



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.nepa.org.pk, E-mail: registrar@nepa.org.pk

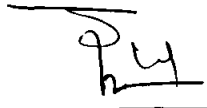
No. NEPRA/R/ADG(Trf)/TRF-542/NPGCL-2020/34860-34862
August 23, 2021

Subject: Decision of the Authority in the matter of Motion for Leave Review filed by Northern Power Generation Company Ltd. (NPGCL) against Determination of the Authority dated December 30, 2020 in the matter of Tariff Petition for Muzaffargarh Units 1-6 and GTPS Faisalabad Units 5-9 (Case No. NEPRA/TRF-542/NPGCL-2020)

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority (02 pages) in the matter of Motion for Leave Review filed by Northern Power Generation Company Ltd. (NPGCL) against Determination of the Authority dated December 30, 2020 in the matter of Tariff Petition for Muzaffargarh Units 1-6 and GTPS Faisalabad Units 5-9 for information in Case No. NEPRA/TRF-542/NPGCL-2020.

Enclosure: As above


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(Syed Safer Hussain)

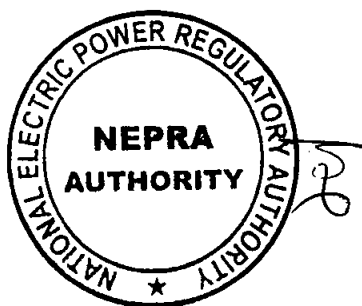
Secretary,
Ministry of Energy (Power Division),
Government of Pakistan
'A' Block, Pak Secretariat,
Islamabad.

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 Motion for Leave for Review Filed by Northern Power Generation Company Limited Against Determination of the Authority Dated December 30, 2020 in the Matter of Tariff Petition for Muzaffargarh Units 1-6 and GTPS Faisalabad Units 5-9

- 1.1. Northern Power Generation Company Limited (NPGCL) was incorporated on October 15, 1998, under the Companies Ordinance 1984. NPGCL commenced its commercial operation on March 01, 1999. Generation license was awarded to NPGCL on July 01, 2002. The Authority vide Modification No. 1 de-licensed Units No. 1, 3 & 4 of NPGCL. Combined Cycle Power Plant Nandipur was included in the generation license of NPGCL vide Modification No. 2. Unit No. 1-4 of GTPS Faisalabad and Unit No. 1 & 2 of SPS Faisalabad were de-licensed vide Modification No. 3. Moreover, the useful life of Unit No 5-9 of GTPS Faisalabad was extended till June 30, 2022.
- 1.2. Upon expiration of last tariff, NPGCL vide letter dated November 25, 2019 submitted revised tariff modification petition for Muzaffargarh Unit No. 1-6 and GTPS Faisalabad Unit No 5-9. The Authority vide its decision dated December 30, 2020 (Impugned Decision) determined revised tariff for NPGCL in the subject petition.
- 1.3. NPGCL vide letter dated January 15, 2021 filed motion for leave for review against the Impugned Decision on following grounds:
 - i. Take and Pay tariff
 - ii. Thermal Efficiency
 - iii. Variable O&M Cost
 - iv. Fixed O&M Cost
 - v. Fixed Plant Repair & Maintenance Cost
 - vi. Fuel Stock Carrying Cost
 - vii. Regulatory Revenue Gap Cost
 - viii. Capital Expenditures
 - ix. Other Income
 - x. Return on Equity/Investment
- 1.4. Hearing in the matter was held on March 02, 2021 which was attended by the representatives of NPGCL and CPPA-G.
- 1.5. NPGCL vide letter dated June 01, 2021 submitted that the Federal Government has approved for the grant of 25% disparity reduction allowance (DRA) effective March 01, 2021 for employees of BPS 1-19. The Petitioner further submitted that DISCOs and PEPCO, shareholding in NPGCL is fully owned by the Federal Government, and its employees are



public servants whose salaries are pegged with the pay scales of the employees of the Federal Government. Thus, in the past any relief given to the employees of the Federal Government has been allowed to NPGCL employees. The grant of DRA is warranted in this case since the purpose behind it is to reduce disparity in the pay/packages prevailing amongst different entities of the Government. The Petitioner also submitted that since all other entities falling under the Power Division's purview have granted this allowance to their employees, denying this to NPGCL's employees would be considered discriminatory. BOD has, however, deferred the approval till the same is approved and included in the tariff by NEPRA. The Petitioner did not quantify the financial impact of DRA.

Decision

- 1.6. 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 Decision 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 Decision. Therefore, the Authority is convinced that the Review Motion shall not result in the withdrawal or modification of the Impugned Decision, hence the Review Motion is hereby dismissed.
- 1.7. The request to allow DRA does not fall within the scope of review, therefore, the same has not been considered

AUTHORITY



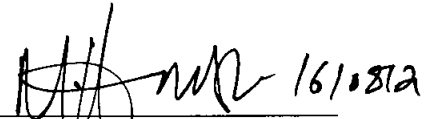
Rehmatullah Baloch
Member

20/12/8/2021



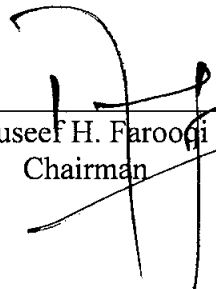
Engr. Rafique Ahmed Shaikh
Member

15/1/22

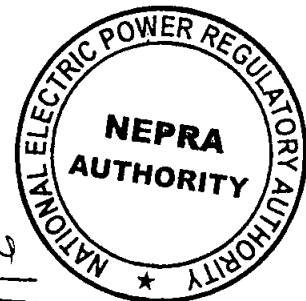


Engr. Maqsood Anwar Khan
Member

16/08/22



Tauseef H. Farooqi
Chairman



PW
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