Mr. Wasim Anwar Bhinder,
Registrar,
NEPRA Tower, Attaturk Avenue (East),
Sector G-5/1,
Islamabad.

Ref # KE/RA&GR/NEPRA/2026/774
August 4, 2026

Subject: MODIFICATION OF KE GENERATION LICENCE [GL/04/2002]

Dear Sir,

KE ("the Company") has been issued Generation License No. GL/04/2002 on November 18, 2002 (**"Generation License"**) under Section 15 and 25 of the NEPRA Act, 1997 (as amended). In the past, Generation License has been modified by NEPRA from time to time, as per the requests made by KE, with the latest modification ("Modification XI") granted vide NEPRA letter #NEPRA/R/DL/LAG-05/36655-61 dated September 15, 2021.

Through the subject application, KE hereby seeks approval of the Honorable NEPRA Authority allowing KE to retain Unit 5 of Bin Qasim Power Station I (BQPS I) as secondary reserve till FY 2030 to cater contingency requirements and shall be despatched in line with the Economic Merit Order (EMO).

With respect to the aforementioned, it is humbly submitted that the need to retain Unit 5 of BQPS I as secondary reserve has arisen keeping in view the heightened fuel supply security concerns arising from the prevailing geopolitical environment, along with the contingency requirement for any unavailability of NGC interconnection, any forced outages of the generation fleet and IPPs, and RLNG/gas shortfall due to reasons beyond the control of KE. Further, availability of this unit will also alleviate the constraints of low gas pressure and help in avoiding utilization of expensive HSD, as well as enable KE to avoid increased load management during the peak summer season in case of any untoward eventuality. Therefore, extension in the useful life of Unit 5 of BQPS I will be in the best interest of consumers.

In the light of above, this application is being submitted under sub-regulation (2) of the Regulation 10 of the NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021 ("Regulations") for extension in useful life of Unit 5 of BQPS I till FY2030. In relation, hereto, this is to certify that the following documents enclosed in support with this modification application are prepared and submitted in conformity with the provisions of the Regulations, and that the Company undertakes to abide by the terms and provisions of the Regulations.

a) Text of Proposed Modification
b) Statement of Reasons and Specifications in support of Modification
c) Statement showing the Impact on Tariff and Quality of Service
d) Certified True Copy of Board Resolution
e) Affidavit

Additionally, please find enclosed cross cheque of **Rs. 2,606,556.80** (net of withholding tax of Rs. 424,323) having Cheque No. 13536881 dated July 27, 2026, of Habib Bank Limited (HBL) being the license modification's fee calculated in accordance with Schedule II of the NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021.

KE humbly requests the Honorable NEPRA Authority for earliest approval of the requested modification.

Sincerely,

Syed Muhammad Taha
Chief Executive Officer

Enclosures:

- Documents as mentioned at serial (a) to (e) above.
- Cheque dated July 27, 2026, for the license modification fee

EXTENSION IN USEFUL LIFE OF UNIT 5 OF BIN QASIM POWER STATION – I (BQPS – I)

A. Text of Proposed Modification

To ensure maximum facilitation to the consumers and to optimally manage the demand/supply situation, K-Electric Limited (KE) humbly seeks the approval of the Honorable NEPRA Authority to retain Unit 5 of Bin Qasim Power Station I (BQPS I) as secondary reserve till FY 2030 due to reasons mentioned in Part B of this document.

B. Statement of Reasons and Specification in Support of Modification

KE is responsible for providing electric power services in the metropolitan city of Karachi and its adjoining areas. Considering the growth in electricity demand, KE since 2009, has added around 1,977 MW in its generation capacity to manage the demand supply situation and to provide reliable power supply to its consumers, which includes addition of 900 MW BQPS III plant into its generation fleet.

Further, with the addition of Dhabeji and KKI interconnections, the off-take capacity from the National Grid has been enhanced to 2,050 MW. KE's increased drawl from the National Grid has not only benefitted KE consumers through the availability of more economical power, but has also benefited the country as a whole by reducing the burden of idle generation capacity in the southern region and ensuring more efficient utilization of installed capacity.

Following demand/supply position is expected from FY 2027 till FY 2030 after incorporating planned projects alongside existing generation:

DEMAND/SUPPLY POSITION – FY 2027 TILL FY 2030

Particulars (MW)	FY 2027	FY 2028	FY 2029	FY 2030
Peak Demand (to be served - night)[1]	**3,988**	**4,041**	**4,194**	**4,202**
Total Supply Available	**3,998**	**3,998**	**3,998**	**3,998**
Supply from National Grid	2,050	2,050	2,050	2,050
KE Own Plants	1,794	1,794	1,794	1,794
BQ 1 - U6	*178*	*178*	*178*	*178*
BQ 2	*495*	*495*	*495*	*495*
BQ 3	*900*	*900*	*900*	*900*
KCCPP[2]	*221*	*221*	*221*	*221*
Existing IPPs[3]	154	154	154	154
Surplus	**10**	**(43)**	**(196)**	**(204)**

Note: *The outlook is based on the existing fleet and does not incorporate any future capacity additions, as these are highly contingent on the outcomes of the IGCEP process, subsequent regulatory approvals, and construction lead times.*

As illustrated in the table above, KE expects electricity demand to continue growing steadily over the forecast period. However, the current geopolitical environment, coupled with the force majeure declared on Pakistan's two RLNG terminals, has heightened concerns regarding fuel supply security. The resulting fuel price volatility and supply chain disruptions underscore the importance of maintaining fuel flexibility and enhancing energy security within KE's generation portfolio.

[1] Demand figures are based on the latest submission to ISMO for the IGCEP'26, dated May 5, 2026

[2] Low gas pressure and quota issues

[3] Solar IPPS not considered due to Night Peak Demand

In this context, the dual-fuel capability of BQPS-I Unit 5, which can operate on both gas and furnace oil, makes it a strategically important asset for KE's system and for KE to reliably serve the projected power demand in its service area.

To bridge the period until the anticipated availability of additional capacity for KE including any renewable projects, which is highly contingent on the outcomes of the IGCEP process and enhancement of capacity power purchase from National Grid, subsequent regulatory approvals, and associated construction timelines, KE humbly requests that the operational life of BQPS-I Unit 5 be extended until at least FY 2030. This extension is critical to ensuring the continued availability of reliable baseload generation, maintaining system adequacy, and preserving grid stability during the transition period.

Further, under normal operating environment the availability of Unit 5 of BQPS-I plant will also serve as a contingency requirement for any unavailability of NGC interconnection, any forced outages of KE's generation fleet and IPPs, and RLNG/gas shortfall due to reasons beyond KE's control. The unit shall be operated on the basis of Economic Merit Order (EMO) to serve demand, contingency requirements and maintaining of a secondary reserve to cater for any emergencies. Further, availability of this unit will also alleviate the constraints of low gas pressure and help in avoiding utilization of expensive HSD as well as enabling KE to avoid increased load management during the peak summer season in case of any untoward eventuality.

In view of the foregoing, it is humbly submitted that allowing KE to retain Unit 5 of BQPS I as secondary reserve will be in the best interests of consumers since the same is dual fuel (gas and FO), which will also provide required flexibility of operations in case of shortage of gas supply and any constraints in the NGC system restricting KE's power drawl from the National Grid.

REHABILITATION FOR UNITS 5 OF BQPS – I DONE FROM 2017 ONWARDS

OVERVIEW

Over the years, to ensure safe, efficient and reliable power supply from Unit 5, KE has performed routine maintenance of these units in addition to major rehabilitation as mentioned below:

S. No.	Equipment	Activity Description	Year
1	Boiler	Complete rehabilitation of flue gas and air ducts with bellows.	FY 17-18
2		Complete replacement of steam trace lines with steam traps.	FY 17-18
3		Replacement of boiler Super heater and Re heater coils	FY 17-18
4		Replacement of Steam Coil Air Heaters Panels.	FY 17-18
5		Combustion system parts replacement and tuning on Gas and HFO.	FY 17-18
6		Installation of Lower Bank of Economizer and inlet Header of Boiler	FY 19-20
7		Overhauling of FDF 6.6 kV motor	FY 22-23
8		RAH-1&2 cold end elements replacement	FY 24-25
9	Turbine	Turbine Major Overhaul	FY 21-22
10		HP Heater # 5 replaced with new	FY 17-18
11	Generator	Generator Precise Inspection	FY 20-21
12		Generator Excitation System replacement	FY 16-17
13	Boiler Feed Water Pumps	BFP # 01 major overhaul	FY 18-19
14		BFP # 02 major overhaul	FY 20-21
15		BFP # 03 major overhaul	FY 19-20
16	HP/LP Bypass	HP/LP Bypass hydraulic system skid upgradation	FY 20-21
17		HP Bypass PCV-1&2 valves overhauling	FY 21-22
18	Instrumentation & Control Systems	Complete upgradation of control system from old hard-wired system to latest DCS	FY 21-22
19		Upgradation to smart positioners on control valves	FY 21-22
20		Main Circulating Water Pump # A overhauling	FY 23-24

21	Cooling Water	Main Circulating Water Pump # B overhauling	FY 24-25
22	System	Debris Filter-A overhauling	FY 24-25
23		Replacement of CWP System 0.4kV Switchgear 51BJB	FY 23-24

EFFECTS OF MAINTENANCE/REHABILITATION:

Based on the above mentioned maintenance activities carried out, Unit 5 of BQPS –I can operate safely and reliably at least till FY 2030.

C. Impact on Tariff

KE after evaluating all possible alternatives such as cost of operations, immediate availability, operational flexibility, etc. humbly requests the Honorable NEPRA Authority to allow KE to retain Unit 5 of BQPS I as part of its secondary reserve to optimally manage the demand/supply gap in the event of any contingent scenario.

In this regard, to ensure availability of Unit 5 of BQPS I as a secondary reserve to cater contingency requirements and safety of operations during the requested period, annual Operation and Maintenance (O&M) expenses are estimated as c. PKR 152 million of which c. PKR 142 Million are fixed and c. PKR 10 Million are variable derived on the assumptions of 10% utilization of these units on a prudent basis.

Further, in addition to O&M expenses, working capital amounting to c. PKR 392[4] million would be required to maintain necessary inventory for spares and Furnace oil (upto 15 days base load). However, since Unit 5 is being requested as secondary reserve for contingency measures, KE will not be carrying Furnace Oil inventory for Unit 5, to optimize the working capital cost to c. PKR 73[4] million. Furnace oil inventory of 15 days for Unit 6 will be available for contingency.

On an overall basis these O&M and working capital costs of c. PKR 225[4] million will have an impact of PKR 0.01 per kWh on overall tariff (based on projected units billed of FY27 i.e. c. 15,743 GWh). At this annual cost of PKR 225[4] million, 176 MW of capacity will remain available to strengthen contingency measures and system reliability. Here, it is pertinent to highlight that the aforementioned O&M expenses are based on an assumption of 10% utilization of these units, on a prudent basis, and do not include any overhaul related expenditures / activities. Therefore, any subsequent change in the above assumptions may result in a consequential change in the estimated O&M expenses.

Further, it is humbly submitted that Unit 5 of BQPS I plant will be dispatched in accordance with the EMO to ensure that the consumer interests are protected and that cost of energy (fuel and variable O&M) will be recovered on units produced whereas fixed O&M costs and working capital would be recovered as a fixed charge through monthly capacity and energy invoicing mechanism as per NEPRA determined benchmarks (including Startup Charges, part load factor & Relevant Indexation Mechanism). Here, it is important to mention that operation of Unit 5 of BQPS I as per EMO will also enable KE to avoid generation from HSD, which is costlier as evident from below:

[4] Working capital cost is based on KIBOR 11.92%

FUEL COST COMPARISON

	BQPS I Unit 5			KCCPP [5]	Savings Per Unit
	FO [6]	RLNG [7]	NG	HSD	
Fuel Cost Per Unit (PKR/kWh)	53.8	48.2	13.2	84.1	**30.3 | 35.9 | 70.9**

Accordingly, as demonstrated above, the utilization of Unit 5 of BQPS I will result in lower cost per unit in contrast to HSD and will therefore result in lower tariff for the consumers.

In view of foregoing, KE humbly requests the Honorable NEPRA Authority to allow the total annual O&M costs of c. PKR 152 million (including relevant indexations as per petition) as pass through in tariff along with working capital requirements of c. PKR 73 million (including relevant indexations as per petition) considering the benefits accrued to the consumers such as enhanced energy reliability and improved flexibility of operations as well as reduce dependency on expensive HSD generation. Recovery of cost of energy (fuel and variable O&M) will be based on units produced whereas fixed O&M costs and working capital would be recovered as a fixed charge (including Startup Charges & Relevant Indexation Mechanism).

D. Impact on Quality of Service and the Performances by KE of its Obligations Under the License

The request for extension in useful life of Unit 5 of BQPS I will ultimately increase the available capacity of KE's generation fleet as well as improve the quality of service through better planning to meet any contingency requirements, including but not limited to any unavailability of NGC interconnection, any forced outages of generation fleet and IPPs, and RLNG/Gas shortfall due to reasons beyond control of KE, thus improving the performance of KE as per its obligations under the License.

Moreover, there will be no adverse impact on the quality of service provided by KE if the requested extension in life of Unit 5 of BQPS I is allowed/approved. The Company certifies that it has been fully diligent and dedicated to the performance of its services and aspires to ensure uninterrupted and reliable supply of power to its consumers.

K-ELECTRIC LIMITED

[5] HSD – PKR 10,565 /MMBTU based on Jun'26 prices
[6] Furnace Oil – PKR 216,843 / Mton
[7] RLNG – USD 16.0426 / MMBTU (PKR 4,466 / MMBTU) based on Jun'26 fuel prices

Schedule I

Location of Bin Qasim Power Station - I

Details of Unit 5 of Bin Qasim Power Station – I

(A). Plant Configuration

		Unit No. - 5
(i)	Plant Size Installed Capacity (Gross ISO)	210 MW
(ii)	De-rated Capacity (Gross at MSC)[1]	188.28 MW
(iii)	Expected Remaining Life	June 30, 2030
(iv)	Type of Technology	Conventional Thermal Power Generation Plant with Sub-Critical Boilers and Steam Turbines
(v)	Unit Make & Model	Hitachi
(vi)	Commissioning/Commercial Operation date (of each Unit)	1991

(B). Fuel Details

			Unit No. – 5
(i)	Primary Fuel		Natural Gas
(ii)	Alternative Fuel		Residual Furnace Oil (RFO)
			Re-Gasified Liquefied Natural Gas (RLNG)
(iii)	Start-Up Fuel		Light Diesel Oil (LDO)/Natural Gas/RLNG
(iv)	Fuel Source for each of the above (i.e. Imported/ Indigenous)		Imported / Indigenous
(v)	Fuel Supplier for each of the above	Natural Gas	SSGC
		RFO	PSO/BYCO
		RLNG	SSGC/PLL
		LDO	PSO
(vi)	Supply Arrangement for each of the above	Natural Gas	Through Pipeline
		RFO	PSO – through pipeline BYCO – through tankers
		RLNG	Through Pipeline
		LDO	Tankers
(vii)	No of Storage Tanks		• Six tanks for RFO. Tank 1,2: Under BYCO for Storage and transfer to KE. Tank 3,4,5: For storage and use By KE. Tank 6: Under PSO for storage and transfer to KE.) • Two tanks for LDO
(viii)	Storage Capacity of each Tank		LDO : Two tanks of 500 m^3 each HFO / RFO: Tank # 1 & 2: 10000 m^3 each. Tank # 3, 4,5, 6: 25000 m^3 each[2]
(ix)	Gross Storage		RFO / LDO: 1,20,000 / 1000 m^3

[1] In line with Schedule II of Modification X dated February 19, 2021 of KE's Generation License. Capacities are based on maximum output during Heat Rate Test i.e Unit 5 on FO firing

[2] This includes un-pumpable stock of approximately 2,772 m^3 / tank for tanks 3, 4 and 5

(C). Emission/Effluents Values

(i)	SO_x (mg/Nm^3)	The Plant is old and Emission Equipment not Installed.
(ii)	NO_x(mg/Nm^3)	
(iii)	CO_2 (%)	
(iv)	Effluents	
(v)	CO (mg/Nm^3)	
(vi)	PM_{10}	

(D). Cooling System

		Unit No. – 5
(i)	Cooling Water Source/Cycle	Sea Water / open and once through

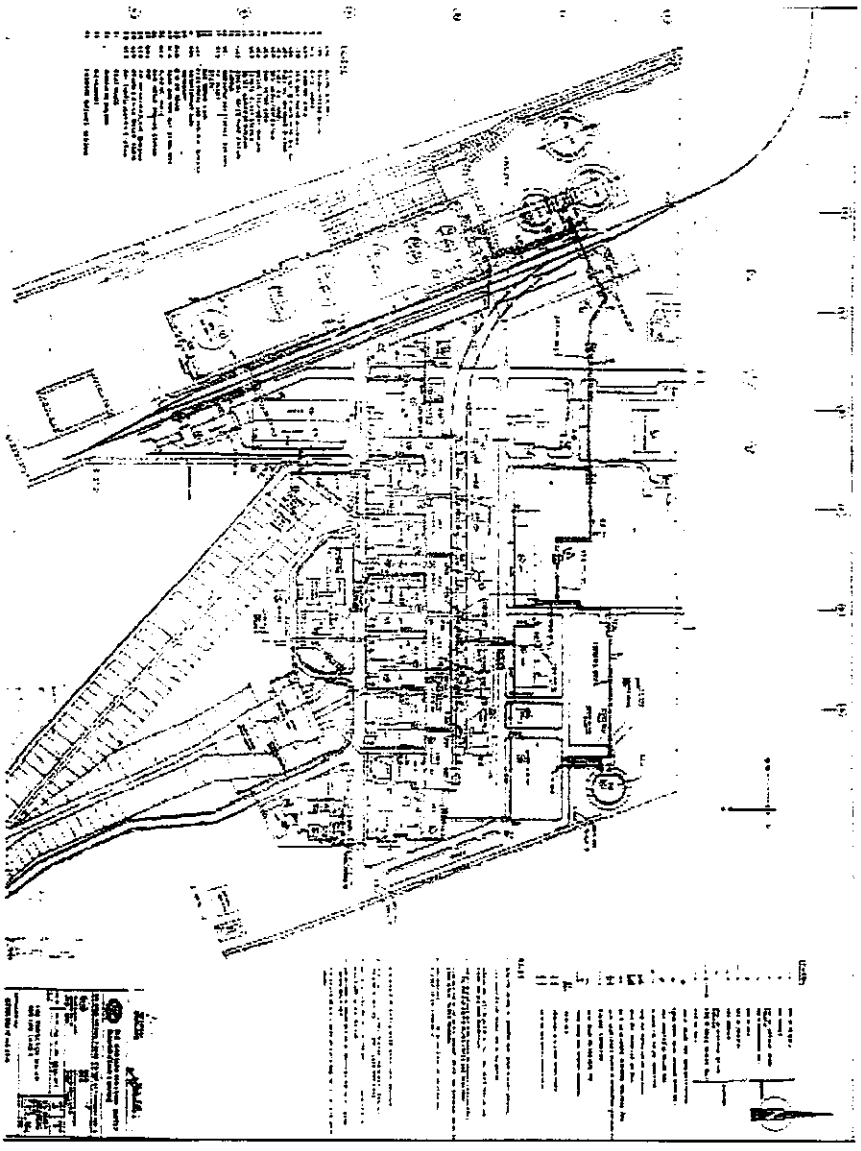
(E). Plant Characteristics

			Unit No. - 5
(i)	Generation Voltage		18 KV
(ii)	Frequency		50 Hz
(iii)	Power Factor		0.85
(iv)	Automatic Generation Control (AGC) (MW control is the general practice)		MW / Hz
(v)	**Ramping Rate**		
	(a).	Light mode	1 %
	(b).	Medium mode	3 %
	(c).	Heavy mode	5 %
(vi)	**Time required to Synchronize to Grid and loading the complex to full load.**		
	Ambient cold start(hours)		22 + 2
	Cold start mode		07 + 2
	Warm start mode		03 + 1.5
	Hot start mode		2.25 + 0.5
	Very hot mode		0.25 + 0.5

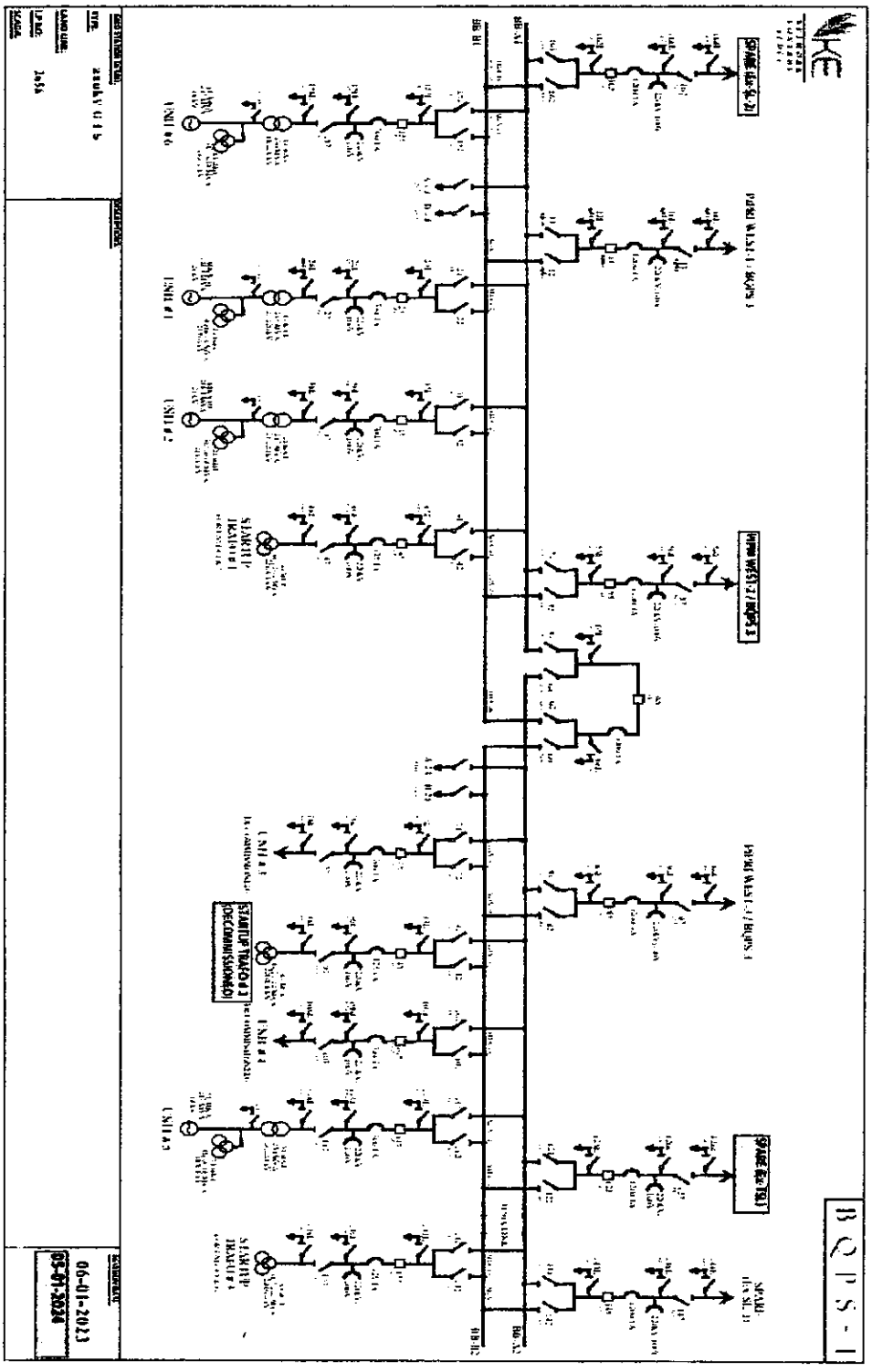
(F). Interconnection Arrangement

(i)	Interconnection & Transmission Arrangement for Bin Qasim Power Plant-I	(a). 220KV Circuit No. 1 to Pipri West Grid (b). 220KV Circuit No. 2 to Pipri West Grid (c). 220KV Circuit No. 3 to Pipri West Grid

Layout of Bin Qasim Power Station - I



Single Line Electrical Diagram of Bin Qasim Power Plant-I



CERTIFIED TRUE COPY OF BOARD RESOLUTION
PASSED BY THE BOARD OF DIRECTORS OF K-ELECTRIC LIMITED
THROUGH CIRCULATION ON 20 MARCH 2026

RESOLVED THAT in exercise of powers vested through section 187 and 188 of Companies Act, 2017 and Article 76(ii) and (vi) of KE's Articles of Association, Syed Taha be and is hereby appointed as the Chief Executive Officer (CEO) of the Company in place of Adeeb Ahmad with effect from 15 April 2026.

Certified by

Rizwan Pesnani
Chief Risk Officer & Company Secretary

Certified True Copy (CTC) of Resolution(s)
Passed by Board of Directors of K-Electric Limited (KE)
in their 1267th meeting held on Tuesday, 30 June 2026 at 11:00 a.m. in KE's Board Room, 3RD Floor, KE House, 39-B, Sunset Boulevard, Phase-II, DHA, Karachi

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APPROVAL OF FILING OF LICENSEE PROPOSED MODIFICATION (LPM) IN GENERATION LICENSE OF BQPS-I FOR EXTENSION OF USEFUL LIFE OF UNIT 5

RESOLVED THAT K-Electric Limited (hereinafter referred to as 'the Company') be and is hereby authorized to file an Application for extension in useful life of Unit 5 of its Bin Qasim Power Station I (BQPS-I) till June 30, 2030 (hereinafter referred to as 'the Application') with the National Electric Power Regulatory Authority (NEPRA), pursuant to NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021.

RESOLVED FURTHER that the Chief Executive Officer (CEO) of the Company be and is hereby authorized to sign and file the Application with NEPRA, execute all deeds, documents, instruments, and take all necessary actions incidental or related thereto, including appearing before NEPRA and admitting execution thereof, on behalf of the Company.

RESOLVED FURTHER THAT the CEO be and is hereby authorized to delegate his powers to any officer(s) of the Company as he may deem fit for the aforesaid purpose.

Rizwan Pesnani
Chief Risk Officer & Company Secretary

E-STAMP
(Islamabad Capital Territory)

ICT-625CE362D541EE3E

PSID-1012300032632332335

Rs 100/-

One Hundred Rupees Only

Purpose	: AFFIDAVIT - 4
Applicant	: Zia Ur Rehman [37405-3881603-5]
Representative From	: K Electric
Address	: Islamabad
Issue Date	: 04-Aug-2026, 11:53:17 AM
Delisted On/Validity	: 19-Aug-2026
Paid Through Challan	: 2026608D44CCBF2C
Reason	: IN FAVOR OF (NEPRA)

نوٹ: یہ ٹرانزیکشن تاریخ اجرا سے پندرہ دنوں تک کے لیے قابل استعمال ہے۔ ای اسٹامپ کی تصدیق پنجاب ویب سائٹ کیو آر کوڈ سے کی جا سکتی ہے۔

Please Write Below This Line

BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)

AFFIDAVIT of Mr. Syed Muhammad Taha s/o Syed Muhammad Ahmed Alavi having CNIC No. 42101-8488847-9 Chief Executive Officer, K-Electric Limited (the "Company"), a company incorporated under the laws of the Islamic Republic of Pakistan, having its registered office at KE House, 39-B, Sunset Boulevard, Phase II, Defence Housing Authority, Karachi.

I, the above named deponent, being the duly authorized representative of the Company solemnly affirm and declare that the contents of the Licensee Proposed Modification of the Generation License filed by K-Electric Limited vide Letter Ref No. KE/RA&GR/NEPRA/2026/774 dated August 4, 2026, including all supporting documents are true to the best of my knowledge and belief and that nothing has been concealed.

SYED MUHAMMAD TAHA

Karachi dated August 4, 2026

ATTESTED
TARIQ IQBAL MAHER