



OFFICE OF THE
REGISTRAR

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

ISLAMIC REPUBLIC OF PAKISTAN

NEPRA Tower, Ataturk Avenue (East) G-5/1, Islamabad

Phone: 2013200. Fax: 2600026

No. NEPRA/Advisor(CTBCM)/LAD-11/ **17143-57**

October 24, 2025

1.	Chief Executive Officer, Faisalabad Electric Supply Company Ltd. (FESCO), Abdullahpur, Canal Bank Road Faisalabad	2.	Chief Executive Officer, Gujranwala Electric Power Company Ltd. (GEPCO), 565 A, Model Town, G.T. Road, Gujranwala
3.	Chief Executive Officer, Hyderabad Electric Supply Co. Ltd. (HESCO), WAPDA Offices Complex, Hussainabad, Hyderabad	4.	Chief Executive Officer Islamabad Electric Supply Co. Ltd. (IESCO), Street # 40, Sector G-7/4, Islamabad.
5.	Chief Executive Officer, Lahore Electric Supply Company Ltd. (LESCO), 22-A, Queens Road, Lahore	6.	Chief Executive Officer, Multan Electric Power Company Ltd. (MEPCO), MEPCO Headquarter, Khanewal Road, Multan
7.	Chief Executive Officer, Peshawar Electric Supply Company Ltd. (PESCO), WAPDA House, Shami Road, Sakhi Chashma, Peshawar	8.	Chief Executive Officer, Quetta Electric Supply Company Ltd. (QESCO), Zarghoon Road, Quetta
9.	Chief Executive Officer, Sukkur Electric Power Company Ltd. (SEPCO), Administration Block, Thermal Power Station, Old Sukkur	10.	Chief Executive Officer, Tribal Areas Electric Supply Company Ltd. (TESCO), Room No. 213, 1 st Floor, WAPDA House, Shami Road, Sakhi Chashma, Peshawar
11.	Chief Executive Officer, Hazara Electric Supply Company (HAZECO), 426/A, PMA Link Road, Jinnahabad Abbottabad	12.	Chief Executive Officer K-Electric Limited (KEL), KE House, Punjab Chowrangi, 39-B, Sunset Boulevard, Phase-II Defence Housing Authority, Karachi

Subject: Approved Template of Use of System Agreement

Reference to the draft Use of System Agreement (UoSA) submitted by DISCOs and K-Electric (KE) pursuant to the NEPRA Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022.

2. Following completion of the due regulatory process, the Authority has approved the template of UoSA, enclosed as **Annexure-A**, along with following directions:

- The approved template of UoSA shall, *mutatis mutandis*, also apply in the case of Captive Generating Plants (CGPs). A DISCO and a CGP shall execute the UoSA only where the CGP avails open access for wheeling of electric power from its generation facility to the destination of its use.
- The DISCOs and KE shall coordinate with the Market Operator to ensure effective implementation of the UoSA. This shall include, where necessary, the development of a Standard Operating Procedure with the Market Operator for shifting of Bulk Power Consumers to the Supplier of Last Resort in line with the template of UoSA.

3. Proceed to take the necessary action in accordance with the above.

Enclosure: **As above**

(Iftikhar Ali Khan)
Addl. Director General

CC:

- Secretary, Ministry of Energy(Power Division), A-Block, Pak Secretariat, Islamabad
- Chief Executive Officer, Independent System and Market Operator (ISMO) of Pakistan, Pitras Bukhari Road, Sector H-8/1, Islamabad
- Managing Director, National Grid Company (NGC) of Pakistan, 414 WAPDA House, Shaharah-e-Quaid-e-Azam, Lahore

USE OF SYSTEM AGREEMENT

[TEMPLATE]

This Use of System Agreement is made on this [•] day of [•], [202_]

by and between:

[insert name], a [insert form of business organization] duly [incorporated/formed/registered] and organized under the laws of Pakistan, having its registered address at [•] and its principal place of business at [•] (the "Distribution Licensee")

- and -

[insert name], a [insert form of business organization] duly [incorporated/formed/registered] and organized under the laws of [•], having its [registered/head] address at [•] and its principal place of business at [•] (the "Competitive Supplier Licensee")

WHEREAS:

- A. The Distribution Licensee is obligated to provide Open Access to its Distribution System on non-discriminatory basis, subject to the terms and conditions as provided in the Act, National Electric Power Regulatory Authority Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022, its Licence and this Agreement;
- B. The Competitive Supplier has been granted an electric power supply Licence by the Authority authorizing it to supply electric power to its Bulk Power Consumers (BPCs), or has submitted an application to the Authority for such purpose, mentioned in Schedule I of this Agreement;
- C. The National Electric Power Regulatory Authority Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022 and the Competitive Supplier Licence require the Competitive Supplier Licensee to enter into a Use of System Agreement with the Distribution Licensee;
- D. The BPC(s) mentioned in Schedule I of this Agreement have complied with the requirement of Section 22(2) of the Act;
- E. The Distribution Licensee and the Competitive Supplier Licensee wish to enter into this Agreement in order to comply with the terms and conditions of their respective Licence, and the provisions of the National Electric Power Regulatory Authority Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022 and the National

Electric Power Regulatory Authority Performance Standards (Electric Power Suppliers) Regulations, 2022;

- F. The Competitive Supplier acknowledges that the Distribution Licensee can disconnect one or more of its BPC(s), after the required advance notice, upon disconnection requested by the Market Operator in accordance with the Market Commercial Code and after the Distribution Licensee complying and completing the procedures to disconnect as stipulated in Applicable Documents, including NEPRA Licensing (Distribution Licensee) Regulation, 2022, the Distribution Service Manual and the Distribution Code;
- G. The Distribution Licensee acknowledges that, upon submission of written request by the Competitive Supplier regarding default of its BPC, following the advance notice and procedures in Applicable Documents, the Distribution Licensee shall disconnect the BPC. In such case, the Competitive Supplier shall inform the Distribution Licensee in accordance with Article 6.4 of this Agreement.
- H Now, therefore, in consideration of the mutual covenants set forth herein and of other good and valuable considerations, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

Article 1

DEFINITIONS AND INTERPRETATION

- 1.1. **Incorporation of Definitions:** Capitalized expressions used in this Agreement but not defined herein, shall have the meanings ascribed thereto in the Act, the Grid Code, the Distribution Code, the Market Commercial Code, or rules and regulations made under the Act as it corresponds.
- 1.2. **Definitions:** In this Agreement, the following capitalized expressions shall have the meanings set forth below unless the context otherwise requires:
- (i) **"Act"** means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, as amended from time to time;
 - (ii) **"Agreement"** means this Use of System Agreement, together with all schedules annexed hereto, dated as of the date first written above between the Distribution Licensee and the Competitive Supplier, as may be amended, supplemented, restated, novated or assigned from time to time in writing with mutual consent;
 - (iii) **"Applicable Documents"** means the rules, regulations, terms and conditions of Licences, registrations, codes, manuals, directions, standards, guidelines, determinations, orders, notifications, approvals and authorizations issued or granted from time to time by the Authority in exercise of its powers under the Act;
 - (iv) **"Applicable Law"** means the laws of Pakistan including federal, provincial, and local laws;
 - (v) **"Authority"** means the National Electric Power Regulatory Authority established under Section 3 of the Act;
 - (vi) **"Billing Cycle"** means the period equal to one month, for which Distribution Licensee will issue the monthly invoice to the Competitive Supplier, the start and end date of this cycle will be agreed between the Parties;
 - (vii) **"Bulk Power Consumer (BPC)"** shall have the meaning assigned to the term in the Act;
 - (viii) **"Business Day"** means a day on which the Banks in Pakistan are operational;
 - (ix) **"Commencement Date"** means the date on which the commencement of electric power to the BPCs will be established subject to the provisions provided in Article 7.2.1;
 - (x) **"Competitive Supplier"** means a person licensed under section 23E of the Act to supply electric power to only those consumers who are located in the territory specified in its licence and meet the eligibility criteria laid down by the Authority;

- (xi) **"Confidential Information"** means the proprietary information of any Party or such other information which has been explicitly specified as confidential by one Party to another under this Agreement;
- (xii) **"Connection"** means the term as defined under the Connection Agreement;
- (xiii) **"Connection Agreement"** means the connection agreement signed between the Distribution Licensee and a BPC;
- (xiv) **"Cure Period"** shall have the meaning ascribed thereto in Article 8.3;
- (xv) **"Day"** means each period of twenty-four (24) hours, commencing at 00:00 Pakistan Standard Time;
- (xvi) **"Default Notice"** means the term as defined under Article 8.2 of this Agreement;
- (xvii) **"Disconnection"** means the temporary or permanent disconnection of a Bulk Power Consumer from the Distribution System of the Distribution Licensee as provided in the Connection Agreement, Distribution Service Manual and other Applicable Documents;
- (xviii) **"Distribution Code"** means the distribution code, prepared and maintained by the Distribution Licensee and approved by the Authority, as amended or replaced from time to time;
- (xix) **"Distribution Licence"** means a Licence for distribution of electric power granted by the Authority under Section 20 of the Act;
- (xx) **"Distribution Licensee"** means a person holding a valid Distribution Licence under Section 20 of the Act;
- (xxi) **"Distribution Services"** means the services provided by the Distribution Licensee through its Distribution System to the BPC(s) of the Competitive Supplier under the Connection Agreement executed between the Distribution Licensee and the respective BPC;
- (xxii) **"Distribution Service Manual"** means the manual of instructions developed by a distribution licensee and approved by the Authority detailing instructions and guidance to the persons connected or to be connected to the distribution system of the licensee; For the avoidance of doubt, the existing Consumer Service Manual shall be deemed to be the Distribution Service Manual, till the time a Distribution Service Manual is prepared by the Distribution Licensee and approved by the Authority;
- (xxiii) **"Distribution System"** includes the distribution facilities and electric lines or circuits, meters, interconnection facilities or other facilities operating at the distribution voltage, and shall also include any other electric lines, circuits, transformers, sub-stations, interconnection facilities or other facilities determined by the Authority as forming part

of the Distribution System as may be specified in the Distribution License of the Distribution Licensee, whether or not operating at the distribution voltage; For avoidance of doubt, transmission facilities if any, owned and/or operated by the Distribution Licensee shall be considered part of its Distribution System, for the purpose of this Agreement;

- (xxiv) **"Due Date"** means the date falling on the 15th day from the date of issuance of Invoice to the Competitive Supplier by the Distribution Licensee, provided that if the Due Date is not a Business Day, then the Due Date shall be the next following Business Day;
- (xxv) **"Effective Date"** shall have the meaning as ascribed thereto in Article 7.1;
- (xxvi) **"Electric Power Supplier"** shall include the Competitive Supplier and the Supplier of Last Resort;
- (xxvii) **"Energization"** means the switching on of any isolator, breaker, switch or the insertion of a fuse link so as to enable energy to flow from Distribution Licensee's Distribution System to the BPC;
- (xxviii) **"Event of Default"** means a Distribution Licensee's Event of Default, or a Competitive Supplier's Event of Default, as defined in Article 8.1 of this Agreement;
- (xxix) **"Force Majeure Event"** shall have the meaning as assigned to the term in Article 9.
- (xxx) **"GOP" or "Government"** means the Government of the Islamic Republic of Pakistan;
- (xxxi) **"Grid Code"** means the grid code prepared and maintained by the System Operator pursuant to sections 23H of the Act and approved by the Authority, as amended or replaced from time to time,
- (xxxii) **"Invoice"** means the bill issued by the Distribution Licensee for the Use of System Charges and/or any other amount to be paid by Competitive Supplier to the Distribution Licensee under this Agreement;
- (xxxiii) **"Licence"** shall have the meaning assigned to the term in the Act and the word "Licensee" shall be construed accordingly,
- (xxxiv) **"Market Commercial Code"** means the code prepared and maintained by the Market Operator and approved by the Authority pursuant to section 23B of the Act, as amended or replaced from time to time;
- (xxxv) **"Market Operator"** means a person licensed by the Authority under section 23A of the Act;
- (xxxvi) **"Metering Service Provider" or "MSP"** means an entity responsible for the organization and administration of the commercial metering system duly authorized by the Authority and performing the functions of meter reading and validation at metering

points and transferring those values to the Parties in accordance with the Applicable Documents;

- (xxxvii) **"Open Access"** shall have the same meaning as provided in the National Electric Power Regulatory Authority Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022;
- (xxxviii) **"Party"** means a party to this Agreement and the term **"Parties"** means both the parties;
- (xxxix) **"Sanctioned Load"** means the load as determined by the Distribution Licensee pursuant to the terms and conditions of the Distribution Service Manual;
- (xl) **"Security Cover"** means the financial protection against the estimated Use of System Charges provided to the Distribution Licensee by the Competitive Supplier under Article 7 of this Agreement;
- (xli) **"Supplier of Last Resort"** means a person who holds an electric power supply Licence for the service territory specified in its Licence and is obligated to supply electric power to all consumers located in that service territory at the rates determined by the Authority and is also obligated to provide electric power supply to the consumers, located within its service territory, of any competitive supplier who defaults on its obligations of electric power supply;
- (xlii) **"Supply Contract"** means an agreement, executed in accordance with the provisions of the Market Commercial Code, between the Competitive Supplier and a BPC for the bilateral sale and purchase of electric power.
- (xlili) **"Termination Date"** means the date on which this Agreement is terminated due to the reasons provided in Article 8; and
- (xliv) **"Use of System Charges"** means the use of system charges approved or determined by the Authority in the accordance with the Applicable Documents;

1.3. Interpretations: In this Agreement, unless the context otherwise requires:

- (i) The headings are for convenience only and shall be ignored in construing this Agreement;
- (ii) Other than where the context determines otherwise, the singular includes the plural and vice versa;
- (iii) References to Articles, Recitals and Schedules are, unless otherwise specified, references to Articles of, and Schedules and Recitals to, this Agreement;
- (iv) The words "include", "including" and "in particular" shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words;

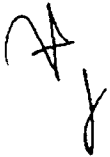
- (v) References to a Party are references to a Party to this Agreement, including that Party's assigns or transferees permitted in accordance with the terms of this Agreement and its successors in title;
- (vi) In carrying out its obligations and duties under this Agreement, each Party shall have an implied obligation of good faith;
- (vii) The Schedules (and if any schedules or tables thereto) to this Agreement form part of this Agreement, and capitalized terms and abbreviations used in the Schedules (and if any schedules or tables thereto) which are not defined therein shall have the meanings given to them in Article 1.1 of this Agreement, respectively;
- (viii) Except as otherwise indicated in this Agreement, references to time are references to the Pakistan Standard Time (PST);
- (ix) A reference to any statute, regulation, ordinance, by-law, resolution, rule, order or directive includes all statutes, regulations, ordinances, by-laws or resolutions, rules, orders or directives varying, consolidating, re-enacting, extending or replacing it and a reference to a statute includes all regulations, rules and by-laws of a legislative nature issued under that statute; and
- (x) A reference to a document or provision of a document, including this Agreement, includes an amendment or supplement to, or replacement or novation of, that document or that provision of that document, as well as any exhibit, schedule, appendix or other annexure thereto.

1 4. **Currency:** All references in this Agreement to a monetary amount are expressed in Pakistani Rupees and any payment required to be made by or to the Distribution Licensee or by or to the Competitive Supplier pursuant to this Agreement shall be made in Pakistani Rupees.

Article 2

CONSISTENCY WITH APPLICABLE DOCUMENTS

- 2.1. This Agreement shall be construed, to the extent possible, in a manner consistent with the rights and obligations of the Parties under their Licenses, the Market Commercial Code, the Grid Code, the Distribution Code and other Applicable Documents.
- 2.2. Nothing in this Agreement shall be construed as affecting the obligation of each of the Parties to comply with the provisions of it Licence, the Applicable Laws and Applicable Documents. In the event of any inconsistency between this Agreement and the provisions of any Licensed condition, Applicable Laws or Applicable Documents, the latter shall prevail to the extent of such inconsistency.



Article 3

SCOPE OF THIS AGREEMENT

- 3.1. This Agreement shall apply to the relationship of the Distribution Licensee with the Competitive Supplier for the billing of Use of System Charges by Distribution Licensee and payment of such charges as well as provision of the Security Cover by the Competitive Supplier in accordance with the terms of this Agreement.
- 3.2. The list and details of each BPC connected with the Distribution Licensee and who will be supplied electric power by the Competitive Supplier is attached as Schedule-I, as updated from time to time.

Article 4

COMPLIANCE WITH CONNECTION AGREEMENT

- 4.1. Technical and operational matters including but not limited to connection and energization of BPC(s) by the Distribution Licensee shall be dealt with in accordance with the Connection Agreement signed between the Distribution Licensee and BPC(s) and subject to compliance with the Applicable Documents.
- 4.2. Nothing in this Agreement shall create additional obligations for the BPC of the Competitive Supplier, whose rights and responsibilities are governed by their respective Connection Agreement and other Applicable Documents.
- 4.3. A BPC already connected to the Transmission and Distribution System, shall be deemed to have complied with the conditions of Grid Code and Distribution Code for Connection and Energization; and shall only be required to have valid Connection Agreement with the Distribution Licensee.

Article 5

MAINTENANCE, OUTAGES AND PLANNED WORK

- 5.1. **Notification by Distribution Licensee:** Distribution Licensee shall notify the Competitive Supplier of any maintenance, outages and planned work that may be intended to be performed in respect of Distribution System and that may interrupt the Distribution Services. Such notification will be in accordance with the conditions established in the corresponding Connection Agreement signed between the BPC of the Competitive Supplier and the Distribution Licensee

Article 6

DISCONNECTION

- 6.1. **Involuntary Disconnection:** The Competitive Supplier acknowledges and agrees that the Distribution Licensee may disconnect a BPC's connected facilities and equipment from the Distribution System at any connection point at any time, subject to the terms and conditions

as specified in the Connection Agreement and by completing the Disconnection procedures as established in the Applicable Documents. The Distribution Licensee will inform the Competitive Supplier as soon as possible of involuntary disconnections that affect the BPC(s) of the Competitive Supplier.

- 6.2. All charges including any charges resulting from theft of electricity or any possible damages to the Distribution System by the BPC(s) of the Competitive Supplier which have accrued till the Disconnection time of relevant BPC(s) shall be dealt with in accordance with the Connection Agreement and other Applicable Documents and payable by the BPC. For avoidance of doubt, the Competitive Supplier shall not be liable for any loss, cost, or damage suffered by its BPCs or any third party arising from involuntary Disconnection where such Disconnection results solely from a fault, failure, or interruption within the Distribution Licensee's system or actions, except where caused by the negligence or willful default of the Competitive Supplier.
- 6.3. Payment of Use of System Charges Pending Disconnection: Where the Distribution Licensee Disconnects a BPC, and notifies the Competitive Supplier about the duration, cause and justification of the disconnection, the Competitive Supplier shall continue to pay applicable Use of System Charges pursuant to Article 7 of this Agreement for its BPCs.
- 6.4. Non-payment of Use of System Charges: If the Competitive Supplier has not fulfilled its obligation related to the payment of Use of System Charges and Distribution Licensee has decided to terminate this agreement as provided in Article 7, the Distribution Licensee shall notify the respective BPC and Market Operator to initiate the following actions:

6.4.1. Where BPC is not a Market Participant:

Where the BPC is not a Market Participant or has a valid supply contract with only a single Competitive Supplier, transfer the BPC to the Supplier of Last Resort ("SOLR") of the Service Territory, following the due procedure in accordance with the Market Commercial Code and other Applicable Documents.

Provided that the BPC shall only be required to be shifted to the SOLR if the default is caused by the Competitive Supplier. In case where the Competitive Supplier is unable to fulfill its obligations related to the payment of Use of System Charges due to non-payment or default by the respective BPC, the Competitive Supplier shall inform the Distribution Licensee before the end of the period in Article 7 15.5 (Replenish Mechanism) and the Distribution Licensee shall disconnect the BPC following the due procedure and also inform the Market Operator

Provided further that in case of dispute between the BPC and the Competitive Supplier regarding the payment of Use of System Charges, the Competitive Supplier shall be responsible for the payment of the Use of System

2 d

Charges till the time the dispute is settled, or the Competitive Supplier terminates its agreement with the BPC.

6.4.2. Where BPC is a Market Participant:

Where the BPC is a market participant or has existing supply contracts with multiple electric power suppliers, the Distribution Licensee shall issue a formal notice to the BPC, requiring it to confirm in writing whether it intends to: (a). transition to the Supplier of Last Resort; or (b) procure electric power from the Balancing Mechanism for Energy in accordance with the Market Commercial Code.

Provided that upon receipt of the BPC's written confirmation, the Distribution Licensee shall take the necessary steps to implement the BPC's stated intention and shall promptly notify the Market Operator to facilitate appropriate action in compliance with the Market Commercial Code.

Provided, however, that if the BPC fails to communicate its written confirmation within the stipulated period specified in the notice, such period not exceeding the duration of applicability of this Agreement, the BPC shall, by default, be supplied with electricity from the Balancing Mechanism for Energy as per the provisions of the Market Commercial Code.

Provided also that it shall be the responsibility of the Distribution Licensee to keep the Market Operator informed of all such developments arising from the BPC's response or non-response, ensuring compliance with the Market Commercial Code.

Article 7

**PROVISION OF DISTRIBUTION SERVICES,
USE OF SYSTEM CHARGES AND SECURITY COVER**

7.1. Provision of Distribution Services to the Competitive Supplier: This Agreement will become effective on the date and time agreed between Distribution Licensee and the Competitive Supplier through a written notice, confirming fulfillment of the following conditions:

- (i) provision of Security Cover by the Competitive Supplier as required under this Article 7;
- (ii) satisfaction of all relevant terms and conditions of Market Commercial Code including enrollment with the Market Operator; and
- (iii) satisfaction with all relevant Applicable Documents regarding the connection of BPC including the execution of new Connection Agreement, if required;

7.2. Addition of a New BPC(s) by the Competitive Supplier:

- 7.2.1. When the Competitive Supplier intends to supply electric power to any new BPC in the service territory of the Distribution Licensee and has obtained required approvals from the Authority including the required modification in the Competitive Supplier License (if required) and has complied with the terms and conditions of the Market Commercial Code, the Competitive Supplier shall inform and notify the Distribution Licensee at least fifteen (15) Business Days in advance of any new BPC, including the proposed Commencement Date of electric power supply and any other information reasonably required by the Distribution Licensee.
- 7.2.2. The Distribution Licensee shall calculate the revised Security Cover as required under Article 7.15 and shall inform the Competitive Supplier to submit the revised Security Cover payment within ten (10) days before commencement of Competitive Supplier sales to the BPC.
- 7.2.3. Upon submission of revised Security Cover payment by the Competitive Supplier, both Parties shall revise the list of BPCs as provided in Schedule-I by adding the information related to this new BPC within three (03) working days or as mutually agreed between the parties.
- 7.2.4. The commencement of provision of electric power supply to the additional new BPC(s) shall be subject to satisfaction of all the conditions provided in Article 7.

7.3. Payment of Use of System Charges and Security Cover

- 7.3.1. The Competitive Supplier shall provide the following to the Distribution Licensee in respect of each BPC:
- (i) Payment of Use of System Charges calculated each month in accordance with NEPRA determination, and invoiced by the Distribution Licensee to the Competitive Supplier, differentiating payment due to each of its BPCs and total; and
 - (ii) Security Cover in accordance with Articles 7.11, 7.13, 7.14 and 7.15.
- 7.3.2. The Competitive Supplier shall intimate the Distribution Licensee about the termination of existing Supply Contract with any of its BPC's listed in the Schedule-I at least thirty (30) Days before the effective date of such termination of Supply Contract. In such case, the Distribution Licensee shall invoice for the Use of System Charges only for the period for which the Competitive Supplier supplied electric power to BPC. The list provided in Schedule-I of this Agreement shall be updated and, accordingly, the Security Cover to the extent of relevant BPC shall be refunded to the Competitive Supplier within thirty (30) days of the BPC no longer being supplied by the Competitive Supplier.

7/8

7.3.3. Where a BPC becomes a consumer of the Competitive Supplier at a date different to beginning of a month, on any day other than first day of the Billing Cycle, the Distribution Licensee shall invoice the Use of System Charges to the Competitive Supplier on pro-rata basis.

7.4. Communication of Use of System Charges:

7.4.1. The Distribution Licensee shall promptly provide the Competitive Supplier with a copy of its Use of System Charges as approved by the Authority, each time it is determined by the Authority.

7.5. Monthly Invoicing:

7.5.1. The Distribution Licensee shall issue the invoice to the Competitive Supplier for all BPCs, as listed in Schedule-I for payments due under this Agreement on a monthly basis. The invoice shall, inter-alia, consist of the following details:

- (i) the energy[kWh] consumed and the MDI (MW) of each BPC from the metering data provided by the Metering Service Provider and validated in accordance with the Market Commercial Code, as applicable;
- (ii) sanctioned load;
- (iii) the amounts payable on the basis of Use of System Charges for each BPC, supported by sufficient detail to enable the Competitive Supplier to validate the invoice with minimal administration;
- (iv) any tax and surcharges levied by the Government;
- (v) any other amount payable under this Agreement; and
- (vi) the due date of payment;

7.5.2. The invoices shall be issued substantially as per the format included in Schedule II as may be amended with mutual consent of the Parties.

7.6. Payment Terms: The Competitive Supplier shall make payments on or before the due date to the Distribution Licensee according to the invoice. All payments shall be made:

- (i) immediately available and freely transferable funds to such accounts and with such bank as the Distribution Licensee may designate from time to time for such purpose;
- (ii) without deduction, set off or deferment in respect of sums which are subject to any disputes or claims whatsoever; and
- (iii) together with any taxes and surcharges payable in respect thereof.

7.7. **Continuing Payment Performance:** The Competitive Supplier shall pay in full each invoice on or before its due date during the continuation of any dispute resolution process under this Agreement. Upon resolution of any dispute in relation to an invoice or invoices in accordance with this Agreement;

- (i) if it is determined that the Competitive Supplier has been overpaid, the excess amount will be credited within three (03) days of the resolution of dispute;
- (ii) if it is determined that the Competitive Supplier has been underpaid, the shortfall shall be debited to an invoice to be issued to the Competitive Supplier under this Agreement.

7.8. **Late Payment Surcharge on Overdue Payments:** The Distribution Licensee shall be entitled to charge a Late Payment Surcharge on any amount overdue against the Competitive Supplier under this Agreement as mutually agreed between the Parties. Any revenue earned through surcharges or late payment interest shall be subject to adjustments through tariff and passed through to the consumers.

7.9. **Non-Payment:** Where the Competitive Supplier fails to make payment in full to the Distribution Licensee of any amount invoiced under Article 7.5, the Distribution Licensee shall, within three (03) Business Days after the due date, notify the Competitive Supplier and, if the payment is not made within ten (10) Business Days after the due date, shall be entitled to encash the Security Cover provided by the Competitive Supplier under Article 7.10

7.10. **Obligation to Provide Security Cover:** The Competitive Supplier shall provide the Security Cover to the Distribution Licensee for all the BPCs listed in Schedule-I, up to the maximum amount determined in accordance with Articles 7.14 of this Agreement.

7.11. **Form of Security Cover:**

7.11.1. The Competitive Supplier shall provide the Security Cover referred to in Article 7.13 of this Agreement. If the Competitive Supplier does not comply with this Article 7, the Distribution Licensee may in its reasonable discretion, by notice to the Competitive Supplier given at any time terminate this Agreement with effect from the date specified in such notice. In case of addition of new BPC(s) to this Agreement, the Security Cover shall be submitted in accordance with Article 7.2 of this Agreement.

7.11.2. The Security Cover shall be in accordance with one of the following means:

- (i) an irrevocable standby letter of credit.
- (ii) any other mode mutually agreed by parties.

7.12. **Interest on Cash Deposits:** Where the Competitive Supplier provides Security Cover in the form of a cash deposit, it shall not receive any interest on its deposit from the Distribution Licensee.

7.13. **Security Cover Amount:** Subject to Article 7.14 the Security Cover that the Distribution Licensee will require from a Competitive Supplier shall be equal to the Distribution Licensee's estimate of the maximum required security, determined in accordance with Articles 7.14 and 7.15.

7.14. **Maximum Required Security:** The Distribution Licensee's maximum required security in respect of the Competitive Supplier shall be calculated in the following way:

$$\text{Security Cover Amount} = A * \text{Factor}$$

where:

"A" is the Distribution Licensee's estimate of the amount towards Competitive Supplier against all its BPCs in a typical month (average consumption over a period of last 1 year and in case of new BPCs, the average load factor of BPCs in the same tariff category), such amount shall be based on:

- (i) estimated billing information including energy [kWh], sanctioned load [MW], MDI [MW] and if available, historical consumptions of all BPCs of the Competitive Supplier, adjusted to reflect any foreseen changes in conditions that would affect the use of the Distribution System by BPCs;
- (ii) the applicable Use of System Charges payable in a month; and
- (iii) any taxes and Surcharges;

"Factor" is equal to two (2).

7.15. **Revisions of the Security Cover Amount:**

7.15.1. Nothing herein shall prejudice the rights of the Distribution Licensee provided under Article 7.14.

7.15.2. The amount of Security Cover shall be revised automatically by the Distribution Licensee subject to the variation in the Use of System Charges as determined by the Authority, or any periodic indexation/adjustment/rebasing provided in such determination from time to time.

7.15.3. The amount of Security Cover shall also be revised in case any new BPC is added as per Article 7.3 or to the extent of the Electric Power Supplier being the Competitive Supplier, any BPC listed in Schedule I switches to another Electric Power Supplier.

7.15.4. The amount of Security Cover shall also be revised in case where sanctioned load of any BPC of the Competitive Supplier increases or decreases.

7.15.5. **Replenish Mechanism:** In the event where the Security Cover amount has been utilized by the Distribution Licensee in full or in partial against any non-payment by the Competitive Supplier in any month, the Distribution Licensee shall notify the Competitive Supplier to replenish its Security Cover within ten (10) Business Days or as mutually agreed between the parties. Failure to replenish the Security Cover by the Competitive Supplier within the time period of such notification by the Distribution Licensee shall entitle the Distribution Licensee to terminate this Agreement, and initiate action in accordance with Article 6.4 of this Agreement.

7.16. **Failure to Provide Security Cover:** Where a Competitive Supplier fails to provide the Security Cover required under the Article 7, the Distribution Licensee may terminate the Agreement and inform the Market Operator accordingly.

7.17. **Where Security Cover Becomes Inadequate or Invalid:** Where a Competitive Supplier fails to provide additional or replacement Security Cover, required under Articles 7.15 and 7.16, the Distribution Licensee may terminate this Agreement and, initiate action in accordance with Article 6 of this Agreement.

7.18. **Nature of Surcharges:** The surcharge, as applicable, indicated in Article 7.8 or any other Article of this Agreement, shall constitute recovery of reasonable financial cost of associated event of non-payment or underpayment, as the case may be, of applicable dues and shall not be considered a penalty.

Article 8

EVENTS OF DEFAULT

8.1. **Events of Default: An Event of Default means, in respect of a Party:**

- (i) a breach by that Party of a material provision of this Agreement other than a breach by the Competitive Supplier of Article 7;
- (ii) a Licence, permit or other authorization necessary to enable that Party to carry on its principal business or activities is suspended, revoked or otherwise ceases to be in full force and effect;
- (iii) any significant breach of any of the material terms of the Agreement;
- (iv) that Party ceases or threatens to cease to carry on its principal business or a substantial part of its principal business; or
- (v) the occurrence of insolvency.

- 8.2. **Occurrence of Event of Default:** If an Event of Default occurs in respect of a Party, the non-defaulting Party may serve the defaulting Party with a notice (the "Default Notice") specifying the Event of Default.
- 8.3. **Cure Periods:** Upon receipt of a Default Notice, the defaulting Party shall in respect of an Event of Default under Article 8.1(i) only, be entitled to remedy the Event of Default within a period of ten (10) Business Days or such longer period of time as may be agreed between the Parties (the "Cure Period"). During such Cure Period, the defaulting Party shall diligently seek to remedy the Event of Default specified in the Default Notice.
- 8.4. **Failure to Remedy:** If:
- (i) the defaulting Party fails to remedy an Event of Default under Article 8.1(i) within the applicable Cure Period or such longer period of time as may have been agreed between the Parties; or
 - (ii) an Event of Default has occurred under 8.1(i), (ii), (iii), the non-defaulting Party may terminate this Agreement upon notice to the defaulting Party and the provisions of Article 10 shall apply.
- 8.5. **Remedy Includes Payment of Costs:** In respect of an Event of Default under 8.1(i), a defaulting Party shall not be held as having remedied an Event of Default unless it has paid all costs and expenses incurred by the non-defaulting Party in relation to, or arising from, the enforcement of the defaulting Party's obligations. However, payment of costs and expenses of non-defaulting Party shall be as per actual costs and expenses.
- 8.6. **Exceptions:** Nothing in this Article shall:
- (i) apply to the prejudice of the provisions of 12.4 ; be construed as affecting any other right or remedy which the non-defaulting Party may have under this Agreement or Applicable Law, including a right to seek damages or indemnification where applicable, relating to or arising from an Event of Default; or
 - (ii) apply to a default on payment for Distribution Services or a failure by the Competitive Supplier to provide Security Cover, which shall be governed by the provisions of Article 7.
- 8.7. **Arrangement in Case of Failure to Provide Open Access:**
- 8.7.1. The Distribution Licensee shall ensure uninterrupted provision of open access to the Competitive Supplier in accordance with the provisions of the relevant Performance Standards of the Authority;
- 8.7.2. In the event of failure of Distribution Licensee's Distribution System due to any fault, Distribution Licensee shall make all reasonable efforts to address the cause of the

failure and restore Distribution System to provide open access to the Competitive Supplier for supply of electric power to the BPC as soon as possible but not later than the time period stipulated in the relevant Performance Standards of the Authority;

- 8.7.3. In the event that the restoration of the Distribution System is not completed within the timeframe specified in the Performance Standards, the Competitive Supplier shall be entitled to claim compensation in accordance with the relevant regulations of the Authority;
- 8.7.4. The BPC(s) of the Competitive Supplier shall not be subject to any interruption or load shedding except if required upon direction of the System Operator in accordance with the Grid Code;
- 8.7.5. The failure of Distribution Licensee's Distribution System due to a fault, not directly attributable to the Distribution Licensee, shall not be considered an event of Default under this Article.

Article 9

FORCE MAJEURE

9.1. Force Majeure Event

- 9.1.1. "Force Majeure Event" means in relation to a Party, any event of a magnitude or nature as to render the performance of obligations, under the Agreement, by that Party, impossible, and shall include the following: (i). An act of God including earthquake, fire, flood, landslide, environmental hazards, pandemics or epidemics. (ii). War, invasion, armed conflict, insurrection, civil unrest, riots, terrorist attack, acts of a foreign enemy, strikes, lockouts.
- 9.1.2. An event shall not be construed to be Force Majeure if:
 - (i) The affected Party could have overcome the Force Majeure event by exercising reasonable care and diligence.
 - (ii) Despite it being an event, which may fall under the category of Force Majeure but has not incapacitated a Party to perform its obligations
 - (iii) It has arisen due to a Party's lack of funds, inability to get requisite approvals, changes or fluctuations in prices, failure to follow prudent utility practices, negligence, or lack of reasonable care.
 - (iv) It has arisen due to performance delays of any employee, personnel, or Sub-contractor or abandonment by any of the foregoing.
 - (v) It has occurred or existed prior to or on the Effective Date

- (vi) The duration of a Force Majeure Event shall not exceed sixty (60) consecutive days without review by both Parties, after which the non-affected Party may terminate the Agreement.
- (vii) The affected Party must provide written notice within seven (07) Business Days of becoming aware of a Force Majeure Event, including particulars, mitigation steps and expected duration, and must use reasonable efforts to resume performance of its obligations as contained herein

9.2. Effect of Force Majeure Event: Subject to the provisions of this Article, neither Party shall be liable to the other for any failure or delay in the performance of any obligation under this Agreement, other than the obligation to make payments of money, to the extent that such failure or delay is due to a Force Majeure Event, provided that the Party invoking a Force Majeure Event shall only be excused from performance pursuant to this Article:

- (i) for so long as the Force Majeure Event continues and for such reasonable period of time thereafter as may be necessary for the Party to resume performance of the obligation;
- (ii) where and to the extent that the failure or delay in performance would not have been experienced but for such Force Majeure Event; and
- (iii) No Party may invoke a Force Majeure Event for a period exceeding sixty (60) consecutive days without the written agreement of the non-affected Party. If such agreement is not reached, the non-affected Party shall be entitled to terminate this Agreement or suspend its obligations without liability. Any extension beyond this period shall require verification by the Market Operator or the Authority that the Force Majeure Event is continuing and beyond the control of the affected Party.

9.3. Notice: Where a Party invokes a Force Majeure Event, it shall give notice to the other Party:

- (i) of the invocation of the Force Majeure Event as soon as reasonably practical but in any event within seven (07) Business Days of the date on which the Party becomes aware of the occurrence of the Force Majeure Event, which notice shall include full particulars of the Force Majeure Event and of the effect that such Force Majeure Event is having on the Party's performance of its obligations under this Agreement. The affected Party shall use all reasonable efforts to mitigate the effects of the Force Majeure Event and resume performance of its obligations under this Agreement as promptly as possible and

- (ii) of the cessation of the Force Majeure Event and of the cessation of the effects of the Force Majeure Event on the Party's performance of its obligations under this Agreement.

Article 10

TERM AND TERMINATION

- 10.1. **Term:** This Agreement shall come into force on the Effective Date and shall remain in full force and effect until ten (10) years from the Effective Date or terminated earlier by either party in accordance with Article 7 or 10.2, or the Competitive Supplier requests a shorter duration.
- 10.2. **Termination Upon Competitive Supplier ending activity:** This Agreement may be terminated upon request of the Competitive Supplier to end its supply activity to all its BPCs. The Competitive Supplier shall provide at least ninety (90) days prior written notice of its intent to terminate. Where the Competitive Supplier remains as Competitive Supplier for some of its BPCs, this Agreement shall remain in full force and effect in respect of those remaining BPCs.
- 10.3. **Ongoing Liability:** Notwithstanding termination of this Agreement, in whole or in part, for any reason, each Party shall remain liable in respect of all obligations and liabilities owed to the other Party that were incurred or arose under this Agreement prior to the Effective Date of termination regardless of the date on which any claim relating thereto may be made.
- 10.4. **Survival:** Termination of this Agreement for any reason shall not release the Parties from any obligations relating to this Agreement that by their nature survive termination, including all ongoing warranties, liabilities, indemnities and confidentiality obligations.
- 10.5. **Return of Security Cover:** Upon termination of this Agreement, the Distribution Licensee shall, once it is satisfied that the Competitive Supplier has no remaining financial obligations or liabilities under this Agreement, return to the Competitive Supplier all Security Cover held by the Distribution Licensee in respect of such obligations no later than thirty (30) Business Days after such termination or upon completion of all remaining financial obligations or liabilities that occurred before the date of termination.
- 10.6. **Realization on Security Cover:** Upon termination of this Agreement, the Distribution Licensee may, where the Competitive Supplier has financial obligations under this Agreement that are outstanding for more than ten (10) Business Days from the effective date of termination, take such steps as may be necessary to realize on such Security Cover to the extent required to offset any such outstanding financial obligations. Where the Security Cover exceeds the value of such outstanding financial obligations, including the costs of the Distribution Licensee in realizing on such Security Cover, the Distribution Licensee shall return to the Competitive Supplier any remaining Security Cover amount held by the Distribution Licensee.

Article 11

REPRESENTATIONS AND WARRANTIES

11.1. Representations and Warranties of Distribution Licensee: The Distribution Licensee hereby represents and warrants as follows to the Competitive Supplier, and acknowledges and confirms that the Competitive Supplier is relying on such representations and warranties in executing this Agreement:

- (i) the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate actions; and
- (ii) this Agreement constitutes a legal and binding obligation on the Distribution Licensee, enforceable against the Distribution Licensee in accordance with its terms.

11.2. Representations and Warranties of the Competitive Supplier: The Competitive Supplier hereby represents and warrants as follows to the Distribution Licensee and acknowledges and confirms that the Distribution Licensee is relying on such representations and warranties without independent inquiry:

- (i) it has all the necessary corporate powers to enter into and perform its obligations under this Agreement;
- (ii) the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate and/or governmental action and in the Competitive Supplier's good faith belief and after making reasonable inquiry does not result in a violation or a breach of or a default under or give rise to a right of termination, greater rights or increased costs, amendment or cancellation or the acceleration of any obligation under (i) any legal instruments of the Competitive Supplier, (ii) any contracts or instruments to which the Competitive Supplier is a party or by which the Competitive Supplier is bound; or (iii) any laws applicable to it;
- (iii) the individual(s) executing this Agreement, and any document in connection herewith, on behalf of the Competitive Supplier have been duly authorized to execute this Agreement and have the full power and authority to bind the Competitive Supplier;
- (iv) this Agreement constitutes a legal and binding obligation on the Competitive Supplier, enforceable against the Competitive Supplier in accordance with its terms;
- (v) it holds all permits, Licences and other authorizations that may be necessary to enable it to carry on the business and perform the functions and obligations of a Competitive Supplier in this Agreement;

- (vi) the information provided in support of this Agreement, is true, accurate and complete in all respects;
- (vii) the Competitive Supplier has or will have adequate qualified employees and other personnel and organizational and other arrangements that are sufficient to enable it to perform all of the functions and obligations applicable to Competitive Supplier;

Article 12

MISCELLANEOUS

12.1. Dispute Resolution:

- (i) In the event that any dispute arises between the Parties with respect to this Agreement, the Parties shall in good faith, attempt to resolve the dispute by mutual discussion and agreement. The aggrieved Party shall give a notice to the other Party, highlighting in detail the dispute that requires resolution, and good faith negotiations between the Parties shall be undertaken within a period of fifteen days (15) of such notice.
- (ii) If any dispute remains unresolved after good faith negotiations as per above sub-article, where both Parties agree in writing, they may, subject to the Applicable Documents, refer the disputed matter to the Authority for resolution.
- (iii) Irrespective of any dispute pending resolution, both the Parties shall continue to perform their respective obligations and fulfill their liabilities as per provisions of this Agreement

12.2. LIABILITY AND INDEMNIFICATION

12.2.1. Distribution Licensee

- (i) Except as may be specifically provided to the contrary elsewhere in this Agreement, the Distribution Licensee shall not be liable for any claims, losses, costs, liabilities, obligations, actions, judgements, suits, expenses, disbursements or damages of the Competitive Supplier whatsoever, howsoever arising and whether as claims in contract, claims in tort or otherwise, arising out of any act or omission of the Distribution Licensee in the exercise or performance or the intended exercise or performance of any power or obligation under this Agreement or any other Applicable Document.
- (ii) Subject to the above sub-article (i), the Distribution Licensee shall indemnify and hold harmless the Competitive Supplier and the Competitive Supplier's Directors, officers and employees from any and all claims, losses, liabilities,

obligations, actions, judgements, suits, costs, expenses, disbursements and damages incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, the Competitive Supplier or its directors, officers or employees to the extent that such claims, losses, liabilities, actions, judgements, suits, costs, expenses, disbursements or damages arise out of any willful misconduct by or any act or omission that constitutes negligence, or failure to act with due care, by the Distribution Licensee in the exercise or performance or the intended exercise or performance of any power or obligation under this Agreement.

- (iii) For the purposes of sub-articles (i) and (ii) above, an act or omission of the Distribution Licensee effected in compliance with this Agreement, or any other Applicable Documents shall be deemed not to constitute willful misconduct or negligence. Further, the Distribution Licensee shall not be liable in respect of any indirect or consequential loss or incidental or special damages including, but not limited to, punitive damages; or any loss of profit, loss of contract, loss of opportunity or loss of goodwill. The Competitive Supplier shall have a duty to mitigate damages, losses, liabilities, expenses or costs relating to any claims for indemnification that may be made by the Competitive Supplier.

12.2.2. Competitive Supplier

- (i) The Competitive Supplier shall not be liable for any claims, losses, costs, liabilities, obligations, actions, judgements, suits, expenses, disbursements or damages of the Distribution Licensee whatsoever, howsoever arising and whether as claims in contract, claims in tort or otherwise, arising out of any act or omission of the Competitive Supplier in the exercise or performance or the intended exercise or performance of any power or obligation under this Agreement.
- (ii) Subject to sub-article (i) above, the Competitive Supplier shall indemnify and hold harmless the Distribution Licensee, the Distribution Licensee's directors, officers and employees from any and all claims, losses, liabilities, obligations, actions, judgements, suits, costs, expenses, disbursements and damages incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, the Distribution Licensee, its directors, officers or employees to the extent that such claims, losses, liabilities, actions, judgements, suits, costs, expenses, disbursements or damages arise out of any willful misconduct by or any negligent act or omission of the Competitive Supplier in the exercise or performance or the intended exercise or performance of any power or obligation under this Agreement.

- (iii) For the purposes of sub-articles (i) and (ii) above, an act or omission of the Competitive Supplier effected in compliance with this Agreement be deemed not to constitute willful misconduct or a negligent act or omission. Further, the Competitive Supplier shall not be held liable in respect of any indirect or consequential loss or incidental or special damages including, but not limited to, punitive damages, or any loss of profit, loss of contract, loss of opportunity or loss of goodwill. Distribution Licensee shall have a duty to mitigate damages, losses, liabilities, expenses or costs relating to any claims for indemnification that may be made by the Distribution Licensee, including but not limited to, seeking recovery under any applicable policies of insurance to which the Distribution Licensee or the Competitive Supplier, as the case may be, is a beneficiary.

12.3. Data Privacy

- 12.3.1. Each Party acknowledges and agrees that, while performing their obligations and exercising their rights under this Agreement, it may receive or have access to personal or Confidential Information of the other Party, directors, officers, employees, governance committee members and/or authorized representatives.
- 12.3.2. Each Party represents and warrants that its collection, access, use, storage, disposal, and disclosure of any personal or Confidential Information shall always comply with the Applicable Law.

12.4. Confidentiality

- 12.4.1. All Confidential Information, including any concepts and related documentation and all other information and materials provided by each Party in relation to this Agreement shall remain to be its respective intellectual property and shall always remain the sole property of said Party.
- 12.4.2. Each Party shall protect Confidential Information with reasonable precautions, but no less than in the same manner as it treats its own confidential and proprietary information.
- 12.4.3. Each Party shall, at its own expense and without need of notice, deliver to the other Party, within thirty (30) days following the termination or expiration of this Agreement, all documents, and all other materials, in whatever form, containing or reflecting any Confidential Information, together with any copies thereof. Each Party shall, upon the request of the other Party destroy such Confidential Information and provide the other Party with a sworn statement attesting to such destruction. Each Party acknowledges that neither the return of any Confidential Information nor the destruction of the same will release the other Party from its obligations under this Agreement.

12.5. **Applicable Law:** This Agreement shall be governed by and construed in accordance with the laws of Pakistan as amended from time to time.

12.6. **Conditions for assignment of open access rights:**

12.6.1. Neither the Distribution Licensee nor the Competitive Supplier shall assign, transfer, or delegate their respective rights and obligations under this Agreement to any third party without the prior written consent of the other Party and the necessary regulatory approvals, where applicable.

12.6.2. Neither Party shall assign, transfer, or delegate their respective rights and obligations under this Agreement without the prior written consent of the other Party and the necessary regulatory approvals, where applicable. The Party seeking the assignment or transfer shall provide written notice to the other Party at least ninety (90) days prior to the proposed effective date of such assignment or transfer. If no response is received within this period, the requesting party shall send a final written notice providing additional thirty (30) days for a response. If no response is received within this extended period, the non-assigning Party shall be deemed to have waived its right to consent, and the assignment shall proceed accordingly. Any unauthorized assignment, transfer, or delegation of rights and obligations under this Agreement shall be deemed null and void and may result in termination of the Agreement or other remedies as specified herein.

12.7. **Amendment to this Agreement:** No amendment to this Agreement shall be effective unless it is made in writing by mutual consent and signed by both Parties

12.8. **Successors and Assigns:** This Agreement shall endure to the benefit of, and be binding on, the Parties and their respective heirs, administrators, executors, successors and permitted assigns.

12.9. **Documents and Information:** Each Party shall promptly execute and deliver or cause to be executed and delivered all documents in connection with this Agreement that the other Party may reasonably require for the purposes of giving effect to this Agreement.

12.10. **Waivers:** A waiver of any default, breach or non-compliance under this Agreement is not effective unless in writing and signed by the Party to be bound by the waiver.

12.11. **Notices:** 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:

12.11.1. If to Distribution Licensee:

Attention: The Chief Executive Officer,

Facsimile:

12.11.2. If to Competitive Supplier:

Attention: The Chief Executive Officer,

Facsimile:

Either Party may change its address and representative for notice by written notice to the other Party. Such change shall not constitute a Modification of this Agreement.

In witness whereof the Parties hereto have, by their respective duly appointed and authorized representatives, executed this Agreement on the date set forth hereinabove.

Signature of Authorized Representative of Competitive Supplier

Name: _____

Title: _____ Date: _____

Signature of Authorized Representative of Distribution Licensee

Name: _____

Title: _____ Date: _____

1.

Witness:

Name:

Designation:

CNIC:

2.

Witness:

Name:

Designation:

CNIC:

74

8

Schedule I
[Reference Article 3]
[List of BPCs]

List of Bulk Power Consumers supplied by the Competitive Supplier and the same exists and connected with the Distribution Licensee.

Sr. No.	Name of Bulk Power Consumer	Information related to the Interconnection Point with Distribution Licensee				Expected /Historical Monthly Energy (kWh) [percentage of Energy or Capacity to be supplied by the Competitive Supplier in case a Bulk Power Consumer has multiple supply contracts)			Sanctioned Load (MW)	Expected /Historical MDI
		Feeder Code	Connection Date	Connection Period/Term	Ref. No.	Meter No.	Metering Point/CDP	Voltage Level		
1.										
2.										
3.										
4.										

27

Schedule II
[Reference Article 7]
[Monthly Invoice]

Monthly Invoice by Distribution Licensees to Competitive Supplier may be made on the format provided hereunder:

Name of Bulk Power Consumer	Sanctioned Load	Ref. No	Metering Point	Monthly Energy Recorded (kWh) (as communicated by MSP)	Monthly MDI Recorded (as communicated by MSP)	NEPRA Determined UoSC (PKR/kWh)	NEPRA Determined UoSC (PKR/kW/month) (in case NEPRA determines any fixed charge component)	Amount of UoSC for Individual BPC
Labels →				A	B	C	D	E=(A*C)+(B*D)
BPC 1								E ₁
BPC 2								E ₂
BPC 3...								E ₃
Total Amount of Monthly Charge (F= E ₁ + E ₂ + E ₃ + E ₄) (PKR)								
Tax(if Applicable)(G= F* xx%) (PKR)								
Total Invoice of UoSC for the Month (H=F+G) (PKR)								
Arrears								
Total Amount due within Due Date								
Late Payment Surcharge after Due Date								
Total Amount Payable after Due Date								

✓
7A

Schedule III
[Reference Article 7]
[Maximum Security Cover]

Example of Maximum Required Security Cover

Let's assume in this agreement Competitive Supplier is providing supply of electric power to 3 BPC in the territory of Distribution Licensee.

BPC₁ Expected Monthly Energy Consumption (kWh)(A) = 2,016,000

BPC₂ Expected Monthly Energy Consumption (kWh) (B) = 2,520,000

BPC₃ Expected Monthly Energy Consumption (kWh) (C) = 1,512,000

Total Expected Monthly Energy Consumption of all BPCs (kWh) (D=A+B+C) = 6,048,000

NEPRA Determined UoSC (PKR/kWh) (E) = 12

Total Expected Amount (PKR) (F= D*E) = 72,576,000

Taxes (%) (G) = 5%

Total Expected Amount *including taxes* (PKR) (H = F (1+G)) = 76,204,800

Factor (I) = 2

Total Security Cover Amount of Competitive Supplier (PKR) (J= H*I) = 152,409,600

