

OMAN POWER AND WATER PROCUREMENT CO. (SAOC)

Member of Nama Group



الشركة العمانية لشراء الطاقة والمياه (ش.م.ع.م)

إحدى شركات مجموعة نماء

BULK SUPPLY TARIFF

**(FOR BULK SUPPLY OF DESALINATED WATER ON MAIN
INTERCONNECTED ZONE AND SHARQIYAH ZONE)**

APPLICABLE 1 JANUARY 2020 TO 31 DECEMBER 2020



BULK SUPPLY TARIFF

(FOR BULK SUPPLY OF DESALINATED WATER ON MAIN INTERCONNECTED ZONE AND SHARQIYAH ZONE)¹

APPLICABLE 1 JANUARY 2020 TO 31 DECEMBER 2020

1. Introduction

Pursuant to Article 74 of the Sector Law (as defined below) and Condition 21 of the Power and Water Procurement Licence granted by the Authority for Electricity Regulation, Oman (AER), Oman Power & Water Procurement Company (OPWP) is required to make Bulk Supplies of Desalinated Water or Pre-COD Water Output to Water Departments in accordance with a Bulk Supply Agreement entered into for such purpose, and in consideration of a Bulk Supply Tariff.

OPWP has entered into Bulk Supply Agreement with, the Public Authority for Water (PAW), formerly the Ministry of Housing, Electricity and Water, covering *inter alia* the Bulk Supply of Desalinated Water or Pre-COD Water Output produced by the Plants (as defined below).

This document sets out the Bulk Supply Tariff, as determined by OPWP and approved by AER, in respect of Desalinated Water Delivered or Pre-COD Water Output delivered to Water Departments for the period from 1 January 2020 to 31 December 2020. It specifies (i) the fixed and variable charges payable by PAW and (ii) the arrangements for invoicing and payment.

Unless otherwise defined in this document, capitalised terms used in this document which are defined in the Bulk Supply Agreement shall have the meanings given to them therein. The following words and expressions, when used with capital initial letters, shall have the following meanings:

"Bulk Supply"	means the bulk supply of Desalinated Water or Pre-COD Water Output by OPWP to a Water Department, and "Bulk Supplies" shall be construed accordingly.
"Bulk Supply Agreement"	means an agreement entered into between OPWP and a Water Department in relation to the provision of Bulk Supplies of Desalinated Water.
"Bulk Supply Tariff"	means the consideration charged by OPWP for the Bulk Supply of Desalinated Water or Pre-COD Water Output, as determined from time to time by OPWP and approved by AER.

¹ This Bulk Supply Tariff is not applicable to the Dhofar Water Network.



"Desalinated Water"

means

- (i) in respect of the Barka I IWPP (including Phase 1 and Phase 2 expansion), Potable Water;
- (ii) in respect of the Barka II IWPP, Potable Water;
- (iii) in respect of the Sohar I IWPP, Potable Water;
- (iv) in respect of the Ghubrah II IWP, Potable Water;
- (v) in respect of the Sur II IWP, Potable Water.
- (vi) in respect of the Qurayyat IWP, Potable Water.
- (vii) in respect of the Barka IV IWP, Potable Water; and
- (viii) in respect of the Sohar IV IWP, Potable Water.

"Desalinated Water Delivered" means the Desalinated Water delivered at the Potable Water Delivery Points by the Plants, as measured by the Potable Water Metering System.

"Pre-COD Water Output"

means the Potable Water delivered at the Potable Water Delivery Points pursuant to dispatch instructions during any period before the commercial operation date as measured by the Potable Water Metering System;

"Plants"

means the following:

Barka I IWPP (including Phase 1 and Phase 2 expansion);
Barka II IWPP;
Sohar I IWPP;
Ghubrah II IWP;
Sur II IWP;
Qurayyat IWP;
Barka IV IWP; and
Sohar IV IWP,

and "Plant" shall be construed as one of the above (as may be applicable).

"Potable Water"

means the water produced by the Plants which complies with Oman Standard Number 8/2012 (or such standard as may replace or amend Omani Standard 8/2012 from time to time).



"Potable Water Delivered"

means the Potable Water delivered at the Potable Water Delivery Points by the Plants to PAW, in accordance with the dispatch instructions, as measured by the Potable Water Metering System.

"Potable Water Delivery Points"

means the connection points at the boundary fence between the Plant and PAW's facilities where the Potable Water is delivered.

"Potable Water Metering System"

means the metering system utilised by PAW and the Plant owner to measure the quantities of Potable Water Delivered.

"Sector Law"

means the Law for the Regulation and Privatisation of the Electricity and Related Water Sector promulgated by Royal Decree No. 78/2004, as amended from time to time.

"Water Department"

has the meaning given to it in the Sector Law.

"Water Desalination Capacity" means;

(i) in respect of the Barka I IWPP, the nominal capacity of the Plant to deliver Potable Water, being 91,200 m³/day (the MSF plant) from 1 January to 31 December 2020 and 102,284 m³/day (the Phase 1 and Phase 2 RO plants) from 1 January 2020 to 31 December 2020;

(ii) in respect of the Barka II IWPP, the nominal capacity of the Plant to deliver Potable Water, being 120,000 m³/day from 1 January 2020 to 31 December 2020;

(iii) in respect of the Sohar I IWPP, the nominal capacity of the Plant to deliver Potable Water, being 150,000 m³/day from 1 January to 31 December 2020;

(iv) in respect of the Ghubrah II IWP, the nominal capacity of the Plant to deliver Potable Water, being 190,905 m³/day from 1 January 2020 to 31 December 2020;

(v) in respect of the Sur II IWP, the nominal capacity of the Plant to deliver Potable Water, being 131,837 m³/day from 1 January 2020 to 31 December 2020;

(vi) in respect of the Qurayyat IWP, the nominal capacity of the Plant to deliver Potable Water, being 200,000 m³/day from 1



November 2020 (or any earlier commercial operation dated achieved by Qurayyat IWP) to 31 December 2020;

(vii) in respect of the Barka IV IWP, the nominal capacity of the Plant to deliver Potable Water, being 281,000 m³/day from 1 January 2020 to 31 December 2020;

(viii) in respect of the Sohar IV IWP, the nominal capacity of the Plant to deliver Potable Water, being 250,000 m³/day from 1 January 2020 to 31 December 2020.

2. Charges for Bulk Supply

The charges for Bulk Supply shall be payable on a monthly basis and shall comprise (i) a fixed charge, payable for the Water Desalination Capacity or Pre-COD Water Output; (ii) a variable charge payable in relation to the quantity of Desalinated Water Delivered or Pre-COD Water Output delivered to PAW and differentiated in rate bands with respect to the time of day.

The fixed charge for Water Desalination Capacity or Pre-COD Water Output specified in Table 1 shall be payable in respect of the contracted capacity of each Plant or Pre-COD Water Output delivered by the Plant. In the event that the availability of the Water Desalination Capacity falls short of the contracted capacity or the Pre-COD Water Output was not delivered by the Plant, the actual water availability cost will be adjusted and over/under recovery will be captured by the correction factor (K-factor) for water. The K-factor shall be calculated by OPWP and considered in the BST of the following year in accordance with a methodology approved by AER.

Charges for Bulk Supply to PAW

(i) FIXED CHARGES

Table 1 shows the fixed charges applicable to Water Desalination Capacity provided or Pre-COD Water Output delivered to PAW.

Table 1 – Fixed charges

Charge	Rate OMR per day per m ³ /day
Fixed charge for Water Desalination Capacity or Pre-COD Water Output delivered by the Plant	0.206

**(ii) VARIABLE CHARGES**

Variable charges applicable to Desalinated Water Delivered or Pre-COD Water Output delivered to PAW is shown in table 2 and 3 below.

The rate bands are defined in Table 2 below.

Table 2 – Bulk Supply Rates in Rial Omani per m³

Month	Variable Charges (OMR/m ³)	
	On-Peak Period 13:00 to 16:59 Daily	Off-Peak Period 00:00 to 12:59 and 17:00 to 23:59 Daily
January – March	0.083	0.083
April	0.090	0.090
May – July	0.284	0.112
August – September	0.142	0.108
October	0.090	0.090
November– December	0.083	0.083

3. Invoicing and Payment

OPWP shall invoice PAW for Bulk Supplies in accordance with the following procedure:

- Immediately following the end of each month, OPWP shall estimate the quantities of Bulk Supplies chargeable to PAW for that month using such reasonable method as it sees fit and shall issue a preliminary invoice on the basis of such estimated quantities.
- As soon as OPWP receives the quantity of Desalinated Water Delivered or Pre-COD Water Output delivered each month, as certified by PAW and the relevant Plant owner, the variable charge rate specified in Tables 1 and 2 above shall be applied to the certified quantity of Desalinated Water Delivered or Pre-COD Water Output delivered each month. This shall be accompanied by a supplemental invoice or credit, as applicable, reflecting the adjustments required to the preliminary invoices.



- (c) OPWP shall issue a full-year consolidated statement (if applicable), shortly following the end of the calendar year, together with a final reconciliation invoice (or credit note).

Payment of invoices issued as described above shall be made by PAW (as may be applicable) within thirty (30) days of receipt. Where a credit is issued to PAW as described above, the amount shall be settled by way of deduction from subsequent payment(s) of Bulk Supplies charges to OPWP unless PAW requests, in writing, that the relevant amount be refunded in cash by OPWP, in which case OPWP shall make such payment within thirty (30) days of receipt of the written request.

4. Amendments

Under certain circumstances it may become necessary to amend this Bulk Supply Tariff during its period of application. Any such amendment shall only be made in accordance with OPWP's Licence and with the approval of AER. OPWP shall provide PAW with details (including the date of application) of any amendment on a timely basis.

Hamdan Ali Nasser Al Hinai
Chairman

