



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)
 - Escalable Component
 - Non-Escalable Component
- b) Energy Purchase Price (EPP)
 - 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

Registrar 6050
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, is 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 |