



## BULK SUPPLY TARIFF

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

APPLICABLE 1 JANUARY 2008 TO 31 DECEMBER 2008

#### 1. Introduction

Pursuant to Article 74 of the Sector Law and Condition 21 of the Power and Water Procurement License 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 a Bulk Supply Agreement with the Public Authority for Electricity and Water (PAEW), formerly the Ministry of Housing, Electricity and Water, 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 AER, in respect of Desalinated Water delivered to PAEW from Al Ghubrah Power and Desalination Plant for the period from 1 January 2008 to 31 December 2008.

It specifies (i) the fixed and variable charges payable by PAEW 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:

<b>“Desalinated Water”</b>	means Potable Water and Distillate Water.
<b>“Desalinated Water Delivered”</b>	means Potable Water Delivered and Distillate Water Delivered.
<b>“Distillate Water”</b>	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.
<b>“Distillate Water Delivered”</b>	means Distillate Water delivered at the Distillate Water Delivery Point to persons authorised by



PAEW, 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 PAEW 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<sub>3</sub> 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 PAEW’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 PAEW.
- “Potable Water Delivery Points”** means the boundary points between the Plant and PAEW’s facilities where Potable Water is delivered.
- “Potable Water Metering System”** means the metering system utilised by PAEW 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<sup>3</sup>/day**.



## 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 provision of the Water Desalination Capacity; (ii) a variable charge, payable in relation to the quantity of Desalinated Water Delivered during the month; and (iii) a fixed charge payable (based on the Water Desalination Capacity) 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 charge for Water Desalination Capacity	RO 0.350 per day per m <sup>3</sup> /day
Variable charge for Desalinated Water Delivered	RO 0.100 per m <sup>3</sup>
Fixed charge for OPWP service (based on Water Desalination Capacity)	RO 0.005 per day per m <sup>3</sup> /day

The fixed charge for Water Desalination Capacity specified in Table 1 shall be payable in respect of the nominal capacity of the Plant, based on such 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 <sup>3</sup> )
January – March	80%	13,278,720
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, PAEW shall be entitled to a rebate on the fixed charges for 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 AER.

### **3. Invoicing and Payment**

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

The variable charge rate specified in Table 1 above shall be applied to the quantity of Desalinated Water Delivered each month, as certified by PAEW 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 PAEW within thirty (30) days of receipt. Where a credit is issued to PAEW as described above, the amount shall be settled by way of deduction from subsequent payment(s) of Bulk Supply charges to OPWP unless PAEW 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 AER. OPWP shall provide PAEW with details (including the date of application) of any amendment on a timely basis.

**H.E. Eng. Sultan Bin Hamdoon Al Harthi**  
**Chairman)**