



PEPCO

**CENTRAL POWER GENERATION CO. LTD.
(GENCO-II) GUDDU**

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OFFICE OF THE
CHIEF EXECUTIVE OFFICER.

No. CPGCL/CEO/PA/Tariff/Rental/755

Date: 08/08/2009

✓ **The Registrar,**
National Electric Power Regulatory Authority,
2nd Floor, OPF Building, G-5/2,
Islamabad.

TRF-120
d-m-f

Subject: PETITION FOR DETERMINATION OF TARIFF FOR 51MW RENTAL POWER PROJECT FOR FIVE(5) YEARS CPGCL(Licensee # GL/02/2002).

Ref: This office Letter No.CPGCL/FD/Tariff/08/1243-50 dated 22.09.2008

Please refer to our letter mentioned above and cited subject.

We had filed tariff petition for 110MW Rental Power Project, Guddu to NEPRA vide our above mentioned letter. It is to inform that, the Amended and Restated Rental Services Contract was signed on 04.06.2009 between M/s Walters Power International (The Seller) and M/s Central Power Generation Company Limited (The Buyer) whereby (The Seller) will provide to The Buyer, on rent, the power of 51MW net at Mean Site Conditions.

Therefore, it is requested that please allow inclusion of this determination of tariff for 51MW Rental Power Project for 5-years in the same Tariff Petition application which has already been submitted for 110MW Rental Power Project, Guddu without charging any further fee.

In this regard, we are submitting the following information/structure of Reference Tariff.

Structure of Reference Tariff

Reference Tariff has been proposed in two (2) parts i.e. Capacity Purchase Price (CPP) and Energy Purchase Price (EPP). Moreover, Supplemental Charges / Pass-Through Items have also been proposed to be charged to Central Power Purchasing Agency (CPPA) within NTDC. The proposed Reference Tariff is placed at **Annexure – A**. The proposed Reference Tariff comprises of the following two parts and each part has also two components;

- a) Capacity Purchase Price (CPP)
 - o Escalable Component
 - o Non-Escalable Component
- b) Energy Purchase Price (EPP)
 - o Fuel Cost Component
- c) Supplemental Charges & Pass – Through Items

Capacity Purchase Price (CPP)

- ❖ Escalable Component

Escalable Component of Capacity Purchase Price (CPP) would cover the following O&M Cost:

- Rental Payments
- Financial Charges on LC
- Financial Charges on duties of plant & equipment to be re-exported.
- Administration Cost
- Generation License Renewal Fee & Tariff Petition Fee

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Date: 13-08-09

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❖ Non – Escalable Component

Non-Escalable Component of Capacity Purchase Price (CPP) would cover the following fixed Cost:

- Cost of Working Capital Financing.
- Interest Charges.
- Principal Repayment.

Energy Purchase Price (EPP)

❖ Fuel Cost

Supplemental Charges & Pass-through Items

Any actual payment on account of the following and like nature shall be pass-through to NTDC.

- Actual payments to Worker' Welfare and Profit Participation Funds
- Actual Income / Turnover Tax
- General Sale Tax
- Any other Duties / Taxes etc
- Insurance Costs due to change of policy
- Variation in Fuel Price
- Electricity Duty on In-house consumption of Energy
- Expenditure on Modification or Expansion of the Protective Devices required by the NTDC
- Further capital expenditures or any other costs.

The tariff has been worked out on the basis of the cash flow requirements of the Company as per data attached. The CPP is worked out without the element of any Return on operations to the company.

In addition to the undersigned, Finance Director, Central Power Generation Company Limited, shall also act as authorized representative of the Company in connection with further information / clarifications, if any, required by NEPRA during the course of scrutiny of the Application and the petition in hand and / or submission, presentations, revisions or alterations that Company may submit from time to time till approval of the Bulk Supply Tariff by honorable Authority.

The Annexure–A (along with working papers attachments I to III) showing the Variable charges (Energy Purchase Price) and fixed charges (Capacity Purchase Price) indicated in terms of Rs./kwh and Rs./kw/Month,. The Fuel/Gas cost component of the variable charge (Energy Purchase Price) shall, however, be according to the price changes by OGRA Capacity Purchase Prices to be adjusted on the basis of indexation of Dollar Rate. The tariff indicated in Annexure–A. is submitted for approval of National Electric Power Regulatory Authority (NEPRA).

It is therefore requested to please process our application for Tariff Petition at earliest.


Chief Executive Officer

D/A above;

CENTRAL POWER GENERATION COMPANY LIMITED

51MW RENTAL POWER PROJECT, NAUDERO

SCHEDULE OF TARIFF

	FY-2009-10	FY-2010-11	FY-2011-12	FY-2012-13	FY-2013-14	FY-2014-15
	6 Months Projected	Projected	Projected	Projected	Projected	6 Months Projected
Capacities (MW)						
Install capacity (MW)	51	51	51	51	51	51
Net Dependable Capacity (MW) / Guaranteed	46.92	46.92	46.92	46.92	46.92	46.92
Generation %age of Capacity	92%	92%	92%	92%	92%	92%
Unavailable Capacity	8%	8%	8%	8%	8%	8%
Efficiency and Heat Rate						
Fuel Price - Gas (Rs./MMBTU)	336.41	336.41	336.41	336.41	336.41	336.41
Heat Rate - Net (BTU/Kwh)	9949	9949	9949	9949	9949	9949
Calorific Value Gas (BTU)	900	900	900	900	900	900
Total Generation						
Net Generation - Gas (GWh)	205.510	411.019	411.019	411.019	411.019	205.510
Calculation Cost						
Variable Cost Component						
Fuel Cost / kWh Gas	3.3469	3.3469	3.3469	3.3469	3.3469	3.3469
Fuel Cost Gas (Million Rs.)	687.83	1375.66	1375.66	1375.66	1375.66	687.83
Fixed Cost Component (Escalable Component)						
Rent for Rental Block (Million Rs.)	1698.59	1292.73	1292.73	1292.73	1292.73	646.37
Financial Charges on L/C	0.00	0.00	0.00	0.00	0.00	0.00
Administration Cost	3.00	5.00	6.00	6.00	7.00	4.00
NEPRA Fees	6.37	0.39	0.43	0.46	0.50	0.54
Total Fixed O&M Cost	1707.96	1298.13	1299.16	1299.19	1300.23	650.90
Debt Services (Non-Escalable Component)						
Interest Charges	147.31	133.49	96.94	59.83	23.00	
Total CPP	1855.27	1431.62	1396.10	1359.03	1323.24	650.90
Calculation of Energy / Capacity Purchase Price						
CPP-FOM charge (Rs./kW/Month)	3295.09	2542.66	2479.57	2413.73	2350.16	1156.05
Total Capacity Charges (Million. Rs.)	1855.27	1431.62	1396.10	1359.03	1323.24	650.90
CPP Rs. / kWh	9.0277	3.4831	3.3967	3.3065	3.2194	3.1673
EPP Rs. / kWh	3.3469	3.3469	3.3469	3.3469	3.3469	3.3469
Total Average Tariff (Rs. / kWh)	12.3746	6.8300	6.7436	6.6534	6.5663	6.5142
Us Cents / kWh	15.0910	8.3293	8.2239	8.1139	8.0077	7.9442

One US Dollar Rate = Rs. 82/-

CENTRAL POWER GENERATION COMPANY LIMITED

OPERATIONAL DATA AND CALCULATION OF ENERGY PURCHASE PRICE

51MW RENTAL POWER PLANT AT NAUDERO

FY-2009-10 FY-2010-11 FY-2011-12 FY-2012-13 FY-2013-14 FY-2014-15

	6 Months Projected	Projected	Projected	Projected	Projected	6 Months Projected
Installed Net Capacity	51	51	51	51	51	51
Guaranteed Available Electric Output @ 92%	46.92	46.92	46.92	46.92	46.92	46.92
Heat Rate (BTU)	9949	9949	9949	9949	9949	9949
Unavailable Capacity	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Generation %age of Capacity	92.00%	92.00%	92.00%	92.00%	92.00%	92.00%
Fuel Price - Gas (Rs./MMBTU)	336.41	336.41	336.41	336.41	336.41	336.41
Calorific Value of Gas (BTU)	900	900	900	900	900	900
Net generation - Gas (GWh)	205.510	411.019	411.019	411.019	411.019	205.510
Fuel Cost / kWh Gas	3.3469	3.3469	3.3469	3.3469	3.3469	3.3469
Fuel Cost Gas (Million. Rs.)	687.83	1,375.66	1,375.66	1,375.66	1,375.66	687.83

CENTRAL POWER GENERATION COMPANY LIMITED
CALCULATION OF CAPACITY PURCHASE PRICE
51MW Rental Power Plant, NAUDERO

CALCULATION OF CAPACITY CHARGE		FY-2009-10	FY-2010-11	FY-2011-12	FY-2012-13	FY-2013-14	FY-2014-15
		6 Months Projected	Projected	Projected	Projected	Projected	6 Months Projected
Guaranteed Available Electric Output @ 92%		46.92	46.92	46.92	46.92	46.92	46.92
Escalable Component:							
Fixed O&M Cost:		Mln. Rs.	Mln. Rs.	Mln. Rs.	Mln. Rs.	Mln. Rs.	Mln. Rs.
Rental Charges		1,698.59	1,292.73	1,292.73	1,292.73	1,292.73	646.37
Duties for Consumable Stores							
Financial Charges on duties of plant & equipment to be re-exported							
Financial Charges on I/C							
Administration Cost		3.00	5.00	6.00	6.00	7.00	4.00
NEPRA Fees		6.37	0.39	0.43	0.46	0.50	0.54
Insurance							
Duties etc.							
Total Fixed O&M Cost		1,707.96	1,298.13	1,299.16	1,299.19	1,300.23	650.90
CPP-FOM charge (Rs./kW/Month)		3,033.458	2,305.572	2,307.404	2,307.465	2,309.306	1,156.054
Return on Equity (Mln. Rs.)		-	-	-	-	-	-
Return on Assets (Mln. Rs.)		-	-	-	-	-	-
CPP-ROE charge (Rs./kW/Month)		-	-	-	-	-	-
Total CPP-Escalable (Rs./kW/Month)		3,033.458	2,305.572	2,307.404	2,307.465	2,309.306	1,156.054
Non Escalable Component							
Debt Service:		Mln. Rs.	Mln. Rs.	Mln. Rs.	Mln. Rs.	Mln. Rs.	Mln. Rs.
Cost of Working Capital Financing		0.00	0.00	0.00	0.00	0.00	0.00
Interest Charge		147	133	97	60	23	-
Principal Repayment		0	0	0	0	0	0.00
Total Debt Servicing		147.31	133.49	96.94	59.83	23.00	0.00
Total CPP-Non-Escalable (Rs./kW/Month)		261.6361	237.0853	172.1691	106.2673	40.8582	-
Total CPP (Rs./kW/Month)		3,295.09	2,542.66	2,479.57	2,413.73	2,350.16	1,156.05
Less: Other Revenue	Mln. Rs.	0.00	0.00	0.00	0.00	0.00	0.00
	Rs./kW/Month	-	-	-	-	-	-
Total CPP (Rs./kW/Month)		3,295.09	2,542.66	2,479.57	2,413.73	2,350.16	1,156.05
Total Capacity Charge (Mln. Rs.)		1855.27	1431.62	1396.10	1359.03	1323.24	650.90
Generation plant factor	92%	205.51	411.02	411.02	411.02	411.02	205.51
CPP Rs./kWh		9.0277	3.4831	3.3967	3.3065	3.2194	3.1673
EPP Rs./kWh		3.3469	3.3469	3.3469	3.3469	3.3469	3.3469
Total Average Tariff Rs./kWh		12.3746	6.8300	6.7436	6.6534	6.5663	6.5142
US Cents / kWh		15.0910	8.3293	8.2239	8.1139	8.0077	7.9442

CENTRAL POWER GENERATION COMPANY LIMITED SCHEDULE OF TARIFF

51MW RENTAL POWER PLANT AT NAUDERO
ENERGY PURCHASE PRICE

Block #	EPP	Element	Ref: Fuel	Ref: Price	Ref: Unit	Rupees					
						FY-2009-10 6 Months Projected	FY-2010-11 Projected	FY-2011-12 Projected	FY-2012-13 Projected	FY-2013-14 Projected	FY-2014-15 6 Months Projected
Auxl: Con:		GAS	336.41	MMBTU	3,3469	3,3469	3,3469	3,3469	3,3469	3,3469	
Blk Ht: Rt:											
										9949	

CAPACITY PURCHASE PRICE

	Escalable Component - CPP					
	FY-2009-10 6 Months Projected	FY-2010-11 Projected	FY-2011-12 Projected	FY-2012-13 Projected	FY-2013-14 Projected	FY-2014-15 6 Months Projected
Fixed O & M Cost (Million.Rs.)	1707.958	1298.129	1299.161	1299.195	1300.232	650.904
Return on Equity	0.000	0.000	0.000	0.000	0.000	0.000
Total Escalable Component - CPP	1707.958	1298.129	1299.161	1299.195	1300.232	650.904
Non-Escalable Component - CPP						
Debt Service	147.312	133.489	96.938	59.833	23.005	0.000
Total Capacity Purchase Price(Rs./KW/Month)	1855.270	1431.618	1396.099	1359.028	1323.237	650.904
Avg. Capacity Purchase Price (Rs./kWh)	9.0277	3.4831	3.3967	3.3065	3.2194	3.1673
Avg. Energy Purchase Price (Rs.kWh)	3.3469	3.3469	3.3469	3.3469	3.3469	3.3469
Total Average Tariff (Rs./kWh)	12.3746	6.8300	6.7436	6.6534	6.5663	6.5142