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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/TRF-358/NPPMCL-2016/16371-16373

October 24, 2018

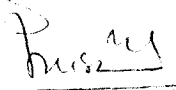
Subject: **Decision of the Authority in the matter of HSD Testing on Combined Cycle in the Post Synchronization Period Before COD for National Power Parks Management Company (Private) Limited for Haveli Bahadar Shah Power Project (Case No. NEPRA/TRF-358/NPPMCL-2016)**

Dear Sir,

Enclosed please find herewith subject Decision of the Authority (02 Pages) in the matter of HSD Testing on Combined Cycle in the Post Synchronization Period before COD for National Power Parks Management Company (Private) Limited for Haveli Bahadar Shah Power Project in Case No. NEPRA/TRF-358/NPPMCL-2016.

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.
3. The Order of the Authority shall be notified in the official Gazette.

Enclosure: As above


24 x 18

(Syed Safeer Hussain)

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.

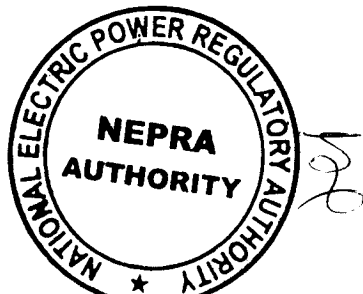


**DECISION OF THE AUTHORITY IN THE MATTER OF HSD TESTING ON COMBINED
CYCLE IN THE POST SYNCHRONIZATION PERIOD BEFORE COD FOR NATIONAL
POWER PARKS MANAGEMENT COMPANY (PRIVATE) LIMITED FOR HAVELI
BAHADAR SHAH POWER PROJECT**

1. National Power Parks Management Company (Private) Limited (NPPMCL) vide its letter No. NPPMCL/2018/NEPRA/8245 dated 6th July 2018 referred tariff determination dated 9th August 2016 for its Haveli Bahadar Shah project wherein Para 12.16 states as under:

“-----the Authority considers that pre & post synchronization tests of 8 days on HSD shall not be required”

2. NPPMCL has further submitted that NEPRA has allowed HSD as backup fuel. Therefore, to perform reliable and efficient operations, the complex was required to be tested on HSD, Accordingly, NPPMCL carried out testing of both gas turbines on HSD in combined cycle mode during March-April 2018. The energy generated was billed/invoiced to CPPA-G based on combined cycle FCC rates duly approved by NEPRA. However, CPPA-G held the FCC amounts from NPPMCL's invoices on the premise that HSD testing during conversion period is not approved by NEPRA.
3. NPPMCL requested the Authority to allow HSD testing during conversion period and issue clarification regarding the legitimacy of NPPMCL's claim from CPPA-G for the units generated and dispatched to national grid during testing of the complex on combined cycle mode on HSD.
4. The Authority considered the matter and decided to initiate suo moto review proceedings under Regulation 3 of NEPRA (Review Procedure) Regulations, 2009 in order to review the tariff determination dated 9th August 2016 for M/s National Power Parks Management Company (Private) Limited for its Haveli Bahadar Shah Power Project with respect to cost of High Speed Diesel (HSD) during testing phase.
5. The Authority decided to hold a hearing in the matter on 18th September 2018. Notices of hearing were issued to the stakeholders on 3rd September 2018. The hearing was held as per schedule and was participated by the representatives of project company and CPPA-G. Neither any written comments were received in the matter nor any objections were raised in the hearing from any stakeholder.
6. The Authority considered the submissions made by the project company. The subject power plant is dual fuel fired RLNG/HSD and as per the decision of the Authority, the thermal efficiency of the plant, shall be re-established at the time of COD on the basis of heat rate test and appropriate adjustments shall be made in the fuel cost components





on both fuels. The text contained in Para 12.16 of the determination is contradictory to the referred decision of the Authority and needs to be corrected. Accordingly, the Authority has decided to replace 2nd sentence of Para 12.16 as under:

“Similarly, the Authority considers that pre synchronization tests on HSD shall not be required.”

7. According to the information provided by the project company, 52,855,285 kWh on HSD were delivered to the national grid before COD. The project company shall be allowed to recover the cost of such units subject to due verification by the power purchaser.

Order

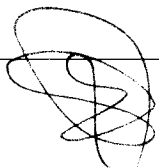
8. In pursuance of Section 7(2)(g) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 read with Regulation 3 of NEPRA (Review Procedure) Regulations, 2009 the Authority has decided to add a new clause in the Order part of the tariff determination dated 9th August 2016 notified vide S.R.O. No. 1014(I)/2016 dated 26th October 2016 for M/s National Power Parks Management Company (Private) Limited for its Haveli Bahadar Shah power project. The new clause shall be added after clause VIII(xvii) of Paragraph 27 of the said Tariff Determination as under:

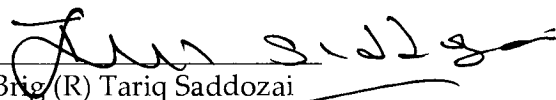
“ xviii) Post Synchronization tests on HSD shall be allowed on combined cycle operation.”

9. The above Order of the Authority shall be notified in the Official Gazette in terms of Section 31(7) of the Regulations of Generation, Transmission and Distribution of Electric Power Act, 1997.

AUTHORITY


Saif Ullah Chattha
Member


3/19.X.2018
Rehmatullah Baloch
Member


Brig (R) Tariq Saddozai
Chairman




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