



No. CPPA/CEO/\_\_\_\_\_

Date: \_\_\_\_\_

THE REGISTRAR,  
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY  
NEPRA Tower Attaturk Avenue (East),  
G-5/1, Islamabad.

SUBJECT: APPLICATION FOR THE ADJUSTMENT IN COMPONENTS OF THE  
TARIFF IN RESPECT OF 30 MW WIND POWER PROJECT OF ACT  
WIND PRIVATE LIMITED

I, Waseem Mukhtar, the Chief Executive Officer of the Central Power Purchasing Agency (Guarantee) Limited, hereby apply to the National Electric Power Regulatory Authority as per the terms of the attached tariff adjustment.

I certify that the documents-in-support attached with this application are prepared and submitted in conformity with the provisions of the tariff adjustment. I further undertake and confirm that the information provided in the attached documents-in-support is true and correct to the best of my knowledge and belief.

The applicable fee for this Application, as determined by the Authority, is enclosed herewith.

The Applicant will be pleased to provide any further information, clarification or explanation that may be required by the Authority in this regard during its evaluation of the attached tariff adjustment.

Yours sincerely,  
For and on behalf of  
THE CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

Waseem Mukhtar, Chief Executive Officer

BEFORE  
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

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APPLICATION FOR THE ADJUSTMENT OF TARIFF

APPLICANT: THE CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

IN RESPECT OF THE 30 MW WIND POWER PROJECT OF ACT WIND PRIVATE  
LIMITED

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DATED: FEBRUARY 12, 2021

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### Tariff Adjustment Application

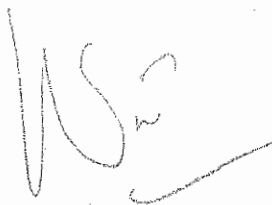
1. Tariff Adjustment Summary
2. Grounds for the Tariff Adjustments
3. Statement of Compliance
4. Proposed Tariff
5. Determination Sought

### SCHEDULE

Master Agreement dated February 12, 2021 (the "Master Agreement")

### ANNEXES

- Annex 1: Resolution of Board of Directors of CPPA-G  
Annex 2: Affidavit



### Tariff Adjustment Application

In respect of Act Wind Private Limited

#### Application

The Applicant is hereby filing this motion for leave for review as a Tariff Adjustment Application (the "Application") to the National Electric Power Regulatory Authority ("NEPRA" or the "Authority") for adjustment in tariff components allowed by NEPRA in the tariff of Act Wind Private Limited (the "Company") through the Authority's COD Stage Tariff Determination bearing no. NEPRAJIRF-243/TWEPL-2013/951-953 dated January 22, 2016, as amended and adjusted from time to time.

#### Generation License

The Authority granted the Company a Generation License bearing No. WPGL/23/2013, commencing from its Commercial Operation Date.

#### Energy Purchase Agreement and Tariff

A Power Purchase Agreement was executed by and between the Company and National Transmission and Despatch Company Limited on March 19, 2015 in respect of the Project and novated to the Applicant *vide* novation agreement dated February 11, 2021. The learned Authority determined the Reference Tariff dated November 21, 2013 and Commercial Operations Date Tariff dated January 22, 2016 as adjusted and amended from time to time, (collectively referred to as the "Tariff") of the Company.

#### Grounds

This Application is based on facts, circumstances and grounds as elaborated in Section 2 hereunder.

#### Determination Sought

Through this Application, the Applicant seeks that the Authority make the following adjustments in the Tariff pursuant to the Master Agreement signed by and between the Applicant and the Company on February 12, 2021 (the "Master Agreement"):

- I. Reduction in the Return on Equity component to 13% per annum;
- II. Reduction in the Operations and Maintenance component by 20% as per clause 4 of the Master Agreement;
- III. Reduction in the cap for the amount of the insurance during operations to seven tenths of one percent (0.7%) of the EPC cost as per clause 4 of the Master Agreement;
- IV. Provision for future reduction in the debt component upon the successful conclusion of debt renegotiations with the Company's Lenders; and
- V. Approval of the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex B of the Master Agreement and notified accordingly.

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The Applicant will be pleased to provide any further information, clarification or explanation that may be required by the Authority during its evaluation of the attached tariff adjustment.

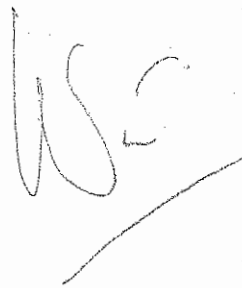
Yours sincerely,

For and on behalf of

THE CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

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Waseem Mukhtar, Chief Executive Officer



Section 1 - Tariff Adjustment Summary

A. Particulars of the Applicant

Name: Central Power Purchasing Agency (Guarantee) Limited (the "Applicant").  
Address: Shaheen Plaza, 73 West, Fazal-e-Haq Road, Blue Area, Islamabad,  
Pakistan.  
Phone: 051-111-922-772  
E-mail: info@cppa.gov.pk

B. Authorizations

This Application is being filed and submitted before the Authority by Mr. Waseem Mukhtar, Chief Executive Officer of the Applicant, being the duly authorized representative of the Applicant by virtue of board resolution dated February 10, 2021 appended herewith as Annex 1.

C. Applicant's Representatives

Waseem Mukhtar, CEO of the Petitioner (the "Authorized Representative").

D. Processing Fee

The applicable fee for this Application, as determined by the Authority, is enclosed herewith.

E. Verification Through Affidavit

As required under Section 3(8) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (the "Rules"), an affidavit verifying the statement of fact or opinion made by the Applicant in this Application is enclosed herewith as Annex 2.

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## Section 2 - Grounds for Tariff Adjustments

### 2. Grounds

2.1 The Company and the Applicant have entered into the Master Agreement, appended herewith as Schedule.

#### 2.2 Return on Equity:

Pursuant to the Clause 5 of the Master Agreement, the Applicant and the Company have agreed to adjust the Return on Equity ("ROE") component of the Tariff. The Applicant requests the Authority to reduce the ROE component to thirteen percent (13%) per annum. The quarterly indexation mechanism shall henceforth apply on the reduced ROE component with the reference index value remaining unchanged.

#### 2.3 Operation & Maintenance:

Pursuant to Clause 4 of the Master Agreement, the Applicant and the Company have agreed to reduce the Operation and Maintenance ("O&M") component. Therefore, the Applicant requests the Authority to reduce the prevailing O&M components by twenty five percent (20%). The quarterly indexation mechanism shall henceforth apply on the reduced O&M component.

#### 2.4 Insurance During Operations:

- a) Pursuant to Clause 4 of the Master Agreement, the Applicant and the Company have agreed to reduce the allowable cap in the existing insurance adjustment mechanism. Accordingly, the Applicant requests the Authority to reduce the insurance during operation component cap to seven tenths of one percent (0.7%) of the EPC cost. The Company shall continue to apply for insurance adjustments on an annual basis as per actual subject to the reduced cap.

#### 2.5 Debt Renegotiation:

Pursuant to Clause 6 of the Master Agreement, the Applicant and Company have agreed to coordinate with its Lenders and make all efforts in order to give effect to the following:

- a) The debt tenor shall be extended by a period of five (5) years;  
b) The existing spread shall be reduced by seventy-five (75) basis points over the LIBOR, as applicable, and by one hundred and twenty-five (125) basis points over the KIBOR, as applicable.

provided that the entire savings arising out of debt negotiations shall be passed on to the Purchaser.

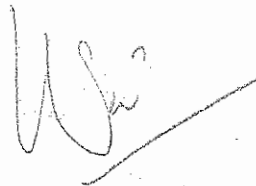
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### Section 3 - Statement of Compliance

#### 3. Statutory Compliance

- 3.1 Under Section 7 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (as amended from time to time, the "NEPRA Act"), the Authority is mandated to determine tariffs and other terms and conditions for the supply of electric power services by the generation, transmission and distribution companies. The Authority is also responsible for determining the process and procedures for reviewing tariffs, recommending tariff adjustments, and revision thereof.
- 3.2 Under Rule 6 of the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 (the "Generation Rules"), the licensee can charge only such tariff for provision of electric power as approved by the Authority for the Company. Accordingly, on filing petitions by the Company for the determination of its tariff for sale of its generated electricity, the Authority has determined the Reference Tariff and Commercial Operations Date Tariff, as discussed above.
- 3.3 This Application is being filed as a motion for leave for review before the Authority pursuant to Rule 16(6) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (including all amendments thereto) (the "Rules"), read together with Regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009 (the "Regulations") and Section 31 of the NEPRA Act.
- 3.4 Pursuant to Section 3(2) of the Rules, "Any licensee, consumer or person interested in the tariff may file a petition with the Authority by filing it with the Registrar along with such fees as may be determined by the Authority from time to time..." The Applicant, having executed the EPA with the Company and as a person interested in the tariff, is therefore entitled to file this Petition in accordance with the Rules.
- 3.5 It is submitted that the facts and circumstances along with the grounds set out below constitute "**sufficient reasons**" for the Authority to grant the instant Application under Regulation 3(2) of Regulations. Furthermore, we request the Authority to relax the condition pertaining to time limitation for the motion for leave for review for the instant Application under Rule 16(10) of the Rules and Regulation 3(3) of the Regulations.

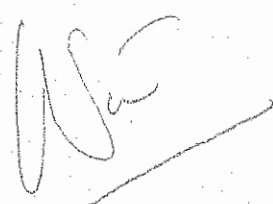




#### Section 4 -Proposed Tariff

Following is the proposed tariff:

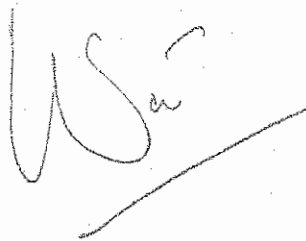
Tariff Component	Proposed Tariff (Rs/kWh)
O&M	2.3962
Return on Equity	6.2717
Debt Service:	To be reduced as per clause 6 of the Master Agreement
Insurance	Adjusted annually as per actual subject to cap of 0.7% of the EPC cost



#### Section 5 - Determination Sought

In light of the foregoing submissions, the learned Authority is kindly requested to allow this Application and grant the following amendments in the Tariff:

- a. Reduction in the Return on Equity component to 13% per annum;
- b. Reduction in the Operations and Maintenance component by 20% as per clause 4 of the Master Agreement;
- c. Reduction in the cap for the amount of the insurance during operations to seven tenths of one percent (0.7%) of the EPC cost as per clause 4 of the Master Agreement;
- d. Provision for future reduction in the debt component upon the successful conclusion of debt renegotiations with the Company's Lenders; and
- e. Approval of the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex B of the Master Agreement and notified accordingly.

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**Central Power Purchasing Agency Guarantee Limited**  
A Company of Government of Pakistan



No. CPPA/CEO/\_\_\_\_\_

Date: \_\_\_\_\_

THE REGISTRAR,  
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY  
NEPRA Tower Attaturk Avenue (East),  
G-5/1, Islamabad.

Subject: Application for the Adjustment in Components of the Tariff in Respect of the 49.3 MW Wind Project of Artistic Energy (Private) Limited

I, Waseem Mukhtar, the Chief Executive Officer of the Central Power Purchasing Agency (Guarantee) Limited, hereby apply to the National Electric Power Regulatory Authority as per the terms of the attached tariff adjustment.

I certify that the documents-in-support attached with this application are prepared and submitted in conformity with the provisions of the tariff adjustment. I further undertake and confirm that the information provided in the attached documents-in-support is true and correct to the best of my knowledge and belief.

The applicable fee for this Application, as determined by the Authority, is enclosed herewith.

The Applicant will be pleased to provide any further information, clarification or explanation that may be required by the Authority in this regard during its evaluation of the attached tariff adjustment.

Yours sincerely,  
For and on behalf of  
THE CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

\_\_\_\_\_  
Waseem Mukhtar, Chief Executive Officer

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BEFORE  
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

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APPLICATION FOR THE ADJUSTMENT OF TARIFF

APPLICANT: THE CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED  
IN RESPECT OF THE 49.3MW PROJECT OF ARTISTIC ENERGY (PRIVATE) LIMITED

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DATED: FEBRUARY 12, 2021

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1. Tariff Adjustment Summary
2. Grounds for Tariff Adjustments
3. Statement of Compliance
4. Proposed Tariff
5. Determination Sought

### SCHEDULE

Master Agreement dated February 12, 2021 (the "Master Agreement")

### ANNEXES

- Annex 1: Resolution of Board of Directors of CPPA-G  
Annex 2: Affidavit

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Tariff Adjustment Application  
In respect of Artistic Energy (Private) Limited

Application

The Applicant is hereby filing this motion for leave for review as a Tariff Adjustment Application (the "Application") to the National Electric Power Regulatory Authority ("NEPRA" or the "Authority") for adjustment in tariff components allowed by NEPRA in the tariff of Artistic Energy (Private) Limited (the "Company") through the Authority's COD Stage Tariff Determination bearing no. NEPRA/TRF-352/AEPL-2016/5631-5633 dated April 04, 2019, as amended and adjusted from time to time.

Generation License

The Authority granted the Company a Generation License bearing No. WPGL/30/2016, commencing from its Commercial Operation Date.

Energy Purchase Agreement and Tariff

A Power Purchase Agreement was executed by and between the Company and National Transmission and Despatch Company Limited on November 14, 2016 in respect of the Project. The learned Authority determined the Reference Tariff dated March 31, 2016 and Commercial Operations Date Tariff dated April 04, 2019 as adjusted and amended from time to time, (collectively referred to as the "Tariff") of the Company.

Grounds

This Application is based on facts, circumstances and grounds as elaborated in Section 2 hereunder.

Determination Sought

Through this Application, the Applicant seeks that the Authority make the following adjustments in the Tariff pursuant to the Master Agreement signed by and between the Applicant and the Company on February 12, 2021 (the "Master Agreement"):

- I. Reduction in the Return on Equity component to 13% per annum;
- II. Reduction in the Operations and Maintenance component by 20% as per clause 4 of the Master Agreement;
- III. Reduction in the cap for the amount of the insurance during operations to seven tenths of one percent (0.7%) of the EPC cost as per clause 4 of the Master Agreement;
- IV. Approval of the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex B of the Master Agreement and notified accordingly; and
- V. The tariff-sharing mechanism for the Net Annual Plant Factor ("NAPF") beyond the P90 Level, the applicable tariff shall be reduced to fifty percent (50%) of the prevailing Tariff Determination.



The Applicant will be pleased to provide any further information, clarification or explanation that may be required by the Authority during its evaluation of the attached tariff adjustment.

Yours sincerely,

For and on behalf of

THE CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

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Waseem Mukhtar, Chief Executive Officer

Waseem Mukhtar

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Section 1 - Tariff Adjustment Summary

A. Particulars of the Applicant

Name: Central Power Purchasing Agency (Guarantee) Limited (the "Applicant").  
Address: Shaheen Plaza, 73 West, Fazal-e-Haq Road, Blue Area, Islamabad,  
Pakistan.  
Phone: 051-111-922-772  
E-mail: info@cppa.gov.pk

B. Authorizations

This Application is being filed and submitted before the Authority by Mr. Waseem Mukhtar, Chief Executive Officer of the Applicant, being the duly authorized representative of the Applicant by virtue of board resolution dated February 10, 2021 appended herewith as Annex 1.

C. Applicant's Representatives

Mr. Waseem Mukhtar, CEO of the Petitioner (the "Authorized Representative").

D. Processing Fee

The applicable fee for this Application, as determined by the Authority, is enclosed herewith.

E. Verification Through Affidavit

As required under Section 3(8) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (the "Rules"), an affidavit verifying the statement of fact or opinion made by the Applicant in this Application is enclosed herewith as Annex 2.





## Section 2 - Grounds for Tariff Adjustments

### 2. Grounds

2.1 The Company and the Applicant have entered into the Master Agreement, appended herewith as Schedule.

#### 2.2 Return on Equity:

Pursuant to the Clause 5 of the Master Agreement, the Applicant and the Company have agreed to adjust the Return on Equity ("ROE") component of the Tariff. The Applicant requests the Authority to reduce the ROE component to thirteen percent (13%) per annum. The quarterly indexation mechanism shall henceforth apply on the reduced ROE component.

#### 2.3 Operation & Maintenance:

Pursuant to Clause 4 of the Master Agreement, the Applicant and the Company have agreed to reduce the Operation and Maintenance ("O&M") component. Therefore, the Applicant requests the Authority to reduce the prevailing O&M components by twenty percent (20%). The quarterly indexation mechanism shall henceforth apply on the reduced O&M component.

#### 2.4 Insurance During Operations:

Pursuant to Clause 4 of the Master Agreement, the Applicant and the Company have agreed to reduce the allowable cap in the existing insurance adjustment mechanism. Accordingly, the Applicant requests the Authority to reduce the insurance during operation component cap to seven tenths of one percent (0.7%) of the EPC cost. The Company shall continue to apply for insurance adjustments on an annual basis as per actual subject to the reduced cap.

#### 2.5 Net Annual Plant Factor:

Pursuant to clause 7 of the Master Agreement, the Parties agreed that the tariff-sharing mechanism shall stand unamended for the Net Annual Plant Factor ("NAPF") up to the NAPF approved and specified in the Lenders' technical advisor report ("P90 Level"), which is 184,300,000 kWh per annum.

Provided that if the Seller achieves a NAPF beyond the P90 Level its applicable tariff shall be reduced to fifty percent (50%) of the prevailing Tariff Determination.

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### Section 3 – Statement of Compliance

#### 3. Statutory Compliance

- 3.1 Under Section 7 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (as amended from time to time, the "NEPRA Act"), the Authority is mandated to determine tariffs and other terms and conditions for the supply of electric power services by the generation, transmission and distribution companies. The Authority is also responsible for determining the process and procedures for reviewing tariffs, recommending tariff adjustments, and revision thereof.
- 3.2 Under Rule 6 of the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 (the "Generation Rules"), the licensee can charge only such tariff for provision of electric power as approved by the Authority for the Company. Accordingly, on filing petitions by the Company for the determination of its tariff for sale of its generated electricity, the Authority has determined the Reference Tariff and Commercial Operations Date Tariff, as discussed above.
- 3.3 This Application is being filed as a motion for leave for review before the Authority pursuant to Rule 16(6) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (including all amendments thereto) (the "Rules"), read together with Regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009 (the "Regulations") and Section 31 of the NEPRA Act.
- 3.4 Pursuant to Section 3(2) of the Rules, "Any licensee, consumer or person interested in the tariff may file a petition with the Authority by filing it with the Registrar along with such fees as may be determined by the Authority from time to time..." The Applicant, having executed the EPA with the Company and as a person interested in the tariff, is therefore entitled to file this Petition in accordance with the Rules.
- 3.5 It is submitted that the facts and circumstances along with the grounds set out below constitute "sufficient reasons" for the Authority to grant the instant Application under Regulation 3(2) of Regulations. Furthermore, we request the Authority to relax the condition pertaining to time limitation for the motion for leave for review for the instant Application under Rule 16(10) of the Rules and Regulation 3(3) of the Regulations.

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#### Section 4 – Proposed Tariff

Following is the proposed tariff.

Tariff Component	Proposed Tariff (Rs./kWh)
O&M	2.1223
Return on Equity	4.4368
Insurance	Adjusted annually as per actual subject to cap of 0.7% of the EPC cost.

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#### Section 5 – Determination Sought

In light of the foregoing submissions, the learned Authority is kindly requested to allow this Application and grant the following amendments in the Tariff:

- a. Reduction in the Return on Equity component to 13% per annum;
- b. Reduction in the Operations and Maintenance component by 20% as per clause 4 of the Master Agreement;
- c. Reduction in the cap for the amount of the insurance during operations to seven tenths of one percent (0.7%) of the EPC cost as per clause 4 of the Master Agreement;
- d. Approval of the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex B of the Master Agreement and notified accordingly; and
- e. The tariff-sharing mechanism for the Net Annual Plant Factor ("NAPF") beyond the P90 Level, the applicable tariff shall be reduced to fifty percent (50%) of the prevailing Tariff Determination.

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THE REGISTRAR,  
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY  
NEPRA Tower Attaturk Avenue (East),  
G-5/1, Islamabad.

Subject: Application for the Adjustment in Components of the Tariff in Respect of the  
49.5 MW Wind Project of FFC Energy Limited

I, Waseem Mukhtar, the Chief Executive Officer of the Central Power Purchasing Agency (Guarantee) Limited, hereby apply to the National Electric Power Regulatory Authority as per the terms of the attached tariff adjustment.

I certify that the documents-in-support attached with this application are prepared and submitted in conformity with the provisions of the tariff adjustment. I further undertake and confirm that the information provided in the attached documents-in-support is true and correct to the best of my knowledge and belief.

The applicable fee for this Application, as determined by the Authority, is enclosed herewith.

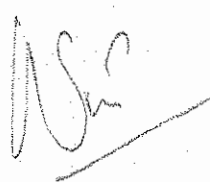
The Applicant will be pleased to provide any further information, clarification or explanation that may be required by the Authority in this regard during its evaluation of the attached tariff adjustment.

Yours sincerely,

For and on behalf of

THE CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

\_\_\_\_\_  
Waseem Mukhtar, Chief Executive Officer



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BEFORE  
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

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APPLICATION FOR THE ADJUSTMENT OF TARIFF

APPLICANT: THE CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED  
IN RESPECT OF THE 49.5MW PROJECT OF FFC ENERGY LIMITED

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DATED: FEBRUARY 11, 2021

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### Tariff Adjustment Application

1. Tariff Adjustment Summary
2. Grounds for Tariff Adjustments
3. Statement of Compliance
4. Proposed Tariff
5. Determination Sought

## SCHEDULE

Master Agreement dated February 11, 2021 (the "Master Agreement")

## ANNEXES

- Annex 1: Resolution of Board of Directors of CPPA-G  
Annex 2: Affidavit

*Handwritten signature and initials*

Tariff Adjustment Application  
In respect of FFC Energy Limited

Application

The Applicant is hereby filing this motion for leave for review as a Tariff Adjustment Application (the "Application") to the National Electric Power Regulatory Authority ("NEPRA" or the "Authority") for adjustment in tariff components allowed by NEPRA in the tariff of FFC Energy Limited (the "Company") through the Authority's COD Stage Tariff Determination bearing no. NEPRA/R/TRF-156/FFCEL-2014/14119-14121 dated 10-11-2014, as amended and adjusted from time to time.

Generation License

The Authority granted the Company a Generation License bearing No. WPGL/09/2010, commencing from its Commercial Operation Date.

Energy Purchase Agreement and Tariff

A Power Purchase Agreement was executed by and between the Company and National Transmission and Despatch Company Limited on April 05, 2011 in respect of the Project and novated to the Applicant *vide* novation agreement dated February 11, 2021 ("PPA"). The learned Authority determined the Reference Tariff dated August 10, 2010 and Commercial Operations Date Tariff dated October 11, 2014 as adjusted and amended from time to time, (collectively referred to as the "Tariff") of the Company.

Grounds

This Application is based on facts, circumstances and grounds as elaborated in Section 2 hereunder.

Determination Sought

Through this Application, the Applicant seeks that the Authority make the following adjustments in the Tariff pursuant to the Master Agreement signed by and between the Applicant and the Company on February 11, 2021 (the "Master Agreement"):

- I. Reduction in the Return on Equity and Return on Equity during Construction component to 13% per annum;
- II. Reduction in the cap for the amount of the insurance during operations to seven tenths of one percent (0.7%) of the EPC cost as per clause 4 of the Master Agreement;
- III. Approval of the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex B of the Master Agreement and notified accordingly.

The Applicant will be pleased to provide any further information, clarification or explanation that may be required by the Authority during its evaluation of the attached tariff adjustment.



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Yours sincerely,  
For and on behalf of  
THE CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

Waseem Mukhtar, Chief Executive Officer

A handwritten signature in dark ink, appearing to be 'Waseem', written over a horizontal line.A small, stylized handwritten mark or signature, possibly a monogram or initials, located to the right of the main signature.

Section 1 - Tariff Adjustment Summary

A. Particulars of the Applicant

Name: Central Power Purchasing Agency (Guarantee) Limited (the "Applicant").  
Address: Shaheen Plaza, 73 West, Fazal-e-Haq Road, Blue Area, Islamabad,  
Pakistan.  
Phone: 051-111-922-772  
E-mail: info@cpga.gov.pk

B. Authorizations

This Application is being filed and submitted before the Authority by Mr. Waseem Mukhtar, Chief Executive Officer of the Applicant, being the duly authorized representative of the Applicant by virtue of board resolution dated February 10, 2021 appended herewith as Annex 1.

C. Applicant's Representatives

Mr. Waseem Mukhtar, CEO of the Petitioner (the "Authorized Representative").

D. Processing Fee

The applicable fee for this Application, as determined by the Authority, is enclosed herewith.

E. Verification Through Affidavit

As required under Section 3(8) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (the "Rules"), an affidavit verifying the statement of fact or opinion made by the Applicant in this Application is enclosed herewith as Annex 2.



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## Section 2 - Grounds for Tariff Adjustments

### 2. Grounds

2.1 The Company and the Applicant have entered into the Master Agreement, appended herewith as Schedule.

### 2.2 Return on Equity:

Pursuant to the Clause 5 of the Master Agreement, the Applicant and the Company have agreed to adjust the Return on Equity ("ROE") component and Return on Equity during Construction ("ROEDC") of the Tariff. The Applicant requests the Authority to reduce the ROE component and ROEDC component to thirteen percent (13%) per annum. The quarterly indexation mechanism shall henceforth apply on the reduced component.

### 2.3 Insurance During Operations:

Pursuant to Clause 4 of the Master Agreement, the Applicant and the Company have agreed to reduce the allowable cap in the existing insurance adjustment mechanism. Accordingly, the Applicant requests the Authority to reduce the insurance during operation component cap to seven tenths of one percent (0.7%) of the EPC cost. The Company shall continue to apply for insurance adjustments on an annual basis as per actual subject to the reduced cap.

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### Section 3 - Statement of Compliance

#### 3. Statutory Compliance

- 3.1 Under the Section 7 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (as amended from time to time, the "NEPRA Act"), the Authority is mandated to determine tariffs and other terms and conditions for the supply of electric power services by the generation, transmission and distribution companies. The Authority is also responsible for determining the process and procedures for reviewing tariffs, recommending tariff adjustments, and revision thereof.
- 3.2 Under Rule 6 of the Generation Rules 2000, the licensee can charge only such tariff for provision of electric power as approved by the Authority. As per NEPRA Licensing (Application and Modification Procedure) Regulations, 1999, ("Review Regulations") the same generation tariff shall be applicable until the adjusted tariff is determined for the Company. Accordingly, on filing petitions by the Company for the determination of its tariff for sale of its generated electricity, the Authority has determined the Reference Tariff and Commercial Operations Date Tariff, as discussed above.
- 3.3 This Application is being filed as a motion for leave for review before the Authority pursuant to Rule 16(6) of the NEPRA (Tariff Standards and Procedure) Rules, 1998 (including all amendments thereto) ("Rules"), read together with Regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009 and Section 31 of the NEPRA Act.
- 3.4 Pursuant to Section 3(1) of the Rules, "Any licensee, consumer or person interested in the tariff may file a petition with the Authority by filing it with the Registrar along with such fees as may be determined by the Authority from time to time..." The Applicant, having executed the EPA with the Company and as a person interested in the tariff, is therefore entitled to file this Petition in accordance with the Rules.
- 3.5 It is submitted that the facts and circumstances along with the grounds set out below constitute "sufficient reasons" for the Authority to grant the instant Application under Regulation 3(2) of the Review Regulations, 2009. Furthermore, we request the Authority to relax the condition pertaining to time limitation for the motion for leave for review for the instant Application under Rule 16(10) of the Rules and Regulation 3(3) of the Review Regulations, 2009.

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#### Section 4 – Proposed Tariff

Following are the proposed Tariff Components.

Tariff Components	Proposed Tariff (Rs. /kWh)
Return on Equity	3.8971
Return of Equity during Construction	0.8924

*\*Proposed tariff components are based on Indexed Tariff for Jan-Mar-2021 i.e. PKR 160.8/USD adjusted pursuant to clause 2 hereinabove.*

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Section 5 - Determination Sought

In light of the foregoing submissions, the learned Authority is kindly requested to allow this Application and grant the following amendments in the Tariff:

- a. Reduction in the Return on Equity component and Return on Equity during Construction to 13% per annum;
- b. Reduction in the cap for the amount of the insurance during operations to seven tenths of one percent (0.7%) of the EPC cost as per clause 4 of the Master Agreement;
- c. Approval of the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex B of the Master Agreement and notified accordingly.

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