

**TO BE PUBLISHED IN THE GAZETTE OF PAKISTAN
EXTRA ORDINARY PART-I**

National Electric Power Regulatory Authority

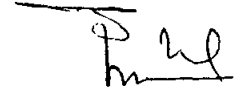
NOTIFICATION



Islamabad, the th26 day of August, 2022

S.R.O. 1615 (1)/2022.- In pursuance of Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), NEPRA hereby notifies the *Decision of the Authority in the matter of Grant of Immediate Application of the Proposed Tariff of Tapal Energy (Private) Ltd. for RFO Based Power Plant of 126 MW (Gross) at Karachi in Case # NEPRA/TRF-580/TEPL-2022.*

2. While effecting the Decision, the concerned entities including K.Electric and Central Power Purchasing Agency Guarantee Limited (CPPAGL) shall keep in view and strictly comply with the orders of the courts notwithstanding this Decision.


26.08.22

(Syed Safeer Hussain)
Registrar

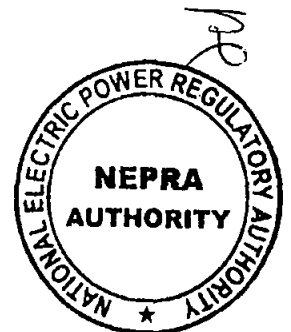
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DECISION OF THE AUTHORITY IN THE MATTER OF GRANT OF IMMEDIATE APPLICATION OF THE PROPOSED TARIFF OF TAPAL ENERGY (PRIVATE) LIMITED FOR RFO BASED POWER PLANT OF 126 MW (GROSS) AT KARACHI.

1. Tapal Energy (Private) Limited (TEL), has been operating a RFO based power generation facility of 126 MW gross (net 123.5 MW) at Deh Gondpass, Tapo Gabopat, Hub River Road, Taluka & district Karachi (West), Karachi, Sindh. The project is established under 1994 Power Policy. The Project has been selling electricity to K-Electric. Generation License for the project was granted vide No. JPGL/010/2003 dated 26th August 2003. Term of the generation license was extended up to 19th June 2029.
2. Before expiry of the PPA, TEL vide its letter No. REL/NEPRA/011/19 dated 7th December 2018 filed a tariff petition for determination of tariff for extension of the PPA term for further five years from 20th June 2019 to 20th June 2024. The Authority vide its determination dated 20th November 2019 approved the tariff for TEL for supply of electricity to K Electric applicable w.e.f. 20th June 2019 for a term of three years or till the time CPPA-G/NTDC are willing and capable of supplying equivalent additional power to KE, whichever comes earlier. Review motion in the matter was decided on 9th June 2020.
3. TEL vide letter dated 10th March 2022 filed tariff petition for determination of revised generation tariff for sale of electricity to KE for an additional period of one year from 20th June 2022 to 20th June 2023. Addendum in the matter was communicated vide letter dated 27th April 2022 whereby TEL requested for extension of two years instead of one year.
4. TEL vide its letter dated 7th June 2022 filed revised tariff petition for determination of reference generation tariff for additional period of two years from 20th June 2022 to 20th June 2024 on revised tariff. The requested tariff is as under:

Description	Requested Tariff	
	1st Year	2nd Year
Energy Charge (Rs./kWh):		
Fuel cost component	21.3745	21.3745
Variable O&M cost component	1.1275	1.1267
Total	22.5020	22.5012
Capacity Charge (Rs./kW/hour):		
Fixed O&M cost component	1.4024	1.4361
Cost of working capital	0.8363	0.8565
Insurance	0.4314	0.4419
Return on Equity	1.3627	1.3955
Total	4.0328	4.1300
Total Tariff (Rs./kWh)	26.5348	26.6312

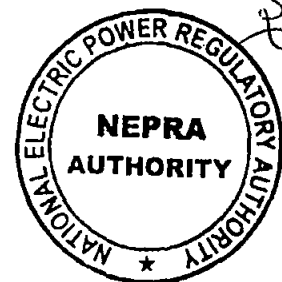


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5. The requested tariff was calculated on the project plant factors of 30.38% and 29.58% for 1st year and 2nd year respectively.
6. The petitioner also requested the Authority for the grant of the provisional tariff in pursuant to Rule 4(7) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 for the interim period on an urgent basis so that the company can continue to supply electricity to KE. The Petitioner emphasized that a provisional tariff in this situation will avoid any interruption of power to KE from June 20, 2022 onwards.
7. For determination of tariff, a period of four months is provided and during that period the electricity being generated by the subject plant would continue to be supplied to the consumers and in the absence of approved tariff the payment shall keep on accumulating. The non-payment may create serious cash flow problem for the project or in case the power plant stop dispatching the energy to KE after 19th June 2022, there will be a further shortfall of 123.5 MW for consumers of Karachi and will result in increased load shedding. Therefore, the request of immediate application of tariff merits consideration and the Authority has decided to allow the interim tariff under Rule 4(7) subject to an order of refund, if any, for the protection of the consumers while the proceedings are pending before the Authority.
8. In the instant case, the requested tariff is higher than the current applicable tariff of TEL keeping in view the difference in reference RFO price of Rs. 98,356.48/ton in the revised petition and current RFO price of Rs. 166,874.66 as per May invoice. Accordingly, the Authority has decided to allow following tariff for immediate application:

Description	Rs/kWh
Energy Charge:	
Fuel cost component (FCC)	35.6930
Variable O&M cost component	0.8347
Total	36.5277
Capacity Charge:	
Fixed O&M cost component	0.7315
Cost of working capital	0.5534
Insurance	0.1687
Return on Equity	0.583
Total	2.0366
Total Tariff (Rs./kWh)	38.5643



9. The provisional tariff shall be subject to followings conditions:

- i- Tariff shall be on Take & Pay basis.
- ii- The fuel cost component has been worked out on the basis of RFO price of Rs. 166,874.66/ton including transportation charges, LHV calorific value of 38,584.49 Btu/Kg. and LHV heat rates of 17,333 Btu/lb. The fuel cost component shall be subject to adjustment for variation in fuel prices.

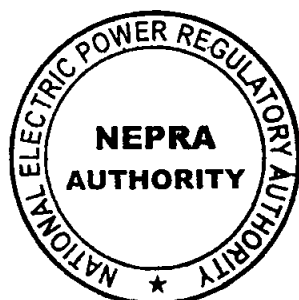
ORDER

10. In exercise of powers conferred under Section 7 read with Section 31 of the NEPRA Act, the Authority hereby determines and approves the following provisional tariff, for immediate application, for Tapal Energy (Private) Limited for sale of 123.5 MW power to KE subject to final decision and an order of refund, if any, for the protection of the consumers while the proceedings are pending before the Authority.

Description	Rs/kWh
Energy Charge:	
Fuel cost component (FCC)	35.6930
Variable O&M cost component	0.8347
Total	36.5277
Capacity Charge:	
Fixed O&M cost component	0.7315
Cost of working capital	0.5534
Insurance	0.1687
Return on Equity	0.583
Total	2.0366
Total Tariff (Rs./kWh)	38.5643

11. The application of provisional tariff shall be subject to following conditions:

- i- Tariff shall be on Take & Pay basis.
- ii- The fuel cost component has been worked out on the basis of RFO price of Rs. 166,874.66/ton including transportation charges, LHV calorific value of 38,584.49 Btu/Kg. and LHV heat rates of 17,333 Btu/lb. The fuel cost component shall be subject to adjustment for variation in fuel prices.
- iii- The dispatch shall be strictly in accordance with the KE's economic merit order;



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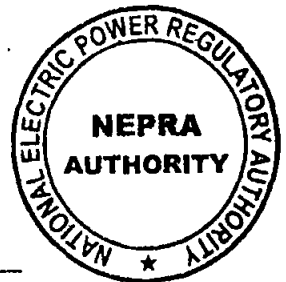
12. The above Order of the Authority shall be notified in the Official Gazette in terms of Section 31(7) of the Regulations of Generation, Transmission and Distribution of Electric Power Act, 1997.

AUTHORITY

(Engr. Maqsood Anwar Khan)
Member

(Rafique Ahmed Shaikh)
Member

(Tauseef H. Farooqi)
Chairman





REGISTRAR

National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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No. NEPRA/TRF-580/16465

August 26, 2022

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Subject: **NOTIFICATION REGARDING DECISION OF THE AUTHORITY IN
THE MATTER OF GRANT OF IMMEDIATE APPLICATION OF THE
PROPOSED TARIFF OF TAPAL ENERGY (PRIVATE) LTD. FOR
RFO BASED POWER PLANT OF 126 MW (GROSS) AT KARACHI**

In pursuance of Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), enclosed please find herewith '*Decision of the Authority in the matter of Grant of Immediate Application of the Proposed Tariff of Tapal Energy (Private) Ltd. for RFO Based Power Plant of 126 MW (Gross) at Karachi*' for immediate publication in the official gazette of Pakistan. Please also furnish thirty five (35) copies of the Notification to this Office after its publication.

Encl: Notification [05 pages & CD]


26 08 22
(Syed Safeer Hussain)

CC:

1. Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Limited, 73 East, AKM Fazl-e-Haq Road, Block H, G-7/2, Blue Area, Islamabad
2. Chief Executive Officer, K-Electric, 39-B, Sunset Boulevard, Phase-II, Defence Housing Authority, Karachi.
3. **Syed Mateen Ahmed**, Deputy Secretary (T&S), Ministry of Energy – Power Division, 'A' Block, Pak Secretariat, Islamabad [w.r.t. NEPRA's Decision issued vide No. 10203-10205 dated June 17, 2022]