



# National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Office Building, G-5/1, Attaturk Avenue (East), Islamabad

Phone: 051-9206500, Fax: 051-2600026

Website: [www.nepra.org.pk](http://www.nepra.org.pk), Email: [registrar@nepra.org.pk](mailto:registrar@nepra.org.pk)

## OFFICE OF THE REGISTRAR

No. NEPRA/D(Lic)/LAG-02/182433

December 28, 2015

The Chief Executive  
Central Power Generation Company Limited  
(CPGCL)/GENCO-II  
Thermal Power Station Guddu  
Guddu, Sindh

Subject: **AUTHORITY PROPOSED MODIFICATION IN THE GENERATION  
LICENCE (NO. GL/02/2002, DATED JULY 01, 2002) OF CPGCL/GENCO-II**

WHEREAS, the National Electric Power Regulatory Authority ("the Authority") established under Section-3 of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997 ("the NEPRA Act") is mandated to regulate the provisions of Electric Power Services in the country;

2. WHEREAS, pursuant to Section-15 of the NEPRA Act, the Authority granted a Generation License No. GL/02/2002, dated July 01, 2002 and subsequent Modification-I dated April 26, 2013 to CPGCL/GENCO-II for its generation facilities located at Thermal Power Station Guddu (TPS Guddu);

3. WHEREAS; according to terms & conditions of the above mentioned Generation License, Unit No. 3 of TPS Guddu had a remaining useful life of ten (10) years which expired on June 30, 2012 and has not been extended in terms of Rule 5(2) of the NEPRA Licensing (Generation) Rules 2000 (the Rules);

4. WHEREAS, pursuant to Regulation-10(1) of the NEPRA Licensing (Application and Modification Procedure) Regulations, 1999 ("the Regulations"), the Authority has decided to initiate the Authority Proposed Modification (APM) in the Generation Licence of CPGCL/GENCO-II. Accordingly, in terms of the regulation-10(1)(a) & (b) of the Regulations, the Authority hereby communicates the text of the APM and statement of reasons in support of the APM as detailed below:

### a. **The text of the APM**

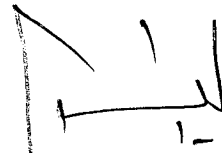
"the existing Schedule-I & II of the Generation Licence of CPGCL/GENCO-II indicating the Unit No. 3 of TPS Guddu as generating unit, will be replaced with new/modified Schedule I & II excluding the Unit No.3 from the Generation Licence";

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**b. The statement of reasons in support of the APM**

“The Unit No. 3 of TPS Guddu has Natural Gas as the Primary Fuel and Residual Furnace Oil (RFO) as Alternative Fuel. Due to non-availability of the Natural Gas, the Unit No. 3 is operated using RFO. The efficiency of the Unit has reportedly dropped to 25.899% from its designed efficiency of 37.55% which is very low as compared to other generation facilities operating/having efficiency of around 39%. Due to the said, the Unit is ranked at 64<sup>th</sup> position of the Merit Order in a list of seventy three (73). The generation of electricity from the afore mentioned unit is costing Central Power Purchasing Agency Guarantee Limited-CPPA-G an approximate cost of Rs. 19.2629/kwh which is resulting in an increased consumer end tariff making these units uneconomical and unviable for operation”.

5. You are therefore advised to send your response on the APM either affirming or denying the communicated Modification within fourteen (14) days of the receipt of this letter. In the event of your failure to convey your comments/response within the stipulated period the Authority shall be constraint to assume that you have no objection to the communicated APM and proceed in accordance with law.

  
28/12/15  
(Iftikhar Ali Khan)  
Deputy Registrar