



الشركة العمانية لشراء الطاقة والمياه (ش.م.ع.م)
OMAN POWER AND WATER PROCUREMENT CO. (SAOC)

إحدى شركات مجموعة نماء
Member of Nama Group

BULK SUPPLY TARIFF

(FOR BULK SUPPLY OF DESALINATED WATER ON DHOFAR WATER NETWORK)¹

APPLICABLE 1 JANUARY 2021 TO 31 DECEMBER 2021

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 Public Services Regulation (**APSR**), 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 Water Department of the Governorate of Dhofar (WDGD) 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 APSR, in respect of Desalinated Water delivered or Pre-COD Water Output delivered to WDGD from the respective plants for the period from 1 January 2021 to 31 December 2021.

It specifies (i) the fixed and variable charges payable by WDGD and (ii) the arrangements for invoicing and payment.

Unless otherwise defined in this document, capitalised terms used in this document and 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.

¹ This Bulk Supply Tariff is not applicable to the MAIN Interconnected Zone, Sharqiyah Zone, and Majis Industrial Services SAOC



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- “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 APSR.
- “Desalinated Water”** means,
- (i) in respect of the Salalah I IWPP, the Potable Water; and
 - (ii) in respect of the Salalah III IWP, the Potable Water.
- “Desalinated Water Delivered”** means the Desalinated Water delivered at the Potable Water Delivery Points by the Plant, as measured by the Potable Water Metering Systems.
- “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:
Salalah I IWPP; and
Salalah III IWP
- “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 Plant to WDGD, 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 WDGD’s facilities where the Potable Water is delivered.
- “Potable Water Metering System”** means the metering system utilised by WDGD and the Plant owner to measure the quantities of Potable Water Delivered.



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“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 Salalah I IWPP, the nominal capacity of the Plant to deliver Desalinated Water, being **68,190 m³/day** from 1 January 2021 to 31 December 2021.

(ii) in respect of the Salalah III IWP, the nominal capacity of the Plant to deliver Desalinated Water, being **113,650 m³/day** from 1 April 2021 (or any earlier commercial operation date achieved) to 31 December 2021;

2.Charges for Bulk Supply

The charges for Bulk Supply (see below), shall be payable on a monthly basis and shall comprise (i) a fixed charge, payable for the provision of 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 WDGD, 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 APSR.



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2.1 Charges for Bulk Supply to WGD

(1) FIXED CHARGES

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

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	0.208

(2) VARIABLE CHARGES

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

Table 2 – Bulk Supply Rates in Rial Omani per m³

	Night-Peak		Off-Peak Morning	Day-Peak		Off-Peak Afternoon
	Weekday	Weekend	All Days	Weekday	Weekend	All Days
January – March	0.081	0.081	0.081	0.081	0.081	0.081
April	0.151	0.120	0.100	0.120	0.100	0.100
May – June	0.215	0.151	0.135	0.203	0.127	0.131
July – August	0.092	0.084	0.082	0.082	0.082	0.082
September – October	0.104	0.092	0.084	0.092	0.092	0.092
November – December	0.081	0.081	0.081	0.081	0.081	0.081



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Table 3 – The tariff band-definitions

Rate Band	Time Period	Days of Week
Night-Peak Weekday	00:00 to 02:59 and 20:00 to 23:59	Sunday to Thursday
Night-Peak Weekend	00:00 to 02:59 and 20:00 to 23:59	Friday & Saturday
Off-Peak Morning	03:00 to 09:59	All days
Day-Peak Weekday	10:00 to 15:59	Sunday to Thursday
Day-Peak Weekend	10:00 to 15:59	Friday & Saturday
Off-Peak Afternoon	16:00 to 19:59	All days

3. Invoicing and Payment

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

- (a) Immediately following the end of each month, OPWP shall estimate the quantities of Bulk Supplies chargeable to WGDG for that month using such reasonable method as it sees fit and shall issue a preliminary invoice on the basis of such estimated quantities.
- (b) As soon as OPWP receive the quantity of Desalinated Water Delivered or Pre-COD Water Output delivered each month, as certified by WGDG and the relevant Plant owner, the variable charge rate specified in Tables 2 and 3 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 WGDG within thirty (30) days of receipt. Where a credit is issued to WGDG as described above, the amount shall be settled by way of deduction from subsequent payment(s) of Bulk Supplies charges to OPWP unless



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WDGD 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 APSR. OPWP shall provide WDGD with details (including the date of application) of any amendment on a timely basis.

Yaqoob Bin Saif Al Kiyumi
Chief Executive Officer