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USAID ENERGY POLICY PROGRAM

MONTHLY REPORT MARCH 2013

REPAIR AND REHABILITATION OF MUZAFFARGARH THERMAL POWER STATION

April 2013

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REPAIR AND REHABILITATION OF MUZAFFARGARH THERMAL POWER STATION

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:

The rehabilitation work to date has resulted in 480 MW of capacity restoration at the power plant which exceeds the project objectives. 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.

Moreover the amendment to the PIL is in progress to revise technical specifications. In this regard, EPP supported the GECNO in preparing a revision to the PIL. The PIL modification which is expected to be signed in April will help expedite payment of reimbursement claims held up due to deviations from the agreement's technical specifications. EPP provided technical assessment on the changes requested by Muzaffargarh in the revised PIL. Meanwhile an amendment in the Activity Agreement was signed which revised the project completion date to December 31, 2013 and to obligate the incremental funding to cover the insurance and freight.

For the implementation of the EMMP, a follow up visit to Muzaffargarh TPS was conducted by Hagler Bailey I. The observations made by the visiting team were shared with Muzaffargarh management for necessary corrective action and submitted environmental report to USAID for review.

The total amount disbursed to the GOP as of March 2013 is \$ 10,133,001². The detailed status of the MTPS Activity Agreement is tabulated on the next page:

¹ Hagler Bailey is an engineering firm contracted by EPP to ensure the environmental compliance and implementation of the Environmental Mitigation and Monitoring Plan (EMMP) of the projects FARAs and Activity Agreements

² 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			LOI Issued on 13.02.2013. Request for foreign exchange cash was made on 01.03.2013.
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 received but some required documents were missing therefore claim was not forwarded to USAID. Claim will be processed once the required documents received from NPGCL.
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.
9	4	Re-blading of LP. Rotor (LP Turbine	\$787,035		\$787,035	Material received at site on 09.01.2013. Claim for 100%

		Rotor blades of row (6&7), pins & locking device).				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. Claim for 100% Payment reimbursed
12	4	Replacing UPS I&2. (01 set).	\$62,835	\$62,835		Claim for 100% reimbursed
13	4	DEH (01 set).	\$319,500			Tender opened on 27.02.2013 and under evaluation process.
14	4	Up-grading of FSSS System (01 set).	\$138,450			Tender opened on 27.02.2013 and under evaluation process.
15	4	Up-grading of TSI system BNC 3300 or equivalent (Turbine Supervisory Instrument) (01 set).	\$266,250			Tender opened on 27.02.2013 and under evaluation process.
16	1-6	Training and software/hardware cost for CMMS and off-line efficiency monitoring system. All Units	\$1,000,000			Tender opened on 31.01.2013 and under evaluation process.
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 box).	\$236,963	\$236,963		PO issued and LC opened on 27.01.2012. Material received on site on 13.08.2012. Claim for 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. Claim for 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. Claim for 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, however NPGCL request to drop the item in the PIL amendment.
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		LOI issued on 13.02.2013 and request for foreign exchange cash was made on 01.03.2013.
27	5&6	Modification of Excitation System	\$166,140		LOI issued on 15.03.2013.
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.V. 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 Breakers).	\$295,005		LC opened 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.

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 april.
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 March 31, 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	2	2, 26-	\$251,340
Tender/Re-Tender opened and in process	9	5, 13,14,15,16, 24,25,27,34	\$2,945,755
Tender/Re-Tender Awaited	1	33	\$213,000
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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