



NATIONAL POWER PARKS MANAGEMENT COMPANY (PRIVATE) LIMITED

Ministry of Energy (Power Division), Government of Pakistan
Malik Plaza, 2nd Floor, 7-C/1, M.M. Alam Road, Gulberg III, Lahore

15658

October ²² 2020
No. NPPMCL- Balloki/CEO/2020/-----
19209

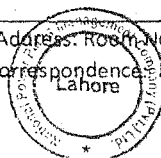
The Registrar
National Electric Power Regulatory Authority
NEPRA Tower, Ataturk Avenue (East) G-5/1
Islamabad

Subject: PETITION FOR REVISION OF COD TARIFF DETERMINATION OF 1223.106MW (GROSS) POWER PROJECT AT BALLOKI DATED MAY 20, 2020 PURSUANT TO THE DECISION OF FEDERAL GOVERNMENT FOR REDUCTION OF RETURN ON EQUITY (ROE) OF GOVERNMENT OWNED POWER PROJECTS

Dear Sir,

1. National Power Parks Management Company (Private) Limited (hereinafter "NPPMCL" or the "Petitioner" or the "Company") is a private limited company, wholly owned by the Government of Pakistan ("GoP"), incorporated under Companies Ordinance 1984.
2. NPPMCL filed the cost-plus Reference Generation Tariff Petition, dated 22 April 2016, (hereinafter "Tariff Petition") for its 1223.106 MW (Gross) RLNG power plant located at Balloki, Kasur before National Electric Power Regulatory Authority (hereinafter "NEPRA" or the "Authority"). The Authority on 09 August 2016 has given its decision/determination (hereinafter "Determination") on the request of the Petitioner as Reference Tariff (Annexure-A). After COD of the Project, the said Reference Tariff has been adjusted/actualized through Decision of the Authority dated May 20, 2020 (Annexure-B) (hereinafter "COD Tariff Determination").
3. Ministry of Energy (Power Division) vide its letter No. IPPs-10(18)/2020 dated October 06, 2020 (Annexure-C) has conveyed the decision of the Cabinet Committee on Energy (CCoE) to NPPMCL, which was ratified by the Cabinet in case No. 648/35/2020 dated September 08, 2020, regarding reduction in ROE of the Government owned power projects (RLNG IPPs) from 16% IRR with Dollar indexation to 12% IRR with Dollar indexation along with direction to approach NEPRA for revision of ROE component by submission of tariff revision petition to NEPRA.
4. Further, the Cabinet also consider that the projects owned by NPPMCL (Federal Government owned plants) are in the privatization list and bidding process is near to finalization stage. Post privatization the returns will be dependent on the new investors in case of local investor's return will be 17% without dollar indexation

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using USD to Rupee parity at Rs. 148 per USD, however, foreign equity will get 12% with dollar indexation.

5. Accordingly, the Petitioner is filing this Petition as per Direction of the Federal Government for revision of COD Tariff Determination (hereinafter "Instant Petition") under relevant provisions of the NEPRA Act, Rules and other applicable regulations / guidelines (hereinafter "NEPRA Laws").
6. The revised Tariff Tables on the basis of 12% IRR for RLNG Fuel and HSD Fuel have been prepared and attached as Annexures-D & E. Summary of the Tariff after revision of ROE component from 16% IRR to 12% IRR is given below:

COD Tariff Components (Rs./kW/hr)	RLNG		HSD	
	Original COD Tariff	Revised COD Tariff	Original COD Tariff	Revised COD Tariff
ROE component	0.3856	0.2909	0.4250	0.3206
Total Capacity Charges (1-10 years)	1.4214	1.3456	1.5666	1.4831
Total Capacity Charges (11-30 years)	0.6592	0.5645	0.7266	0.6221
Total Capacity Charges (Average)	0.9133	0.8249	1.0066	0.9091
Total Tariff (Rs./kWh) (Levelized)	10.2633	10.1792	18.5097	18.4171

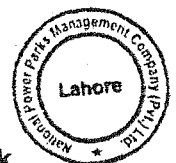
Note: All other components given in the Tariff Table (Annex-I & II of the Tariff Determination dated May 20, 2020) shall remain same. The ROE component has been reduced to 12% IRR w.e.f. the date when government decision was conveyed to the Petitioner i.e. October 06, 2020.

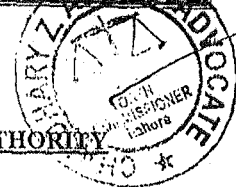
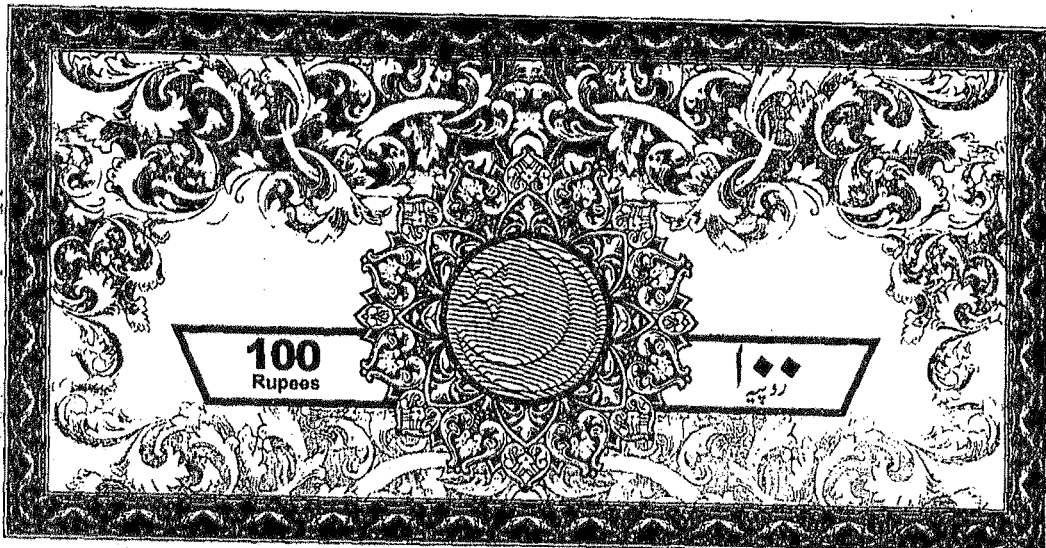
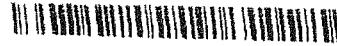
7. An opener for the post privatization scenario regarding ROE, dependent on the new investors in case of local investor's return will be 17% without dollar indexation using USD to Rupee parity at Rs. 148 per USD, however, foreign equity will get 12% with dollar indexation, may also be provided in the decision.
8. The Petitioner, with the approval of its Board of Director (attached as per "Annexure-F") through its authorized representative, is filing the Instant Petition for revision of COD Tariff.
9. Pay Order No. 02444839 of Rs. 1,000/- against the fee for revision of Tariff Petition is attached herewith.
10. In view of the above submissions, it is respectfully prayed that the ROE component may kindly be revised to 12% IRR from 16% IRR and an opener, in the manner and to the extent detailed in Instant Petition may also be provided to cater for the privatization.

Regards,



Dhanpat Kotak
Chief Executive Officer





BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

PETITION FOR REVISION OF COD TARIFF DETERMINATION OF 1223.106MW
(GROSS) POWER PROJECT AT BALLOKI DATED MAY 20, 2020 PURSUANT TO THE
DECISION OF FEDERAL GOVERNMENT FOR REDUCTION OF RETURN ON
EQUITY (ROE) OF GOVERNMENT OWNED POWER PROJECTS



AFFIDAVIT OF MR. DHANPAT KOTAK, CHIEF EXECUTIVE OFFICER, M/S.
NATIONAL POWER PARKS MANAGEMENT COMPANY (PVT.) LIMITED, 2ND FLOOR,
7-C-I, GULBERG III, LAHORE



I, the above deponent, do hereby solemnly affirm and declare as under:

1. That the above named Deponent has filed the accompanying Petition for revision of COD Tariff Determination for reduction of Return On Equity (ROE) of government owned power projects pursuant to the decision of Federal Government before the Hon'ble Authority and the contents of the same may kindly be read as an integral part of this affidavit.
2. That the contents of the accompanying Petition for revision of COD Tariff Determination are true and correct to the best of my knowledge and belief and nothing has been concealed therein.

VERIFICATION

Verified on oath at Lahore on this 22nd day of October 2020 that the contents of the above affidavit are true and correct to the best of my knowledge and belief.


Deponent 


Deponent 

~~ATTESTED~~
~~Notary Public / District Advocate~~
~~(in Lahore) / Lahore~~

National Power Parks Management Company (Private) Limited - 1223MW Bailoi

Revised Reference Tariff Table RLNG at COD (ROE reduction from 16% IRR to 12% IRR pursuant to Federal Government Decision)

Year	Energy Purchase Price (Rs./kWh)			Capacity Purchase Price (Rs./kWh/Hours)										Total Tariff	
	Fuel component	Var. O&M	Total EPP	Fixed O&M local	Fixed O&M foreign	Cost of W/C	Insurance	ROE	Debt Repayment	Interest Charges	Total CPP	Capacity charge @ 92%	Rs./kWh	Cents/kWh	
1	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.3856	0.3224	0.4298	1.4214	1.5450	10.517	9.9189	
2	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.3856	0.3623	0.3999	1.4214	1.5450	10.517	9.9189	
3	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	0.3949	0.3673	1.3267	1.4420	10.4487	9.8221	
4	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	0.4305	0.3317	1.3267	1.4420	10.4487	9.8221	
5	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	0.4693	0.2929	1.3267	1.4420	10.4487	9.8221	
6	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	0.5116	0.2506	1.3267	1.4420	10.4487	9.8221	
7	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	0.5577	0.2045	1.3267	1.4420	10.4487	9.8221	
8	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	0.6079	0.1543	1.3267	1.4420	10.4487	9.8221	
9	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	0.6627	0.0995	1.3267	1.4420	10.4487	9.8221	
10	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	0.7224	0.0398	1.3267	1.4420	10.4487	9.8221	
11	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
12	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
13	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
14	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
15	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
16	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
17	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
18	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
19	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
20	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
21	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
22	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
23	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
24	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
25	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
26	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
27	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
28	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
29	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
30	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
Average															
1-10	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.3098	0.5052	0.2570	1.3456	1.4626	10.4693	9.8415	
11-30	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2909	-	-	0.5645	0.6136	9.6203	9.0433	
1-30	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.2972	0.1684	0.0857	0.8249	0.8966	9.9033	9.3094	
Levelized															
1-30	8.8710	0.1357	9.0067	0.0258	0.1242	0.0697	0.0539	0.3083	0.3078	0.1890	1.0787	1.1725	10.1792	9.5687	

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