCC from time to time.
- iv. Allow the adjustment of heat rate under partial loading and other correction factors for ambient conditions as per the attached OEM's curve.



- v. Petitioner vide its letter dated December 13, 2023 amended its modification petition and requested to allow capacity charge in kW/h for Block-I & II which is provided hereunder:

| Dependable Capacity of Block- I & II | | 920,000 KW |
|---|------------------|--------------------|
| | | Tariff |
| Tariff Components | Reference Tariff | After adjusted ROE |
| Escalable Component | | |
| Administration & Establishment Cost | 48.5637 | 166.3417 |
| Insurance and Regulatory Cost | 2.1845 | 7.4824 |
| Maintenance Cost (other than power plant) | 1.0714 | 3.6698 |
| Other Income | (0.5952) | (2.0387) |
| Total Escalable Component (A) | 51.2244 | 175.4551 |
| Non-Escalable Component | | |
| Return on Equity | 26.9500 | 19.3600 |
| Interest Expenses | 25.9869 | 25.9869 |
| Depreciation | 32.9833 | 32.9833 |
| Total Non-Escalable Component (B) | 85.9202 | 78.3302 |
| Total CPP (A+B) (Rs./kW/Month) | 137.1446 | 253.7853 |
| Rs./kW/Hour | 0.1879 | 0.3477 |

4. CPGCL referred to the public hearing dated April 15, 2022 at NEPRA regarding "Fuel Shortage on Power Plants and Force Outage", wherein dispatch on open cycle of CPGCL units was discussed. During the hearing, it was highlighted that Guddu units 7-10 & 11-12 can support the system by providing far cheaper electricity even in open cycle mode under the proviso of PPA Schedule VI table 1 (1.5 times of the combined cycle tariff).
5. CPGCL further submitted that NEPRA directed immediate operation of these units in open cycle mode. Accordingly, dispatch was given by the system operator for said TPS Guddu units and this was confirmed by National Transmission & Dispatch Company Limited (NTDC) vide letter dated April 16, 2022 to NEPRA that NPCC/system operator promptly acted and gave dispatch to Guddu power plant for open cycle operations.
6. CPGCL also submitted that as per NEPRA's directions, a letter was sent to the Authority on April 19, 2022 for the restoration of open cycle tariff @1.5 times of combined cycle rates, on the basis of determined tariff dated 29th March 2004. In response, NEPRA vide letter dated May 26, 2022 directed the petitioner to file a tariff modification petition as per Rule 3(1) of NEPRA (Tariff Standards and Procedure) Rules, 1998 to include Open Cycle tariff in the existing tariff for Block-I & II.

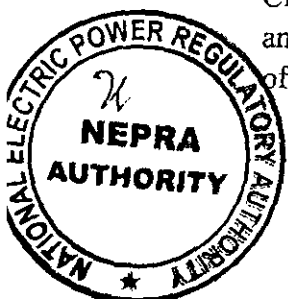




7. CPGCL submitted that the Authority had previously approved an open-cycle tariff to the petitioner, indicating the Petitioner's intention to provide electricity to the grid with the maximum flexibility, including in those times when combined cycle operations were unavailable due to routine technical reasons and open-cycle operations provided the benefits of additional electricity to the grid. Denying the petitioner's request for an additional tariff for open-cycle operations would be damaging to the public exchequer and would be taking undue advantage of the Petitioner's efforts.
8. CPGCL vide its letter dated September 22, 2023 requested the Authority to include the adjustments for the heat rate under partial loading and other correction factors for ambient conditions, based on the OEM's curve and international standards in its tariff modification petition dated May 29, 2023. The petitioner submitted that CPGCL is continuously operating machines on partial loading on the instructions of NPCC, resultantly the operating conditions of the plant change and heat rates have also increased, resulting in company bearing financial loss. Adjusting the heat rate under partial loading allows the plant to maintain its optimal efficiency even when not operating at full capacity. Similarly, ambient conditions such as temperature, humidity and altitude can impact the performance of the plant. These factors can affect the density of the air entering the gas turbine, the cooling capacity of the heat recovery steam generator, and other aspects of the plant's operation. By applying correction factors as per OEM's curve, the plant can account for these ambient conditions and optimize its performance accordingly.
9. Additionally the petitioner vide its letter dated December 13, 2023 submitted that during the hearing CPGCL raised issue of fixed O&M costs, as well as other capital expenses incurred when operating Block-I & II in open-cycle mode which would not be covered simply by grant of enhanced fuel cost component. Therefore, CPGCL requested for capacity charges of Rs.0.3477/kW/h during the open-cycle operations for Block-I & II in order to enable to recover and meet its administrative and others obligations.

REQUEST FOR INTERIM TARIFF

10. Pursuant to Rule 4(7) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998, the Petitioner vide its letter dated September 22, 2023 requested for an interim tariff for open cycle operations including partial loading and other corrections factors.
11. As per Petitioner, the interim tariff has been requested due to continuous operation of the machines in open cycle mode and under partial loading, on the instructions of NPCC. However, CPPA-G is processing energy invoices on combined cycle tariff rates, resulting in financial loss for CPGCL.
12. The Authority through its decision dated February 1, 2024 granted interim tariff to CPGCL along with certain conditions for open cycle operations (without partial loading and other corrections factors) on gas @1.5 times of combined cycle fuel cost component of Block-I and Block-II, under Rule 4(7) of the Tariff Standards & Procedure Rules-1998,



subject to final decision of the Authority on the pending tariff modification petition and order of refund, if any, for the protection of the consumers:

| Blocks | Reference Fuel Cost Component (Rs./kWh) |
|---------------------------------|---|
| Block-I (Unit # 11-13) | 13.4394 |
| Block-II (Unit # 5-10) | 14.9321 |
| Reference Gas Price (Rs./MMBTU) | 1,050 |

- i. The reference fuel cost component(s) shall be subject to adjustment on account of gas price variation as and when notified by the relevant Authority.
- ii. The dispatch shall be in accordance with the economic merit order.
- iii. No capacity charges shall be paid on open cycle operation except during allowed outages under the PPA.
- iv. The above interim tariff shall take effect from the date of filing of request for interim tariff i.e. September 22, 2023 till September 30, 2024 or until issuance of final decision of the Authority regarding modification petition for inclusion of tariff for open cycle operations, whichever occurs earlier. Further, the Authority has directed CPGCL to expedite the resolution of steam turbines of Block-I & II till September 30, 2024.

ADMISSION AND HEARING

13. The Authority admitted the subject petition on August 18, 2023 and notice of admission were published in newspapers (Dawn & Express) on September 28, 2023 inviting comments/intervention from the stakeholders. In response to the notice of admission no comments were received.
14. The hearing in the matter was held on December 6, 2023 in the NEPRA Head office, Islamabad. Notice of hearing was published in the newspapers (Business Recorder & Nawa-e-Waqat) on November 22, 2023 and separate notices for hearing to the relevant stakeholders were issued on November 23, 2023. Hearing was participated by the representatives of CPPA-G, CPGCL and NTDC.
15. Based on the contents of the tariff modification petition, following issues were framed for the hearing:
 - i. Whether the open-cycle operations of Block-I and II units of thermal power plant (TPS) Guddu is justified?
 - ii. Whether the requested open-cycle fuel cost component at 150% of combined cycle fuel cost component is substantiated by any test and is justified?





- iii. Whether to allow open-cycle tariff of subject Block-I & II's units/blocks w.e.f. 24th February 2006 is justified?
- iv. Whether the requested adjustment of heat rate under partial loading and other correction factors for ambient conditions as per OEM's curve is justified?
- v. Any other relevant issue arising during the proceedings.

COMMENTS FROM CPPA-G

16. CPPA-G vide its letter dated December 18, 2023 provided the following comments which are reproduced hereunder:

- i. As to open cycle operations of Block-I and Block-II units, the system operator should have provision to issue dispatch instructions on open cycle as per system demand.
- ii. As to open-cycle fuel cost component at 150%; if combined cycle fuel cost component is substantiated by any test, it could be a reasonable estimate due to loss of efficiency of plant from combined cycle operation to open-cycle operation.
- iii. As to allow open-cycle tariff of subject Block/Units w.e.f. 24th February 2006, NPCC issues dispatch instructions to power plants keeping in view the system demand and requirements as well as considering the economic viability of the plant under the merit order. Furthermore, the Authority in its tariff determination dated March 29, 2004 (para-54) had also allowed simple cycle operation to CPGCL as per prudent utility practices. Therefore, it is justified to allow operation on simple cycle since 24th February 2006 to recover its fuel cost in the past whenever dispatched by NPCC, accordingly.
- iv. As the requested adjustment of heat rate under partial loading and other correction factors for ambient conditions as per OEM curves; these adjustment regarding heat rate und partial loading and other correction factors for ambient temperature, CPPA has submitted amendment No. 2 along with schedules vide a letter No. DGMT/MT-N&G/CPGCL/7530-34 dated June 2, 2023 to the Authority for review and approval, please.



SUBMISSIONS OF PETITIONER, ANALYSIS AND DECISION

17. The issue wise submissions, analysis and decision are provided in the succeeding paragraphs:

ISSUE # 01: WHETHER THE OPEN CYCLE OPERATIONS OF BLOCK-I & II UNITS OF TPS GUDDU IS JUSTIFIED?

&

ISSUE # 02: WHETHER THE REQUESTED OPEN CYCLE FUEL COST COMPONENT (FCC) AT 150% OF COMBINED CYCLE FCC IS SUBSTANTIATED BY ANY TEST AND JUSTIFIED?

18. The petitioner requested to allow to undertake the open cycle operations of Block-I & II and to allow Fuel Cost Component (FCC) at 150% (1.5 times) of the combined cycle. According to the petitioner, NPCC has compelled the operation of the plant's Block-I & Block-II in open cycle mode periodically to meet system demand or address exigent circumstances in the power sector. However, CPPA-G has returned to pay for open-cycle tariff, on the grounds of the absence of an explicit open-cycle tariff approved by the Authority.
19. During the hearing, the petitioner explained that in case of non-availability of its steam turbine of combined cycle power plant, it is a prudent decision to operate the gas turbines in open-cycle mode due to following reasons:



- CPGCL using raw, non-pipeline indigenous gas, the unit is less expensive.
 - In open cycle mode, the plant's merit order position is higher than the other RFO, RLNG and HSD etc power plants.
 - This mode of operation enables the plant to maintain operational flexibility and responsiveness to fluctuating demand, thereby contributing to grid stability.
20. CPGCL also submitted that it is a standard practice to consider the open-cycle fuel cost at 1.5 times of combined cycle fuel cost to account for the actual fuel cost incurred during open-cycle operation of the gas turbine. The steam turbine (combined cycle) unit generated 50% more power by utilizing the exhaust of gas turbine. CPGCL also apprised the Authority that the power purchaser permits the gas turbine to run open-cycle mode, with an option to do so in the economic merit order for a cost equivalent to 150% of combined cycle rate. NPCC also fixed the economic merit order position in open-cycle mode at 150% of combined cycle fuel cost component and operated machines accordingly.
21. The petitioner also in its interim tariff request reiterated that CPGCL is continuously operating machine in open cycle mode and in partial loading on the instructions of NPCC

and CPPA-G is considering energy invoices on combined cycle tariff rates, by doing this, CPGCL is facing financial loss.

22. It is observed that CPPA-G in its comments dated December 18, 2023 has not shown any adversity or reservations regarding the fuel cost component for open cycle at 150% of combined cycle. Instead, CPPA-G has highlighted the significance of combined cycle number derived through test. Regarding, the combined cycle number; the Authority in determinations of 2004 decided as:

28. In order to avoid any major variation creating a disadvantage to either the service provider or the consumer, it will be appropriate to adjust the heat rate on the basis of actual test to be carried out by the CPGC in the presence of the representatives of NTDC and consequently

approved by NEPRA. In the meantime the approved heat rates shall however remain effective.

Further, in 2006 the Authority decided as:

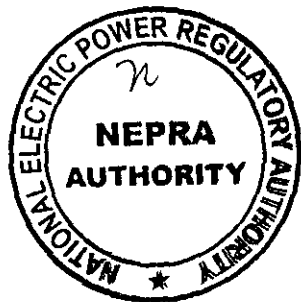
32. Given that the Authority's previously stipulated condition of conducting actual heat rate tests is still to be fulfilled, the Authority maintains the previously approved heat rates till the time that the required tests are carried out.

23. The Authority understand that the necessary tests are still not carried out (the matter of non-conduct of tests was also deliberated in the hearing with the petitioner) however existing combined cycle number(s) remains applicable and that any later adjustment to the combined cycle number will also be linked with open cycle number.
24. The Authority considered the submissions of CPGCL and observed that open-cycle operations of Block-I & II on indigenous gas are far cheaper than RLNG and RFO power plants and shall help to decrease the end consumer tariff and will help to decrease shortfall due to high system demand. Hence, the Authority has hereby decided to allow the operation of the Block-I & II of CPGCL in open cycle on indigenous gas with the Fuel Cost Component (FCC) at 150% of combined cycle FCC, in absence of availability of steam turbine. The dispatch and operation of the complex shall be in compliance with the economic merit order and in pursuance of grid code and applicable documents.



ISSUE # 03: WHETHER TO ALLOW OPEN CYCLE TARIFF OF SUBJECT BLOCKS/UNITS W.E.F. 24TH FEBRUARY 2006 IS JUSTIFIED?

25. CPGCL in hearing apprised the Authority that in initial tariff determination March 31, 2004 tariff was allowed including open cycle operation @ 1.5 times of combined cycle tariff rates for Block-I & II being operated on natural gas. Subsequently, in tariff determination dated February 24, 2006 open cycle tariff was not allowed. However, the units of Block-I & II remained operated in open cycle mode as per dispatch requirement of system operator being cheaper than other fuel. As a result, CPGCL could not recover the actual incurred fuel costs from operating in open cycle mode, because, the Authority's approved tariff does not accommodate such operations.
26. In light of above, the petitioner requested Authority to allow the open cycle tariff to be applied retrospectively from February 24, 2006 and CPGCL's continued operation in open cycle mode is not merely choice but a necessity dictated by the operational demands of the power grid, aimed at ensuring the stability of the system. Allowing for this retroactive tariff would not only align the tariff structure with the operational realities faced by CPGCL but would also grant recognition to the prudent costs incurred during the period when the operational modality directly supported the system's reliability and stability and also this approval will help the CPGCL's financial and operational viability.
27. CPGCL stated that NTDC vide its letters dated September 28, 2021 and November 4, 2021, asked the Petitioner to get approval for open-cycle tariff from NEPRA. The relevant part is reproduced hereunder:



"Open cycle units (even if it is 1.5 times of the combined cycle tariff) is still lesser than the tariff of RFO and some RLNG based power plants and their removal dispatch pool has reduced system capability as well as increase in energy mix cost. In addition the low gas off-take from dedicated Kandhkot Gas field may result in decline of national resources as indicated by MD-PPL. The open-cycle tariff may be got approved from NEPRA so that energy demand could be fulfilled in optimum manner and short fall of power could be avoided."

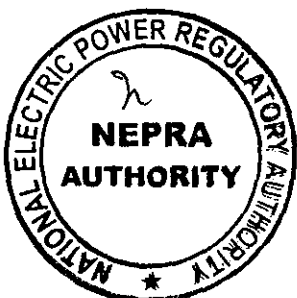
28. CPPA-G also in letter dated December 18, 2023 supported the petitioner's request and submitted that it is justified to allow simple cycle operations, retroactively from 24th February 2006, to recover its fuel cost in the past whenever dispatched by NPCC, accordingly.
29. According to CPGCL, PPA was entered into in 2015 and Schedule VI of Table 1 contains a provision for open-cycle operation at 1.5 times of combined cycle fuel cost component.
30. The request of CPGCL has also been examined and it is noted that CPGCL signed the PPA with CPPA-G on September 20, 2015. The PPA caters the open-cycle under Schedule VI of Table-1. However the open cycle operation was not formally approved by NEPRA. NTDC vide letters dated September 28, 2021 & November 4, 2021 also suggested CPGCL to get approval for the open-cycle tariff from the Authority but CPGCL did not send any request for the Authority's approval for open cycle tariff. Since dispatch



on open cycle in April 2022 was given after the direction of NEPRA during hearing on April 15, 2022, therefore, it is justified to allow open cycle operation based on the actual dispatch given by system operator/NPCC dated April 16, 2022, in line with the direction of NEPRA. Therefore, keeping in view the request being legitimate, the Authority hereby decided to allow open cycle operations tariff with effect from 16th April 2022 subject to economic merit order and in pursuance of Grid Code and applicable documents.

ISSUE # 04: WHETHER THE REQUESTED ADJUSTMENT OF HEAT RATE UNDER PARTIAL LOADING AND OTHER CORRECTION FACTORS FOR AMBIENT CONDITIONS AS PER OEM'S CURVE IS JUSTIFIED?

31. The petitioner asserts that adjustment of heat rate under partial loading and other correction factors for ambient conditions is reasonable due to these factors can significantly affect the plant's efficiency and overall performance. At the partial loading, the operating conditions of the plant change, and the heat rate, which is a measure of the plant's efficiency, may vary. Adjusting the heat rate under partial loading allows the plant to maintain optimal efficiency even when not operating at full capacity. Similarly, ambient conditions such as temperature, humidity and altitude can impact the performance of the plant. These factors can affect the density of the air entering the gas turbine, the cooling capacity of the heat recovery steam generator, and other aspects of the plant's operation. By applying correction factors as per OEM's curve the plant can account for these ambient conditions and optimize its performance accordingly.
32. CPPA-G in its comments dated December 18, 2023 submitted that amendment No. 2 along with schedules vide a letter No. DGMT/MT-N&G/CPGCL/7530-34 dated June 2, 2023 submitted to the Authority for review and approval regarding adjustment of heat rate and partial loading and other correction factors for ambient temperature.
33. It is noted that CPPA-G indeed brought adjustments factor in PPA, for the Authority's review and approval. However, the NEPRA through letter dated September 12, 2024 conveyed the following directions of the Authority for strict compliance:
 - i. Return the amendment No. 02 to PPA of CPGCL for inclusion of Guddu 747 CCPP (Block-V), with the direction to submit a separate PPA for Guddu 747 MW power plant, duly initiated by the parties, aligned with the Authority's tariff determination.
 - ii. The outage allowance (schedule and forced)/availability to be made consistent with the tariff determination i.e. 92% availability.
 - iii. Schedule-IV of the PPA included the correction curve for Block-I and Block-II (Old Guddu), which is outside the scope of this amendment, need to be corrected by CPPA-G while entering in to separate PPA with Guddu 747 Plant.



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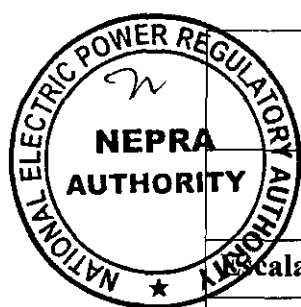
- iv. CPPA-G was directed by the Authority to carry out heat rate test of Guddu 747 plant in combined as well open cycle and submit the outcomes for the revisions of the fuel cost component which has not yet been carried out. CPPA-G is once again directed to comply with such directions of the Authority.
- v. It is also directed that all reference parameters such as net capacity, auxiliary, and etc. shall be as per Authority's determination and in the event of any inconsistency between the PPA, its amendments, and the tariff determination(s) of the Authority, the tariff determination(s) shall prevail.

34. The request and submission of CPGCL regarding partial loading and other correction factors have been examined and it is noted that the earlier allowed provisional heat rate number already accounts for the loading condition of the plant. Consequently, no further adjustment on part loading, etc. is considered by the Authority. Therefore, the Authority has decided to disallow the petitioner's request regarding the adjustment of partial loading and other correction factors in the open-cycle operations.

ISSUE # 05: ANY OTHER RELEVANT ISSUE ARISING DURING THE PROCEEDINGS

CAPACITY CHARGES IN OPEN CYCLE OPERATION

35. During the hearing CPGCL raised the issue of fixed O&M costs, as well as other capital expenses incurred by CPGCL which would not be covered simply by grant of enhanced fuel cost component. The petitioner after the hearing vide its letter dated December 13, 2023 submitted request to allow capacity charges (CPP) of Rs. 0.3477/kW/hour during the open cycle operations of the Block-I & Block-II in order to enable to recover and meet its administrative and others obligations. Detail of requested capacity charge is hereunder:



| Dependable Capacity of Block- I & II | | 920,000 KW |
|---|------------------|------------------------------|
| Tariff Components | Reference Tariff | Tariff After adjusted ROE |
| Escalable Component | | |
| Administration & Establishment Cost | 48.5637 | 166.3417 |
| Insurance and Regulatory Cost | 2.1845 | 7.4824 |
| Maintenance Cost (other than power plant) | 1.0714 | 3.6698 |
| Other Income | (0.5952) | (2.0387) |
| Total Escalable Component (A) | 51.2244 | 175.4551 |



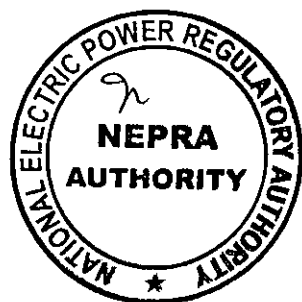
| Non-Escalable Component | | |
|--|-----------------|-----------------|
| Return on Equity | 26.9500 | 19.3600 |
| Interest Expenses | 25.9869 | 25.9869 |
| Deprecation | 32.9833 | 32.9833 |
| Total Non-Escalable Component (B) | 85.9202 | 78.3302 |
| Total CPP (A+B) (Rs./kW/Month) | 137.1446 | 253.7853 |
| Rs./kW/Hour | 0.1879 | 0.3477 |

36. The request of CPGCL regarding the approval of capacity charges in the open cycle operations has been examined and the Authority found no rationale to provide capacity charges under open cycle operations. Further, non-availability of steam turbine beyond allowed outages is a fault on the part of petitioner which is penalized through non-payment of capacity charges and there is no justification to allow capacity charges beyond allowed outages along with 50% higher fuel cost under simple cycle operation. Therefore, for simple cycle operations, CPGCL shall be entitled for energy part tariff i.e. fuel cost component and variable O&M components and shall not be entitled for any capacity charges on simple cycle operations except during the allowed outages under the relevant PPA where company is already entitled to receive capacity charges.

ORDER

37. The Authority hereby decided to allow following tariff w.e.f. 16th April 2022 for open cycle operations of Block-I & II of CPGCL:

| Blocks | Reference Fuel Cost Component (Rs./kWh) | Reference Variable O&M Component (Rs./kWh) |
|--|--|--|
| Block-I (Unit # 11-13) | 13.4394 | 0.0689 |
| Block-II (Unit # 5-10) | 14.9321 | |
| Reference Gas Price (Rs./MMBTU) | 1,050 | - |



- The above reference open-cycle fuel cost component(s) shall be subject to adjustment on account of gas price variation as and when notified/determined by the relevant Authority.
- The dispatch and operations of the complex shall be in compliance with the economic merit order and in pursuance of grid code and applicable documents.
- The above approved tariff along with above conditions through this Order shall supersede the interim tariff for open-cycle operations granted vide

decision dated February 1, 2024 and all payments shall be adjusted accordingly.

NOTIFICATION

38. The above decision of the Authority is to be notified in the Official Gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

AUTHORITY



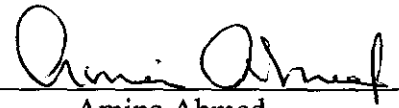
Mathar Niaz Rana (nsc)
Member



Engr. Maqsood Anwar Khan
Member



Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Waseem Mukhtar
Chairman

