

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 2019 TO 31 DECEMBER 2019



BULK SUPPLY TARIFF

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

APPLICABLE 1 JANUARY 2019 TO 31 DECEMBER 2019

1. Introduction

Pursuant to Article 74 of the Sector Law 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 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 Agreements with, as follows:

- i. the Public Authority for Water (PAW), formerly the Ministry of Housing, Electricity and Water, covering *inter alia* the Bulk Supply of Desalinated Water produced by the Plants (as defined below).
- ii. Majis Industrial Services SAOC (MISC), the designated Water Department in the Sohar Industrial Port Area, covering the Bulk Supply of Distillate Water from the Sohar I IWPP; and

This document sets out the Bulk Supply Tariff, as determined by OPWP and approved by AER, in respect of Desalinated Water Delivered to Water Departments as specified above for the period from 1 January 2019 to 31 December 2019.

It specifies (i) the fixed and variable charges payable by PAW and MISC (as applicable) and (ii) the arrangements for invoicing and payment.

Capitalised terms used in this document and which are defined in the Bulk Supply Agreement have the meanings given to them therein, and in addition:

“Bulk Supply”	means the bulk supply of Desalinated Water 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, 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, Potable Water;
- (ii) in respect of the Barka II IWPP, Potable Water;
- (iii) in respect of the Sohar I IWPP, Potable Water and Distillate Water;
- (iv) in respect of the Ghubrah II IWP, Potable Water;
- (v) in respect of the Sharqiyah IWP, Potable Water.
- (vi) in respect of the Aseelah Temporary IWP, Potable Water.
- (vii) in respect of the Barka IV IWP, Potable Water; and
- (viii) in respect of the Sohar III IWP, Potable Water.

“Desalinated Water Delivered” means the Desalinated Water delivered at the Water Delivery Points by the Plants, as measured by the Water Metering Systems.

“Distillate Water”

means in respect of the Sohar I IWPP, water produced by the Plant (and delivered at the Distillate Water Delivery Point) which complies with the quality standards specified in the Bulk Supply Agreement entered into between OPWP and MISC.

“Distillate Water Delivered” means in respect of the Sohar I IWPP, Distillate Water delivered from the Plant at a Distillate Water Delivery Point in accordance with MISC’s nominated requirement, as measured by the Distillate Water Metering System.

“Distillate Water Delivery Point” means in respect of the Sohar I IWPP, (a) the connection point between the Plant and MISC’s facilities where Distillate Water is delivered and (b) the tanker point within the Plant where Distillate Water is delivered to tankers.

“Distillate Water Metering System” means in respect of the Sohar I IWPP, the metering system utilised by MISC and the Plant to measure the quantities of Distillate Water Delivered.

“Plants”

means the following:

Barka I IWPP, Barka II IWPP, Sohar IWPP, Ghubrah II IWP, Sharqiyah IWP, Qurayyat IWP, Aseelah Temporary IWP, Barka IV IWP, and Sohar III 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 as promulgated by Royal Decree No. 78/2004.
- “Water Department”** has the meaning given to it in the Sector Law.
- “Water Delivery Points”** means
- (i) in respect of the Barka I IWPP, the Potable Water Delivery Point;
 - (ii) in respect of the Barka II IWPP, the Potable Water Delivery Point;
 - (iii) in respect of the Sohar I IWPP, the Potable Water Delivery Point and the Distillate Water Delivery Point;
 - (iii) in respect of the Ghubrah II IWP, the Potable Water Delivery Point;
 - (iv) in respect of the Sharqiyah IWP, the Potable Water Delivery Point;
 - (v) in respect of the Qurayyat IWP, the Potable Water Delivery Point;
 - (vi) in respect of the Aseelah Temporary IWP, the Potable Water Delivery Point;
 - (vii) in respect of the Barka IV IWP, the Potable Water Delivery Point; and



(viii) in respect of the Sohar III IWP, the Potable Water Delivery Point.

“Water Metering System” means the Potable Water Metering System and/or the Distillate Water Metering System as may be applicable to the Plant.

“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 from 1 January to 31 December 2019 as a standby mode. And 102,284 m³/day from 1 January 2019 to 31 December 2019;

(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 2019 to 31 December 2019;

(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 30 April 2019 and as a standby mode for the rest of the year;

(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 2019 to 31 December 2019;

(v) in respect of the Sharqiyah IWP, the nominal capacity of the Plant to deliver Potable Water, being 131,837 m³/day from 1 January 2019 to 31 December 2019;

(vi) in respect of the Qurayyat IWP, the nominal capacity of the Plant to deliver Potable Water, being 200,000 m³/day from 1 January 2019 to 31 December 2019;

(vii) in respect of the Aseelah Temporary IWP, the nominal capacity of the Plant to deliver Potable Water, being 10,000 m³/day from 1 January 2019 to 31 December 2019;

(viii) 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 2019 to 31 December 2019;

(ix) in respect of the Sohar III IWP, the nominal capacity of the Plant to deliver Potable Water, being 250,000 m³/day from 1 May 2019 to 31 December 2019.

2. Charges for Bulk Supply

The charges for Bulk Supply, with the exception of the Bulk Supply of Distillate Water to MISC (see below), shall be payable on a monthly basis and shall comprise (i) a fixed charge, payable



for the Water Desalination Capacity; (ii) a variable charge payable in relation to the quantity of Desalinated Water Delivered to PAW, and differentiated in two rate bands with respect to the time of day.

The fixed charge for Water Desalination Capacity specified in Table 1 shall be payable in respect of the contracted capacity of each Plant. In the event that the availability of the Water Desalination Capacity falls short of the contracted capacity, 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.

2.1 Charges for Bulk Supply to PAW

(i) FIXED CHARGES

Table 1: Fixed Charges applicable to Water Desalination Capacity provided to PAW

Charge	Rate OMR per day per m ³ /day
Fixed charge for Water Desalination Capacity	0.208

(ii) VARIABLE CHARGES

Table 2: Variable charges applicable to Desalinated Water Delivered to PAW

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	0.091	0.091
April	0.101	0.101
May-July	0.309	0.119
August – September	0.147	0.114
October	0.101	0.101
November – December	0.091	0.091

2.2 Charges for Bulk Supply to MISC

The charges for Bulk Supply of Distillate Water to MISC shall be payable on a monthly basis and shall be based on an all-inclusive daily charge payable in relation to the average daily quantity of Distillate Water Delivered in each month. The charge rate set out in Table 4 corresponds to each band.



Table 3 – Schedule of Charges for Distillate Water Supplied to MISC

Average Daily Distillate Water Delivered DWD _d (m ³ per day)	Distillate Water Charge Rate (OMR per Day)
DWD _d ≤ 2000	1.0273 x DWD _d
2000 < DWD _d ≤ 3000	1646.58 + 0.204 x DWD _d
3000 < DWD _d ≤ 4000	1639.45 + 0.2064 x DWD _d
4000 < DWD _d ≤ 5000	1639.45 + 0.2064 x DWD _d
5000 < DWD _d ≤ 6000	1639.45 + 0.2064 x DWD _d
6000 < DWD _d ≤ 7000	1646.58 + 0.2052 x DWD _d
7000 < DWD _d ≤ 8000	1596.68 + 0.2123 x DWD _d
8000 < DWD _d ≤ 9000	1625.19 + 0.2088 x DWD _d
9000 < DWD _d ≤ 10000	1710.73 + 0.1993 x DWD _d
10000 < DWD _d ≤ 11000	1568.17 + 0.2135 x DWD _d
11000 < DWD _d ≤ 12000	1724.98 + 0.1993 x DWD _d
12000 < DWD _d ≤ 13000	1667.96 + 0.204 x DWD _d
13000 < DWD _d ≤ 14000	1513.52 + 0.2159 x DWD _d
14000 < DWD _d	0.324 x DWD _d

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 Supply chargeable to PAW and MISC 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 PAW and MISC 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).



Payment of invoices issued as described above shall be made by PAW and MISC (as may be applicable) within thirty (30) days of receipt. Where a credit is issued to PAW and MISC as described above, the amount shall be settled by way of deduction from subsequent payment(s) of Bulk Supply charges to OPWP unless PAW and MISC (as may be applicable) 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, or MISC (as applicable) with details (including the date of application) of any amendment on a timely basis.

Hamdan Ali Nasser Al Hinai
Chairman

