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BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (Review Jurisdiction)

Central Power Generation Company Limited (GENCO-II), Thermal Power Station, Guddu, District Kashmore, *through* its Chief Executive Officer

..... Petitioner

REVIEW PETITION UNDER REGULATION 3(2) OF THE NEPRA (REVIEW PROCEDURE) REGULATIONS, 2009, AGAINST DETERMINATION BY THE AUTHORITY IN THE MATTER OF AUTHORITY PROPOSED, AND LICENSEE PROPOSED MODIFICATION IN THE PETITIONER'S GENERATION LICENSE, BOTH DATED 10TH JULY 2019

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PETITIONER / CENTRAL POWER GENERATION CO. LTD. Through

RIZWAN FAIZ MUHAMMAD Counsel for the Petitioner

RIZWAN FAIZ ASSOCIATES

Apartment # 011 • Tariq Heights • Street # 73 • Sector F-11/1 • Islamabad Tel (051) 8735459 • Fax (051) 8440150 • Cell (0300) 2444261 Email rizwan@rfa.com.pk

BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (Review Jurisdiction)

Central Power Generation Company Limited (GENCO-II), Thermal Power Station, Guddu, District Kashmore, *through* its Chief Executive Officer

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REVIEW PETITION UNDER REGULATION 3(2) OF THE NEPRA (REVIEW PROCEDURE) REGULATIONS, 2009, AGAINST DETERMINATION BY THE AUTHORITY IN THE MATTER OF AUTHORITY PROPOSED, AND LICENSEE PROPOSED MODIFICATION IN THE PETITIONER'S GENERATION LICENSE, BOTH DATED 10TH JULY 2019

The Petitioner respectfully submits as under: -

- 1. That, through the instant review petition, the Petitioner seeks review of the Authority's determination in the matter of both, the Authority Proposed Modification ("APM"), and the Licensee Proposed Modification ("LPM"), in the generation license of the Petitioner (*Case No. LAG-02*), both dated 10th July 2019 (the "Determinations") through which, the Authority *inter alia*, decided to exclude Units 1 4 of TPS Guddu from the Petitioner's generation license (No. GH/02/2002 dated 1st July 2002) (the "Generation License"), and modified the same accordingly.
- 2. That, the Petitioner requests that the Authority may kindly review its decision to exclude Units 1 4 of TPS Guddu from the Petitioner's Generation License, and to keep these units on the Petitioner's Generation License for a further period of eighteen (18) months from the date of the Determinations (*i.e., until 9th January 2021*), in view of the following facts and circumstances:
- A. Units No. 3 and 4 ("Block-III") of TPS Guddu have dependable capacity of 170,000
 kW each, whereas Units No. 1 and 2 ("Block-IV") of TPS Guddu have dependable

capacity of 70,000 kW each. Thus, the total dependable capacity of Units No. 1 - 4 (i.e., Block III and IV) of TPS Guddu is 480,000 kW.

B. The Petitioner was allowed the following *monthly* capacity payments as per its tariff for Units 1 – 4, prior to the Authority's Determinations:

# Jariff Component		Rate			iount (Rs.)	
		-(Rs/kW/Month)-	Block-III	Block-IV	Total	
1	Admin & Establishment Cost	152.507	51,852,448	21,351,008	73,203,456	
2	R&M (other than plants)	3,365	1,143,964	471,044	1,615,008	
3	Non-operating Revenue	(1.869)	(635,494)	(261,674)	(897,168)	
4	Insurance & Regulatory Cost	6.860	2,332,434	960,414	3,292,848	
5	Depreciation	32.983	11,214,322	4,617,662	15,831,984	
6	Interest Charges (Long Term Local Loans)	25,987	8,835,546	3,638,166	12,473,712	
7	Return on Equity (PLS for Year)	26,950	9,163,000	3,773,000	12,936,000	
	Total	246.783	83,906,220	34,549,620	118,445,840	

Table 1: CPGCL's monthly capacity payments for Blocks III & IV prior to APM dated 10th July 2019

- C. The Petitioner at present has 864 regular employees who are working at Units 1 4 of TPS Guddu. As the Petitioner is a public-sector entity, these employees have protection of tenure of service, however, the closure of Units 1 4 upon implementation of the Determinations will mean that the Petitioner will have no other place to adjust them. The loss of revenue from the closure of Units 1 4 will place an unbearable financial burden on the Petitioner, and as a result, the public exchequer. During the proposed extension period, the Petitioner intends to put in place a plan to re-adjust these 864 employees either at other units, or in other GENCOs / Ex-WAPDA entities.
- D. Furthermore, the Petitioner intends to re-power, rehabilitate and upgrade Units 3 and 4 (Block-III) of TPS Guddu, with the aim to re-establish these units with efficiency in excess of 60%. For this purpose, the Petitioner is in the process of hiring a consultant to devise a plan to improve the efficiency and performance of these units so that they can provide valuable contribution to the National Grid. To simply close down these units would be a waste of the existing generation and transmission facilities.

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- E. Moreover, being the oldest units in TPS Guddu, a large part of the overall auxiliary power for the whole of TPS Guddu was derived from Units N 1 4. At present, the average monthly supply of auxiliary power from Units 1 4 is <u>295,774</u> <u>kWh/month</u>; however, if the Authority's Determinations in respect of Units 1 4 are implemented, this supply will have to be immediately derived from other units, resulting in huge increases to their auxiliary limits, beyond those permitted by the Authority. During the proposed extension period, a plan will be put in place to adjust the auxiliary power supply from Units 1 4 from other blocks in TPS Guddu for the essential services of the whole complex.
- 3. In addition to the aforementioned request for keeping Units 1 4 of TPS Guddu on the Petitioner's license, there are certain minor clerical errors and/or omission in the Determinations that may be addressed by the Authority. These are as follows:

10.5 10.5 10.5	Logation	Description	Remarks
1	Generation Licence Certificate	"This Modification-II is given my hand on 10 th day of July Two Thousand & <u>Eighteen</u> "	In this sentence the word "Eighteen" may be replaced with "Nineteen".
2	Para E(v)(e) at page No.11 of LPM Determination	Date of Commissioning for TPS Quetta written as 1999.	Correct date of commissioning is written on Schedule-I-page No. 27 and in Schedule-II, which is November 12, 1984.
3	Page 16 of Revised / Modified Schedule I of LPM Determination	The information from previous Licence regarding interconnection and transmission facilities for dispersal of power from 747MW CCPP has been stated.	The information needs to be updated as new transmission facilities have already constructed.
4	Schedule-II of LPM Determination	The Schedule has not been revised as per the Petitioner's request. It is requested that the information given in the 'remarks' column may be added.	 Commissioning date of 747MW CCPP is 17th December 2014, as mentioned in its Tariff. The Petitioner requested to revise the de-rated capacities (in MW) of Units 5, 6, 11, & 12 as 80, 80, 120, & 120 respectively. The Petitioner also requested for declaring block-wise net capacities instead of unitwise, but this was not reflected in the LPM Determination, Thus, it is requested to update the Schedule-II accordingly.

4. In addition to the foregoing, there is an ambiguity regarding the date from which the Determinations are to be considered applicable. As the Authority is aware, the Generation Licence in respect of TPS Guddu expired on 30th June 2017 whereas the Petitioner applied for the LPM on 21st June 2017. The Determinations by the Authority were issued on 10th July 2019; however, the Petitioner remains unclear as to whether the previous iteration of its Generation License, or the one resulting from the Determinations will be applicable for the period between 1st July 2018 and 9th July 2019?

Condonation of Delay

- 5. After the Authority issued the Determinations on 10th July 2019, the Petitioner wrote to the Authority on 30th July 2019 [ANNEX-A], raising the issues that have been raised in the instant review petitioner, however, no reply was received. Thereafter, the Petitioner wrote again to the Authority on 29th October 2019 [ANNEX-B], reiterating the same issues and seeking the same prayers as are sought in the instant petition; however, again, no reply was received. Thereafter, the Petitioner's senior officials visited the Authority and were advised to file the instant petition to seek review of the Authority's determination. In view of the foregoing facts and given that the Petitioner's valuable rights are affected through this issue before the Authority, the Petitioner humbly seeks the Authority's kind indulgence in condoning the delay in filing of the instant review petition, in the interests of justice.
- 6. The Petitioner has attached herewith, the requisite fee, a resolution of its Board of Directors authorizing the filing of this review petition, and authorizing the Petitioner's CEO to file the same, the affidavit of the Petitioner's CEO, and the Vakalatnama of the Petitioner's counsel.

Relief

- 7. In view of the foregoing, the Petitioner prays for the following relief:
 - That, the Authority may be pleased to extend the inclusion of Units 1 4 of TPS Guddu in the Petitioner's Generation License up to 9th January 2021;

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- That, the changes / modifications listed in table of para-3 supra may kindly ii. be allowed;
- That, the Authority may kindly issue a clarification with regards to the matter iii. raised in para-4 supra;
- That, the Authority may graciously condone the delay in filing of the instant iv. review petition in the interest of justice;
- That, any other better relief deemed appropriate in the circumstances may v. kindly be awarded.

Islamabad, 12th December 2019

Cu. Honhi CEO, CPGCL

PETITIONER / CENTRAL POWER GENERATION CO. LTD. Through

RIZWAN FAIZ MUHAMMAD Counsel for the Petitioner

H 2174 Dr. 03/12/2019 Issued to Mr# Hornad Amer Hashing S/o Maghool Hussain Hashini Rlo WAPDA Colony Tips Guildu CALLE # 90403-0119579-9 (Issued Blauk)
0 3 OCT 2019 DESCET: REVEW PETITION LINES -
TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 ("THE NEPRA ACT") AND REGULATION 3(2) OF THE NEPRA (REVIEW PROCEDURE) REGULATIONS, 2009 (THE REVIEW REGULATIONS), OF NEPRA'S DECISION DATED: 10.07.2019, RECEIVED ON 13.07.2019, PERTAINING TO LICENSE PROPOSED MODIFICATION FOR CENTRAL POWER GNENERATION COMPANY LIMITED (CPGCL), TPS GUDDU.

AFFIDAVIT OF MR. HAMMAD AMER HASHMI – CHIEF EXECUTIVE OFFICER, M/S CENTRAL POWER GENERATION COMPANY LIMITED, TPS GUDDU.

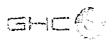
I, the above deponent, do hereby solemnly affirm and declare as under:

- 1. That the above named Deponent has filed the accompanying Review Motion before the Honorable Authority and the contents of the same may kindly be read as so integral part of this affidavit.
- 2. That the contents of the accompanying Review Motion are true and correct to the best of my knowledge and belief and nothing has been concealed therein.

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VERIFICATIO'

Verifier and



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Control Power Generation Co. 1.14. GENCOM TPS GUDDAY. Office of the Chief Executive Officer CPGCL, GENCO-II, Guddu,

Phone		0722-679088
Fax:		0722-578328
Dated:	Z0	107/2014

No. CEO/CPGCL/LPM/MIS/19/ 100-8-07

National Electric Power Regulatory Authority, NEPRA Towers, Attaturk Avenue, Sector G-5/1, Islamabad Phone # 051-9206500

Attention: Mr. Hlikhar-Ali Khan, Director (Registrar Office)

Subject: -

DISCREPENCIES IN GENERATION LICENCE NO. GL/02/2002 FOR CENTRAL POWER GENERATION COMPANY LIMITED

Reference:

ence: Your Office Letter No. NEPRA/R/LAG-01/12157-64 Dated: 10.07.2019

It is submitted that the modification in Generation Licence No.GL/02/2002 in respect of Central Power Generation Company Limited (CPGCL) has been issued vide letter under reference. Following discrepancies have been observed in the document:

Sr. No.	Location	Description	Remarks
01	Generation Licence Certificate	"This Modification-II is given my hand on 10 th day of July Two Thousand & <u>Eighteen</u> ".	In this sentence the word "Eighteen" may be replaced with "Nineteen".
02	clause E (v)(e) at page No.11 of LPM	Date of Commissioning for TPS Quetta written as 1999.	Correct date of commissioning is written on Schedule-1-page No. 27 and in Schedule-11 i.e. November 12, 1984.
03	Page 16 of LPM	The information from previous Licence is enclosed regarding Interconnection / Transmission Facilities for dispersal of Power from new 747MW CCPP.	Data may need to be updated as Transmission facilities already constructed.
۲0	Schedule-H	Schedule is not revised as requested by CPGCL.	 Commissioning date of 747MW CCPP is 17.12.2014 as mentioned in its Tariff. CPGCL requested to revise the De-rated capacities

Iv is, therefore, requested that necessary corrections may be made in the license as mentioned above. Furthermore, it is submitted that the Generation Licence of TPS Guddu units expired on 30.06.2017, while CPGCL had applied LPM on 21.06.2017. This Licence is applicable from 10.07.2019. Kindly clarify whether previous Generation License or the new one will be considered effective during the interim period i.e. from 01.07.2017 to 09.07.2019?

CHIEF EXECUTIVE OFFICER Certified True Copy CPGCL GENCO-II, TPS GUDDU of the Original CC to: 9/c My solo7/19. 1/2 Finance Director, CPGCL Thermal Power Station Guddu. RIZWAN FAIZ MUHAMMAD Advocate High Cour

GHC

Central Power Generation Co. Ltd. GENCO-II, TPS GUDDU.

No. CEO/CPGCL/LPM/MIS/19/ 17704-06

National Electric Power Regulatory Authority, NEPRA Towers, Attaturk Avenue, Sector G-5/1, Islamabad Phone # 051-9206500 Office of the Chief Executive Officer CPGCL, GENCO-II, Guddu. -8-

Phone 0722-679088 Fax: 0722-578328 Dated: 27 / 0/2019

<u>REMINDER-I</u>

Attention: Mr. Iftikhar Ali k	han, Director (Registrar Office)
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Subject: - DISCREPENCIES IN GENERATION LICENCE NO. GL/02/2002 FOR CENTRAL POWER GENERATION COMPANY LIMITED

Reference:[1] This Office Letter No. CEO/CPGCL/LPM/MIS/19/12808-09 dated: 30.07.2019.[2] Your Office Letter No. NEPRA/R/LAG-01/12157-64 dated: 10.07.2019.

It is to say that the reply of the following information submitted vide letter under reference [1] is still awaited.

Therefore, it is once again submitted that the modification in Generation Licence No.GL/02/2002 in respect of Central Power Generation Company Limited (CPGCL) has been issued vide letter under reference [2]. Following discrepancies have been observed in the document:

Sr. No.	Location	Description	Remarks
01	Generation Licence Certificate	"This Modification-II is given my hand on 10 th day of July Two Thousand & <u>Eighteen</u> ".	In this sentence the word "Eighteen" may be replaced with "Nineteen".
02	clause E (v)(e) at page No.11 of LPM	Date of Commissioning for TPS Quetta written as 1999.	Correct date of commissioning is written on Schedule-1-page No. 27 and in Schedule-11 i.e. November 12, 1984.
03	Page 16 of LPM	The information from previous Licence is enclosed regarding Interconnection / Transmission Facilities for dispersal of Power from 747MW CCPP.	Data may need to be updated as Transmission facilities already constructed.
04	Schedule-II Schedule is not revised as requested by CPGCL.		 Commissioning date of 747MW CCPP is 17.12.2014 as mentioned in its Tariff. CPGCL requested to revise the De-rated capacities (in MW) of Unit No.05,06,11 & 12 as 80,80,120 & 120 respectively. CPGCL also requested for declaring Block wise Net Capacities instead of Unit wise but not discussed in this LPM. Hence requested to update the schedule-II accordingly.
	RIZWAN F	AIZ MUHAMMAD	

It is, therefore, requested that necessary corrections may be made in the Generation Licence as mentioned above. Furthermore, the Generation Licence of TPS Guddu units expired on 30.06.2017, while CPGCL had applied LPM on 21.06.2017. This Licence is applicable from 10.07.2019. Kindly clarify whether previous Generation License or the new one will be considered effective during the interim period i.e. from 01.07.2017 to 09.07.2019?

Moreover, it is also requested to please allow Capacity Purchase Price (CPP) of Unit No. $01 \sim 04$ for further 18 months w.e.f 10.07.2019 to 09.01.2021 for following reasons:

- i. The employees are protected under labor laws and require the management of CPGCL to prepare a plan for their adjustment / Golden shake hand.
- ii. Consider Auxiliary supply of Unit No. 01 ~ 04 to be adjusted against other blocks for the essential service of the Power Plant.

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CHIEF EXECUTIVE OFFICER CPGCL, GENCO-II TPS GUDDU

CC to:

12/10/2015.

- · Chief Engineer / T.D, CPGCL GENCO-II Thermal Power Station Guddu.
- Finance Director, CPGCL GENCO-II Thermal Power Station Guddu.

Certified True Copy of the Original RIZWAN FAIZ MUHAMMAD Advocate High Court





CENTRAL POWER GENERATION COMPANY LIMITED (GENCO-II)

0722 - 691050

昌 0722 - 679085

saadgenco2@yahoo.com

No. CPGCL/CS/RBC/19/367-69

OFFICE OF THE COMPANY SECRETARY THERMAL POWER STATION, GUDDU

Date: 10.12.2019

EXTRACT OF RESOLUTION BY CIRCULATION DATED 10.12.2019

TO CONSIDER AND APPROVE THE AUTHORIZATION OF CHIEF EXECUTIVE OFFICER, CPGCL (GENCO-II), GUDDU FOR FILING THE REVIEW PETITION BEFORE NEPRA FOR RESTORATION OF GENERATION LICENSE NO. GL/02/2002 AGAINST UNIT NO. 1 TO 4 THERMAL POWER STATION, GUDDU.

The Board of Directors CPGCL (GENCO-II) through Resolution by Circulation dated 10.12.2019 has considered the subject matter. After consideration, Board resolved as under:

"RE\$OLVED that approval be and is hereby accorded to authorize Mr. Hammad Amer Hashmi, Chief Executive Officer, CPGCL (GENCO-II) to file Review Petition before NEPRA to review its previous decision conveyed vide letter No. NEPRA/R/LAG-01/12157-64 dated 10.07.2019."

This is for your information and further necessary action please.

MUHAMMAĽ SHABBIR

Company Secretary

Cc:

- 1. Chief Executive Officer, CPGCL (GENCO-II), Guddu.
- 2. Chief Financial Officer, CPGCL (GENCO-II), Guddu.
- 3. Chief HR & Admin Officer, CPGCL (GENCO-II), Guddu.



VAKALATNAMA

Review No.____/2019

In the matter of Review Petition against the Modification in Generation License No. GL/02/2002 dated 10th July 2019

VAKALATNAMA ON BEHALF OF THE PETITIONER

I, Hammad A. Hashmi, Chief Executive Officer and authorised representative of the Petitioner/Central Power Generation Company Limited do hereby appoint Mr. Rizwan Faiz Muhammad, Advocate High Court, to act and appear as the Petitioner's counsel in the above matter.

Chief Executive Differ Central Power Generation Co. Ltd. Executant

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ADVOCATES' ENDORSEMENT:

Received by us on this 10th day of December 2019 from the above-named executant. My address for service of notices, etc., is as follows: -

Rizwan Faiz Associates Apartments No. 011, Tariq Heights Street No. 73, Sector F-11/1 Islamabad Phone: 0300-2444261

Accepted by Advocate