

CONSOLIDATED ISSUES
OF PUBLIC HEARING PERTAINING TO LAKE CITY MANAGEMENT (PRIVATE)
LIMITED FOR THE GRANT OF GENERATION AND DISTRIBUTION
LICENCE AND TARIFF

Licensing issues

1. Whether the Applicant is eligible to apply for the grant of Distribution Licence under Regulation-4(1) of the NEPRA (Supply of Electric Power) Regulations, 2015?
2. Whether the Applicant has the financial capacity and technical expertise and resources to construct, own, operate and maintain generation as well as distribution system in terms of Regulation-3(5)(d) of the NEPRA Licensing (Application & Modification Procedures) Regulations, 1999?
3. Whether the Applicant has carried out feasibility study of its generation facility and distribution facilities and prepared feasibility study in terms of Regulation-3(5)(h) of the NEPRA Licensing (Application & Modification Procedures) Regulations, 1999?
4. Whether the selected site is suitable for setting up HFO based generation facility and distribution system on environmental, social and other grounds?
5. Whether the sponsors have obtained necessary approvals from the relevant agencies/authorities other than NEPRA to install the proposed generation facility and distribution infrastructure in its housing scheme?
6. Whether setting up 68 MW, HFO based large power project for a housing scheme is justified keeping in view the ancillary requirements including transportation, storage and other facilities including heating of oil to maintain viscosity?
7. What is the status of generation facility and distribution infrastructure of the housing scheme and how the ultimate load requirements will be met and what will be time line for addition of capacity?

8. Why the sponsors have selected MAN type engines for the proposed generation facility? Have the sponsors considered other options of engines such as Wartsila, Caterpillar or MWM etc?
9. Whether the sponsors have any backup arrangement to meet huge load requirements in case of total electricity failure/black out?
10. Whether the sponsor is charging its residents/consumers any "Development Charges" to raise funds to develop infrastructure including water supply, sewerage, gas and electricity? If yes, can the sponsor claim distribution assets developed from funds of residents/consumers and request for the grant of distribution licence?
11. Whether the sponsors have obtained consent of its residents/consumers to avail supply of electric power from the sponsor at the proposed tariff instead of LESCO? What other option will be available to the consumers who will not be satisfied with the quality of services of the Petitioner?
12. Whether the applicant has ever approached the concerned utility i.e. LESCO for supply of electric connection to individual consumers of the Lake City Housing Scheme? if yes, did LESCO show any interest to provide the same?
13. Whether the Applicant has prepared manuals and procedures for complaint handling, billing, connection, disconnection, fault localization, safety and such other utility practices in terms of Schedule-III(C) of Regulation-3(6) of the NEPRA Licensing (Application & Modification Procedures) Regulations, 1999?
14. LESCO submitted that, after being included in the privatization programme, grant of distribution license to the Applicant would be contrary to the provisions of Section-35 of the Privatization Commission Ordinance, 2000. Whether said provision of law is applicable in this case?

15. Whether the environmental impact of the proposed power plant has been assessed and necessary approvals has been sought from Environment Protection Agency?

Generation Tariff issues

16. Whether the EPC Cost is reasonable and justified?
17. Whether the other project cost items are reasonable and justified?
18. Whether the proposed efficiency of 38% is reasonable and justified?
19. Whether the proposed plant availability of 85% is reasonable and justified?
20. Whether the proposed O&M cost is reasonable and justified?
21. Whether the requested Insurance Cost is reasonable and justified?
22. Whether the requested cost of working capital is reasonable and justified?
23. Whether the premium on KIBOR is reasonable and justified?
24. Whether the requested ROE of 17% is reasonable and justified?
25. Whether the proposed tariff is competitive, sustainable and comparable to the power purchase rate from LESCO?

Distribution Tariff issues

26. Whether the consumers of the housing society are willing to pay the higher rates as compared to the corresponding rates of DISCOs consumers?
27. Whether the Petitioner's projected energy and its cost is justified?
28. Whether the requested overall losses of 9.00% are justified?

29. Whether the requested Distribution Margin is justified?
30. What are the Petitioner's sources of financing of its long term assets including distribution network?
31. What will be the terms and conditions for the supply of electricity to its consumers?
32. Whether the terms and conditions with respect to Net Metering arrangements shall be included in the terms and conditions of tariff?
33. What shall be the new connection rates and the time required for new connections?
34. The Petitioner mentioned to finance its operational deficit through bridge finance free of interest till it reaches the surplus level. The Petitioner may elaborate it.
35. What shall be the mechanism for adjustment of tariff including generation cost for future?
36. Whether the tariff regime should have a revenue cap or a price cap?
37. What should be the tariff control period?
38. Whether there should be cap on the cost of generation?
39. Whether there should be any cap on consumer-end tariff?