

DORDI KHOLA HYDROPOWER PROJECT

LAMJUNG, NEPAL



PROGRESS REPORT

OCTOBER 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.

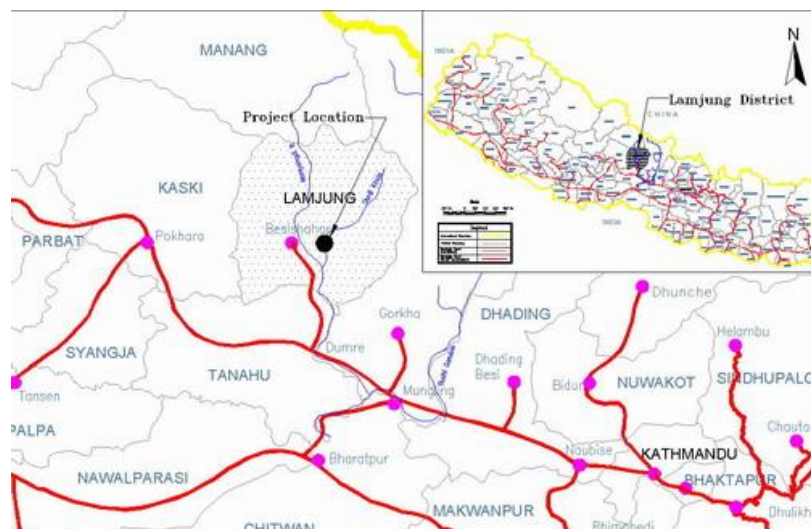
2 Project Development Milestones

- 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

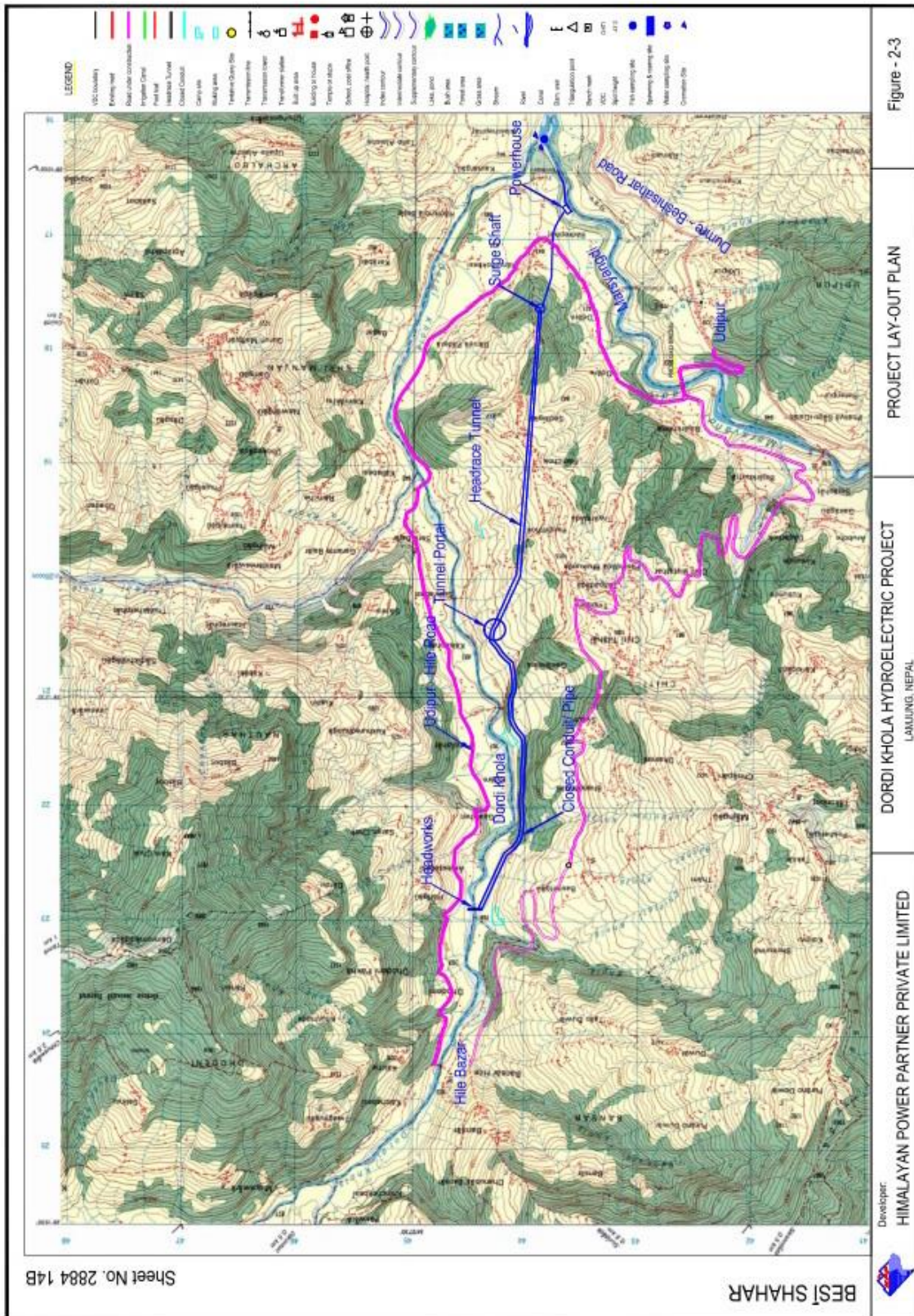


Figure - 2-3

PROJECT LAY-OUT PLAN

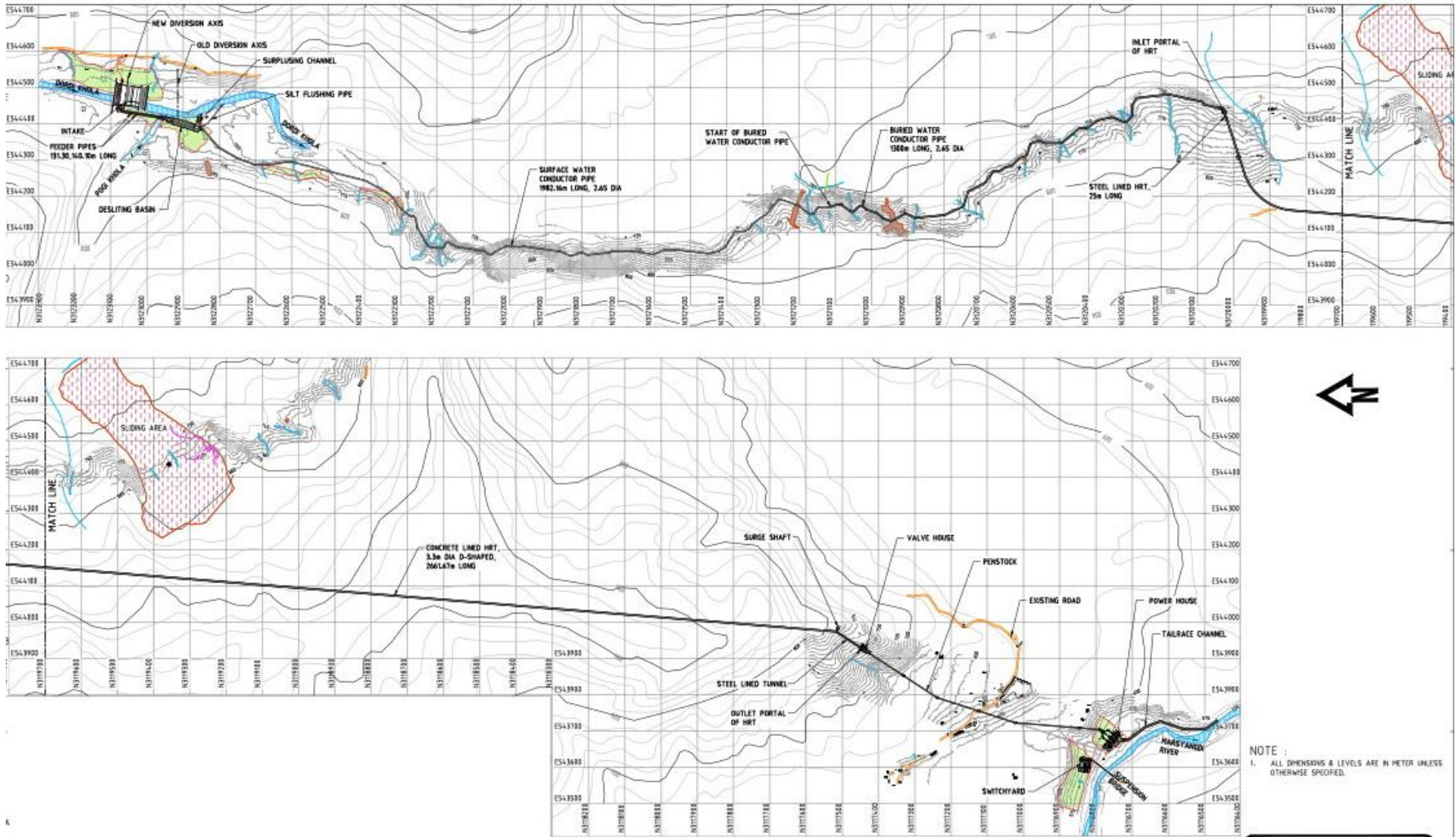
DORDI KHOLA HYDROELECTRIC PROJECT
LAMLUNG, NEPAL

Developer:
HIMALAYAN POWER PARTNER PRIVATE LIMITED



BEST SHAHAR

Sheet No. 2884 14B



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 October 30, 2014. The financial progress presented at the consortium meeting is extracted as shown in the following table.

Activity	Project Activity	Financial Progress (Nrs in 000)				% Progress
		Budget	Upto Ashadh, 2071	Shrawan To Ashwin	Till the Ashwin 31, 2071	
1	Project Development Cost/ Pre Construction Phase	102,979,852	102,976,415	-	102,976,415	100.00%
2	Preparatory Works/ Infrastructure Development Works	153,988,380	21,823,986	692,485	22,516,471	14.62%
3	Civil Works	1,627,632,346	-	-	-	0.00%
4	Hydro Mechanical Works	702,629,691	-	-	-	0.00%
5	Electro-Mechanical Works	736,337,250	-	-	-	0.00%
6	Transmission And Power Evacuation Works	74,125,712	-	-	-	0.00%
7	Land Acquisition & Environment	51,489,926	23,139,496	2,478,948	25,618,444	49.75%
8	Engineering, Administration & Management Cost	145,459,040	21,908,460	1,012,270	22,920,731	15.76%
9	IDC, Loan Management Fees & Bank Commissions	640,782,000	24,585,000	-	24,585,000	3.84%
	Total	4,235,424,197	194,433,357	4,183,703	198,617,061	4.69%
	Total Progress in %	100.00%	4.59%	0.10%	4.69%	

4.2 Physical Progress

- The construction works of package I that were stopped due to rainy season, now have been started to continue.
- The notice for expression of Interest (EOI)s submitted by the contractors are being evaluated for the packages II and III for shortlisting.
- Tender documents/ design drawings for electro-mechanical equipment have already been sent to the shortlisted manufacturing companies with the extended last date of submission of final proposal on 30th November, 2014.
- The track opening along the headrace pipe alignment is being continued on the rocky area by breakers.
- The negotiations are going on with the land owners and local community for the purchase of lands required along the penstock pipe alignment at Ramchowk Phant.