



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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No. NEPRA/TRF-334/KHPL-2015/3306-3308

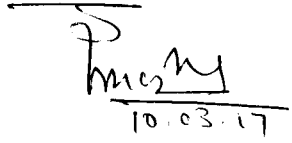
March 10, 2017

Subject: **Determination of the Authority in the matter of Tariff Petition filed by Kandiah Hydropower (Pvt.) Ltd.**

Dear Sir,

Enclosed please find herewith the Determination of the Authority (02 pages) in the matter of petition filed by Kandiah Hydropower (Pvt.) Ltd. for determination of Feasibility Stage Generation Tariff for its 545 MW Kaigah Hydropower Project to be set up at Kandiah River, District Kohistan, Khyber Pakhtunkhwa, for information.

Encl: As above


10.03.17
(Syed Safer Hussain)

Secretary
Ministry of Water & Power
'A' Block, Pak Secretariat
Islamabad

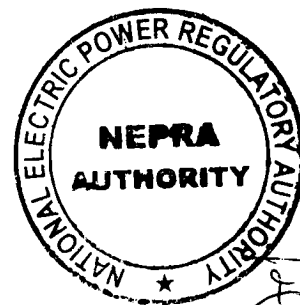
CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.



DETERMINATION OF THE AUTHORITY IN THE MATTER OF TARIFF PETITION
FILED BY KANDIAH HYDROPOWER (PRIVATE) LIMITED

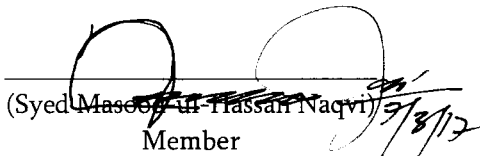
1. M/s Kandiah Hydropower (Pvt.) Ltd. (hereinafter referred to as the "Petitioner") filed a tariff petition (hereinafter referred to as the "Petition") under rule 3 of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (hereinafter referred to as the "Tariff Rules") vide letter dated August 25, 2015 for determination of feasibility stage generation tariff in respect of 545 MW Kaigah Hydropower Project envisaged to be set up at Kandiah River, District Kohistan, Khyber Pakhtunkhwa, Pakistan.
2. The Authority admitted the Petition on December 1, 2015 in accordance with sub-rule (3) of rule 4 of the tariff rules. Consequent to the admission, notice of admission/hearing was published in the national newspapers on March 10, 2016, conveying date of hearing and inviting thereby all the stakeholders, interested/affected persons or parties to participate in the tariff determination process through filing of comments/Intervention Requests. Further, in accordance with sub-rule 5 of rule 4 of the tariff rules, written notices were sent to the key stakeholders and parties, which in the opinion of the Authority were likely to be interested or affected or may be of assistance to the Authority in arriving at a just and informed determination, requesting for their participation in the tariff determination process. In accordance with section 7(5) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 the Authority also sought recommendations of the Government of Khyber Pakhtunkhwa on this Petition. In response to the Authority's notices of admission/hearing, comments were received from Indus River System Authority (IRSA), whereas, no intervention requests were filed by any party. The hearing was conducted on April 14, 2016 at NEPRA Tower, Islamabad which was attended by the petitioner, representative of Private Power & Infrastructure Board (PPIB) and other stakeholders.
3. During the hearing held on April 14, 2016, the Authority noted that the proposed design of the project was not approved by the relevant agency i.e. PPIB. In response to NEPRA's clarification letter No.NEPRA/ADG(Tariff)/TRF-334/6143 dated May 4, 2016, PPIB vide its letter No.1(101)PPIB-2015-02/15/PRJ/0-46856 dated May 17, 2016 confirmed that the revised design as proposed by the petitioner has not been approved by the panel of experts (POE) of PPIB. Meanwhile, the Authority vide letter No.NEPRA/DL/LAG-320/10299 dated July 19, 2016 decided to reject the generation license application of the petitioner due to non-submission of approval of interconnection study and NOC from IRSA. In view of circumstances noted hereinabove and to give an opportunity of hearing to the petitioner, the Authority conducted another hearing on November 22, 2016. During the hearing held on November 22, 2016, the petitioner was directed to explain the status of approval of revised design of the project as well as NOC from IRSA and

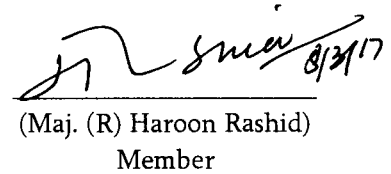


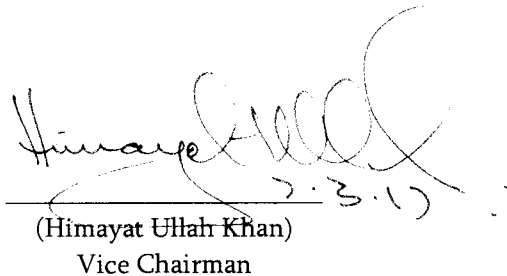
approval of interconnection study. Further, the petitioner was directed to settle all pending issues regarding tariff petition within eight weeks. The directions of the Authority were communicated to the petitioner vide letter No.NEPRA/SAT-I/TRF-334/KHPL-2015/16083 dated November 29, 2016. The petitioner did not comply with the directions of the Authority given in above referred letter dated November 29, 2016, and only NOC from IRSA was submitted vide letter dated January 19, 2017. The petitioner failed to submit the approval of the proposed design from PPIB and approval of interconnection study from NTDC required by the Authority within the stipulated time period of eight (08) weeks.

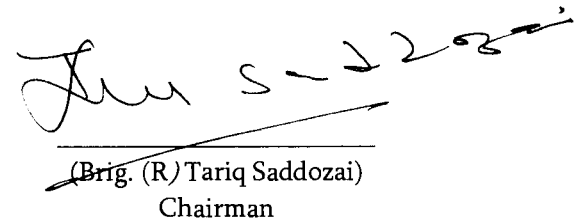
4. It is pertinent to mention here that as per rule 16(2) of the Tariff Rules, a tariff petition has to be decided within four month of its admission extendable for further four months. Further, the Petition cannot be kept pending for indefinite period due to inability of a Petitioner to provide necessary information and documents. In the instant case, the petitioner has failed to provide the requisite information as stated above within the specified time period and the petition cannot be kept pending due to deficient information.
5. In view of the aforementioned facts of the case, the Authority, in accordance with second proviso to rule 16(2) of the Tariff Rules, hereby dismisses the Petition due to non-submission of vital information regarding the power project, however, the Petitioner may file fresh Petition with all necessary information and documents in the manner prescribed in law.

AUTHORITY

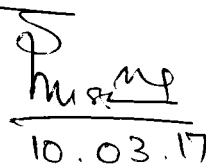

(Syed Masood ul Hassan Naqvi)
Member


(Maj. (R) Haroon Rashid)
Member


(Himayat Ullah Khan)
Vice Chairman


(Brig. (R) Tariq Sadozai)
Chairman




10.03.17