



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/TRF-347/QATPL-2016/16383-16385
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 Quaid-e-Azam Thermal Power (Pvt.) Ltd. for Bhikki Power Project (Case No. NEPRA/TRF-347/QATPL-2016)**

Dear Sir,

Enclosed please find herewith subject Decision of the Authority (03 Pages) in the matter of HSD Testing on Combined Cycle in the Post Synchronization Period Before COD for Quaid-e-Azam Thermal Power (Pvt.) Ltd. for Bhikki Power Project in Case No. NEPRA/TRF-347/QATPL-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

(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.

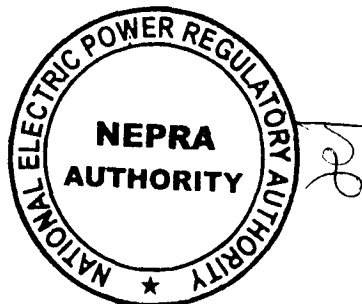


**DECISION OF THE AUTHORITY IN THE MATTER OF HSD TESTING ON COMBINED
CYCLE IN THE POST SYNCHRONIZATION PERIOD BEFORE COD FOR QUAIDE-E-
AZAM THERMAL POWER (PRIVATE) LIMITED FOR BHIKKI POWER PROJECT**

1. Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) vide its letter No. CTO/DGMT-V/MT-XI/4328-29 dated 21st February 2018 referred the Quaid-e-Azam Thermal Power (Private) Limited (QATPL) tariff determination dated 14th April 2016 for its Bhikki Project wherein Para 12.17 states as under:

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

2. CPPAG also referred the fuel price adjustment decision dated 28th November 2017 of NEPRA wherein QATPL's fuel cost component has been adjusted for variation in HSD price for plant testing (combined cycle only). CPPAG requested to clarify whether testing on HSD is allowed by the Authority.
3. QATPL vide its letter No. QATPL/FIN/2565/2018 dated 19th April 2018 also sought clarification from NEPRA for the legitimacy of the QATPL's claim on units generated and dispatched to national grid during testing of the complex on combined cycle mode on liquid fuel. According to QATPL it has carried out HSD testing of both gas turbines during the conversion period from simple cycle to combined cycle operations and the same was billed/invoiced to CPPA-G for the period from December 2017 to February 2018 on combined cycle test rates duly approved by NEPRA. QATPL further submitted that without such testing on liquid fuel, reliability and efficiency of the complex cannot be determined and notified for reference. QATPL requested clarification on the issue.
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 4-04-2016 for M/s Quaid-e-Azam Thermal (Private) Limited for its Bhikki Power Project with respect to cost of High Speed Diesel (HSD) during testing phase.
5. Further in terms of Rule 4(7) of the Tariff Rules, the Authority vide its decision. No. NEPRA/TRF-347/QATPL-2016/10063-10065 dated 3rd July 2018 decided to grant provisional approval to M/s Quaid-e-Azam Thermal Power (Private) Limited for its Bhikki Power Project for immediate application of HSD as a fuel during testing on



combined cycle in the post synchronization period subject to final decision of the Authority in the review proceedings.

6. The Authority decided to hold a hearing in the matter on 31st July 2018. Notices of hearing were issued to the stakeholders on 6th July 2018. The hearing, however, was postponed. The hearing was rescheduled for 18th September 2018 and 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.
7. 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 12.17 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 12.17 as under:

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

8. According to the information provided by the project company, 25,729,880 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

9. 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 14-04-2016 notified vide S.R.O. No. 512(I)/2016 dated 30th May 2016 for M/s Quaid Azam Thermal Power (Pvt) Limited. The new clause shall be added after clause VIII(xiv) of Paragraph 29 of the said Tariff Determination as under:

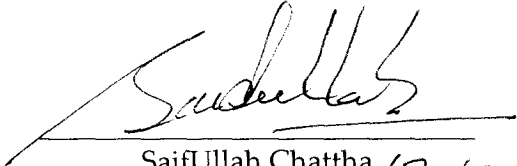
“xv) Post Synchronization tests on HSD shall be allowed on combined cycle operation”

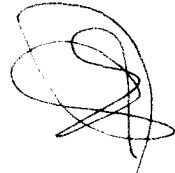





10. The above Order of the Authority shall be notified in the Official Gazette in terms of Section 31(7) of the Regulations of Generation, Transmission and Distribution of Electric Power Act, 1997.

AUTHORITY


SaifUllah Chattha 19.10.2018
Member


19.10.2018
Rehmatullah Baloch
Member


Brig (R) Tariq Saddozai
Chairman

