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USAID ENERGY POLICY PROGRAM

MONTHLY REPORT FEBRUARY 2013

REPAIR AND REHABILITATION OF MUZAFFARGARH THERMAL POWER STATION

March 2013

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Contract No: AID-EPP-I-00-03-00004

Order No: AID-391-TO-12-00002

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Rehabilitation of Muzaffargarh TPS under Activity Agreement:



Melissa Knight with CEO visiting Muzaffargarh TPS

USAID Energy Office Director Melissa Knight visited the Muzaffargarh Thermal Power Station and reviewed the ongoing progress under the activity agreement. During the visit, she was briefed about the USAID assistance to MTPS and its positive impacts on the plant's operations and efficiency.

NPGCL has already completed the rehabilitation of boiler super heater tubes at

Unit 1, 2 & 3, replacement of air pre-heater elements at Unit 4, overhauling and replacement of ID Fans and ducts at Unit 5, 6 and other major equipment which added 480 megawatts of power generation capacity to the national grid. Procurement of remaining equipment is in progress.

EPP supported the GECNO in preparing a revision to the PIL. The PIL modification which is expected to be signed in March will help expedite payment of reimbursement claims held up due to deviations from the agreement's technical specifications.

The total amount disbursed to the GOP as of February 2013 is \$ 10,133,001¹. The detailed status of the MTPS Activity Agreement is tabulated on the next page:

Rehabilitation work to date has resulted in 480 MW of capacity restoration at the power plant which exceeds the project objectives of 475 MW

¹ EPP certified claims of \$10,133,001; out of which \$337,605 will be disbursed after the PIL Amendment

Table 7: Status of MTPS Activity Agreement

| Line Item No. | Unit No. | Work Item Description | Agreement Amount | Claims Submitted under FARA | Claims submitted under new PIL | Status |
|---------------|----------|--------------------------------------------------------------------------|------------------|-----------------------------|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | 1,2&3 | Rehabilitation of Boiler super heater tubes to overcome failure of tubes | \$4,080,000 | \$4,080,000 | | Material received and installed at site. 100% Claim reimbursed |
| 2 | 1- 4 | Special Cooling Water Treatment. | \$187,440 | | | Tender opened for the 4 th time on 26.06.2012 but no firm participated. Tender again opened on 11.09.2012 and under evaluation process. |
| 3 | 1-6 | Use of Fuel Oil Additive as done on Unit-4 (450 Tons). | \$921,225 | | | PO issued on 22.11.2012. Cash foreign exchange budget allocated on 11.12.2012 and LC opened. Claim for 100% payment will be lodged shortly. |
| 4 | 1,2&3 | Replacement of Cold layer element for RAH (2 sets) | \$170,000 | \$170,000 | | Material received and installed at site. 100% Claim reimbursed |
| 5 | 1,2&3 | Modification of Excitation system (3 set) | \$191,700 | | | Tender opened in April 2012 and Bid Evaluation is in process. LOI to be issued. |
| 6 | 1,2&3 | Electric motors for C.T. Fan (02 No) and for GRC fan. (01 No). | \$184,245 | | \$184,245 | PO was issued on 23.09. 2011 for electric motors while LC opened on 02.02 2012 for GRC fan. Material received at site on 18.10.2012. Claim for 100% Payment reimbursed |
| 7 | 3 | D.C. Storage batteries (01 Set). | \$60,000 | \$60,000 | | Material received and installed at site. 100% Claim reimbursed |
| 8 | 1,2&3 | 220Kv circuit breaker SF6 type (06 No). | \$337,605 | | \$337,605* | LC established on 03.08.2012. Claim for 100% payment received and forward to USAID/ENR for approval on September 25, 2012 however amendment in the PIL specification is required for its disbursement. |

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|----|-----|-----------------------------------------------------------------------------------------------------------|-------------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9 | 4 | Re-blading of LP. Rotor (LP Turbine Rotor blades of row (6&7), pins & locking device). | \$787,035 | \$787,035 | Material received at site on 09.01.2013. 100% amount reimbursed |
| 10 | 4 | Air Pre-Heater Elements (Intermediate and Cold) 02 sets | \$255,000 | \$255,000 | Material received and installed at site. Claim for 100% Payment reimbursed |
| 11 | 4 | Up-grading of AVR System (01 set). | \$249,210 | \$249,210 | PO issued on 20.07.2012. LC opened on 12.10.2012. 100% Payment reimbursed |
| 12 | 4 | Replacing UPS 1&2. (01 set). | \$62,835 | \$62,835 | 100% payment reimbursed |
| 13 | 4 | DEH (01 set). | \$319,500 | | Tender cancelled by CEO on 11.01.2013 and re-tender to be opened in March. |
| 14 | 4 | Up-grading of FSSS System (01 set). | \$138,450 | | Tender cancelled by CEO on 11.01.2013 and re-tender to be opened in March. |
| 15 | 4 | Up-grading of TSI system BNC 3300 or equivalent (Turbine Supervisory Instrument) (01 set). | \$266,250 | | Tender cancelled by CEO on 11.01.2013. Tender will again open in march. |
| 16 | 1-6 | Training and software/hardware cost for CMMS and off-line efficiency monitoring system. All Units | \$1,000,000 | | Tender cancelled by CEO on 11.01.2013. Tender will again open in march. |
| 17 | 5&6 | I.D. Fan Rotor/Impeller along with Housing and Dampers (04 Set). | \$625,000 | \$562,500 | Consignment received on 26.02.2011 and installed partially at unit 5. 90% claim reimbursed |
| 18 | 5&6 | Air Pre heater Elements Hot end, intermediate & cold end layers along with seals for both units (04 Set). | \$639,000 | | PO issued on 20.07.2012. LC established on 12.10.2012. Claim for 100% payment received but not forwarded to USAID/ENR as amendment in the PIL specification is required for its disbursement. |
| 19 | 5&6 | Procurement of G.R.C. Fan Impeller/Rotor (01 Set). | \$33,548 | \$33,548 | Po issued and LC opened on 27.01.2012. Material received at site on 16.07.2012. Claim for 100% payment reimbursed |
| 20 | 5&6 | Procurement of Cooling Tower Fan Gear Box & its parts. (06 No. gear | \$236,963 | \$236,963 | PO issued and LC opened on 27.01.2012. Material received on site |

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|----|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | box). | | | on 13.08.2012. 100% payment reimbursed |
| 21 | 5&6 | Economizer Tubes for both Units (02 Sets) | \$2,130,000 | \$2,130,000 | Po issued and LC opened on 05.04.2012. Received at site on 25.10.2012. 100% Payment reimbursed |
| 22 | 5&6 | IP Turbine Rotor (01 No). | \$641,130 | \$641,130 | PO issued on 14.06.2012. LC established on 12.10.2012. 100% Payment reimbursed |
| 23 | 5&6 | Replacement of Damaged Exhaust flue gas ducts of material Russian Grade Steel sheets (50 M.T), Plate Type Heat Exchanger for Inner Water Cooling System of Generator and Motor for Starting Oil Pump (Vertical) Units 5-6 | \$287,550 | | LC established for both the PO. Claim for 100% payment received but not forwarded to USAID/ENR as amendment in the PIL specification is required for its disbursement. |
| 24 | 5&6 | Conversion of Boiler Ignition System from Natural Gas to HSD/Furnace Oil | \$277,965 | | Tenders opened and evaluation completed. LOI to be issued |
| 25 | 5&6 | Repair of winding and stator of Generators and testing | \$319,500 | | Draft tender documents sent to GM office on 06.08.2012. Tender opened on 28.11.2012. Technical Evaluation Report sent to G.M (Thermal) Lahore on 04.02.2013 but G.M (Thermal) rejected the technical proposals of both bidders. |
| 26 | 5&6 | Hydraulic coupling of Boiler Feed Water Pumps (01 No). | \$63,900 | | Tender opened and under evaluation process. |
| 27 | 5&6 | Modification of Excitation System | \$166,140 | | Tender opened and is under evaluation |
| 28 | 5&6 | Procurement of 0.4KV Motors for Cooling Towers Fan and APH 02 | \$10,650 | \$10,650 | PO issued and LC opened in April 2012. Material received at site on 15.10.2012. Claim for 100% payment reimbursed |
| 29 | 5&6 | Procurement of 6.6KV Motor for C.W. Pumps, CP, ID Fan, FD Fan & BF Pumps (05 No). | \$162,945 | \$162,945 | Po issued and LC opened in April 2012. Claim for 100% payment reimbursed |
| 30 | 5&6 | Procurement of 6.6/0.4KV Breaker (5 No. 6KV breaker, 18Nos. 0.4Kv | \$295,005 | | LC opened on 12.10.2012. Claim for 100% payment received but not forwarded to USAID/ENR as amendment in the PIL |

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|--------------|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Breakers). | | | specification is required for its disbursement. |
| 31 | 5&6 | Protection Relay for Generators. | \$29,820 | | Tenders opened and LOI issued on 24.02.2012. PO issued on 31.05.2012. LC established on 12.10.2012. Claim for 100% payment received but not forwarded to USAID/ENR as amendment in the PIL specification is required for its disbursement. |
| 32 | 5&6 | MK Breakers, Seal Oil Coolers, PMG | \$169,335 | \$169,335 | Consignment received at site. Claim for 100% payment reimbursed |
| 33 | 5&6 | Supply, Installation, Commissioning & Testing of complete distributed control system including field equipment such as sensors, transmitter & actuators etc. for turbine governing system DEH-III and Boiler Turbine Auto regulation system YEWPACK-II | \$213,000 | | Tender will again open in march. |
| 34 | 5&6 | Rehabilitation of Furnace safety Supervisory System including Furnace camera, flame monitoring & ignition system | \$266,250 | | Tender again opened on 30.1.2013 and is under evaluation process. |
| Total | | | \$15,778,195 | \$4,872,500 | \$5,260,501 |

Claims Processed and Submitted to USAID = **\$10,133,001** (including * \$337,605 that will be disbursed after amendment in PIL)

Table 8: Summary of Status of Muzaffargarh TPS as of February 28, 2013

| Description | Number | PIL Item # | Amount |
|----------------------------------------------------|-----------|--------------------------------|---------------------|
| Material Received at Site | 12 | 1,4,6,7,9,10,17,19,20,21,28,32 | \$8,741,776 |
| LC opened and material is awaited | 10 | 3, 8, 11,12,18,22,23,29,30,31 | \$3,626,325 |
| PO issued and LC is awaited | | | |
| Performance Bond received and PO is awaited | - | - | - |
| LOI Issued and Performance Bond is awaited | - | - | - |
| Tender/Re-Tender opened and in process | 7 | 2,5, 24,25,26,27,34 | \$1,472,895 |
| Tender/Re-Tender Awaited | 5 | 13,14,15,16,33 | \$1,937,200 |
| Total PIL Line Items | 34 | | \$15,778,195 |

LC opened for PIL Item # 8, 18, 23, 30, 31 but their specifications are not as per PIL therefore claim will be processed on procurement of remaining items or amendment in the PIL specification is required for disbursement

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