

DORDI KHOLA HYDROPOWER PROJECT

LAMJUNG, NEPAL



PROGRESS REPORT

SEPTEMBER 2014



Himalayan Power Partner Limited
Energy Sector Research, Development & Consulting Services

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1 Introduction

Dordi Khola Hydropower Project is a Run-of-River type hydroelectric project with generating capacity of 27 MW. The project is being developed by Himalayan Power Partner Ltd. (HPPL) Kathmandu, Nepal. HPPL is promoted by IME Group and later joined by NRN Investment Ltd. to develop Dordi Khola HPP with equity sharing in 49:51 ratios.

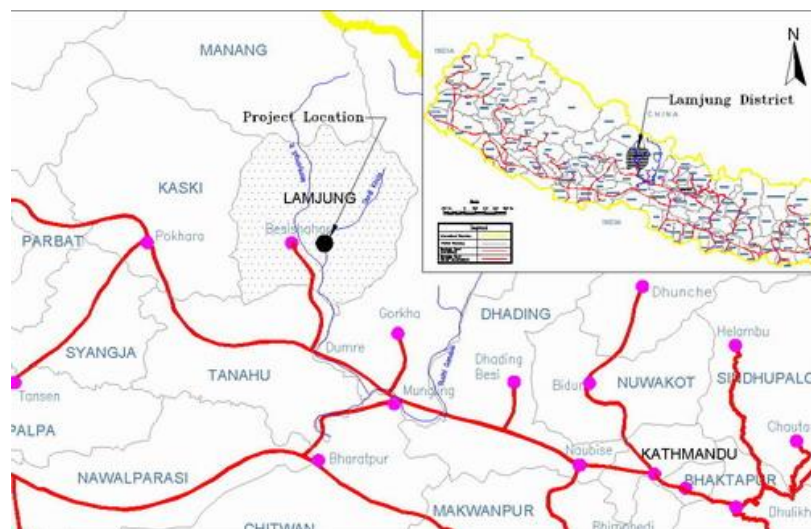
2 Project Development Milestones

- Survey License Issued : 26 May 2005
- Feasibility Study Completed : December 2012
- Grid Connection Agreement : 7 July 2010
- IEE Approved : 4 October 2010
- Generation License Obtained : 7 July 2011
- PPA Signed : 15 June 2012
- Detailed Project Report Completed : August 2013
- Facility Agreement Signed : 7 November 2013
- Construction Works Started : April 2014
- Required Commercial Operation Date (RCOD) : 15 June 2017

3 Project Description

3.1 Location and Access

The whole project area lies in Chiti, Dhodeni and Bansar VDCs in Lamjung district in western Nepal. It is connected from Kathmandu by 170 km all weather metallic roads.



3.2 Project Layout Map

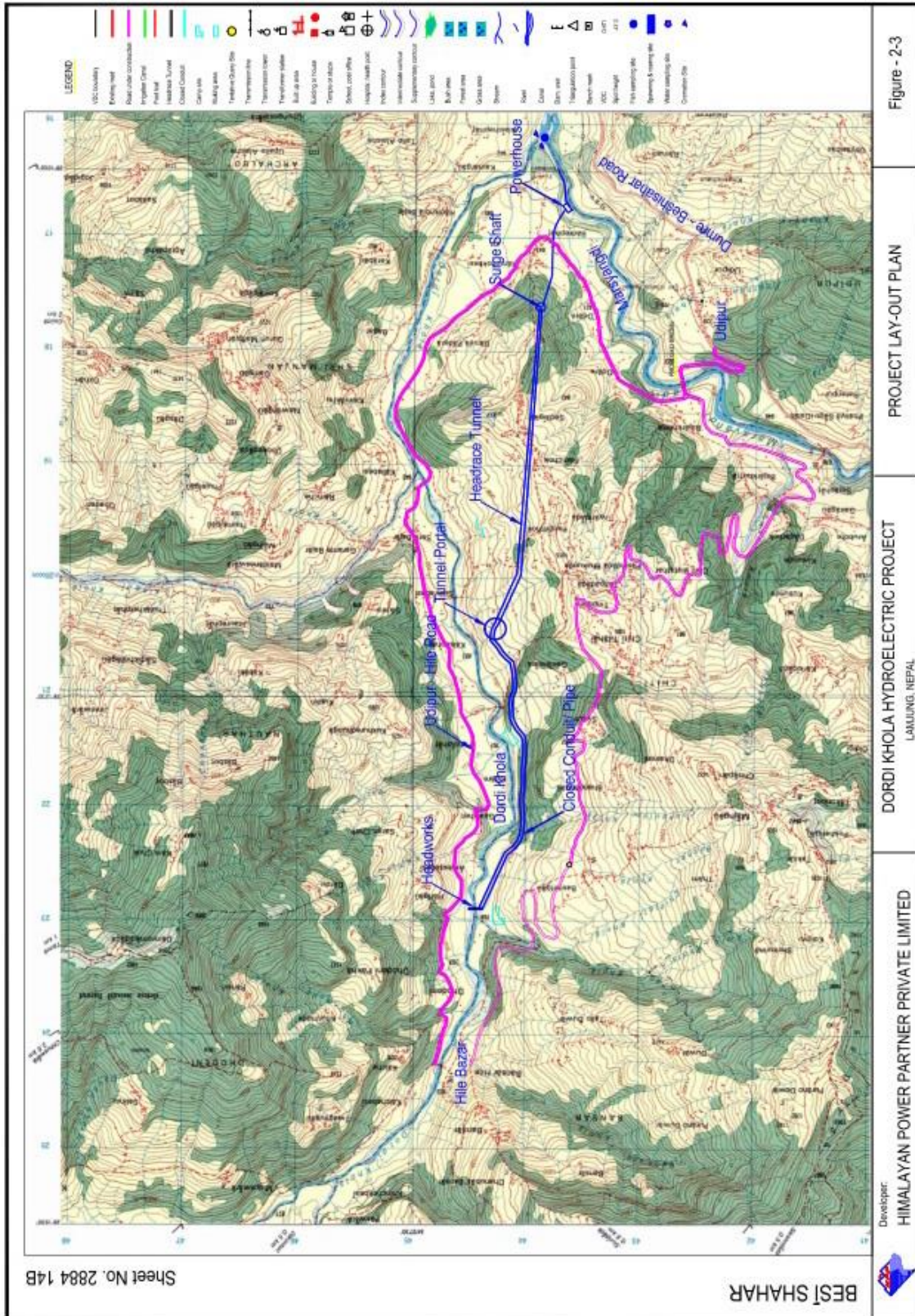


Figure - 2-3

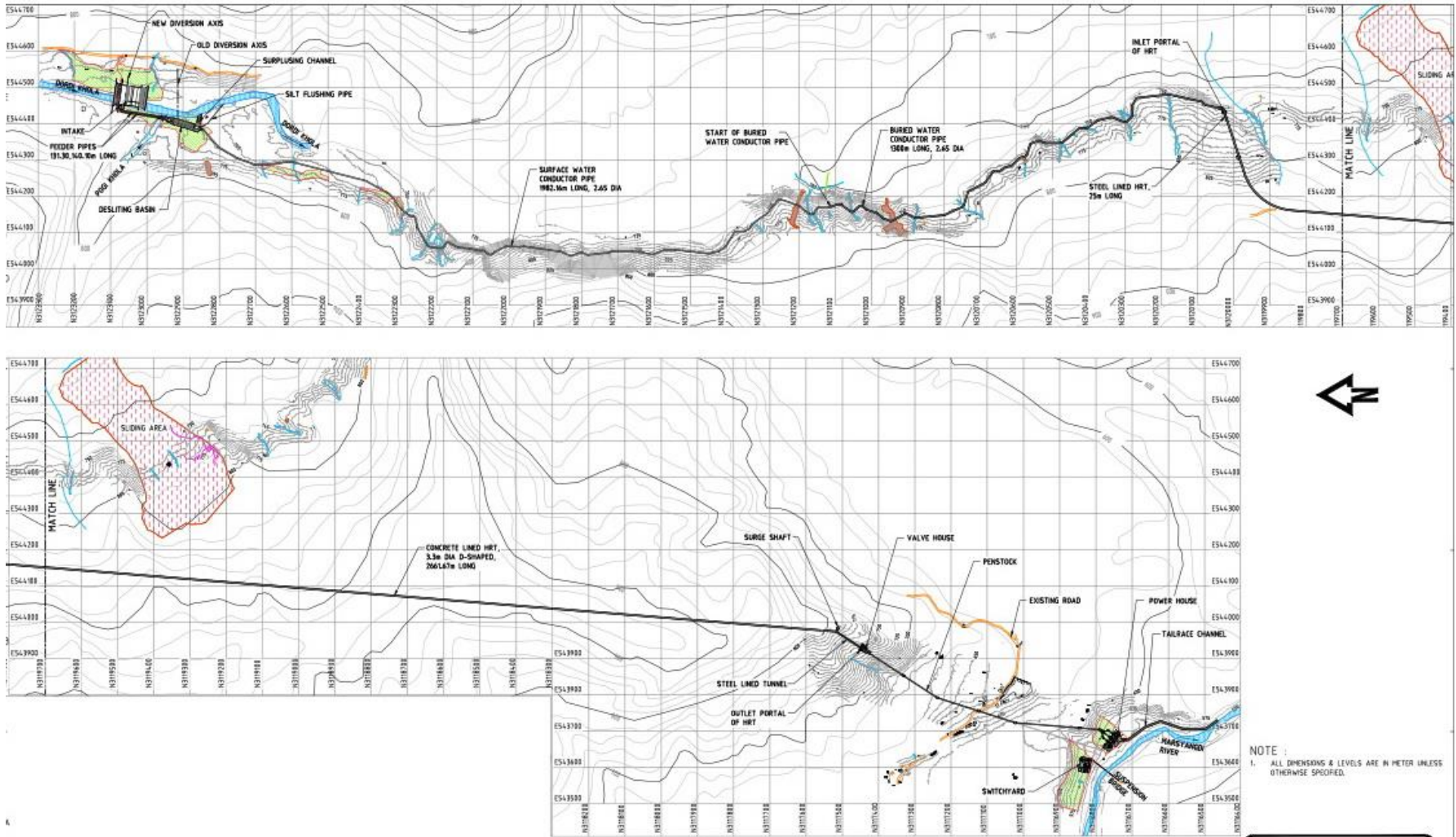
PROJECT LAY-OUT PLAN

DORDI KHOLA HYDROELECTRIC PROJECT
LAMLUNG, NEPAL

Developer:
HIMALAYAN POWER PARTNER PRIVATE LIMITED



BEST SHAHAR



General Layout of the Project

3.3 Main Project Features

- Gross Head : 212.0 m
- Design Discharge : 15.28 m³/sec
- Installed Capacity : 27.0 MW
- Total Annual Energy : 148.697GWh
- Total Annual Contract Energy : 142.319GWh
 - Dry Season Energy* : 21.367 GWh
 - Wet Season Energy* : 120.952 GWh
- Power Purchase Agreement (PPA) Rate :
 - Dry Season Energy : 8.40/unit
 - Wet Season Energy : 4.80/unit
 - Price Escalation : @ 3% 8 times
- Water Ways
 - Closed Conduit/Steel pipe (Ø2.65m) : 3237 m
 - Headrace Tunnel (Ø3.3m) : 2662 m
 - Penstock Pipe (Ø2.3m) : 700 m
 - Tailrace : 330 m
- Powerhouse Type : Surface
- Turbine Type : Francis (3x9 MW)
- Grid Connection Point : Udipur Hub
- Transmission Line :
 - Voltage Level : 132 kV Single Circuit
 - Length : 1.2 km

3.4 Financial Indicators

- Total Cost : NRs. 3,595 million
- Total Capitalized Cost (Inc. IDC) : NRs. 4,235 million
- NPV : 1,396 Million
- IRR : 14.35 %
- IRR on Equity : 18.29%

4 Progress

4.1 Financial Progress

The Financial progress will be updated in every 3 months after quarterly meeting with the consortium banks. The last consortium meeting was held in August 1, 2014. The financial progress presented at the consortium meeting is extracted as shown in the following table.

Progress Report (Fiscal Year 2070/071)

Activity	Project Activities	Financial Progress (NRs. in ,000)						Physical Progress, %		
		Fund Allocation	Weight age %	Up to FY 2069-70	FY 2070-71	Up to FY 2070-71		Up to FY 2069-70	FY 2070-71	Up to FY 2070-71
1	Project Development Cost/Pre-construction Phase	102,980	0.02	102,976	0	102,976	100.0%	100.00	0	100.00
2	Preparatory Works/Infrastructure Development	153,988	0.04	7,130	14,691	21,821	14.17%	0	20	20.00
3	Civil Works	1,628,632	0.38	0	0	0	0.00%	0	0	0
4	Hydro-Mechanical Works	702,630	0.17	0	0	0	0.00%	0	0	0
5	Electro-Mechanical Works	736,337	0.17	0	0	0	0.00%	0	0	0
6	Transmission and Power Evacuation Works	74,126	0.02	0	0	0	0.00%	0	0	0
7	Land Acquisition, Env. Mitigation & Social Support	51,490	0.01	6,779	16,360	23,140	44.94%	32	48	65.00
9	Engineering, Administration & Management Cost	145,459	0.03	6,155	15,756	21,911	15.06%	4.23	10.83	15.06
10	IDC, Loan Management Fee & Bank Commission	640,782	0.15	810	23,775	24,585	3.84%	0.13	3.71	3.84
	Total	4,236,424	1.00	123,850	70,582	194,433				
	Total Progress in %	100.00		2.92	1.67	4.59		Weighted Progress		5.05

4.2 Physical Progress

- The Final Tender Design Drawings of Civil works, Hydro-mechanical works and Geological works have been received from the consultant for the contract packages II and III (Surface and underground civil works). The notice for expression of Interest (EOI) has been published in the national daily newspaper “The Rising Nepal” for the shortlisting of the contractors on 29th September, 2014.
- Tender documents/ design drawings for electro-mechanical equipment have already been received and will be sent soon to the shortlisted manufacturer for best reasonable quotation without compromising the quality.

- The track opening along the headrace pipe alignment is being continued on the rocky area by breakers.
- The layout and center line pegging work of the penstock alignment from the valve house to the powerhouse has been completed.
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