



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

Registrar

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No. NEPRA/TRF-267/KEPL-2014/3144-3146
March 10, 2015

Subject: **Decision of the Authority in the matter of Tariff Petition filed by Karimi Energy (Pvt.) Ltd. (KEPL) for Determination of Feasibility Stage Generation Tariff for its 3.6 MW Jabri Bedar Hydropower Project**

Dear Sir,

Enclosed please find herewith the Decision of the Authority (02 pages) in the matter of petition filed by Karimi Energy (Pvt.) Ltd. (KEPL) for Determination of Feasibility Stage Generation Tariff for its 3.6 MW Jabri Bedar Hydropower Project, for information.

Encl: As above

(Syed Safer Hussain)

Secretary
Ministry of Water & Power
'A' Block, Pak Secretariat
Islamabad

CC:

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

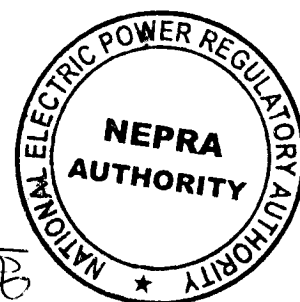


DECISION OF THE AUTHORITY IN THE MATTER OF TARIFF PETITION
FILED BY KARIMI ENERGY (PRIVATE) LIMITED (KEPL) FOR
DETERMINATION OF
FEASIBILITY STAGE GENERATION TARIFF FOR ITS
3.6 MW JABRI BEDAR HYDROPOWER PROJECT

Karimi Energy (Private) Limited (hereunder referred to as the "Petitioner") filed a Tariff Petition (hereinafter referred to as the "Petition") pursuant to Rule 3 of the National Electric Power Regulatory Authority (Tariff Standards and Procedures) Rules, 1998 (hereinafter referred to as the "tariff rules") for determination of feasibility stage generation tariff for its 3.6 MW Jabri Bedar Hydropower Project (the "Project") at upper reach of Haro River, downstream of Jabri Bridge on Lora-Murree Link District Haripur, Province Khyber Pakhtunkhwa, Pakistan.

2. The Authority admitted the Petition on May 15, 2014 in accordance with sub-rule 3 of rule 4 of the tariff rules. Consequent to the admission, notice of admission/ Hearing was published in the national newspapers on June 14, 2014, inviting thereby all the stakeholders, interested/ affected persons or parties to participate in the tariff setting process through filing of comments/ Intervention Requests. Further, in accordance with sub-rule 5 of rule 4 of the tariff rules, written notices were sent to the key stakeholders and parties, which in the opinion of the Authority were likely to be interested or affected or may be of assistance to the Authority in arriving at a just and informed determination, requesting for their participation in the tariff setting process. In accordance with section 7 (5) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 the Authority also sought recommendations of the Government of Khyber Pakhtunkhwa on this Petition. Neither an intervention request nor comments were filed by any party in response to the Authority's notices of admission and hearing.

3. During the hearing held on June 24, 2014 an inconsistency in KEPL's Generation License regarding the capacity of the plant was observed. Consequently, the hearing was adjourned and the Petitioner was directed to seek correction of the capacity indicated in its Generation License under the relevant rules and regulations in order to proceed further on the matter. The Petitioner accordingly filed a Licensee Proposed Modification. The Authority thereon decided to give another opportunity of hearing to the Petitioner. Accordingly, a second hearing on the matter was held on September 30, 2014. During the hearing, the Authority probed the Petitioner further on various technical and financial issues. The Petitioner was questioned, inter alia, regarding the proposed interconnection arrangement for the project. The Authority expressed its reservations regarding length of the transmission line of the project considering its small size, and directed the Petitioner to submit the interconnection study of the project for review. The interconnection study was duly submitted by the Petitioner vide letter dated October 14, 2014. Further clarifications were also



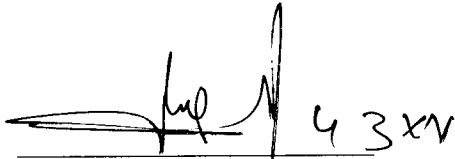


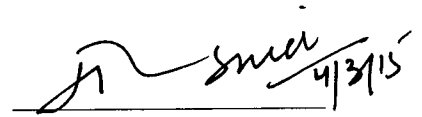
submitted by the Petitioner regarding its interconnection arrangement and hydrology vide letters dated December 09, 2014 and December 10, 2014. Arguments heard. Record perused.

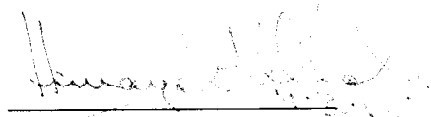
4. After thoroughly reviewing the interconnection arrangement proposed in the Petition vis-à-vis the feasibility study and interconnection study of the project, the Authority has concluded that the proposed interconnection arrangement of this project is not economically viable as it poses exorbitantly high line losses, which cannot be allowed to be passed onto the already burdened consumers. The Authority considers that this project should nevertheless be encouraged to seek alternative options to sell its power.

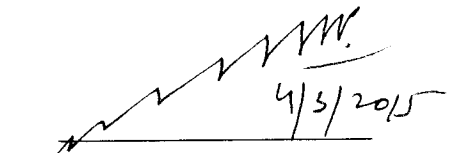
5. In view of the above, the Authority has decided to dismiss the instant Tariff Petition, however the Petitioner is encouraged to seek a more viable interconnection arrangement endorsed by the power purchaser and subsequently approach NEPRA again for approval of tariff.

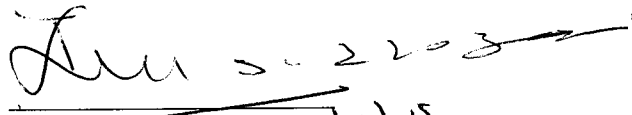
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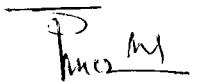

(Khawaja Muhammad Nacem)
Member


(Maj. (R) Haroon Rashid)
Member


(Himayat Ullah Khan)
Member


(Habibullah Khilji)
Member


(Brig. (R) Tariq Saddozai)
Chairman


10.03.15

