



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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MOL-19
TRF-100
TRF-19
MF

No. NEPRA/TRF-100/Misc. /12720-21

15-02. 2005


The Chief Executive,
National Transmission & Despatch Co. Ltd. (NTDC),
414 WAPDA House, Shahrah-i-Quaid-e-Azam,
LAHORE

Subject: **Decision of the Authority Regulatory Meeting RM 05-013 in respect of Power Purchase Agreement (PPA) between Iqbal Power Limited (Rajdhani Hydropower) and National Transmission and Despatch Company Ltd. (NTDC)**

Reference: *NTDC's letter No. COO/CPA/CE-II/DII/13227-28 dated 12.11.2004.*

Enclosed please find subject decision of the Authority for your information and further necessary action, please.

DA/As above.


4/15.02.05
(Mahjoob Ahmad Mirza)

CC (along with a copy of the decision):

The Chief Executive
Iqbal Power Limited (Rajdhani Hydropower)
1-A, Street 42,
Marvi Road, F-7/1,
Islamabad

**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)**

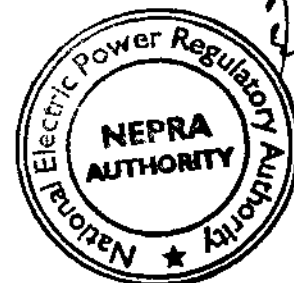
**Decision of the Authority Regulatory Meeting RM 05-013 in Respect of
Power Purchase Agreement (PPA) between Iqbal Power Limited
(Rajdhani Hydropower) and National Transmission and Despatch
Company (NTDC)**

The Authority considered the case of NTDC's Power Purchase Agreements (PPA) Iqbal Power Limited (Rajdhani Hydro Electric Power) for its approval. In order to arrive at an informed decision the Authority sought information regarding "the daily expected availability of generation and the cost of the expected most expensive thermal generation displaced by the proposed projects". NTDC in its response vide its communication no. COO/CPA/CE-II/D11/13227-28 dated November 12, 2004 has stated that according to the study made by the National Power Control Cell (NPCC) there would be a saving of Rs.1.03 billion for the Rajdhani Hydro Electric Power Project during 1st year. NTDC has further stated that NPCC has taken a sample day of each month in making the calculation of the cost of the energy dispatch for the day with and without the new power projects, projecting the sample day for the month with the assumption that the energy requirement would remain constant during the month. The Authority, in view of the information and analysis provided by CPA/NTDC and further analysis/information made available is convinced that the procurement of power through Power Purchase Agreement in the instant case at the rates mentioned below would be a prudent mode of acquiring marginal generation capacity by NTDC on behalf of the eight WAPDA DISCOs.

2. Regarding the terms and conditions of the contract as part of the Power Purchase Agreement, NTDC has not provided the rationale/justification of the proposed PPA. NTDC is therefore being directed to provide the rationale/ justification of the terms and conditions of the PPA.

3. The Authority therefore decides:

- i) To allow NTDC to procure power and carry out a Power Purchase contract for 132 MW Hydel Power Generation in accordance with Article 7(i)(b) of Licence granted to it and Sub-Article 4 of Licence granted to it and para 78, sub-para 2, page 42 item (vi) of the Authority tariff determination of April 4, 2004 in case no. NEPRA/TRF-19/NTDC-2003.



- ii) To approve the tariff schedule attached to this determination as the specified rate of procurement. This rate shall be incorporated in the Power Purchase Agreement to be carried out between Iqbal Power Limited (Rajdhani Hydro Electric Power Project) and NTDC.
- iii) To defer the approval of the Power Purchase Agreement till NTDC provides the rationale/justification of the proposed PPA or a standard format of PPA based on international standard and practice is developed in consultation with the purchaser.

Authority


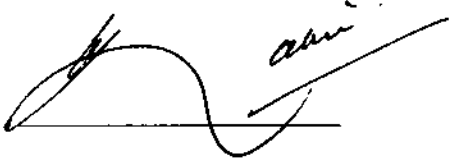
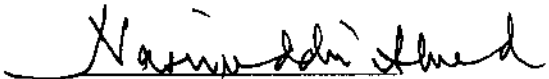

Fazlullah Qureshi	Member	
Abdul Rahim Khan	Member	
Nasiruddin Ahmed	Member	
Saeed uz Zafar	Chairman	



TABLE I

RAJDHANI HYDROPOWER PROJECT

REFERENCE TARIFF

Installed Capacity of the Complex Annual Generation 132 MW
Annual Generation 690 GWh

YEARS	Var. O&M	Esclable Component	Non.Esclable Component	TOTAL TARIFF Cents/kWh
1	0.15000	1.53778	2.76000	4.44778
2	0.15000	1.33778	2.76000	4.24778
3	0.15000	1.23778	2.76000	4.14778
4	0.15000	1.23778	2.76000	4.14778
5	0.15000	1.23778	2.76000	4.14778
6	0.15000	1.23778	2.76000	4.14778
7	0.15000	1.13778	2.76000	4.04778
8	0.15000	1.08778	2.76000	3.99778
9	0.15000	1.03778	2.76000	3.94778
10	0.15000	0.98778	2.76000	3.89778
11	0.15000	0.88778	0.00000	1.03778
12	0.15000	0.78778	0.00000	0.93778
13	0.15000	0.78778	0.00000	0.93778
14	0.15000	0.78778	0.00000	0.93778
15	0.15000	0.78778	0.00000	0.93778
16	0.15000	0.78778	0.00000	0.93778
17	0.15000	0.78778	0.00000	0.93778
18	0.15000	0.63778	0.00000	0.78778
19	0.15000	0.63778	0.00000	0.78778
20	0.15000	0.63778	0.00000	0.78778
21	0.15000	0.63778	0.00000	0.78778
22	0.15000	0.63778	0.00000	0.78778
23	0.15000	0.63778	0.00000	0.78778
24	0.15000	0.63778	0.00000	0.78778
25	0.15000	0.63778	0.00000	0.78778
AV.1-10	0.15000	1.20778	2.76000	4.11778
AV.11-20	0.15000	0.75278	0.00000	0.90278
AV.21-25	0.15000	0.63778	0.00000	0.78778
AV.1-25	0.15000	0.91178	1.10400	2.16578
Levelized.	0.15000	1.08465	1.86834	3.10300

NOTE: 1. Maximum tariff in any year shall not exceed US Cents 4.66 per kWh.
2. Averages/Levelized tariff as indicated above shall remain the same.

