



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Website: www.nepra.org.pk, Email: registrar@nepra.org.pk

OFFICE OF THE REGISTRAR

No. NEPRA/D(Lic)/LAG-03/8247

December 28, 2015

The Chief Executive
Northern Power Generation Company Limited
(NPGCL)/GENCO-III
Thermal Power Station Muzaffargarh
Muzaffargarh, Punjab

Subject: **AUTHORITY PROPOSED MODIFICATION) IN THE GENERATION
LICENCE (NO. GL/03/2002, DATED JULY 01, 2002) OF NPGCL/GENCO-III**

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/03/2002, dated July 01, 2002 and subsequent Modification-I dated April 18, 2014 and Modification-II dated October 31, 2014 to NPGCL/GENCO-III for four distinct generation facilities located at Thermal Power Station Muzaffargarh (TPS Muzaffargarh), Gas Turbine Power Station Faisalabad (GTPS) Faisalabad, Steam Power Station Faisalabad (SPS Faisalabad) and Combined Cycle Power Station at Nandipur (Nandipur CCPP);

3. WHEREAS, according to terms & conditions of the above mentioned Generation License, Unit No. 1-2 of SPS Faisalabad 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 NPGCL/GENCO-III. 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:

Contd...P/2

a. The text of the APM

“the existing Schedule-I & II of the Generation Licence of NPGCL/GENCO-III indicating the No. 1-2 of SPS Faisalabad as generating unit, will be replaced with new/modified Schedule I & II excluding Unit No.1-2 of SPS Faisalabad from the Generation Licence”;

b. The statement of reasons in support of the APM

“Unit No. 1-2 of SPS Faisalabad have Natural Gas as the Primary Fuel and Residual Furnace Oil (RFO) as Alternative Fuel. Due to non-availability of the Natural Gas, Unit No. 1-2 are operated using RFO. The efficiency of these Unit has reportedly dropped to 20% which is very low as compared to other generation facilities operating/having efficiency of around 39%. Due to the said, these units are ranked at the bottom of the Merit Order lying at 73rd position in a list of seventy three (73). The generation of electricity from the afore mentioned units is costing Central Power Purchasing Agency Guarantee Limited-CPPA-G an approximate cost of Rs. 24.9445/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.

- Sd -

(Iftikhar Ali Khan)
Deputy Registrar

December 28, 2015

No. NEPRA/D(Lic)/LAG-03/1821/8

Forwarded for information, and necessary action, please.

Director (Licensing)

Master File [ML# 822 dated 23.12.2015]

[Rm 15-618]

CC:

1. Chairman 2. VC/Member (CA) 3. Member (T) 4. Member (M&E) 5. Member (L)

28/12/15
Deputy Registrar

The News 30-12-15.



NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)

NOTICE FOR SEEKING COMMENTS

IN THE MATTER OF AUTHORITY PROPOSED MODIFICATION (APM) IN THE GENERATION LICENCE OF NORTHERN POWER GENERATION COMPANY LIMITED (NPGCL/GENCO-III)

All stakeholders, interested / affected persons and the general public are hereby informed that the Authority in exercise of the Powers conferred upon under Section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the NEPRA Act), had granted a Generation Licence (No. GL/03/2002, dated July 01, 2002 and subsequent Modification-I dated April 18, 2014 and Modification-II dated October 31, 2014) to NPGCL/GENCO-III.

(2). The Authority accorded/issued the above mentioned Generation Licence to NPGCL/GENCO-III for its four distinct generation facilities located at Thermal Power Station Muzaffargarh (TPS Muzaffargarh), Gas Turbine Power Station Faisalabad (GTPS Faisalabad), Steam Power Station Faisalabad (SPS Faisalabad) and Combined Cycle Power Station at Nandipur (Nandipur CCP).

(3). According to terms & conditions of the above mentioned Generation Licence, Unit No. 1- 2 of SPS Faisalabad 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). 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 NPGCL/GENCO-III. 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 NPGCL/GENCO-III indicating No. 1-2 of SPS Faisalabad as generating unit, will be replaced with new/modified Schedule I & II excluding Unit No.1-2 of SPS Faisalabad from the Generation Licence";

(b). The statement of reasons in support of the APM

"Unit No. 1-2 of SPS Faisalabad have Natural Gas as the Primary Fuel and Residual Furnace Oil (RFO) as Alternative Fuel. Due to non-availability of the Natural Gas, Unit No. 1-2 are operated using RFO. The efficiency of these Unit has reportedly dropped to 20% which is very low as compared to other generation facilities operating/having efficiency of around 39%. Due to the said, these units are ranked at the bottom of the Merit Order lying at 73rd position in a list of seventy three (73). The generation of electricity from the afore mentioned units is costing Central Power Purchasing Agency Guarantee Limited-CPPA-G an approximate cost of Rs. 24.9445/kwh which is resulting in an increased consumer end tariff making these units uneconomical and unviable for operation".

(5). Now, all stakeholders, interested /affected parties/persons and the general public are invited to offer their views/comments either in favor or against the APM within fourteen (14) days of this Publication. For any further clarification contact Registrar on the following address:

REGISTRAR
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
PLOT NO. 30, PHASE II, INDUSTRIAL ESTATE, KARACHI-75400