



NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)
NOTICE OF ADMISSION

Tariff Petition filed by Punjab Thermal Power (Private) Limited for Approval of Generation Tariff for RLNG based Power Plant of 1263.2 MW (Gross) at Jhang, Punjab.

1. All stakeholders, interested/affected persons and the general public are informed that the Authority has admitted the tariff petition filed by Punjab Thermal Power (Pvt) Limited for Power Plant of 1263.2 MW, gross at reference site conditions, on RLNG/HSD fuel, located at Jhang in the Province of Punjab. Salient features of the petition are as under:

- i. **Project Cost:** The petitioner proposed the following project cost:

BREAKUP OF PROJECT COST	USD in Million
EPC cost:	520.000
Additional EPC Cost:	10.000
i. Independent Asset Monitoring and Management System	0.500
ii. Combustion Monitoring System of Gas Turbines	0.500
iii. Flood Protection	2.000
iv. Auditorium	1.500
v. BOP Spares	5.500
Non EPC and Project Development Cost :	59.356
i. Engineering consultancy	12.597
ii. Administrative Expenses during construction	11.676
iii. O&M mobilization & training	6.000
iv. Land Cost	4.620
v. Security Surveillance	8.257
vi. Insurance during construction @ 1% of EPC Cost	5.200
vii. Testing & Commissioning	11.906
Customs Duties & Cess	29.326
L TSA Initial Spare Parts	10.500
Gas Pipeline Cost	37.735
CAPEX	666.916
Financing Fees & Charges 3.50% of Debt	21.048
Interest During Construction 30 Months	65.038
One month LNG Escrow Account	48.83
Total Project Cost	801.836

- ii. **Capital Structure:** The proposed debt equity ratio is 75:25.
- iii. **Interest Rate:** The petitioner assumed interest rate of 3 month KIBOR 6.14% + 3% premium for cost of debt and KIBOR + 2% for cost of Working capital.
- iv. **Return on Equity:** The return on Equity component of tariff has been calculated on the basis of 16% IRR.
- v. **Exchange Rate:** Exchange Rate of Rs. 105.5/USD has been assumed.
- vi. **Thermal Efficiency:** The proposed combined cycle efficiencies are 61.16% and 55.76% on RLNG and HSD respectively and Simple Cycle efficiency is 39.2% on RLNG.
- vii. **Annual Availability:** The proposed annual plant availability is 92%.
- viii. **Dependable Capacity:** The proposed net capacity after auxiliary consumption is 1242.7 MW (Gross 1263.2 MW) on RLNG and 1081.8 MW (Gross 1105.0 MW) on HSD.
- ix. **Insurance cost:** The petitioner proposed annual insurance cost @ 1% of the EPC Cost.
- x. **Tariff Period:** The petitioner proposed a tariff control period of 30 Years.
- xi. **Reference Fuel Price:** The Petitioner assumed Ex-GST base fuel price USD 8.2464 per MMBTU-HHV for gas and PKR 59.54 per Litre on HSD.
- xii. **Proposed Tariff:** The petitioner proposed the following tariff:

COMPBINED CYCLE OPERATION

Description	RLNG	HSD
Energy Charge (Rs./kWh):		
Fuel cost component	5.3763	10.7216
Variable O&M	0.3041	0.4388
Total	5.6804	11.1604
Capacity Charge (Rs./kW/hour):		
Fixed O&M (Local)	0.0605	0.0695
Fixed O&M (Foreign)	0.1036	0.1190
Cost of working capital	0.0824	0.0947
Insurance	0.0514	0.0590
Return on Equity	0.4157	0.4775
Debt servicing (1-10 years only)	0.9016	1.0356
Total 1-10 years	1.6151	1.8554
Total 11-30 years	0.7136	0.8197
Avg. Tariff 1-10 years @ 92% (Rs./kWh)	7.4360	13.1771
Avg. Tariff 11-30 years @ 92% (Rs./kWh)	6.4560	12.0514
Levelized tariff (Rs./kWh)	7.0947	12.7851
Levelized tariff (Cents/kWh)	6.7249	12.1186

SIMPLE CYCLE OPERATION ON RLNG

Description	Rs./kWh
Fuel cost component	8.3871
Variable O&M	0.3041
Fixed O&M (Local)	0.0605
Fixed O&M (Foreign)	0.1036
Cost of working capital	0.0824
Total	8.9377

2. Any interested person who desires to participate in the proceedings may file an intervention request within fourteen (14) days from the date of publication of this notice. Such intervention request shall state the name and address of the person filing the same, objections and the manner in which such person is or is likely to be substantially and specifically affected by any determination in the proceedings. The intervention request may also contain the contentions of the person making the same, the relief sought and the evidence, if any, in support of the case.
3. Any person may also file the comments in the matter within fourteen (14) days of the publication and the Authority, if deemed fit, may permit participation of such person into the proceedings and also may consider those comments in the final determination.

Registrar NEPA
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Copy of the Petition is available at www.nepra.org.pk