



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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Registrar

No.NEPRA.R/TRF-164/OEPL-2010/35-37
January 3, 2011

Subject: **Determination of the Authority in the Matter of Tariff Petition filed by
Olympus Energy (Pvt.) Ltd. [Case # NEPRA/TRF-164/OEPL-2010]**

Dear Sir,

Enclosed please find the Determination of the Authority (03 pages) in the matter of Tariff Petition filed by Olympus Energy (Pvt.) Ltd. regarding 20 MW Hydropower Project, to be set up at Marala Headworks, Gujrat, Punjab in Case No. NEPRA/TRF-164/OEPL-2010, for information please.

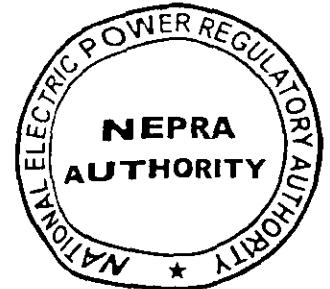
Encl: As above


(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, Islamabad.

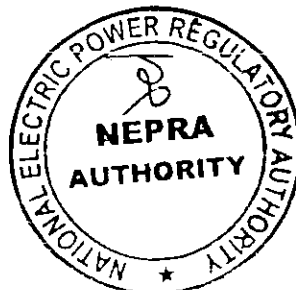




**DETERMINATION OF THE AUTHORITY IN THE MATTER OF TARIFF PETITION
FILED BY OLYMPUS ENERGY (PRIVATE) LIMITED**

1. Olympus Energy (Pvt.) Ltd. (hereinafter referred to as the "Petitioner") filed a tariff petition (hereinafter referred to as the "Petition") under rule 3 of the National Electric Power Regulatory Authority Tariff (Standards and Procedure) Rules, 1998 (hereinafter referred to as the "the Tariff Rules") vide letter dated May 24, 2010 for determination of feasibility stage reference tariff in respect of 20 MW hydropower project envisaged to be set up at Marala Headworks, Gujrat, Punjab.
2. In accordance with sub-rule (3) of rule 4 of the Tariff Rules, the Petition was admitted by the Authority on June 03, 2010. Subsequent to the admission, some serious discrepancies were observed in the Petition, which were communicated to the Petitioner vide letter No.NEPRA/TRF-164/OEPL-2010-4506-7 dated June 14, 2010. In response the Petitioner revised some figures originally submitted vide letter dated June 24, 2010. However, on initial scrutiny of the revised submission, discrepancies were again observed and the Petitioner was asked to clarify the position. The Petitioner, in response to these queries, submitted a new letter dated June 30, 2010 whereby figures already submitted were further revised. The Petitioner was asked to confirm that figures now submitted are final and are in supersession of all its previous submissions. The Petitioner vide its letter dated July 22, 2010 confirmed that the figures submitted this time are final and they supersede all its previous submissions. The Petitioner also filed revised Petition vide letter dated August 12, 2010.
3. The Petitioner's hydropower project was issued Letter of Interest by the Managing Director, Punjab Power Development Board, Irrigation & Power Department and its feasibility study was approved by the Punjab Power Development Board (PPDB) appointed Panel of Experts. Summary of the technical and financial information provided by the Petitioner is as follows:

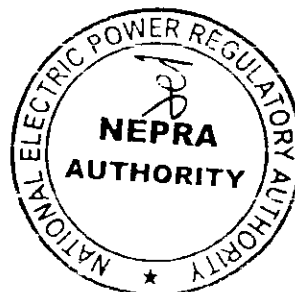
Capacity	20 MW gross (19.4 MW net)
Average annual plant capacity factor	50%
Gross annual generation	87.60 GWh
Total project cost	US \$ 41.924 million
Debt equity ratio	80 : 20
Loan period	10 years
Mode of financing	100% local
Interest rate on loan	12.50% (3 months KIBOR + 4.50%)
Equity IRR	20.50% p.a. net after deduction of withholding tax





Construction period	32 months
Tariff control period	30 years
Project basis	BOOT
Levelized tariff	7.2874 PKR/kWh (8.6755 cents/kWh)

4. Consequent to the admission and submission of the revised Petition, in accordance with sub-rule (5) of rule 4 of the Tariff Rules, the Authority gave directions for service of notices to the respondents and other parties affected or interested which in the opinion of the Authority are likely to be affected or interested for filing replies or communications in opposition or in support of the Petition and for the purpose of expeditious and efficient conduct of hearing. The notice of admission/hearing was also published in national newspapers on August 20, 2010 and public hearing was held on September 15, 2010. In response to the notice of admission/hearing published in the daily newspapers no intervention was filed. However, comments were received from the following:
- Irrigation & Power Department, Government of the Punjab
 - Central Power Purchasing Agency
 - Pakistan Water and Power Development Authority
5. During the public hearing Petitioner was asked justification for claiming total project cost as US\$ 41.924 million in the Petition as against project cost of US \$ 39.946 million estimated in the feasibility study, current status of the settlement of issues pertaining to hydrological risk, interconnection facilities, status of negotiations with the power purchaser, etc. The Petitioner responded the queries by submitting that there have been some omissions in the feasibility study. He requested for an adjournment for having a fresh look on the matter in hand and submitting a revised feasibility study. The Authority accepted this request of the Petitioner and directed him to submit the revised feasibility study duly approved by the PPDB appointed Panel of Experts within two months of the public hearing.
6. Despite the lapse of two months from the public hearing, no response was received from the Petitioner. A letter no. NEPRA/TRF-164/OEPL-2010/4002 dated November 24, 2010 was sent to the Petitioner seeking confirmation whether all the outstanding issues pertaining to the project for which two months period had been sought by the Petitioner have been resolved / clarified and inquiring about the future course of action to be adopted by the Petitioner.
7. In response, the Petitioner vide its letter dated November 26, 2010 has stated that it has submitted amended Petition to PPDB. The Petitioner further forwarded the copy of its letter No.OEL/IR/09/165 dated November 22, 2010 written to PPDB for revision of its feasibility study. The Petitioner also submitted that as soon as PPDB clears the revised feasibility study.





with the Panel of Experts, the Petitioner will be approaching NEPRA for hearing their Petition.

8. According to the Tariff Rules, the Authority has a stipulated period of six months to decide a Petition which has already expired. In order to provide an ample opportunity to the Petitioner the Authority has already extended this period for one month. In view of failure of the Petitioner to provide the requisite information within the time granted to it, the Authority does not find any justification for further extending and delaying its determination.
9. The Authority, therefore, decides that in view of lack of requisite information and failure of the Petitioner to make up the deficiency within the time frame prescribed under the Tariff Rules, the Petition does not merit further consideration and is therefore dismissed for lack of reliable information. The Petitioner may file Petition afresh after completing all the information as required by the Authority to determine tariff and complying with the requirements of law.

AUTHORITY

(Zafar Ali Khan)
Member

(Maqbool Ahmad Khawaja)
Member

(Ghiasuddin Ahmed)
Member

(Shaukat Ali Kundi)
Member/ Vice Chairman

(Khalid Saeed)
Chairman

