



BULK SUPPLY TARIFF (FOR BULK SUPPLY OF DESALINATED WATER ON DHO FAR WATER NETWORK)

APPLICABLE 1 JANUARY 2022 TO 31 DECEMBER
2022





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

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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 (**Authority**), Oman Power & Water Procurement Company SAOC (**OPWP**) is required to make Bulk Supplies of Desalinated Water to Dhofar Integrated Services Company SAOC (**DISC**) in accordance with a Bulk Supply Agreement entered into for such purpose, and in consideration of a Bulk Supply Tariff.

OPWP has entered into a Bulk Supply Agreement with DISC—formerly the Water Department of the Governorate of Dhofar—covering *inter alia* the Bulk Supply of Desalinated Water produced by the Plants (as defined below).

This document sets out the Bulk Supply Tariff, as determined by OPWP and approved by Authority, in respect of Desalinated Water delivered to DISC from the respective plants for the period from 1 January 2022 to 31 December 2022.

It specifies (i) the fixed and variable charges payable by DISC 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, including the Water Output of the Pre-COD and after COD, by OPWP to

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



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DISC, and **"Bulk Supplies"** shall be construed accordingly.

"Bulk Supply Agreement"

means an agreement entered into between OPWP and DISC 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, as determined from time to time by OPWP and approved by the Authority.

"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, including the Water Output of the Pre-COD and after COD, 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:

- (i) Salalah I IWPP; and
- (ii) 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 DISC, 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 DISC's facilities where the Potable



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Water is delivered.

“Potable Water Metering System” means the metering system utilised by DISC 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 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 2022 to 31 December 2022; and

(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 January 2022 to 31 December 2022.

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; and (ii) a variable charge payable in relation to the quantity of Desalinated Water Delivered to DISC, 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 the Authority.

2.1 Charges for Bulk Supply to DISC

(1) FIXED CHARGES

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



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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	0.187

(2) VARIABLE CHARGES

Variable charges applicable to Desalinated Water Delivered to DISC 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	0.080	0.080	0.080	0.080	0.080	0.080
April	0.158	0.125	0.102	0.125	0.102	0.102
May – June	0.234	0.158	0.139	0.220	0.130	0.135
July – August	0.099	0.090	0.085	0.085	0.085	0.085
September – October	0.107	0.092	0.083	0.092	0.092	0.092
November – December	0.080	0.080	0.080	0.080	0.080	0.080



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Table 3 – The tariff band-definitions

Rate Band	Time Period
Night-Peak Weekday	Sunday to Thursday, 20:00 to 02:59 (following day)
Night-Peak Weekend	Friday to Saturday, 20:00 to 02:59 (following day)
Off-Peak Morning	All days, 03:00 to 09:59
Day-Peak Weekday	Sunday to Thursday, 10:00 to 15:59
Day-Peak Weekend	Friday to Saturday, 10:00 to 15:59
Off-Peak Afternoon	All days, 16:00 to 19:59

Note: The approved BST is exclusive of the Value Added Tax (VAT), and as per the applicable rates, VAT will be charged over and above the bulk supply charges.

3. Invoicing and Payment

OPWP shall invoice DISC 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 DISC 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 receive the quantity of Desalinated Water Delivered each month, as certified by DISC 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 each month. This shall be accompanied by a supplemental invoice or credit, as applicable, reflecting the adjustments required to the preliminary invoices.
- 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 DISC within thirty (30) days of receipt. Where a credit is issued to DISC as described above, the amount shall be settled by way of deduction from subsequent payment(s) of Bulk Supplies charges to OPWP unless DISC 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.



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

Yaqaob bin Saif Al Kiyumi
Chief Executive Officer



