



# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

NEPRA Tower, Ataturk Avenue(East), G-5/1, Islamabad  
Ph: +92-51-9206500, Fax: +92-51-2600026  
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

### Registrar

No. NEPRA/R/DL/LAG-103/4046-49

March 18, 2015

Director  
Intergen (Private) Limited  
No. 64, Ground Floor,  
Beverly Centre, Blue Area,  
Islamabad.

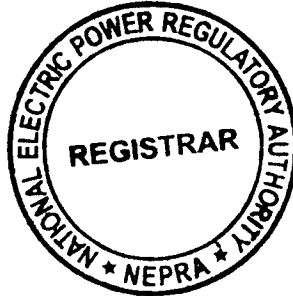
Subject: **Revocation of Generation Licence.**

You are hereby informed that an amount of Rs. 8,231,679/- had been pending against you on account of payment of Annual Licence Fee for the Fiscal Years FY 2007-08 to FY 2012-13.

2. In view of your persistent failure in depositing the above mentioned amount, the Authority has decided to impose a fine of Rs. 100,000/- (One Lac only). Further, the Authority has also decided initiating proceedings for revocation of Generation Licence No. IGSP/L/16/2008 dated January 01, 2008 in terms of Section 28 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 ("the NEPRA Act"), and Rule-8 of NEPRA Licensing (Generation) Rules, 2000.

3. The detailed decision/determination of the Authority pertaining to imposition of fine and for initiating proceedings for revocation of Generation Licence is being forwarded for your information and record.

**Encl:/As above**



  
(Syed Safer Hussain) 18/03/15

CC:-

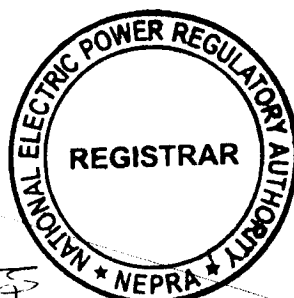
1. Ministry of Water and Power Government of Pakistan, 'A' Block, Pak. Secretariat, Islamabad.
2. Private Power Infrastructure Board (PPIB), 50-Nazimuddin Road, F-7/4 Islamabad
3. Chief Executive Officer, National Transmission and Dispatch Company (NTDC), 414 WAPDA House, Shahrah-e-Quaid-e-Azam, Lahore

**Determination of the Authority**  
**in the Matter of Show Cause Notice issued to Intergen (Private) Limited**  
**under NEPRA (Fines) Rules, 2002**

The Authority granted a Generation Licence No. IGSP/16/2008 dated January 01, 2008 to Intergen (Private) Limited (IPL) for its 165.285 MW HSFO based Thermal Power Plant, to be located near Lachi, District Kohat in the Province of NWFP (Now KPK).

2. In terms of the Article-5 of the above mentioned Generation Licence, IPL was made obligatory to pay the Annual Licence Fee ("the Fee") to the Authority as stipulated in National Electric Power Regulatory Authority (Fees) Rules, 2002 ("the Fees Rules"). As per record of this office, IPL did not pay Annual Licence Fee for the FY 2007-08 to FY 2012-13 which had accumulated to Rs. 8,231,679/- as on June 30, 2013. The Authority directed IPL through letters and reminders to deposit the required outstanding Annual Licence Fee. In response to the said, IPL through its letter dated July 09, 2008 stated that the project company has already paid the Licence Application Fee. Any further Fee payment is not warranted unless the legal utility of the Generation Licence, as described in the NEPRA Act, becomes effective. IPL requested that the Annual Licence Fee, stipulated in Part-II of NEPRA Fees & Fines Rules, 2002 is charged to the project company starting in the Financial Year during which construction on the project commences.

3. The Authority through its letter dated July 16, 2008 clarified that the above mentioned Generation Licence is valid from its date of issuance till June 29, 2036, including any pre-construction, construction and the commercial operation phases of the Power Plant. Furthermore, according to Rule-1 (Part-II) of NEPRA (Fees) Rules, 2002, the licence Fee for any of the licensed generation facility is to be paid on a recurring basis in respect of each Financial Year for the term of the Generation Licence. In view the above mentioned facts, it is reiterated that the applicable Fee should be deposited immediately without any further delay. Despite a series of letters/reminders and a notice served to IPL for depositing the outstanding Fee, no response was received. So, the matter remained unresolved.



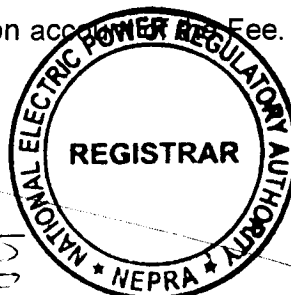
4. The Authority in its Regulatory Meeting held on November 13, 2012 considered the matter of default of payments of different Licensees including IPL. The Authority decided to initiate proceedings against all such Licensees for recovery of outstanding dues in terms of National Electric Power Regulatory Authority (Fines) Rules, 2002 ("the Fines Rules"). Accordingly, an explanation about the default of payments in terms of Rule-4 of the Fines Rules was issued to IPL on December 06, 2012 with a subsequent reminder on January 10, 2013. In addition to this, a notice was also published in the press on March 07, 2013. But no reply from IPL was received.

5. Due to persistent failure to respond, IPL was served a Show Cause Notice (SCN) on July 19, 2013. In response, IPL stated that the security situation in the project area (Lachi) (Southern KPK) is worsened severely and the project development process has suffered several set-backs. Therefore, the project has not achieved Financial close.

6. The Authority considered the reply of IPL in its Regulatory Meeting held on September 25, 2013 and decided giving it an opportunity of hearing in person. Accordingly, IPL was invited on December 18, 2013 to present its case. Later on IPL through its letter dated December 27, 2013 informed that a senior member of their team is on leave due to a personal emergency. IPL assured that they will respond immediately upon the return of their senior officer tentatively in first week of January 2014.

7. IPL in its letter dated January 27, 2014 reiterated its position taken in Para-6 above. IPL further emphasized that their project is in an economically backward area and is facing extreme security challenges. However, IPL is committed to pursue the project to the best of their ability and probably will achieve its Commercial Operation Date at the earliest.

8. Later on due to contrary stance of IPL in its reply, the Authority decided providing final opportunity to IPL to present its case by holding a hearing in the matter. The said hearing was conducted on December 23, 2014 in which the Authority considered the latest development and update and observed that despite granting a number of opportunities and time, IPL has failed to deposit the outstanding amount of Rs. 8,231,679/-. Therefore, in view of the persistent failure of IPL in clearing its arrears/dues, the Authority hereby imposes a fine of Rs. 100,000/- (Rupees One Lac only) on IPL in addition to Rs. 8,231,679/-, payable on account of late fee. The Authority further observed

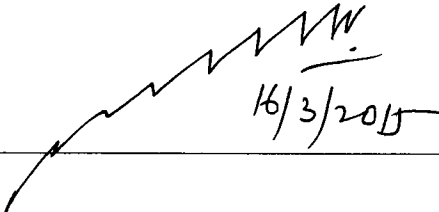


that under Rule-3 (5) of the Fees Rules, late payment charges calculated at the base rate plus two (02) per cent per annum prorated for the period of delay shall also be paid by IPL. Therefore, IPL shall deposit the amount of Fine and the outstanding Fee in designated bank of the Authority within a period of fifteen (15) days from the date of this determination and shall forward a copy of the paid instrument to the office of Registrar for information. The Authority also decides that if IPL fails to deposit the said dues, it shall initiate the proceedings for recovery of its outstanding dues under Section-41 of the Act as arrears of land revenue.

9. In view of the above, the Authority also decided to initiate proceedings for revocation of Generation Licence of IPL under Section-28 of the NEPRA Act read with Rule-8 of the NEPRA Licensing (Generation) Rules, 2000.

**Authority**

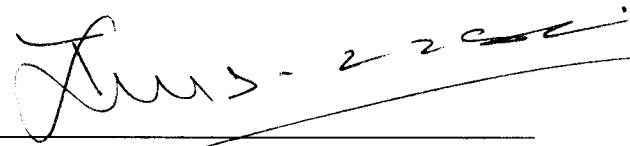
Habibullah Khilji  
Member/Vice Chairman

  
16/3/2015

Maj. Rtd. Haroon Rashid  
Member

  
17/3/15

Brig.(R) Tariq Saddozai  
Chairman

  
18-03-15

