

REGISTERED No. M - 302
L.-7646



EXTRAORDINARY
PUBLISHED BY AUTHORITY

ISLAMABAD, MONDAY, MAY 30, 2022

PART II

Statutory Notifications (S. R. O.)

GOVERNMENT OF PAKISTAN
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

NOTIFICATION

Islamabad, the 27th May, 2022

S. R. O. 690(I)/2022.—In pursuance of Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), NEPRA hereby notifies the Decision of the Authority in the matter of Review Petition filed by Sindh Transmission and Dispatch Company Ltd. (STDC) in the matter of Modification of the Tariff Determination regarding Invoicing Mechanism between STDC, Sindh Nooriabad Power Company Ltd. I & II and K-Electric Ltd. in Case No. NEPRA/TRF-521/STDC-2020.

2. While effecting the Decision, the concerned entities including Central Power Purchasing Agency Guarantee Limited (CPPAGL) shall keep in view and strictly comply with the orders of the courts notwithstanding this Decision.

[No. NEPRA/TRF-521/8190.]

SYED SAFEER HUSSAIN,
Registrar.

1299 (1—3)

Price : Rs. 6.00

[7937 (2022)/Ex. Gaz.]



Decision of the Authority in the matter of Review Petition filed by STDCL
against the decision dated October 22, 2020

DECISION OF THE AUTHORITY IN THE MATTER OF REVIEW PETITION FILED BY STDCL IN THE
MATTER OF MODIFICATION OF THE TARIFF DETERMINATION REGARDING INVOICING
MECHANISM BETWEEN STDCL, SNPC- I&II AND K-ELECTRIC

1. INTRODUCTION:

- 1.1 Sindh Transmission & Dispatch Company Limited ("STDCL" or "the Petitioner") in pursuance to Section 31 of Regulation of Generation, Transmission and Distribution of Electric Power Act of 1997 and NEPRA Tariff (Standards & Procedure) Rules - 1998, submitted the petition for modification of its tariff determination issued by the Authority on February 10, 2017. In the said petition, STDCL requested to change the invoicing arrangement as given in its determined tariff.
- 1.2 The Petitioner submitted that with the mechanism in vogue, the Petitioner invoices the SNPCL & SNPCL-II ("Seller") for its determined tariff and then Seller invoices K-Electric ("Purchaser") both for its generation tariff and transmission tariff of STDCL. STDCL submitted that the said mechanism was stated in the tariff decisions of Seller and STDCL and has also been agreed in the Power Purchase Agreement ("PPA") between Seller and Purchaser as well as in Energy Wheeling Agreement ("EWA"), signed by all three parties.
- 1.3 STDCL, in the modification petition, submitted that the above mechanism has created a problem of double taxation and proposed to modify the same such that the Petitioner be allowed to invoice Wheeling Charges directly to the Purchaser rather than the Seller and requested the Authority to allow modifying the PPA and EWA to reflect that change.
- 1.4 The Authority admitted the above modification petition for consideration and provided opportunity of hearing to STDCL on July 14, 2020. The Authority directed the concerned parties to submit the mutually agreed invoicing mechanism or any other documentary evidence in support of their claim for consideration of the Authority, however, no response was received, therefore, the Authority rejected the modification petition vide its decision issued on October 22, 2020

2. Review Motion

- 2.1 STDCL vide letter dated November 20, 2020 submitted the motion for leave for review against the decision of the Authority dated October 22, 2020 which was admitted for consideration on December 03, 2020. In the review motion, the petitioner requested the Authority for:
 - Admit the review motion for consideration.
 - Memorandum of Agreement (MOA) be made part of record and approved accordingly.
 - The tariff determination be modified through the MOA such that the Petitioner is entitled to invoice the wheeling charges directly to the Purchaser.
 - The Power Purchase Agreement (PPA) and Energy Wheeling Agreement (EWA) be permitted to be modified through the MOA accordingly.





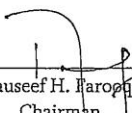
Decision of the Authority in the matter of Review Petition filed by STDC
against the decision dated October 22, 2020

- 2.2 The Authority admitted the review motion for consideration and decided to provide an opportunity of hearing to the Petitioner. Individual letters were issued to the concerned stakeholders on January 15, 2021. The hearing was held on January 26, 2021 which was attended by representatives of STDC, SNPCLs and K-Electric, however, the same adjourned upon the request of the Parties and then held again on February 17, 2021.
- 2.3 Subsequently, STDCL vide letter dated March 5, 2021 submitted the Tripartite Agreement, initialed by the Petitioner, SNPC-I&II and K-Electric, while stating that the mechanism has been modified to the extent that STDCL shall invoice directly to K-Electric instead of SNPCL.
- 2.4 The Authority noted that the earlier mechanism was proposed by the KE, SNPC and subsequently STDC in its submissions and therefore made part of the tariff decisions. The Authority considers that the modified mechanism, where the Petitioner shall invoice directly to the Purchaser, will not have financial impact on STDCL's tariff therefore the same being allowed.
3. Order
- 3.1 Having considered the submissions of the Petitioner and documentary evidence in support thereof, the Authority has decided to modify the approved arrangement in paragraphs I(i) and J(ii) of STDC's decision dated February 10, 2017 as follows:
- "STDC shall charge the transmission tariff determined by NEPRA under section 7 read with section 31(7) of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 and Rule 16 of NEPRA Tariff (Standards and Procedures) Rules, 1998 directly to K-Electric. The other decisions and terms and conditions as laid down in decisions dated February 10, 2017, June 14, 2018 and January 9, 2020 shall be applicable to STDC."*
- 3.2 STDC, SNPC-I&II and K-Electric are directed to incorporate the above in PPA & EWA and submit the same for consideration / approval of NEPRA. The order part is recommended for notification by the Federal Government in the official gazette in accordance with Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997

AUTHORITY


(Engr. Rafique Ahmed Shaikh)
Member


6/4/2021
(Rehmatullah Baloch)
Member


(Tauseef H. Farooqi)
Chairman



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