



BULK SUPPLY TARIFF

FOR BULK SUPPLY OF DESALINATED WATER FROM AL GHUBRAH POWER AND DESALINATION PLANT

APPLICABLE 1 JANUARY 2007 TO 31 DECEMBER 2007

1. Introduction

Pursuant to Article 74 of the Sector Law and Condition 21 of its License, 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 a Bulk Supply Agreement with the Ministry of Housing, Electricity and Water (MHEW), covering *inter alia* the Bulk Supply of Desalinated Water from **Al Ghubrah Power and Desalination Plant**.

This document sets out the Bulk Supply Tariff, as determined by OPWP and approved by the Authority, in respect of Desalinated Water delivered to MHEW from Al Ghubrah Power and Desalination Plant for the period from 1 January 2007 to 31 December 2007.

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

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

“Desalinated Water”	means Potable Water and Distillate Water.
“Desalinated Water Delivered”	means Potable Water Delivered and Distillate Water Delivered.
“Distillate Water”	means water produced by the Plant (and delivered at the Distillate Water Delivery Point) which complies with the quality standards required by the users of such water.
“Distillate Water Delivered”	means Distillate Water delivered at the Distillate Water Delivery Point to persons authorised by



	MHEW, as measured by the Distillate Water Metering System.
“Distillate Water Delivery Point”	means the tanker point near the Plant fencing where Distillate Water is delivered to tankers.
“Distillate Water Metering System”	means the metering system utilised by MHEW and the Plant owner to measure the quantities of Distillate Water Delivered.
“Plant”	means Al Ghubrah Power and Desalination Plant.
“Potable Water”	means water produced by the Plant (and delivered at the Potable Water Delivery Points) which complies with Oman Standard Number 8/98 for drinking water as the same may be modified, amended, replaced, repealed or varied from time to time (issued by the Ministry of Commerce and Industry, Directorate General for Specifications and Measurements). As to quality, such water shall comply with the “Highest Desirable Values” stated in Oman Standard 8/98. In addition, such water shall have a minimum total hardness level of 50mg/l as CaCo ₃ and an alkalinity level consistent with a positive Langelier Saturation Index (LSI) in the treated water at the design temperature. Further, such water shall have a minimum fluorine content of 0.4 ppm and a maximum fluorine content of 0.7 ppm.
“Potable Water Delivered”	means the net Potable Water delivered from the Plant at the Potable Water Delivery Point in accordance with MHEW’s nominated requirement (as notified in accordance with the Grid Code), as measured by the Potable Water Metering System, after deducting any Potable Water returned to the Plant from MHEW.
“Potable Water Delivery Points”	means the boundary points between the Plant and MHEW’s facilities where Potable Water is delivered.
“Potable Water Metering System”	means the metering system utilised by MHEW and the Plant owner to measure the quantities of Potable Water Delivered.
“Water Desalination Capacity”	means the nominal capacity of the Plant to deliver Desalinated Water, being 182,400 m ³ per day.



2. Charges for Bulk Supply

The charges for Bulk Supply shall comprise (i) a fixed monthly charge payable for the provision of the Water Desalination Capacity; (ii) a variable charge, payable each month in relation to the quantity of Desalinated Water Delivered during the month; and (iii) a fixed monthly charge payable for the procurement and management service provided by OPWP. The charges are set out in Table 1 below.

Table 1 – Schedule of Charges

Charge	Rate
Fixed monthly charge for provision of Water Desalination Capacity	RO 1,910,000 per month
Variable charge for Desalinated Water Delivered	RO 0.100 per m ³
Fixed monthly charge for OPWP service	RO 30,000 per month

The fixed monthly charge for provision of Water Desalination Capacity specified in Table 1 is based on the Water Desalination Capacity being provided to minimum levels of availability, as specified in Table 2 below.

Table 2 – Minimum Availability of Water Desalination Capacity

Period	Minimum Availability	
	(%)	(m ³)
January – March	80%	13,132,800
April – September	95%	31,710,240
October – December	80%	13,424,640

In the event that the availability the Water Desalination Capacity falls short of the levels specified in Table 2, MHEW shall be entitled to a rebate on the fixed monthly charges for provision of Water Desalination Capacity. Any such rebate shall be calculated by OPWP at the end of the calendar year in accordance with a methodology approved by the Authority.



3. Invoicing and Payment

OPWP shall issue invoices for Bulk Supplies to MHEW on a monthly basis.

The variable charge rate specified in Table 1 above shall be applied to the quantity of Water Delivered each month, as certified by MHEW and the Plant owner and notified to OPWP. In the event that such certified data is not available within a reasonable time following the end of the month, OPWP shall estimate the quantity of Desalinated Water Delivered using such reasonable method as it sees fit and issue a provisional invoice. OPWP shall then issue a revised or supplemental invoice (or credit) as and when the certified data becomes available.

OPWP shall issue a full-year consolidated statement, including any rebate calculated in accordance with section 2 above, 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 MHEW within thirty (30) days of receipt. Where a credit is issued to MHEW as described above, the amount shall be settled by way of deduction from subsequent payment(s) of Bulk Supply charges to OPWP unless MHEW 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 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 License and with the approval of the Authority. OPWP shall provide MHEW with details (including the date of application) of any amendment on a timely basis.

Saleh bin Hamood Al Rashdi
Chief Executive Officer (Acting)



BULK SUPPLY TARIFF

FOR BULK SUPPLY OF DESALINATED WATER FROM BARKA POWER AND DESALINATION PLANT (PHASE I)

APPLICABLE 1 JANUARY 2007 TO 31 DECEMBER 2007

5. Introduction

Pursuant to Article 74 of the Sector Law and Condition 21 of its License, 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 a Bulk Supply Agreement with the Ministry of Housing, Electricity and Water (MHEW), covering *inter alia* the Bulk Supply of Desalinated Water from the **Barka Power and Desalination Plant (Phase I)**.

This document sets out the Bulk Supply Tariff, as determined by OPWP and approved by the Authority, in respect of Desalinated Water delivered to MHEW from the Barka Power and Desalination Plant (Phase I) for the period from 1 January 2007 to 31 December 2007.

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

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

“Desalinated Water”

means water produced by the Plant (and delivered at the Water Delivery Point) which complies with Oman Standard Number 8/98 for drinking water as the same may be modified, amended, replaced, repealed or varied from time to time (issued by the Ministry of Commerce and Industry, Directorate General for Specifications and Measurements). As to quality, such water shall comply with the “Highest Desirable Values” stated in Oman Standard 8/98. In addition, such water shall have a minimum total hardness level of 50mg/l as CaCo₃ and an alkalinity level consistent with a positive Langelier Saturation Index (LSI) in the treated water at the design temperature. Further, such water shall have a minimum fluorine content of 0.4 ppm and a maximum fluorine content of 0.7 ppm.



“Desalinated Water Delivered”	means the Desalinated Water delivered at the Water Delivery Point in accordance with MHEW’s nominated requirement (as notified in accordance with the Grid Code), as measured by the Water Metering System.
“Plant”	means the Barka Power and Desalination Plant (Phase I).
“Water Delivery Point”	means the point which is immediately upstream of the Water Metering System but after the tapping points for feedwater utilised at the Plant.
“Water Desalination Capacity”	means the nominal capacity of the Plant to deliver Desalinated Water, being 91,200 m ³ per day.
“Water Metering System”	means the metering system utilised by MHEW and the Plant owner to measure the quantities of Desalinated Water Delivered.

6. Charges for Bulk Supply

The charges for Bulk Supply shall comprise (i) a fixed monthly charge payable for the provision of the Water Desalination Capacity; (ii) a variable charge, payable each month in relation to the quantity of Desalinated Water Delivered during the month; and (iii) a fixed monthly charge payable for the procurement and management service provided by OPWP. The charges are set out in Table 1 below.

Table 1 – Schedule of Charges

Charge	Rate
Fixed monthly charge for provision of Water Desalination Capacity	RO 1,293,000 per month
Variable charge for Desalinated Water Delivered	RO 0.050 per m ³
Fixed monthly charge for OPWP service	RO 17,500 per month

The fixed monthly charge for provision of Water Desalination Capacity specified in Table 1 is based on the Water Desalination Capacity being provided to minimum levels of availability, as specified in Table 2 below.



Table 2 – Minimum Availability of Water Desalination Capacity

Period	Minimum Availability	
	(%)	(m ³)
January – April	82%	8,974,080
May – September	94%	13,116,384
October – December	86%	7,215,744

In the event that the availability the Water Desalination Capacity falls short of the levels specified in Table 2, MHEW shall be entitled to a rebate on the fixed monthly charges for provision of Water Desalination Capacity. Any such rebate shall be calculated by OPWP at the end of the calendar year in accordance with a methodology approved by the Authority.

7. Invoicing and Payment

OPWP shall issue invoices for Bulk Supplies to MHEW on a monthly basis. The variable charge rate specified in Table 1 above shall be applied to the quantity of Water Delivered each month, as certified by MHEW and the Plant owner and notified to OPWP. In the event that such certified data is not available within a reasonable time following the end of the month, OPWP shall estimate the quantity of Desalinated Water Delivered using such reasonable method as it sees fit and issue a provisional invoice. OPWP shall then issue a revised or supplemental invoice (or credit) as and when the certified data becomes available.

OPWP shall issue a full-year consolidated statement, including any rebate calculated in accordance with section 2 above, 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 MHEW within thirty (30) days of receipt. Where a credit is issued to MHEW as described above, the amount shall be settled by way of deduction from subsequent payment(s) of Bulk Supply charges to OPWP unless MHEW 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 request.

8. 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 License and with the approval of the Authority. OPWP shall provide MHEW with details (including the date of application) of any amendment on a timely basis.

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