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15 November 2010

Registrar
National Electric Power Regulatory Authority
OPF Building, G-5/2, Islamabad

Dear Sir,

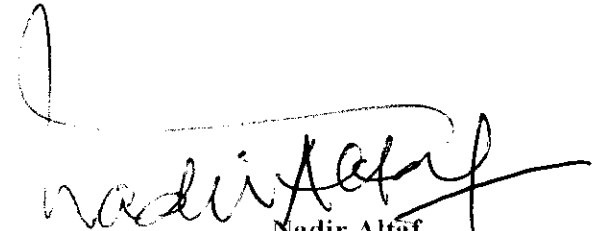
Review Petition against NEPRA Tariff (True Up) Determination dated 3 November 2010

Kindly accept the enclosed Review Petition on behalf of Engro Energy Limited (the "Petitioner") under Rule 16(6) of NEPRA (Tariff & Procedures) Rules, 1998 and all applicable provisions of other NEPRA laws, for the leave of the Learned Authority for the Petitioner's motion for review of the Authority's ruling dated 3 November 2010 received on 4 November 2010 (the "Impugned Tariff Ruling").

For n/a pt.

AD (MR)
+
PA

15/11


Nadir Altaf
Legal Counsel of
Engro Energy Limited

Registered
No. 9460
Date: 15-11-10

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**BEFORE
THE NATIONAL ELECTRIC POWER REGULATORY
AUTHORITY**

**Motion under Rule 16(6) of
NEPRA (Tariff & Procedures) Rules, 1998
Read with pertinent provisions of other NEPRA Laws**

**ON BEHALF OF
ENGRO ENERGY LIMITED**

**In Re
217.298 MW (Net) Gas-based Power Project
At Qadirpur, District Ghotki, Sindh**

Dated: 15 November 2010

Legal Counsel

Rizvi, Isa, Afridi & Angell
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Abbreviations used

BOO	Build, Own & Operate
COD	Commercial Operations Date
EPC	Equipment, Procurement & Construction
Implementation Agreement or the IA	The Implementation Agreement dated 29 October 2007 between the Petitioner and the Islamic Republic of Pakistan
Impugned Tariff Ruling	Authority's COD tariff ruling dated 3 November 2010 in relation to the Project
IRR	Internal Rate of Return
KIBOR	Karachi Inter Bank Offered Rate
Kw	Kilowatt
KWh	Kilowatt hour
LIBOR	London Inter Bank Offered Rate
MW	Megawatt
MWh	Megawatt hour
NEPRA/ Authority	National Electric Power Regulatory Authority
NEPRA Tariff Rules	NEPRA (Tariff & Procedure) Rules, 1998
NTDC/Power Purchaser	National Transmission and Dispatch Company Limited
O&M	Operation & Maintenance
Petitioner	Engro Energy Limited
PKR	Pakistani Rupee
PPA	Power Purchase Agreement dated 26 October 2007 entered into between NTDC and the Petitioner
PPIB	Private Power & Infrastructure Board
Project	217.298 MW (Net) Gas-based Power Project at Qadirpur, District Ghotki, Sindh
ROE	Return on Equity
ROEDC	Return on Equity during Construction
Tariff Determination	NEPRA's tariff determination dated 18 July 2007 as amended by another ruling dated 23 December 2009 in relation to the Project
Tariff True-up Petition	Petitioner's application for tariff true up dated 19 April 2010 together with the supporting documents and correspondence exchanged
USD	United States Dollar



MOTION FOR LEAVE FOR REVIEW

Engro Energy Limited (the "Petitioner") hereby applies under Rule 16(6) of NEPRA (Tariff & Procedures) Rules, 1998 and all applicable provisions of other NEPRA laws, for the leave of the Learned Authority for the Petitioner's motion for review of the Authority's ruling dated 3 November 2010 received on 4 November 2010 (the "Impugned Tariff Ruling").

PRELIMINARY SUBMISSIONS

Petitioner's unparalleled and unprecedented performance

1. Having successfully achieved COD three months ahead of time, the Petitioner filed a request for tariff true up on 19 April 2010 together with the documentary evidence submitted and correspondence exchanged in connection therewith (collectively, the "Tariff True-up Petition"). For brevity, the contents of the Tariff True-up Petition are incorporated herein and are to be read as an integral part hereof.
2. The Petitioner's initiative to convert the otherwise flared gas from Qadirpur Field into electricity and its unprecedented performance in terms of time and cost savings has been appreciated and acknowledged by all members of the Authority in an explicit manner, *albeit* without converting such appreciation into relief which the Petitioner was and is entitled to. A write-up on the Petitioner's performance and achievements together with certain comparisons with other projects is appended herewith as **Annex-A**.
3. Some examples of the Authority's appreciation are provided herein below:

Paragraph 2.1 of the Impugned Tariff Ruling:

"... The Authority is fully cognizant of EEL achievements including commissioning of the project with permeate gas as a primary fuel, commencing its commercial operations before the required commercial operations date and substantial cost savings made. The Authority highly appreciates these achievements"

[Emphasis added by the Petitioner.]

In one of the dissenting notes, Learned Member (Tariff), Mr Zafar Ali Khan, said as follows:

"... From the above mentioned COD adjustment mechanism given in the decision, it is clear that EPC cost is not subject to one time adjustment at COD and secondly it is only subject to adjustment on account of exchange rate under tariff components adjustments at COD.

The aforementioned principle is further endorsed by the Authority in its decision on COD adjustments dated October 07, 2010 that the determinations shall be complied with unless a glaring omission/flaw is observed that merits reconsideration of the Authority.



EEL did an excellent job by completing the much needed project by about three months ahead of its schedule with the lowest project cost and tariff as against other projects."

[Emphasis added by the Petitioner.]

Another Learned member, Mr Maqbool Ahmad Khawaja, at paragraph-6 of his dissenting note has stated the following:

"In my opinion, completion of project before schedule needs special consideration/ incentive to attract sponsors to make efforts to bring projects ahead of schedule which ultimately is in benefit of consumers as it helps reduction of load-shedding earlier".

[Emphasis added by the Petitioner.]

Non-consensual Ruling

4. The Impugned Tariff Ruling is the first in NEPRA's history where two members have so vehemently disagreed with the remaining three members of the Learned Authority.

GROUND FOR REVIEW

The grounds for the review of the Impugned Tariff Ruling are, *inter alia*, the following:

A. MATTERS RELATING TO EPC COST AND NON-EPC COSTS

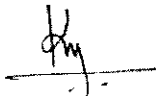
Tariff True-up – Limited Scope

1. As set out in the Original Tariff Determination and paragraph 1.2 of the Impugned Tariff Ruling, the scope of the tariff true up application was limited to the following components:

"1.2 According to the determination following types of adjustments were required to be made at the time of Commercial Operations Date (hereinafter "COD"):

One Time Adjustments at COD

- a) *Adjustments due to variation in net capacity*
- b) *Adjustment on account of custom duties & taxes*
- c) *Adjustment on account of actual interest during construction*
- d) *Adjustment on account of financing fees and charges including foreign loan registration stamp duty*
- e) *Adjustment on account of return on equity during construction*



Tariff Component Adjustments at COD

- a) Adjustment on account of LIBOR/KIBOR
- b) Adjustment on account of actual insurance
- c) Adjustment on account of exchange rate
- d) Adjustment on account of US CPI and WPI
- e) Adjustment on account of change in fuel price for fuel cost component of tariff."

2. **The Original Tariff Determination was a legally binding document**, and is also referred to as "applicable document" under the NEPRA laws. Based on the legality and binding nature of the Original Tariff Determination, (a) the lenders agreed to fund the Project and (b) the Petitioner obtained relevant approvals for equity investment from its board and shareholders.
3. To the Petitioner's great disappointment, the Authority unilaterally assailed the Original Tariff Determination and proceeded to determine the tariff afresh. The Authority exceeded the aforesaid scope of COD adjustments as mentioned in paragraph-1 above. The disregard to the sanctity attached to the Original Tariff Determination and the legally binding nature thereof is shocking, to say the least, and will open floodgates for disputes and create uncertainty in the market.
4. In all other projects that have received the COD true-up tariff so far (i.e. Atlas Power, Attock Gen. and Nishat Power) the Authority has kept the tariff true up scope **limited** to the matters mentioned in their tariff ruling. In the Petitioner's case, the scope has been enlarged in an arbitrary and capricious manner.
5. It is submitted that the above constitutes differential treatment which is against the letter and spirit of law and contravenes the Constitutional protections available i.e. the principles of natural justice, fairness, equality and procedural due process. The Impugned Tariff Ruling is therefore illegal and liable to be reviewed and reconsidered.

Two options

6. Without prejudice to our argument that the Original Tariff Determination was binding and could not be modified except as provided therein, the Authority had **only one** of the following two options while considering Petitioner's Tariff True-up Petition:
 - (a) The Authority could have treated the EPC Cost and the Non-EPC Cost as "non-openable items"¹ (as in the case of Atlas Power, Attock Gen and Nishat Power); OR

¹ Except the financing fee/charges and the insurance which are allowed subject to pre-determined 3% and 1.35% cap, respectively.



- (b) The Authority may have determined all costs afresh based on documentary evidence and the 'prudency test', as mentioned in Rule-17 of the NEPRA Tariff Rules.

Application of one of the Two Options & Legal Issues

7. It is submitted that the Authority was required to treat the EPC Costs and the Non-EPC Costs as 'non-openable'. Such approach would be consistent with:
- (a) the Original Tariff Determination;
 - (b) the Tariff True-up Petition; and
 - (c) the Authority's recent rulings in Atlas, Attock and Nishat Projects (where EPC Costs and Non-EPC Costs were essentially treated as "non-openable").
8. Having issued true-up tariffs to other projects on the basis of the option at 6(a) above, the Impugned Tariff Ruling is liable to be reviewed also for being against the doctrine of precedent.
9. Instead of selecting one of the aforesaid two options, and we submit the Authority was bound to have selected the option at 6(a) above, it has erred in applying the above two principles on piecemeal basis to the grave disadvantage of the Petitioner. The exercise of such arbitrary discretion has resulted in an unjust and illegal determination necessitating review and reconsideration.
10. Assuming without conceding that the Original Tariff Determination was 'provisional' and that the Authority had the right to determine the tariff afresh applying the 'prudency test', even the application of such test was selective and arbitrary. When the Authority conveniently disallowed the savings in the EPC Cost, it was required to allow all costs the Petitioner had demonstrated with supporting evidence to have been prudently incurred. **The Petitioner reserves the right to claim all costs incurred by it including those which were not claimed in the Tariff True-up Petition on the assumption that the Authority would treat all EPC Costs and Non-EPC Costs as "non-openable" i.e. adopt the methodology at 6(a) above.** An impression has been given in the Impugned Tariff Ruling that the Petitioner did not support its claim with full justifications and evidences - reference paragraphs 1.3 and 1.4 of the Impugned Tariff Ruling. The Petitioner denies this allegation and hereby confirms its willingness to provide all assistance and evidence that the Authority may require to come to a just conclusion. The evidence submitted prior to the issuance of the Impugned Tariff Ruling is appended herewith as **Annex-B** for the Authority's assistance. The Petitioner was not provided any opportunity to assist in relation to Project cost issues during the entire tariff true-up process spanning over six months; the Project cost was being termed as a closed item all along as the Petitioner had claimed the Project cost in accordance with the Original Tariff Determination despite incurring an overrun of US\$ 214,000. Apprehending reduction in EPC and or Non-EPC Costs by the Authority, the Petitioner on 13 October 2010 sought an appointment to provide assistance to the Authority but the Authority refused to



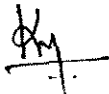
meet us even after calling the Petitioner's representatives to Islamabad. The Petitioner refers to its letter of 14 October 2010 in which it provided adequate justification and explanation for both EPC and Non-EPC Costs.

11. It is trite law that any judicial or quasi judicial body is not free to approbate and reprobate at the same time – this means “cherry picking” is not allowed. This legal principle comes from the maxim *quod approbo non reprobo* – that which one approves they cannot disapprove. **If the prudency test was to be applied, it must have been applied uniformly and consistently and across the entire Project cost rather than restricting its application to the EPC cost – even there it has been selectively applied.** Learned Member Mr. Maqbool Khawaja gave his considered and most appropriate opinion: ‘if Authority has to carry out adjustments on basis of actual expenditure incurred on EPC than the actual expenditure incurred as claimed by the Petitioner is US\$154.4 million. Reducing it by US\$2.903 million on the plea that exchange rate parity between RMB /US\$ has not been mentioned in ECC decision 65/5/2007 dated 23.5.2007, will be contrary to decision to allow EPC cost incurred on actual basis amount of which is \$154.4 million as verified by the Case Officer.
12. The discretion available to the Authority was required to be exercised in a fair, impartial, transparent, judicious and non-discriminatory manner and the Authority has violated such settled principles and its statutory mandate.
13. The Impugned Tariff Ruling flies in the face of the established legal principles and the jurisprudence evolved by the superior courts of Pakistan including the principles of estoppel, good faith and legitimate expectation.
14. The Authority ought to appreciate that in addition to other recourses available under law, the Petitioner may be constrained to claim “Change in Law” and or “Lapse of Consent” under the Implementation Agreement (IA) and seek recourse provided thereunder including compensation where such agreement is terminated in accordance with the provisions thereof.
15. It is respectfully submitted that the Federal Government's guidelines are binding to the extent they are in conformity and consonance with the NEPRA laws. The same are neither mandatory nor applicable if found in contravention. **Furthermore, the Authority was and is not constrained by the guidelines to allow a cost (a) which has been prudently incurred, and or (b) which the Authority considers just and equitable to allow.**

B. OTHER MATTERS

IRR/ROE > Zero Terminal Value of the Plant

1. The Petitioner would like to submit the following in relation to the Petitioner's ROE component.
2. The ROE component was calculated using zero terminal value in the Original Tariff Determination. The remarks of Member (Tariff) in relation to this



component of the tariff merit serious consideration in the interest of the power industry and indeed the consumers:

“Revision of earlier decision of the Authority, after passage of more than three years, will be a severe setback for the petitioner and will shake the confidence of all the stake holders participated in the tariff determination process of NEPRA and it would [sic] tantamount to increasing the regulatory risk.”

3. In addition to its submissions on merit, the Petitioner submits that the Authority has not complied with the applicable procedural law in relation to change in the IRR calculation.
4. The Petitioner obtained relevant approvals for equity investment and debt procurement based on the assurances and protections contained in a legally binding Original Tariff Determination. The Learned Member (Tariff) sums up the Petitioner’s position as follows:

“The original determination of July 18, 2007 constitutes the basis for financial closing, therefore, constitutes a vested right for the investors — of which they cannot legally now be deprived after a lapse of more than three years. I am afraid that when and if taken to some other forum by the investors, the Authority may be estopped from repudiating, to EEL's determinant [sic], a prime parameter of ROE determination which was a fundamental factor in the financial closing. The doctrine of estoppel prevents any party from denying at law its own representation, act or decision, to the determinant [sic] of another party — if that other party has relied upon it.

*...
Legal sanctity is attached to a tariff determination being a legal document and the tariff determination so given by the Authority is to remain in field until and unless it is reviewed or modified by the Authority itself or a judicial review thereof is made by a Court of competent jurisdiction. Hence, the adjustment, if any, should be confined only to the extent of original decision of the Authority and there is hardly an occasion for the Authority to change its earlier decision materially to the detriment of the project while giving the adjustments at COD.”*

5. Supporting the Petitioner’s position, the Learned member, Mr Maqbool Ahmad Khawaja, at paragraph-6 of his dissenting note, said that completion of the project before schedule needs special consideration/ incentive to attract sponsors to make efforts to bring projects ahead of schedule which ultimately is in benefit of consumers as it helps reduction of load-shedding earlier. This statement is very wise and is consistent with the Authority’s previous rulings.



6. For example, in re JDW Power (Private) Limited, the Authority through its tariff determination dated 2 April 2010 has allowed a special incentive/ return (reference paragraph numbered III of such determination) as follows:

“... additional incentive of 1% over IRR for those projects that will achieve COD before March 31, 2014”.

The Authority had made a similar decision earlier for wind power projects.

Accordingly, assuming without conceding that the Authority was empowered to reduce the Petitioner's return on equity owing to the BOO nature of its Project, the Petitioner was and is entitled to special incentive for the unparalleled performance and achieving the COD with one of the cheapest tariffs well ahead of time.

IRR/ROE > Compounding Request

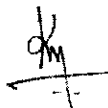
7. The Petitioner submits that paragraph-7.2 of the Impugned Tariff Ruling does not correctly state the factual position. The Petitioner had requested and is reiterating herein that pre-COD return should be compounded on monthly basis as it happens post-COD.
8. The Project lenders are given returns from the time they take exposure on the project including the construction period. Therefore there is no logical reason for equity investors to be dealt with differently. **All investment vehicles ensure returns for the period the capital is invested, for example NSS, TFCs, personal loans all ensure pro-rata returns for the investors/capital providers.**
9. Investors are not allowed to extract ROEDC to reinvest and maintain a consistent rate of return. Therefore, the returns should be allowed to be compounded monthly during construction phase, to maintain the assured IRR for the entire life of the concession starting from the financial closing or construction start. Furthermore, the Authority allows monthly returns on equity and debt during operations. Therefore equity returns during construction should also be on a monthly basis, otherwise there will be an inconsistency in practice which will impact investors' IRR.

Delay in Impugned Tariff Ruling > Petitioner's Loss

10. The delay in issuance of the Impugned Tariff Ruling has cost the Petitioner PKR 13.5 million in the form of delayed CPP. The Petitioner requests that this cost be allowed in the form of 'pass-through item' under the PPA.

Reduction in ROE/IRR

11. The consequence, in aggregate, of the Impugned Tariff Ruling is that the Petitioner's IRR has been reduced to mere 13% which is grave injustice to the most efficient sponsors in Pakistan's power industry. The Petitioner requests



that this anomaly may kindly be addressed. Learned Member (Tariff) has summed up the Petitioner's predicament as follows:

"4. In addition, with the aforementioned US \$ 8.335 reduction in EPC cost and disallowing cost over runs, the Internal Rate of Return (IRR) of EEL is reduced significantly below 15% allowed in case of other projects. It is paradoxical that the other projects which could not achieve COD at agreed date and were less efficient, more costly with high tariffs were given better IRR than EEL which is more efficient with a lower project cost and tariff."

[Emphasis added by the Petitioner.]

12. Learned Member Mr Maqbool Khawaja made identical comments as follows:

"5) IRR of 15% is allowed on thermal projects. Due to reduction in the overall project cost, debt / equity ratio and other factors, if it transpires that IRR has been substantially reduced below 15% than [sic] in my view it will not be fair specially with project sponsors of EEL who were able to complete project 3 months ahead of RCOD at substantially reduced cost, using their competent skills professionally on this project using Permeate gas which otherwise was going as waste."

[Emphasis added by the Petitioner.]

PRAYER

In light of the foregoing, it is respectfully prayed that the Impugned Tariff Ruling may be reviewed such that the tariff adjustments are made in terms of the Tariff True-up Petition. Any other relief that the Petitioner may be entitled to, be allowed in the interest of justice.

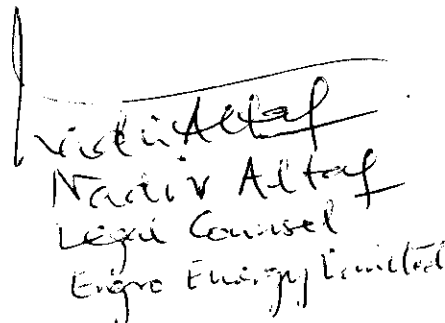
The Petitioner reserves the right to take additional grounds at the time of hearing.

Respectfully submitted on behalf of the Petitioner.



Khalid Mansoor
Chief Executive Officer
Engro Energy Limited

Dated: 15 November 2010



Nadeem Altaf
Legal Counsel
Engro Energy Limited

VAKALATNAMA

BEFORE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

ENGRO ENERGY LIMITED

Review Petition No. _____

FIXED FOR _____

RIZVI, ISA, AFRIDI & ANGELL

Advocates & Corporate Counsellors
191-A Cavalary Ground, Lahore

I/we, the undersigned, do hereby nominate and appoint to be counsel in the above matter for me/us and on my/our behalf to appear, plead, act and answer in the above Court or any appellate court or any court to which the business is transferred in the above matter and to sign and file petitions, appeals, statements, accounts, exhibits, compromises or other documents whatsoever, in connection with the said matter or any matter arising therefrom and also to apply for and receive all documents or copies of documents, depositions etc. and to apply for and issue summons and other writs and to apply for and get issued any arrest attachment or other executions, warrants or order and to conduct any proceedings that may arise thereout and to apply for and receive payment of any or all sums; or submit the above matter to arbitration, or withdraw the above-titled matter, and to employ any other legal practitioner authorizing him to exercise the power and authorities hereby conferred. Any other lawyer may be appointed by my said counsel(s) to conduct the case who shall have the same powers as herein conferred.

AND to do all acts, legally necessary to manage and conduct the said case in all respects, whether herein specified or not, as may be proper and expedient.

AND I/we, hereby agree to ratify and confirm all lawful acts done on my/our behalf under or by virtue of these powers or as is the usual practice in such matters.

PROVIDED always, that I/we undertake at time of calling of the case by the court I/my authorized agent shall inform the Advocate and make him appear in the court. If the case may be dismissed in default, if it be proceeded ex-parte the said counsel(s) shall not be held responsible for the same. All costs awarded in favour shall be the right of the counsel or his nominee, and if awarded against shall be payable by me/us.

IN WITNESS WHEREOF I/we, have hereto signed at Lahore on this 13 day of November 2010.
Accepted subject to the term regarding fee.



EXECUTANT(S)



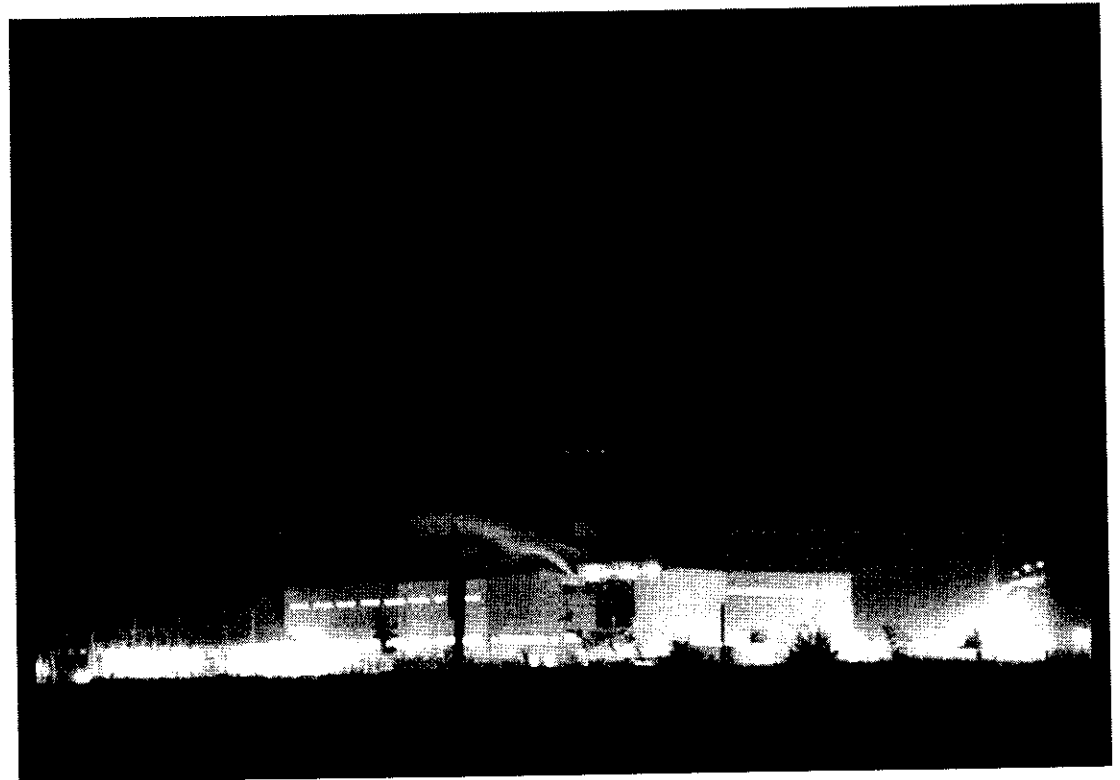
HASNAIN NAQVEE
Advocate High Court



NADIR ALTAF
Advocate High Court

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<i>Project Cost (US\$ K)</i>	<i>Determination</i>	<i>Submitted</i>	<i>Difference</i>
Project Cost – Contractor’s Scope	160,335	154,413	5,921
Project Cost - Owner’s Scope			
Colony	3,500	5,183	(1,683)
Project Development	6,194	5,821	373
Insurance During Construction	2,502	2,345	157
Construction Management including security	6,183	10,564	(4,381)
Financing Fees	2,504	3,098	(594)
Subtotal	20,883	27,011	(6,128)
Total Project Cost- Non Pass-through items	181,218	181,425	(207)
Pass-through items			
Duties and Taxes	6,797	7,668	(871)
Loan Registration	1,670	0	1,670
IDC	14,983	7,430	7,553
Subtotal	23,450	15,098	8,352
Total Project Cost (including non pass-through and pass-through items)	204,668	196,523	8,145
Interest Income Adjustment		(1,456)	
Non Pass through adjustment and IDC/lenders tax		(214)	
Final Project Cost being claimed	204,668	194,853	9,815

- EPC cost must be non pass through as per the tariff determination and the savings in EPC cost (Contractor’s scope) have been used to offset the overruns in non EPC cost (Owner’s scope) which were due to unforeseen reasons such as security and escalation in materials prices etc

<i>IPPs</i>	<i>Capacity (MW)</i>	<i>Project Cost approved in Tariff determination (US\$ M)</i>	<i>Project Cost approved in Tariff True up (US\$ M)</i>	<i>M USD/MW</i>
<i>EEL</i>	<i>217</i>	<i>205</i>	<i>195(submitted)</i>	<i>0.90</i>
<i>Attock Gen</i>	<i>165</i>	<i>111</i>	<i>155</i>	<i>0.93</i>
<i>Nishat Power</i>	<i>195</i>	<i>204</i>	<i>229</i>	<i>1.17</i>
<i>Atlas Power</i>	<i>214</i>	<i>224</i>	<i>254</i>	<i>1.19</i>

- This is an exceptional performance considering Engro Energy (EEL) is a combined-cycle project, which has a larger scope and is more capital intensive, while the others are based on RFO-based reciprocating engines
- EEL is a unique project, fueled by otherwise flared permeate gas and yet has one of the lowest tariffs
- EEL was able to offer low tariff because of the lower project cost, managed by well negotiated EPC and the only project on foreign financing which kept the project cost within allowed limits despite depreciating PKR, sensitive law and order situations escalating expat security expenses significantly

Shortest Timeline to COD

- EEL's construction period of 29 months has been shortest and 3 months ahead of RCOD, compared to the rest of the comparable IPPs (of similar technology) coming up under 2002 power policy as shown below :

<i>IPPs</i>	<i>Construction period (Months)</i>
<i>Orient</i>	<i>41</i>
<i>Sapphire</i>	<i>39⁽¹⁾</i>
<i>Fauji</i>	<i>38⁽¹⁾</i>
<i>Halmore</i>	<i>35⁽¹⁾</i>
<i>Saif</i>	<i>31</i>
<i>Uch</i>	<i>30⁽²⁾</i>
<i>EEL</i>	<i>29</i>

(1) Estimated construction period (2) Allowed by NEPRA

- Further more, lenders required up-front equity injection, before Financial Close, a condition EEL had to comply with, taking a risk with its own equity, and not allowing the Project cost to escalate and timeline to be delayed

All amounts in US\$ M

IPPs	Categories	EPC cost at Tariff Determination	EPC cost sought by IPP	EPC cost approved by NEPRA	Reason
NPL	EP	150	162	162	The increase of US\$ 12 million allowed by NEPRA was due to the change in Euro/US\$ parity which increased from 1.28 to 1.3779
	C	19	19	19	Local component -no FX parity allowed
	Total	170	181	181	
Atlas	EP	170	187	187	US\$ 1.7 million allowed due to NTDC interconnection change from 132 kv to 220 kv. US\$ 15.3 allowed due to Euro/US\$ parity (1.28 to 1.396)
	C	20	20	20	Local component -no FX parity allowed
	Total	190	207	207	
Attock	EP	81	104	104	Entire amount allowed due to Euro /US\$ parity increase
	C	13	18	18	Entire amount allowed due to Euro /US\$ parity increase
	Total	95	122	122	
EEL	EPC	160.335	160.335	152.00	The only IPP not to demand increase in EPC cost on true up

All amounts in US\$ M

Categories	Non EPC cost approved in Tariff Determination	Non EPC cost sought by NPL	Non EPC cost approved by NEPRA	Explanation
Emergency Spare part	2.26	2.37	2.26	Treated as non pass through
Mobilization Cost	1.82	2.33	1.82	Treated as non pass through
Land purchase & fee	2.03	1.32	2.03	Treated as non pass through although savings made by IPP
Non EPC construction	0.75	1.04	0.75	Treated as non pass through
Project Development Cost	1.70	1.55	1.70	Treated as non pass through although savings made by IPP
Admin & utilities	0.70	0.90	0.70	Treated as non pass through
Piling	0.00	1.24	0.00	Not allowed
Insurance during Construction	2.29	2.45	2.29	Treated as non pass through
Financing Fee Charges	3.90	3.53	3.53	Treated as a pass-through by NEPRA. Not allowed in case of EEL in which there was overrun of US\$ 0.6 M in financing fee which was considered as non pass through
Total	15.43	16.72	15.06	

Atlas - Non EPC cost excluding IDC and duties & taxes



All amounts in US\$ M

Categories	Non EPC cost approved in Tariff Determination	Non EPC cost sought by APL	Non EPC cost approved by NEPRA	Explanation
Emergency Spare part	2.55	2.55	2.55	Treated as non pass through
Mobilization Cost	1.93	1.93	1.93	Treated as non pass through
Land purchase & fee	1.73	1.73	1.73	Treated as non pass through
Project Development Cost	1.77	1.77	1.77	Treated as non pass through
Insurance during Construction	2.57	3.08	2.80	Treated as a pass-through
Non EPC construction	1.00	1.00	1.00	Treated as non pass through
Financing Fee Charges	3.85	4.55	4.55	Treated as a pass-through by NEPRA. Not allowed in case of EEL in which there was overrun of US\$ 0.6 M in financing fee which was considered as non pass through
Total	15.40	16.61	16.33	