



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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No. NEPRA/TRF-362/K-Electric-2016/9397-9399
June 19, 2018

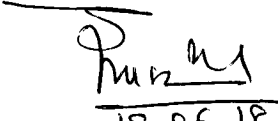
Subject: **Decision of the Authority in the matter of Immediate Application of RLNG as
Alternative Fuel for K-Electric [Case # NEPRA/TRF-362/K-Electric-2016]**

Dear Sir,

Please find enclosed herewith the subject decision of the Authority (02 pages) in the matter of Immediate Application of RLNG as Alternative Fuel for K-Electric.

2. The subject Decision of the Authority 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


19 06 18
(Syed Safer 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.

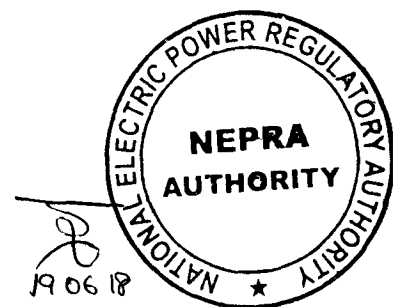


**DECISION OF THE AUTHORITY IN THE MATTER OF IMMEDIATE APPLICATION OF
RLNG AS ALTERNATIVE FUEL FOR K – ELECTRIC**

1. K – Electric (hereinafter referred as “KE”) vide letter dated April 30, 2018, requested the Authority to allow RLNG as an alternate fuel for its existing power plants. According to KE, the request has been filed in purview of the Cabinet Committee on Energy’s (hereinafter referred as “CCoE”) directives dated April 23, 2018, wherein Sui Southern Gas Company (hereinafter referred as “SSGC”) was directed to increase gas supply to KE under an arrangement of 130 MMCFD of natural gas and 60 MMCFD of RLNG to meet KE’s minimum gas requirement of 190 MMCFD. KE also requested the Authority to provisionally approve inclusion of RLNG as an alternate fuel with effect from the date of CCoE’s directives as according to KE, it started operating its power plants on RLNG with effect from the date of CCoE’s directives.
2. The Authority admitted the application of KE on May 9, 2018 and decided to initiate proceedings to modify the existing mechanism of fuel cost component on account of RLNG. The Authority also considered the request of KE for immediate application of RLNG as alternative fuel.
3. In order to bridge the demand and supply gap and to provide immediate relief to end-consumers, the Authority has decided to allow immediate application of RLNG as alternative fuel in the instant case subject to an order of refund for the protection of the consumers, while the proceedings are pending before the Authority. This shall also be subject to utilization of minimum quota of 180 MMCFD of gas for KE.
4. The Authority also hereby directs KE to execute Gas Supply Agreement with Sui Southern Gas Supply Company Limited at the earliest.
5. The immediate application of RLNG as alternate fuel shall be subject to the following conditions:
 - i) Utilization of RLNG shall only be allowed after utilization of the minimum quota of 180 MMCFD of local gas;
 - ii) The dispatch shall be strictly in accordance with the economic merit order;
 - iii) Operation on simple cycle shall not be allowed;
 - iv) Reference fuel price on gas and RLNG shall be the same;
 - v) Other terms & conditions shall remain unchanged

ORDER

6. K – Electric is hereby allowed, immediate application of RLNG as alternative fuel subject to final decision and an order of refund for the protection of the consumers, while the proceedings are pending before the Authority. The immediate application of RLNG as alternative fuel shall be subject to following conditions:
 - i) Utilization of RLNG shall only be allowed after utilization of the minimum quota of 180 MMCFD of local gas;
 - ii) The dispatch shall be strictly in accordance with the economic merit order;
 - iii) Operation on simple cycle shall not be allowed;

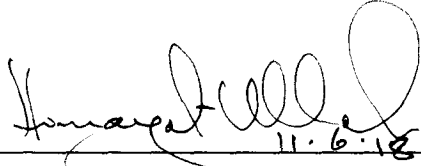


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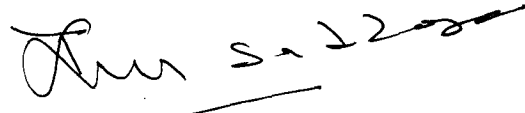
- iv) Reference fuel price on gas and RLNG shall be the same;
 - v) Other terms & conditions shall remain unchanged
7. The above Order of the Authority shall be notified in the Official Gazette in terms of Section 31(7) of the Regulations of Generation, Transmission and Distribution of Electric Power Act, 1997.

AUTHORITY



11.6.18
Himayat Ullah Khan
Member


11.6.2018
Saif Ullah Chattha
Member


11/6/18
Rehmatullah Baloch
Member


Brig (R) Tariq Saddozai
Chairman




19 06 18