

CENTRAL POWER GENERATION CO. LTD.
(GENCO-II)

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OFFICE OF THE
CHIEF EXECUTIVE OFFICER

No. CPGCL/CEO/20/181

the TPS Guddu, 19th October, 2020

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

Subject: TARIFF PETITION FOR REVISION/MODIFICATION IN TARIFF DETERMINATION OF THE NEPRA DATED 24TH FEBRUARY, 2006 FOR CENTRAL POWER GENERATION COMPANY LIMITED (CPGCL)

Dear Sir,

Central Power Generation Company Limited ("CPGCL") hereby submit this modification application (alongwith relevant documents) to the Authority pursuant to the NEPRA (Tariff Standards & Procedure) Rules, 1998, read with the Act XL of 1997 and all applicable rules and regulations made there under for modification of tariff for the Authority's Tariff Determination No. NEPRA/TRF-44/CPGCL-2005/2837-40, dated 24th February, 2006 pertaining to CPGCL's, Genco-II, TPS, Guddu (Old Blocks) located at Guddu ("Plant").

2. CPPA-G (Power Purchaser) vide his letter No. CPPA/CFO/DGMF-I/20944-46, dated: 09th October, 2020, has conveyed the Ministry of Energy (Power Division) letter No. IPPs-10(18)/2020, dated: 06th October, 2020 communicating the summary on reduction in Capacity Charges "RoE" of Government Owned Power Projects approved by Cabinet Committee on Energy (CCoE) vide decision No. CCE 46/13/2020, dated: 27th August, 2020 with the direction that "the necessary process/approvals for submission of tariff revision petition to NEPRA, may be completed within two weeks time".

3. As per the direction of the CCoE to reduce RoE rate from 13.92% to 10%, Central Power Generation Company Limited (CPGCL), Guddu, has prepared a modification petition by reducing Return on Equity rate from 13.92% to 10%.

4. We hereby request the authority to process this tariff revision/modification at the earliest.

The Pay order No. 06395770 dt. 19-10-2020 for Rs. 1869440. issued from NISP AIB Blue Acre Islamabad attached in original.

Thank you.

Engr. Hammad Amer Hashmi

(Engr. Hammad Amer Hashmi)
Chief Executive Officer
Central Power Generation Company Limited

For information & a/c

- DR-I / AK
- MF
- CA, TO
- ADG Civil
- SA Tech
- ~~SA Tech~~
- ADG Civil

19/10/20
Chairman
- VC/MD
- MCA
- MLC
- MEMB

Along with decision of Rs. 1,869,440/-

REGISTRAR
Dt: 15/10/20
19/10/20

BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

Case No. _____

CENTRAL POWER GENERATION COMPANY LIMITED
(GENCO-II)

..... Petitioner

in the matter of:

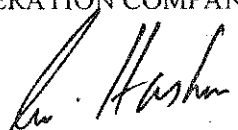
TARIFF MODIFICATION PETITION UNDER RULE 3(1) OF THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(TARIFF STANDARDS AND PROCEDURE) RULES, 1998 AND
(PROCEDURE) RULES, 1998

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PETITIONER / CENTRAL POWER GENERATION COMPANY LIMITED

Through



ENGR. HAMMAD AMER HASHMI
Chief Executive Officer / Authorized Representative

Central Power Generation Company Limited (GENCO-II)

Thermal Power Station Guddu, District Kashmore

Tel: 0722-679088 Fax: 0722-679085

Email: genco2_guddu@yahoo.com

BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

Case No. _____

CENTRAL POWER GENERATION COMPANY LIMITED
(GENCO-II)

..... Petitioner


in the matter of...

TARIFF MODIFICATION PETITION UNDER RULE 3(1) OF THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(TARIFF STANDARDS AND PROCEDURE) RULES, 1998 AND
(TARIFF STANDARDS AND PROCEDURE) RULES, 1998

The Petitioner submits as under: -

I. PARTIES AND RELEVANT FACTS

1. Central Power Generation Company Limited ("CPGCL") is a public limited company wholly owned by the Government of Pakistan ("GOP") incorporated on 26th October 1998 for the purpose of taking over the properties, rights, assets, obligations and liabilities of the thermal power stations located at Guddu, Sukkur and Quetta, formerly owned by the Water and Power Development Authority ("WAPDA"). The present petition is being filed through CPGCL's Chief Executive Officer, Engr. Hammad Amer Hashmi, who has been duly authorized by the CPGCL's Board of Directors in this regard.
2. The total installed capacity available at the CPGCL's various thermal power stations ("TPS") is 2,400MW, however, the net dependable capacity available for generation and purchase is 2,120MW.
3. On 1st July 2002, CPGCL obtained generation license No. GL/02/2002, from National Electric Power Regulatory Authority (*the "Authority"*) to operate the power plants inherited from WAPDA ("**Generation License**"). The Generation License was subsequently modified on 26th April 2013 to include the 747MW



Combined-Cycle Power Plant at Thermal Power Station, Guddu ("747MW CCPP"), and again on 10th July 2019 to exclude Units 1-4 of TPS Guddu, and to extend the expiry of the Generation License to 30th June 2042.

4. On 24th February 2006, the Authority approved the tariff determination [**ANNEX-A**] for Blocks I – IV of CPGCL's TPS Guddu. The 'Return on Equity' ("RoE") component of this tariff, as per para-47 of the determination, was 13.92%.
5. On 6th October 2020, CPGCL received a letter [**ANNEX-B**] from the Power Division, communicating a decision by the Cabinet Committee on Energy ("CCoE") dated 27th August 2020 in Case No. CCE/46/13/2020, whereby, it was decided *inter alia* that the RoE component of the GENCOs' tariff would be reduced rate to 10% and the GENCOs were directed to approach the Authority for revision of their tariffs accordingly. The CCoE further directed that: "...the necessary approvals / process for submission of the tariff revision petition to NEPRA may be completed within two weeks' time".
6. A comparison between CPGCL's RoE under the present tariff dated 24th February 2006 (i.e., @ 13.92%), and at the 10% rate as directed by the CCoE is as follows:

Table – 1: CPGCL's RoE Comparison

Description	@ 13.92%			@ 10%			Difference
	01-07-19 to 10-07-20	11-07-19 to 30-06-20	Total	01-07-19 to 10-07-20	11-07-19 to 30-06-20	Total	
Dependable Capacity (MW)	1,400	920	-	1,400	920	-	-
Equity as per Tariff (Rs. Million)	3,253			3,253			-
Equity (Rate) (Rs. /kW/Month)	26.95	26.95	-	19.36	19.36	-	7.59
Equity (Revenue) (Rs. Million)	12	290	302	9	208	217	85

II. PRAYER

7. In view of the foregoing, it is humbly prayed that the Authority may graciously allow this tariff modification petition and modify CPGCL's tariff dated 24th



February 2006 for Blocks I – IV, TPS Guddu to the extent that the RoE Component is reduced rate from 13.92% to 10% in line with the decision/direction of the Cabinet Committee on Energy dated 27th August 2020 in Case No. CCE/46/13/2020. It is further prayed that any other better relief, deemed appropriate in the circumstances may kindly be awarded to CPGCL.

Islamabad, 19th October 2020

PETITIONER / CENTRAL POWER GENERATION COMPANY LIMITED

Through



ENGR. HAMMAD AMER HASHMI

Authorized Representative / Chief Executive Officer
