

No. Tariff/RLNG-2015  
Government of Pakistan  
Ministry of Water and Power  
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Islamabad, April 30, 2015

Subject: REQUEST FOR REVIEW MOTION IN THE MATTER OF UPFRONT  
TARIFF FOR RLNG BASED POWER PLANTS

Dear Sir,

This is with reference to the determination of NEPRA/UTRLNG-0/4824-4826 dated April 03, 2015, intimating Federal Government for the purpose of notification of the upfront tariff in the official Gazette, pursuant to relevant provisions of the NEPRA rules 1998.

2. We draw your kind attention on the Upfront tariff which is only allowed on "Combined Cycle" wherein, we have noted during our interaction with EPC Contractors and Main Gas Turbine Suppliers / Manufacturers that open cycle operation of these high efficiency gas turbines can be achieved 8-10 months before completion of combined cycle. Practically, the units could be made available for Commercial Operation but due to tariff limitations these will not be operated. Therefore, approximately 4,769,280,000 unit (kWh) (based on 92% availability) will not be generated which has a direct cost to National Economy and also deprive the people from possible availability of cheap energy during load shedding scenario.

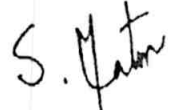
3. Also, in odd times when Steam turbine unit is out of service for any reason, plant would never be operational due to tariff limitations. On the contrary open cycle RLNG plant operations will incur fuel cost which will be still better than many plants operating on HSD.

4. We request for your kind intervention to allow for tariff on open cycle to expedite the construction process and encourage plant operators to make these plants available on open as well as combined cycle mode to support State's efforts to eradicate load shedding.

5. Further the announced tariff has excluded the costs of gas compressors which are required to supply gas at desired pressure to intended high efficiency

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machines. Although we are cognizant of the fact that this cost should be picked by gas supplier but there is on-going debate on the subject as gas supplier want power producers to pick the cost of suppliers and gas compressors. It is accordingly requested that this cost be made part of tariff and with or without gas compressor tariff provision be made to facilitate the smooth exemption and operation of the plants.



(Syed Mateen Ahmed)  
Section Officer (Tariff)

✓ Brig. (R) Tariq Saddozai,  
Chairman,  
National Electric Power Regulatory Authority (NEPRA),  
Islamabad.

Cc.

- i. ~ . PSO to Secretary, Water and Power
- ii. SPS to Additional Secretary, Water and Power