



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

October ²² 2020

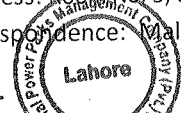
No. NPPMCL- HBS/CEO/2020/-----¹⁹²¹⁰

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 1230.54MW (GROSS) POWER PROJECT AT HAVELI BAHADUR SHAH 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 1230.54 MW (Gross) RLNG power plant located at Haveli Bahadur Shah, Jhang 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 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	0.3971	0.2994	0.4532	0.3416
Total Capacity Charges (1-10 years)	1.4460	1.3678	1.6501	1.5608
Total Capacity Charges (11-30 years)	0.6688	0.5711	0.7632	0.6516
Total Capacity Charges (Average)	0.9279	0.8366	1.0588	0.9547
Total Tariff (Rs./kWh) (Levelized)	8.9947	8.9080	15.6692	15.5703

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. 02444840 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.

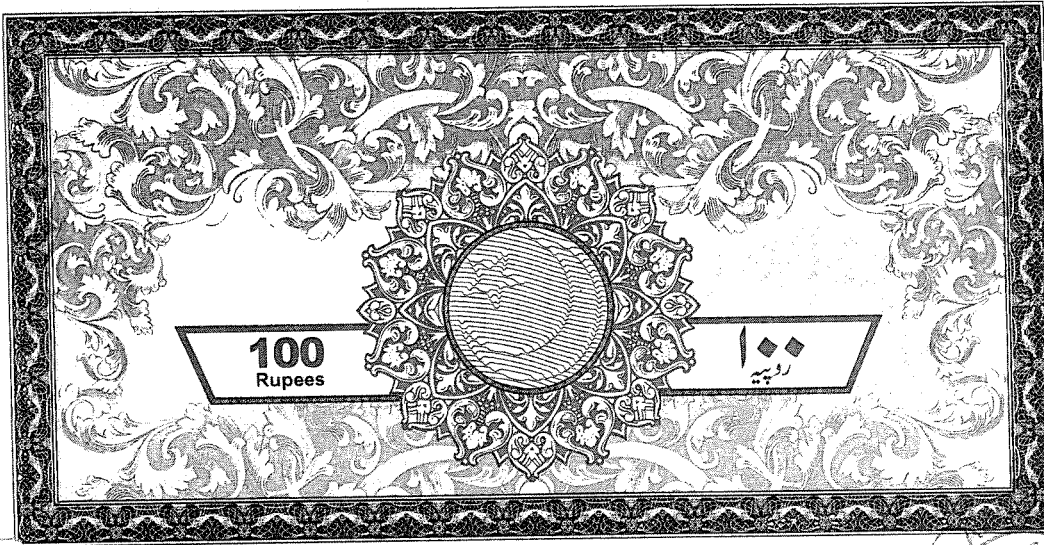
Regards,



Dhanpat Kotak
Chief Executive Officer



E821488



BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

PETITION FOR REVISION OF COD TARIFF DETERMINATION OF 1230.54MW
(GROSS) POWER PROJECT AT HAVELI BAHADUR SHAH 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-1, 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.

Deponent

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

TESTED
Advocate
& Commissioner Lahore

National Power Parks Management Company (Private) Limited - 1,000 MW HBS
Revised Reference Tariff Table HSD 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./kW/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	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.4532	0.4023	0.4846	1.6501	1.7936	16.0049	15.1878	
2	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.4532	0.4368	0.4501	1.6501	1.7936	16.0049	15.1878	
3	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	0.4742	0.4127	1.5385	1.6723	15.8836	15.0727	
4	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	0.5148	0.3721	1.5385	1.6723	15.8836	15.0727	
5	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	0.5589	0.3280	1.5385	1.6723	15.8836	15.0727	
6	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	0.6067	0.2802	1.5385	1.6723	15.8836	15.0727	
7	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	0.6586	0.2283	1.5385	1.6723	15.8836	15.0727	
8	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	0.7150	0.1719	1.5385	1.6723	15.8836	15.0727	
9	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	0.7763	0.1106	1.5385	1.6723	15.8836	15.0727	
10	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	0.8427	0.0442	1.5385	1.6723	15.8836	15.0727	
11	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
12	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
13	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
14	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
15	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
16	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
17	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
18	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
19	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
20	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
21	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
22	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
23	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
24	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
25	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
26	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
27	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
28	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
29	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
30	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
Average															
1-10	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3639	0.5986	0.2883	1.5608	1.6965	15.9078	15.0957	
11-30	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3416	-	-	0.6516	0.7083	14.9196	14.1579	
1-30	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3490	0.1995	0.0961	0.9547	1.0377	15.2490	14.4705	
Levelized 1-30	14.0550	0.1563	14.2113	0.0292	0.1345	0.0804	0.0659	0.3621	0.3659	0.2121	1.2502	1.3590	15.5703	14.7753	

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