



Faisalabad Electric Supply Company Limited

Tel # 041-9220576
Tel # 041-9220229/153
Fax # 041-9220233
No. 127 /CSD

OFFICE OF THE
CHIEF EXECUTIVE OFFICER
FESCO FAISALABAD
Dated: - 17-2-2011

- ✓ The Registrar, NEPRA,
2nd Floor, OPF Building,
G-5/2, Islamabad.

For n/a pl.
-TA - Ad(R)
19/8

Subject: POWER PROCUREMENT REQUEST FROM SITARA ENERGY LIMITED UNDER NEPRA'S INTERIM POWER PROCUREMENT REGULATION-2005.

Ref: S.R.O 265(I)/2005 Notification dated 16.03.2005.

FESCO is purchasing 25±5MW HFO Based power from M/S Sitara Energy Ltd. FESCO intends to renew the power purchase agreement with Sitara Energy Ltd and hereby request for acquisition of power under IPPR-2005(interim power procurement regulation-2005) to regularize the power purchase as per NEPRA rule.

The information as per part-II of Power acquisition permission clause-3(3) is as under please:

- The firm's capacity is 48MW.
- Type of fuel is HFO.
- FESCO is already purchasing power from M/S Sitara Energy Limited as per agreement going to expire on 07.09.2011. FESCO intend to regularize the power purchase as per NEPRA rule before renewal of agreement.
- The FESCO demand of 25±5MW will be met through proposed procurement of power. The interconnectivity setup of 11KV Voltage will be sole discretion and responsibility of the power purchaser at its own cost and risk. Cost of synchronization arrangement will be born by the power producer.

19-08-11

2. Information as per Clause-3(4) of PPR-2005 is attached on the forms under Schedule -1

3. Copy of proposed agreement between FESCO and M/S Sitara Energy Limited (FESCO approved sample PPA on HFO based power) as per clause-5(1) (power acquisition contract) is attached.

4. Tariff

The Tariff was introduced by CPPA as per NEPRA memo No: NEPRA/R/LAG-60/7320 dated 28.04.2008 in which NEPRA allowed DISCOs to directly purchase power less than 50MW from captive Power producers CPPs on mutually agreed Tariff with fixed cost component at Rs. 1.53/Kwh and reference fuel cost component at Rs. 5.41/Kwh. The fuel cost component is considered as pass through item and it is being adjusted in RFO price during the billing cycle according to the formula:



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$$\text{FCC rev} = \text{RFO rev} / \text{RFOref} * \text{Rs. 5.41}$$

Where

FCC rev= Fuel Cost Component applicable for the billing cycle.

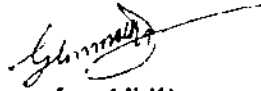
RFO rev= Revised RFO delivered price per Metric Ton. Excluding general sales tax applicable for the billing cycle as notified by PSO from Zulqar Oil Terminal to the Company by road.

RFOref= Reference Fuel Price of Rs. 22096 per Metric Ton.

5. FESCO is of the view that Tariff determination is the prerogative of NEPRA in this case, however if NEPRA has no objection on the Tariff, approved by CPPA for captive Power Producers (CPPs) as mentioned above, FESCO can adopt and own the Tariff.

FESCO will appreciate if permission for power acquisition is allowed alongwith endorsement of Tariff adopted by CPPA/DISCOs or Tariff determination be made by NEPRA as the case may be.

DA as above:


Ghazanfar Ali Khan

Chief Commercial Officer
FESCO Faisalabad.

C.C TO:

- PA to CEO FESCO Faisalabad.
- CE (F&D) FESCO Faisalabad.
- Finance Director FESCO Faisalabad.
- Manager (CS) FESCO Faisalabad.

For information please.

**MAXIMUM MDI RECORDED FOR THE PERIOD FROM 07-2010 TO 05-2011 IN RESPECT OF
GSO CIRCLE FESCO FAISALABAD**

1 CDPs BETWEEN NTDC & FESCO

NAME OF GRID STATION	CDPs Code	P/TF	KW	
			Import	Export
220 KV NISHATABAD	070081	T-1(60/63.5)MVA	60,090	56,790
	070082	T-2(60/63.5)MVA	58,460	52,240
	070083	T-3(60/63.5)MVA	59,460	55,290
	070084	T-4(60/63.5)MVA	58,770	55,000
	070085	T-5 (100)MVA	138,450	0
220 KV JARANWALA ROAD	042081	T-1(160)MVA	141,120	6,560
	042082	T-2(160)MVA	123,750	60,430
	042083	T-3(160)MVA	143,000	0
220 KV SAMUNDRI ROAD	079081	T-1(160)MVA	149,900	0
	079082	T-2(160)MVA	140,700	200
	079083	T-3(160)MVA	146,250	0
220 KV DAUD KHEL MIANWALI	045881	T-1(160)MVA	155,900	26,600
	045882	T-2(160)MVA	149,300	26,300
	045883	New CNPP	173,100	0
220 KV LUDEWALA	087381	T-1(160)MVA	144,300	53,300
	087382	T-2(160)MVA	143,600	53,130
	087383	T-3 (160) MVA	162,500	63,100
132 KV NISHATABAD NEW	085381	11kv FEEDER 500 KV GATTI	0	0
NTDC GRIDS	99381	Auxiliary	0	0
Total			2,148,650	508,940

2 CDPs BETWEEN GENCO & FESCO

NAME OF POWER HOUSE	CDPs Code	T/Line	KW	
			Import	Export
SPS FAISALABAD	099081	132 KV Nishatabad -I	39,090	160
	099082	132 KV Nishatabad -II	41,800	150
GTSPS FAISALABAD	099181	132 KV Nishatabad (NBD-1)	93,924	37,574
	099182	132 KV Nishatabad (NBD-II)	98,524	72,824
	099183	132 KV Jaranwala Road (JDL-I)	74,724	0
	099184	132 KV Old Thermal (JDL-II)	35,674	2,650
CHASHMA HYDEL	070481	132 KV WAN Bachran L-1	53,000	9,000
	070482	132 KV WAN Bachran L-2	52,000	9,000
	070483	132 KV Left Bank Chashma L-3	0	0
	070484	132 KV Left Bank Chashma L-4	82,400	1,000
Total			571,136	132,358

3. CDPs BETWEEN FESCO AND MEPCO

NAME OF GRID STATION	CDPs Code	Circuit	KW	
			Import	Export
132 KV Grid station Tandlianwala	045981	132 KV Tandlianwala-Sahiwal	71,710	740
66 KV Grid station Mankera	032281	66 KV Mankera- Chowbara	6,088	706
66 KV Grid Station A.P Sial	022781	66 KV A.P Sial- Kot Addu	20,000	5,000
132 KV Grid station chowk Azam	073081	132 KV Chowk Azam- Bhakkar	0	0
132 KV Grid station Kabirwala	008781	132 KV Kabirwala- Shorkot City	0	0
132 KV Grid station Chichawatni	002781	132 KV Chichawatni- Muridwala	66,300	0
132 KV Grid station Chichawatni	002782	132 KV Chichawatni- Kamalia	44,100	0
132 KV Grid station Chichawatni	002791	66 KV Chichawatni- T.T Singh	0	0
66 KV Grid station Chowbara	002981	66 KV Chowbara- G.M Raja	0	0
220 KV Grid Station Jaranwala Road	042084	132KV Grid Station Jaranwala Road - Sahiwal	0	98,650
Total			208,198	128,096

4. CDPs BETWEEN FESCO AND LESCO

NAME OF GRID STATION	CDPs Code	Circuit	KW	
			Import	Export
132 KV Grid station Jaranwala	007381	132 KV Jaranwala-Bucheki	168,168	58,204
132 KV Grid station Bucheki	001981	132 KV Bucheki- Nishatabad	74,300	60,274
132 KV Grid station Shahkot	019291	132 KV Shahkot-Bandala	96,850	60,500
220 KV Grid station Nishatabad	070086	66 KV Nishatabad-Sangla Hill-I	0	24,810
	070087	66 KV Nishatabad-Sangla Hill-II	0	23,750
132 KV Shah Kot	019281	11 KV Mima Cotton Mill	0	0
	019282	11 KV Ibrahim Textile Mill	0	0
	019283	11 KV Bilal Textile Mill	0	0
	019284	11 KV Kohistan Textile Mill	0	0
	019285	11 KV Mari Textile Mill	0	0
	019286	11 KV Rafi Textile Mill	0	0
Total			339,318	227,538

5. CDPs BETWEEN FESCO AND IESCO

Location	CDPs Code	Circuit	KW	
Name of Grid Station			Import	Export
132-KV Grid Station Head Faqirian	058581	132 KV H.FAQIRIAN - DANDOOT	0	7,770
132-KV Grid Station Mianwali	013481	66 KV MIANWALI.- D.S. BLAWAL	6,054	11,633
66-KV Danda Shah Bhalwal	025981	11 KV SCACER	0	0
66-KV Noor Pur Sethi	059781	11 KV PADRAR	0	0
TOTAL			6,054	19,403

6. CDPs BETWEEN FESCO AND PESCO

Location	CDPs Code	Circuit	KW	
Name of Grid Station			Import	Export
132-KV Grid Station Daud Khel	045891	66 KV Daud Khel -Taja Zai	0	22,180
220-KV Grid Station Daud Khel (MARI)	045892	132 KV Mari- Kohat-1	0	84,740
	099581	132 KV Mari- Kohat-2	0	81,500
132-KV L.B Chashma	074481	11 KV Bilot	0	0
TOTAL			0	188,420

7. CDPs BETWEEN FESCO AND GEPCC

Location Name of Grid Station	CDPs Code	Circuit	KW	
			Import	Export
132-KV Grid Station Khutiala Sheikhan	008581	132 KV Bhalwal -K. Sheikhan	60,710	38,630
132-KV Grid Station Mandi Bahauddin	031881	132 KV H.FAQIRIAN - M. Baha-ud-din	40,620	73,990
66 KV Grid Station Malik Wal	032181	66 KV Malikwal - H.Faqirian	11,670	21,170
132-KV G/S Head Faqirian	058582	11-KV Daffar	0	0
	058583	11-KV Bar Musa	0	0
	058584	11-KV Sanda	0	0
	058585	11-KV Mona	0	0
66 KV Grid Station Bhabra	058586	11-KV Jassowal	0	0
	058587	11-KV Bherowal	0	0
TOTAL			113,000	133,790

8. CDPs BETWEEN FESCO AND SPP

Location Name of Grid Station	CDPs Code	Circuit	KW	
			Import	Export
Sitara Energy	099681	FESCO -1 TO FESCO -6	0	0
Crestex Power House	099781	CTM-2	0	0
Kohinoor Power	099481	PC-1, PC-2, Rafhan, Susan Road	0	0
Shakar Ganj Power House		Glaxy & Ujala	0	0
Nishat Power House		Rehinatabad	0	0
Techno E Power (PVT) Ltd		LINE NO. 1	0	0
		LINE NO. 2	0	0
TOTAL			0	0

9. CDPs BETWEEN FESCO AND IPP

Liberty Power Tech Limited	LINE NO. 1	50,616	0
	LINE NO. 2	50,472	0
	LINE NO. 3	50,443	0
	LINE NO. 4	48,772	0
TOTAL		200,303	0

DISCO- WISE PEAK DEMAND AND DEMAND AT INTER CONNECTION POINT (MW)

Description		FESCO
System Demand (Peak) 2006-2007	Demand at Inter Connection Points	1686
	Load shedding	313
	Peak Demand	1999
System Demand (Peak) 2007-2008	Demand at Inter Connection Points	1652
	Load shedding	551
	Peak Demand	2203
System Demand (Peak) 2008-2009	Demand at Inter Connection Points	1437
	Load shedding	828
	Peak Demand	2265
System Demand (Peak) 2009-2010	Demand at Inter Connection Points	1442
	Load shedding	856
	Peak Demand	2298
System Demand (Peak) 2010-2011 (upto 14 June 2011)	Demand at Inter Connection Points	1434
	Load shedding	1028
	Peak Demand	2462

NOTE:- Load Shedding (MW) Figures Constitute of "Schedule Load Management + Forced Sheddin"

INFORMATION ABOUT GENERATION CAPACITY UNDER PROPOSED PROCUREMENT REQUEST

Description	Generator 1	Generator 2	Generator 3	Generator 4	Generator 5	Generator 6	Generator 7	Generator 8
Capacity MW	5.96	5.96	5.96	5.96	5.96	5.96	5.96	5.96
Technology	Niigata 18V-32CLX	Niigata 18V-32CLX	Niigata 18V-32CLX	Niigata 18V-32CLX	Niigata 18V-32CLX	Niigata 18V-32CLX	Niigata 18V-32CLX	Niigata 18V-32CLX
Fuel	HFO	HFO	HFO	HFO	HFO	HFO	HFO	HFO
Weather forms part of least cost plan	No							
Availability of power/energy	25+5MW							
Year of Commissioning	1995	1995	1995	1995	1995	1995	1995	1995
Location	33-KM Sheikhupura Road, FSD							
Proposed Grid for interconnection	132KV Bandala							
Approximate Distance	G/Station Fsd,2KM							
Augmentation required in Grid	No							
Augmentation required in transmission network	No							
Estimated costs of augmentation required in the transmission network	N.A							
Steps taken or required for transmission augmentation	N.A							
Any other information	N.A							

Summarize: Total capacity proposed to be procured over the period (MW).

Year 1: 25+5MW

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- Diesel Engine.
- Indigenous fuel HFO.
- Power Procurement would be an economic one and would not adversely affect the transfer price/power purchase of FESCO.
- Voltage level 132KV; capacity: (i) 1x20/26MVA
(ii) 2X10/13MVA

Name of Grid: 132 KV, Bandala Grid Station Sheikhupura Road
FSD.

Not applicable.

Form II

Power is to be dispersed through 11KV Circuits synchronized with 11KV Bus bar of Grid station therefore demand and generation on 500KV and 220KV Transmission line, due to power generation of 25₊₅ MW will not be affected. Hence information required is not applicable in this power acquisition request.

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POWER PURCHASE AGREEMENT

This Power Purchase Agreement is made and entered into as of [day] [month] [year] at [name of city] [name of province], Pakistan in pursuance of Notification No. [-], dated [day] [month] [year]

BETWEEN

- 1) [name of distribution company], a public limited Company established under the laws of Pakistan, with its principal office at [address] and its successors and assigns of the one part, hereinafter called "Power purchaser".

AND

- 2) [name of Generation Facility], a private limited Company incorporated under the laws of Pakistan, with its principal office at [address], and its permitted successors and permitted assigns of the other part, hereinafter called "Company".

Both the Power Purchaser and the Company shall hereinafter also be referred to individually as "the Party" and collectively as "the Parties".

WHEREAS the Company will sell and the Power Purchaser will purchase from the Company electrical energy on the terms and conditions set here-in-forth, pursuant to Generation Licence issued by NEPRA. Provided, however, if the Company has not obtained Generation Licence from NEPRA, it can sell electrical energy to the Power Purchaser from the date of filing an application to NEPRA for grant of Generation Licence.

NOW THEREFORE, in consideration of the mutual benefits to be derived and the representations, warranties, conditions and premises herein contained, and intending to be legally bound, the Company and the Power Purchaser hereby agree as follows:-

Wherever the following capitalized terms appear in this Agreement, they shall have the meanings stated below:

"Back-Up Metering System" – All meters and metering devices to be procured, installed and tested by the Power Purchaser. The accuracy class of meters shall be 0.5.

"Billing Cycle" – (i) The period Starting from 12.00 hours of first day of each month up to 12.00 hours of sixteenth day of each month and (ii) The period starting from 12.00 hours of sixteenth day of each month up to 12.00 hours of first day of the following month.

"Company" - [name of Generation Facility], a private limited Company incorporated under the laws of Pakistan, with its principal office at [address] and its permitted successors and permitted assigns

"Fixed Cost Component" – The tariff component payable @ Rupees 1.53 per kWh delivered, by the Company which includes but not limited to O&M cost, tax on income of the Company, insurance cost, return on investment, duties, etc. This component will remain fixed till any further revision by CPPA/PEPCO and at par with Fixed Cost Component allowable to other Generation Facility (s), already supplying power to distribution companies through bilateral contracts.

"Fuel Cost Component" – The tariff component payable @ Pak Rupees 5.41 per kWh delivered by the Company based on the Specific Fuel Consumption and at the Reference Fuel Price and as adjusted from time to time for fuel price movements only.

"FCC" – Stands for Fuel Cost Component.

"Generation Facility" – Means the Generation Facility or part thereof, located on site having installed capacity up to [] MW operated on RFO and earmarked to deliver electrical energy to the Power Purchaser under this Agreement.

"Generation Licence" – The permission granted by NEPRA to the Company for generation and supply of electricity to [name of distribution company].

"Interconnection Point" – The physical point(s) where the Generation Facility and the 11kV system of the Power Purchaser is connected i.e. at the respective outgoing 11kV feeder breaker of the Generation Facility at which the transfer of the net electrical output occurs through;

- a) Independent radial feeder(s) isolated from any other 11kV system of the Generation Facility;
- Or
- b) Synchronization of 11kV of the Generation Facility with the 11kV system of the [name of distribution company], but isolated from any other 11kV system of the Generation Facility; .

"Metering Point" – The 11kV outgoing breaker panel/metering panel installed in the control room of the Generation Facility.

"Metering System" – All existing meters and metering devices available at the Metering Point of the Generation Facility of the Company shall be used for recording of electrical energy to be supplied to Power Purchaser. The accuracy class of meters shall be 0.5. The Power Purchaser may check/recalibrate the Metering System at appropriate intervals, at its own cost.

"NEPRA" – The National Electric Power Regulatory Authority established by the Regulation, Transmission and Distribution of Electric Power Act 1997 (XL of 1997), and any successor or substitute regulatory agency with authority and jurisdiction over the electricity sector in Pakistan

"PSO" – Means Pakistan State Oil Company.

"Power Purchaser" – [name of distribution company], a public limited Company established under the laws of Pakistan, with its principal office at [address] and its successors and assigns.

"Prudent Electrical Practices" – The use of equipment, practices or methods, as required to comply with applicable industry codes, standards, and regulations in Pakistan (i) to protect the grid system, employees, agents, and customers from mal-functions occurring at the Generation Facility, and (ii) to protect the Generation Facility and the Company's employees and agents at the Generation Facility from mal-functions occurring on the grid system. Prudent Electrical Practices are not limited to optimum practices, methods or acts to the exclusion of all other,

but rather are a spectrum of possible practices, methods and acts which could have been expected to accomplish the desired result at reasonable cost consistent with reliability and safety.

"Prudent Utility Practices" – Those practices, methods and procedures conforming to safety and legal requirements which are attained by exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced generator of electricity engaged in the same or a similar type of undertaking or activity under the same or similar circumstances and conditions to those pertaining in Pakistan and satisfying the health, safety and environmental standards of reputable international electric generation companies. Prudent Utility Practices are not limited to optimum practices, methods or acts to the exclusion of all others, but rather are a spectrum of possible practices, methods and acts which could have been expected to accomplish the desired result at reasonable cost consistent with reliability and safety.

"Reference Fuel Price" – The delivered price of RFO at the Generation Facility as on 15.07.2006 which is Rs 22,096 per Metric Ton, excluding general sales tax (GST)

"Reference Price" – The Reference Price for the purpose of this agreement is Pak Rupees 6.94 per kWh delivered, on 11kV, which consists of Fuel Cost Component based upon Reference Fuel Price & Specific Fuel Consumption of Rs 5.40/kWh and Fixed Cost Component of Pak Rupees 1.53/kWh delivered, excluding general sales tax (GST). Fuel Cost Component is adjustable from time to time as per formula given in clause 'h' of the agreement.

"Specific Fuel Consumption" – The fuel consumption fixed at 245 grams per Kilowatt hour during the Term of the Agreement.

"Take-and-Pay Basis" – Means the basis on which Power Purchaser will pay to the Company, the Fuel Cost Component and the Fixed Cost Component against the delivered kWh only.

The Parties further agree that:

- a) The term of this agreement is [] years, from the signing of the agreement which can be extended by mutual consent of the Parties.



- b) That the Company assures and undertakes that it shall not supply electrical power produced on fuel other than that agreed between the Parties. If, at any time, the Power Purchaser finds that a violation of this clause – whether wholly or partially – has taken place, the Power Purchaser shall issue a written notice to this effect to the Company, and shall have the right to immediately disconnect the supply of electric power from the Company and withhold any monies which may be due to the Company from the Power Purchaser. The Parties, by mutual consent, shall constitute an inquiry committee for the purpose of determining whether or not such a violation – wholly or partially – has occurred. The committee shall consist of a retired Judge of the High Court/Supreme Court of Pakistan, a reputable independent Chartered Accountant / Cost and Management Accountant and a reputable independent Electrical / Mechanical Engineer, and in this regard the Parties shall propose two names for each category. The remuneration of the members of the committee shall be borne by the Parties equally. The committee shall be constituted within fifteen (15) working days from the date of issuance of said notice and shall give its finding within fifteen (15) working days to the Parties, with a copy sent to the Managing Director of Pakistan Electrical Power Company (PEPCO). The finding of the committee shall be final and binding upon the Parties. If the finding is in the affirmative, the Power Purchase shall have the right to terminate the Agreement immediately.
- c) The Company shall sell and the Power Purchaser shall purchase the electrical energy at the Reference Price.
- d) The Company will provide up to 1440 MW of power on Take and Pay Basis at a voltage of 11kV and at 50 Hz frequency with a tolerance of $\pm 5\%$ in nominal voltage and $\pm 1\%$ in nominal frequency. The quality of electrical energy shall be ensured by the Company through installation of necessary equipment required as per Prudent Electrical Practices and Prudent Utility Practices.
- e) The cost of connectivity either on [11kV, 66kV or 132kV] will be borne by the Power Purchaser.
- f) The Company shall provide access and facilitate the authorized representative(s) of the Power Purchaser to the control room of the power plant to monitor the Metering System and Interconnection Point relating to power dispatch.
- g) The meter reading will be recorded by Power Purchaser's authorized persons in the presence of the Company's representative as per Billing Cycle and the Company will submit its energy invoice accordingly.

- i) The Company will provide certificate of purchase price from the fuel supplier for the rates of RFO delivered at the Generation Facility by road, as well as the rates notified by Pakistan State Oil (PSO) from the Zulifqar Oil Terminal (ZOT), Karachi vide its webpage. For Fuel Cost Component the lower of the two i.e. the lower of ZOT rate of imported and Local fuel will be taken for comparison with the purchase price as per the certificate mentioned above and the lower of these two will be considered for the purpose of RFOrev in the formula below. In case the Company purchases fuel in different tranches during a Billing Cycle, then a rate of each invoice will be compared with the lower of the ZOT prices as mentioned above and the lower of the lower of ZOT price and the purchase price of the invoice will be taken and the average of all such results will be considered for the purpose of RFOrev in the formula below. The Fuel Cost Component will be adjusted for any increase or decrease in the RFO price during the Billing Cycle according to the formula:

$$FCC_{rev} = RFO_{rev}/RFO_{ref} * Rs 5.41$$

Where

- FCC_{rev} = Fuel Cost Component applicable for the Billing Cycle.
RFO_{rev} = Revised price per Metric Ton of RFO delivered to the Company by road excluding GST applicable for the Billing Cycle as per the method described above in this clause.
RFO_{ref} = Reference Fuel Price of Rs 22,096 per Metric Ton.

- ii) The Company will submit one (1) original invoice with three (3) copies to Power Purchaser along with Pakistan State Oil price Notification of RFO price of the Billing Cycle and meter reading. The Power Purchaser will make payment against each invoice submitted by the company on or before 7th day from the date of receipt of the invoice by the Power Purchaser. If the Power Purchaser fails to make the payment by due date then the Power Purchaser will pay to the Company late payment surcharge @ 1% (one percent) per month. In the event of non-payment by Power Purchaser for two (2) consecutive Billing Cycles, the Company reserves the right to discontinue the power supply.

- iii) (a) All notices and other communications required or permitted to be given by a Party shall be in writing and either delivered personally or by courier or sent by facsimile to the address or number of the other Party specified below:



- k) The Power Purchaser may install the Back-Up Metering System with meters of 0.5 accuracy class in the metering room at Company's premises. Parties agree that, in case of doubt by any Party about the accuracy of Metering System, the recordings of the Back-Up Metering System or any other mutually agreed arrangement may be adopted. In the event of complete or partial damage to the Metering System the same shall be replaced. Such replacement shall be at the sole option of the Power Purchaser and at its expense. On the initial or any subsequent replacement (s) of the Metering System the Power Purchaser shall have the right to affix seals on the tested and calibrated meters but in the presence of Company's authorized representative.
- l) If either of the Metering System(s) differ from the other by an amount greater than one-half of one percent (0.5%), the Power Purchaser shall test the accuracy of the Metering System and recalibrate the Metering System. If the Metering System is found to be in order, the Company shall be bound to test and calibrate the Back-Up Metering System to the satisfaction of the Power Purchaser. Either Party shall give prior notice, not less than forty-eight (48) hours to conduct such tests.
- m) The Company will provide its maintenance schedule to the Power Purchaser so as to ensure stable and reliable supply to Power Purchaser's network.
- n) Company will serve at least a 48 hour notice to the Power Purchaser regarding any planned shut down. The Company has right to immediately disconnect the power supply to the Power Purchaser in the event of any electric load shedding of its affiliates, maintenance of engine of affiliate mills, break down of machineries in the Generation Facility and will intimate to Power Purchaser.
- o) In case of a permanent fault on any feeder, the Company will inform the Power Purchaser immediately and the Company will switch on the feeder, only after obtaining the clearance certificate from an authorized person nominated by Power Purchaser.
- p) The Company will immediately inform Power Purchaser about power supply failure due to defect/mal-operation of the Generation Facility.
- q) Either Party shall be responsible to adopt all safety measures according to the Prudent Electrical Practices on respective sides of the Interconnection Point.



- r) If at all mutually agreed, the total or partial power off-take could be on a higher voltage [66kV or 132kV] instead of 11kV, In that case, the parties agree as follows:
- i. The cost of up-gradation will be to the Power Purchaser's account. However, initially the Company will finance the up-gradation scheme. The cost of up-gradation, so incurred by the Company, will be paid back to the Company in five years, through ten (10), half yearly equal installments, without mark-up, commencing after one month from the commercial operation date.
 - ii. The connectivity arrangements can be built through one of the following options:
 - Option-1
Company will manage construction of the up-gradation scheme at its level but with the consultancy services General Manager Services NTDC.
 - Option-2
Company will deposit with NTDC/DISCO the estimated amount, prepared by NTDC/DISCO, for construction of connectivity arrangements on turn key basis by NTDC/DISCO.
- s) In case of a premature termination of contract, the remaining cost of up-gradation shall be immediately reimbursable in toto and all the up-gradation equipment(s) shall become the property of Power Purchaser.
- t) In the event that a dispute arises, other than as mentioned in Clause (b), the Parties shall attempt in good faith to settle such dispute through their Chief Executive Officers (CEOs) by mutual discussion(s) within thirty (30) days after the date that the disputing Party delivers written notice of the dispute to the other Party.
- u) The Party reporting the existence of a dispute shall give to the other Party written notice setting out the material particulars of the dispute in the written notice. Chief Executive Officer (CEOs) of each Party shall meet in [name of city] [name of province] Pakistan to attempt in good faith to resolve the dispute.
- v) In case the dispute is not resolved within thirty (30) days after the date of receipt of notice described in section (u) by the relevant Party (or within such longer period of



ON BEHALF OF
[name of distribution company]

(name)
Chief Executive Officer

WITNESS

(name)

ON BEHALF OF
[name of Generation Facility]

(name)
Chief Executive Officer

WITNESS

(name)

FURNACE OIL (Amended) May, 2010

SUMMARYFESCO Power Acquisition Request for acquiring 20+5 MW Power from Kohinoor Power Company Limited (SEL)

1. Power Acquisition Request from (Regulation 3(1)) : Faisalabad Electric Supply Company Limited (FESCO)
2. Obligation to procure electric power at the best effective price obtainable [(Regulation 3(2))] : It is not included in the least cost plan.
3. Generator Name : Sitara Energy Limited
4. Location : 33-KM, Faisalabad-Sheikhupura Road, Faisalabad
5. Firm Capacity [(Regulation 3(3)(a))] : 48 MW
6. Technology [(Regulation 3(3)(b))] : Thermal Power Plant HFO
7. The expected time of commercial operation of the generation facility [(Regulation 3(3)(c))] : FESCO is already purchasing power from SEL as per agreement which is going to expire on 07.09.2011. FESCO intends to regularize the power purchase as per NEPRA rule before renewal of agreement.
8. Distribution Company's demand which is going to be met through the proposed procurement (Regulation 3(3)(d)) : The FESCO demand of 25+5 MW will be met through proposed procurement of power.
9. Estimated Cost if augmentation required for transmission network (Regulation 3(3)(e)) : The interconnection setup of 11kV Voltage will be sole discretion and responsibility of the power purchaser at its own cost and risk. Cost of synchronization arrangement will be born by the power producers.
10. The information on prescribed forms of Schedule-I [(Regulation 3(4))] : Provided



PART II
POWER ACQUISITION PERMISSION

3. **Power Acquisition.**— (1) All offers for sale of power by a generating company shall be submitted for examination to the transmission company or a distribution company to which sale is intended.

(2) Upon satisfaction of a distribution company or a transmission company in respect of the offer for sale of power to be in accordance with its obligation to procure electric power at the best effective price obtainable or a transmission company's least cost expansion plan, a request for power acquisition shall be filed with the Registrar by a distribution company or a transmission company.

(3) The request for power acquisition filed by or on behalf of a distribution company shall provide information in respect of:

- (a) the firm capacity expected;
- (b) the technology, indicating primary fuel, alternate primary fuel and back up fuel;
- (c) the expected time of commercial operation of the generation facility;
- (d) the particular distribution company's demand which

is going to be met through the proposed procurement;

(e) the adequacy of the transmission system or distribution company's sub-transmission system and the cost of transmission/inter connection to the **Grid System** involved in the procurement.

(4) All requests for power acquisition shall also declare information on the **applicable forms** attached to these regulations under **Schedule I**.

(5) The **Registrar** shall accept a request for power acquisition upon its **filing** and shall record its particulars in the register. The **Registrar** shall present a request for power acquisition with the Authority for **admission** on the next date of its filing with the Registrar.

4. **Power Acquisition Permission.**— (1) Upon admission of a request for power acquisition, the Authority shall satisfy itself in respect of the **prudence** of the procurement and grant the power acquisition **permission** to a distribution company for negotiating a **power acquisition contract** to meet its load growth or reduction in **power purchase cost** or a transmission company to initiate **power acquisition contract negotiations** for procurement on behalf of a **distribution company** or a group of such companies.



(2) All orders in respect of the grant of power acquisition permission shall be announced within 14 days of the admission of a request for power acquisition by the Authority.

5. Power Acquisition Contract.— (1) Before executing a power acquisition contract, a transmission company or a distribution company shall file its proposed power acquisition contract with the Registrar for its approval by the Authority.

(2) A transmission company or a distribution company shall file the proposed power acquisition contract in accordance with the guidelines issued by the Authority from time to time.

(3) All proposed power acquisition contracts shall accompany a statement providing justification of the rates, terms and conditions proposed to be agreed with the sponsor under the proposed power acquisition contract.

(4) The Registrar shall record the filing of a proposed power acquisition contract by a transmission company or a distribution company in its register and present the proposed power acquisition contract duly supported with the information required under these regulations for admission by the Authority immediately on the next date of its filing.

(5) The Authority shall process the approval of the proposed power acquisition contract in accordance with the



F/A

National Electric Power Regulatory Authority
Islamic Republic of Pakistan

2nd Floor, OPE Building, G-5/2, Islamabad
Ph: 9206500, 9207200 Fax: 9210215
E-mail: office@nepra.org.pk

Registrar

Sl. NEPRA REG 00 720

22 04 2008

Chief Operating Officer
Central Power Purchasing Agency (CPPA)
25-WAPDA House
Shahrah-e-Quaid-e-Azam
Lahore

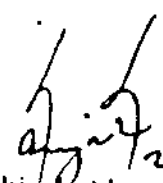
Attention: Mr. Nisar Ahmad Bazmi, Director (Technical)

Subject **Generation Licence – Small Power Producers (SPPs)**

Reference *Your letter No GM/CPPA F-15.104-5 dated 14.04.2008*

It is intimated that a Generation Company with an installed capacity less than 50 MW can sell power to DISCOs or Central Power Purchasing Agency (CPPA) under the authorization of a Generation Licence from NEPRA pursuant to NEPRA Act, Rules and Regulations. NEPRA Guidelines in this regard as detailed at Annex-I are enclosed for information and guidance.

Enclosure: Annex-I


22.04.08
(Mahjood Ahmad Mirza)

National Electric Power Regulatory Authority
Registrar Office

Guidelines for a Generating Company to Sell Power

Guidelines for a person or a generating company with an installed capacity of less than 50 MW, desirous to sell power to DISCOs or any other Power Purchaser pursuant to NEPRA Act, Rules and Regulations¹ are detailed hereunder:

1) GENERATION LICENSE

- (i) A person² or a generation company desirous to sell its power (surplus or installed) is required to possess a generation license granted by NEPRA as per Section 15 of NEPRA Act; Gen Lic
- (ii) The license can only be granted to a person registered under the Companies Ordinance, 1984 as per Section 24 of NEPRA Act; Company
- (iii) A person shall file an application for grant of Generation licence to the Authority along with a non-refundable fee according to its generation capacity (Fee detail is at *Annex-A*) as per Regulation 3 of NEPRA Application and Modification Procedure Regulations, 1999 (AMPR); Gen Lic Application with fee
- (iv) A person is required to apply for its total installed generation capacity as a generation license is granted to the facility and not to the power the licensee intends to sell. Lic. for whole
- (v) The Memorandum and Articles of Association of the generation company should explicitly mention electricity generation and its distribution in the objectives of the Company, reference Regulation 3 (5) of AMPR. MoA include
- (vi) The Memorandum and Articles of Association of the generation company should also mention that the transfer of its shares and other voting security will be done with the approval of the Authority, as per Rule 14 (C) of NEPRA Generation Rules.

¹ NEPRA Act, Rules and Regulations are available at NEPRA's official website i.e. www.nepra.org.pk
² Section 2 (Definitions) (xxi) of Regulation of Generation, Transmission and Distribution of Electric Power Act (XI of 1997) (NEPRA Act) provides that "person" shall include an association of persons, concern, company, firm or undertaking



(vii) A checklist of documents required to be submitted with the generation license application is attached as *Annex B*, as per AMPR.

(viii) A person can sell power to power purchaser:

- At 132 kV or below to DISCOS, reference distribution license
- At 132 kV and above to NTDC, reference transmission license
- At any voltage to BPC, as per Section 22 of NEPRA Act.

(ix) A person can sell its power after filing of a generation licence application on filing of a generation licence application the person is considered as deemed licensee by NEPRA. *deemed*

(x) The person shall submit a consent letter from the Power Purchaser for selling power to it.

3) **GENERATION TARIFF:**

(i) A person with an installed capacity less than 50 MW can sell power to a DISCO or a power purchaser at mutually agreed rates. In case of a DISCO, a certificate is required, confirming that consumer end tariff will not be increased.

(ii) Alternatively, a person can file a tariff petition for the determination of its generation tariff. The tariff petition is to be filed along with the tariff petition filing fee¹ (details attached as *Annex-A*), reference NEPRA tariff rules.

(iii) A person can have its generation tariff determined as per Rule 6 of the NEPRA Generation Rules.

4) The power purchasers, CPPA, DISCOS, BPC, can only purchase power from a Licensee. CPPA and DISCO are required to file a Power Acquisition request to NEPRA, reference NEPRA Interim Power Procurement Regulation.

¹ Annex-A includes Tariff Petition filing fees and Application for grant of Generation, Transmission and Distribution Licence fees with CPI valid uptill May 10, 2008. After May 10, 2008 please contact Deputy Director (Finance) NEPRA at phone # 051-9206778 for exact amount of fees.

PJC



Central Power Purchasing Agency

PABX: 9202211 Ext: 2161 Tel: 9204045 Fax: 042-9203996 Email: bazmi@ntdc.com.pk Web: www.pepco.gov.pk	Office of the General Manager Central Power Purchasing Agency 161 -WAPDA House Lahore
--	--

No.GM/CPPA/F-15/04-5

Dated: 14.04.2008

FAX

The Registrar NEPRA
 2nd Floor, OPF Building,
 G-5/2, Islamabad
 Fax No.051-9210215

Sub: Generation License - Small Power Producers (SPPs)

A question has arisen whether, a Small Power Producer(SPP)/Captive Power Producer(CPP) can start selling power to a DISCO from the date of filing of the application for Generation License?

NEPRA is requested to clarify the same at the earliest.

(Signature)
 (NISAR AHMAD BAZMI)
 Director Technical CPPA

Copy to:-

Mr. Shafqat Ellahi, Chairman, Energy Committed, APTMA,

52-d.s.
 14-04-08

ADCL: put up reply
 as advised. 14.04.08



CALCULATION OF CPI

Up to 10th May 2008

Attenu Register

Period	CPI Rate	Ratio
March 2008	183.38	1.134
July 2008	137.91	

Application & Modification Generation License Fee

	Actual Fee	Fee with CPI
upto to 1 MW	100 000	118 470
More than 1 MW upto 10 MW	300 000	352 410
More than 10 MW upto 20 MW	500 000	592 350
More than 20 MW upto 50 MW	750 000	888 525
More than 50 MW upto 100 MW	1 000 000	1 184 700
Above 100 MW	2 000 000	2 369 400

* MW Capacity in case of Generation license, shall mean the SC Gross Capacity as mentioned in the application.

Application & Modification Transmission License Fee

National Grid Co	1 500 000	1 777 050
Special Purpose	1 500 000	1 777 050

Application & Modification Distribution License Fee

upto to 1 MW	100 000	118 470
More than 1 MW upto 2 MW	200 000	236 940
More than 2 MW upto 5 MW	500 000	592 350
More than 5 MW upto 10 MW	750 000	888 525
More than 10 MW upto 20 MW	1 500 000	1 777 050
More than 20 MW upto 50 MW	2 500 000	2 981 750
Above 50 MW	3 000 000	3 554 100

* MW Capacity in case of Distribution license shall mean either (a) 85% of the total capacity needed at area for to increase Transmission Capacity as mentioned in the application or (b) 0.18% of the annual expected load in which mentioned in the application.

Fees Pertaining to Tariff Standards and Procedures Regulations 2002

(i) (a) Generation Licenses

	Actual Fee	Fee with CPI
upto to 1 MW	200 000	236 940
More than 1 MW upto 10 MW	500 000	592 350
More than 10 MW upto 20 MW	750 000	888 525
More than 20 MW upto 50 MW	1 000 000	1 184 700
More than 50 MW upto 100 MW	1 500 000	1 777 050
Above 100 MW	2 500 000	2 981 750
Generation Company applying for an upfront tariff	500 000	592 350

(b) Transmission Licenses

National Grid Co	2 500 000	2 981 750
Special Purpose	1 000 000	1 184 700

(c) Distribution Licenses

upto to 1 MW	100 000	118 470
More than 1 MW upto 2 MW	200 000	236 940
More than 2 MW upto 5 MW	300 000	355 410
More than 5 MW upto 15 MW	500 000	592 350
More than 15 MW upto 25 MW	750 000	888 525
More than 25 MW upto 50 MW	1 000 000	1 184 700
Above 50 MW	1 500 000	1 777 050

(d) Consumers

(i) Industrial, Commerce and Bulk Consumers	100 000	118 470
(ii) Industry and Trade Association or other representative bodies	500 000	592 350
(iii) Residential Consumers	25 000	29 617
(iv) Agricultural Consumers	25 000	29 617

(ii) Intervention Request

	500	592
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(iii) (a) Copies of transcription of records, decisions and order of the Authority (per page)

	5	59
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(b) Audio Recording (per cassette)

	200	236
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(c) Video Recording (per cassette)

	500	592
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16-06-08



Check List for Generation Facility (Thermal) - Licence Application

Name of Company: _____
 Capacity: _____
 Prepared/Updated on: _____

Regulation #	Information/Documents Required	Compliance		Remarks
		Yes	No.	
3(1)	Authorization from Board Resolution / Power of Attorney			
3(3)	Application fee (including Indexation)			
3(4)	Three copies of Application			
3(5)(a)(i)	Certificate of incorporation			
3(5)(a)(ii)	Memorandum and articles of association			
3(5)(a)(iii)	Annual Return statements or in lieu thereof			
3(5)(b)	Profile of experience of the applicant its management, staff and its members in power sector.			
3(5)(c)	CVs of applicant's Senior Management and Technical professionals			
3(5)(d)	Adequate evidence of financial and technical resources.			
3(5)(d)(i)	Cash balance & bank certificates			
3(5)(d)(ii)	Expression of interest to provide credit or financing along with sources and details thereof			
3(5)(d)(iii)	Latest financial statements			
3(5)(d)(iv)	Employment records of Engineers & Technical Staff			
3(5)(d)(v)	Profile of Sub-contractors			
3(5)(d)(vi)	Verified references w.r.t. experience of the Applicant and its sub-Contractors			
3(5)(e)	Encumbrances on assets			
3(5)(f)	Operation, maintenance, planning and development of the generation facility.			
3(5)(g)(a)	Type of Technology			
3(5)(h)	Feasibility Report			
3(5)(i)	Prospectus			

Schedule III

1	Location maps, site maps, land			
2	Technology, number of units			
3	Fuel type, imported/indigenous, supplier, logistics, pipelines etc.			
4	Emission values			
5	Cooling water source: tube wells, sea/river/canal, distance from source, etc.			
6	Interconnection with National Grid Co. distance and name of nearest grid, voltage level (single line diagram)			
7	Installed capacity, derated capacity, expected remaining life			
8	Due diligence report			
9	Rehabilitation plans, previous rehabilitation programme			
10	Operational record including environmental monitoring data for the last five years, constraints in despatching			
11	Project cost, information regarding sources and amounts of equity and debt.			
12	Plant characteristics; generation voltage, frequency, power factor, automatic generation control, ramping rate, alternative fuel, auxiliary consumption, time(s) required to synchronize to grid.			
13	Training and development.			

F/1

**Article 6
Tariff**

The licensee shall charge from its consumers only such tariff which is either approved or specified by the Authority.

**Article 7
Distribution Facilities of licensee.**

The licensee may hand over ownership and control of its distribution facilities to the DISCO in whose service territory the licensee is operating on terms and conditions as approved by NEPRA; in the event, it wishes to retain ownership and control of its distribution facilities, it shall apply for a distribution licence within one month from the grant of this generation licence, in accordance with the relevant NEPRA Rules.

**Article 8
Connection to Transmission System,
Compliance with Grid Code,
Pooling and Settlement Arrangement**

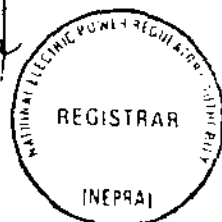
Sub-rule 10 of the Rules shall apply only to those SPPs whose generation facilities are connected directly or indirectly at voltage of 132 kV or above

**Article 9
Generating Capacity Reserve Requirements**

The installed generating capacity of the licensee shall not fall below 85% of the connected load and generating capacity of the largest installed unit at the time of application for generation licence.

**Article 10
Compliance with Performance Standards**

The licensee shall conform to the relevant NEPRA Rules on Performance Standards as may be prescribed by the Authority from time to time.



PLANT DETAILS

1	Name of Applicant	Sitara Energy Limited
2	Registered Office	601-602 Business Centre, Mumtaz Hasan Road, Karachi-74000
3	Plant Location	33-Km Faisalabad-Sheikhupura Road, Faisalabad.
4	Type of Facility	Thermal Generation

Plant Configuration

5.a	Plant size	47.68 MW
5.b	Type of Technology	Thermal Diesel Electric
5.c	Number of Units	Eight
5.d	Unit Size	5.96 MW
5.e	Unit Make and Model, Date of Manufacture	Niigata 18 V 32 CLX (i) Unit # 3,4,5,6,7,8 1994 (ii) Unit # 1,2,4 1995
5.f	Date of Commissioning	1995

Fuel Use

6.a	Fuel Type	HFO
6.b	Fuel (Imported/indigenous)	Both, depending on availability
6.c	Fuel Supplier	PSO/Shell/Caltex
6.d	Supply Agreement	Road / Tankers
6.e	No. of Tanks	Four



ab

6.f Storage Capacity/ Tank 2576/Tons/Tank
6.g Gross Storage 11504 Tons

Emission Values

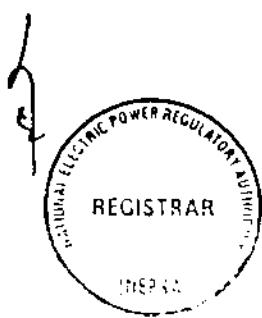
7.a So2 818 ppm (14.23 Tonnes/day)
7.b Nox 1200 ppm
7.c CO2 Not Applicable
7.d Particulate Not applicable

8. Cooling Water Source Tube Well
9. Installed Capacity 47.68 MW
10. Derated Capacity 47.68 MW
11. Expected Remaining Life of the Facility Twenty-Five Years
12. Operational Record Included in Section 16 of the Licence Application

Project Cost

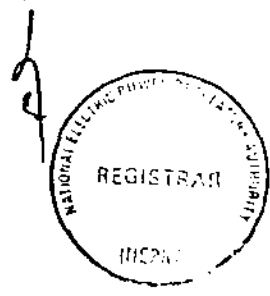
13.a Equity (Thousand Rupees) 330,642.00
13.b Debt (Thousand Rupees) 557,708.00
13.c Total project Cost (Thousand Rupees) 888,350.00

V



Plant Characteristics

14.a	Generation Voltage (Volts)	11000 V
14.b	Frequency	50 Hz
14.c	Power Factor	0.80 lagging
14.d	Automatic Generation Control	Provided
14.e	Ramping Rate	0.1 % Per second
14.f	Alternative Fuel	HSD
14.g	Auxiliary Consumption	9,615,900 kWh during 1999
14.h	Time Required to Synchronize to Grid	Not Applicable since unit is not connected to LESCO or FESCO Grid.



W



Annexure II

Sr.#	Feeder #	Consumer	Contracted Capacity	Load Factor
A	B	C	D	E
1	1	SCIL Textile Division No.2	2000 kW	0.96
2		Choudhry Flour Mills	225 kW	0.94
3		Aslam Chemicals	200 kW	0.66
4		Shahbaz Garments Pvt. Ltd. (Formerly Yasir Spinning)	1600 kW	0.6
5		Bismillah Processing Mills	501 kW	0.74
6		Amtex	1700 kW	0.99
7	2,3,4&7	Sitara Chemical Industries Ltd.	28000 kW	0.96
8	5	Isphan Weaving Mills	154.5 kW	0.61
9		Fine Weaving Mills	125 kW	0.74
10		Amir Shahzad	150 kW	0.95
11		Madni Ghee Mills	400 kW	0.94
12		Amjad Aslam Weaving Mills	80 kW	0.5
13		Bismillah Weaving Mills	178 kW	0.93
14		Habib Calico Weaving Mills	150 kW	0.96
15	Mustafa Spinning Mills	1600 kW	0.96	
16	6	SCIL Textile Division No.1	2000 kW	0.97

