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# USAID ENERGY POLICY PROGRAM

## MONTHLY REPORT MARCH 2012

### REPAIR AND REHABILITATION OF MUZAFFARGARH THERMAL POWER STATION

USAID: NPGCL FIXED AMOUNT REIMBURSEMENT AGREEMENT  
NO. 391-MUZ-FARA-004-00

**April 2012**

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NO. 391-MUZ-FARA-004-00

Contract No: AID-EPP-I-00-03-00004  
Order No: AID-391-TO-12-00002

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## **Rehabilitation of Muzaffargarh TPS under FARA:**



Muzaffargarh Thermal Power Station

After rehabilitation of boiler super heater tubes at Unit 1, 2 & 3, 230MW capacity has been added and replacement of air pre-heater elements (Intermediate and cold end) at Unit 4 has added more 50MW. 280MW capacity has been restored with the rehabilitation/replacement works out of the total estimated gains of 475 MW.

For the remaining FARA items delays are anticipated in the procurement process due to the GENCO's weak financial standing to pay on time through a letter of credit. EPP experts worked with USAID in redefining the reimbursement process and revising the FARA to

facilitate the GENCO in making timely payments. The signing of amended FARA is awaited to expedite disbursements.

EPP visited Muzaffargarh during the reporting month to inspect and verify the procured equipment and meet with GENCO management regarding the FARA modifications and to seek a justification for the suggested changes.

Amendment No. 1 to the Activity Agreement, revised the completion date to November 30, 2012. From the \$15.193 million assistance amount committed for Muzaffargarh, the total disbursement as of March 2012 is \$4,872,500. Immediate action on part of Ministry of Finance and Economic Affairs is required to work out details with State Bank of Pakistan for allowing GENCO to access the disbursed amount from their Assignment Account. EPP expert seconded at Ministry of Finance is supporting the GENCO for resolution of the matter

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