



# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

2nd Floor, OPF Building, G-5/2, Islamabad.  
Ph: 9207200, 9205225 Fax : 9210215  
E-mail: office@nepra.org.pk

**Registrar**

No. NEPRA/R/LAD-15/7415-16

November 10, 2006

Director,  
Sapphire Power Generation Ltd.  
7-A/K, Main Boulevard, Gulberg-II,  
Lahore.


Subject: **Grant of Distribution Licence No. 11/DL/2006**  
**Licence Application No. LAD-15**  
**Sapphire Power Generation Ltd.**

Please refer to your application no. nil, dated 22.01.2002 to NEPRA for grant of a Distribution Licence.

2. Enclosed here is Distribution Licence No. 11/DL/2006 granted by the Authority to Sapphire Power Generation Ltd. The licence is granted to you pursuant to Section 21 of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).

3. Please quote above mentioned Distribution Licence No. in your future correspondence with the Authority.

**DA/ As above.**

  
10.11.06  
( Mahjoob Ahmad Mirza )

CC (along with enclosures):

1. Secretary, Irrigation & Power Department, Government of Punjab, Lahore.

National Electric Power Regulatory Authority  
(NEPRA)  
Islamabad – Pakistan

**DISTRIBUTION LICENCE**

No. 11/DL/2006

In exercise of the Powers conferred upon the National Electric Power Regulatory Authority (NEPRA) under Section 20<sup>21</sup> of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), the Authority hereby grants a Distribution Licence to:

Sapphire Power Generation Limited

Incorporated under the Companies Ordinance, 1984  
Under Certificate of Incorporation

No. L.06572, Dated September 15, 1993

For its Isolated Distribution System

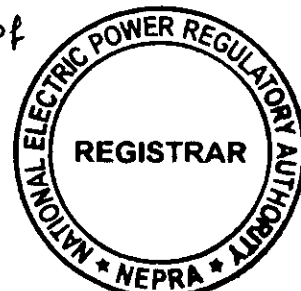
Located at

1-Kilometer Warburten Road, District Sheikhpura

to engage in Distribution Business subject to and in accordance with the Articles, Schedule-I and II of this Licence.

Given under my hand this 20<sup>th</sup> day of October, Two Thousand & Six, and expires on 26<sup>th</sup> day of AUGUST, Two Thousand & Sixteen OR as per Article-5 of this licence.

  
Registrar



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**Article-1**

**Definitions & Interpretations**

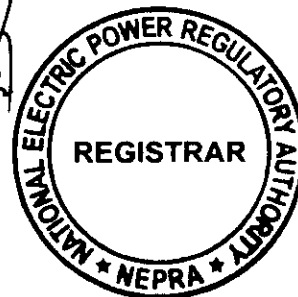
In this Licence:

- i. "Act" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997).
- ii. "Authority" means the National Electric Power Regulatory Authority constituted under section 3(1) of the Act.
- iii. "Distribution Business" means the business of distribution of electric power carried on or to be carried on by the Licensee pursuant to and in accordance with the terms of the distribution licence granted to the Licensee.
- iv. "Distribution System" means distribution facilities situated within the Service Territory, owned and/or operated by the Licensee for distribution of electric power including, without limitation, electric lines or circuits, electric plant, meters, interconnection facilities or other facilities operating at the distribution voltage, and shall also include any other electric lines, circuits, transformers, sub-stations, electric plant, interconnection facilities or other facilities determined by the Authority as forming part of the distribution system, operating at the distribution voltage.
- v. "Generation Facility" means the electrical facility used for the

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production of electric power.

- vi. "Generation Licence" means a licence issued for generation under NEPRA Act 1997 (XL of 1997).
- vii. "Isolated Distribution System" means a distribution system connected to the Generation Facility of a Licensed SPP and its dedicated consumers being served under the Second-Tier Supply Authorization, without any interconnection to the electric system of any other licensee or any other consumer.
- viii. "Licensee" means Sapphire Power Generation Limited as the holder of this Licence for carrying out distribution through the Isolated Distribution System, and shall include its permitted successors and assigns.
- ix. "Rules" means legal provisions prescribed as rules under the NEPRA Act.
- x. "Second Tier Supply Authorization" means the authorization to engage in the Second-tier Supply Business mentioned pursuant to the Generation Licence No. SGC/002/2001 dated August 27, 2001 granted to Sapphire Power Generation Limited, in respect of consumers listed in Schedule-II to this Licence.
- xi. "Service Territory" means the area specified in the Distribution Licence within which the Licensee is authorized to conduct the Distribution Business as defined by the geographical boundaries delineated in Schedule-I of this Licence.



- xii. "Small Power Producer (SPP)" means owner of a generation facility of below 100 MW gross capacity, who was engaged in generation and sale of electric power as on 22<sup>nd</sup> April, 2000 and who has not signed any power purchase agreement with WAPDA, KESC or an implementation agreement with the Government of Pakistan.
- xiii. "XW DISCO" means an Ex-WAPDA distribution company engaged in the distribution of electric power.

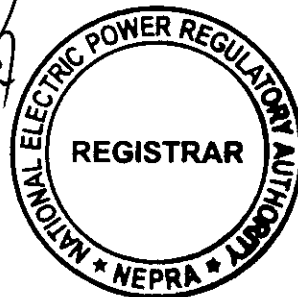
Words and expressions used but not defined herein bear the meaning given thereto in the Act or in the Rules.

**Article-2**  
**Application of Rules**

This Licence is issued subject to the provisions of the Rules, as amended from time to time. Provided, however, the application of such Rules shall be in conjunction with the provisions of the Generation Licence No. SGC/002/2001 dated August 27, 2001 and the Second Tier-Supply Authorization already granted to Sapphire Power Generation Limited, in respect of consumers listed in Schedule-II to this Licence.

**Article-3**  
**Grant of Licence**

3.1 The Licence is being granted under Section 20 of the Act and subsequent to the exercise of option by Sapphire Power Generation Limited given under Article-7 of the Generation Licence No. SGC/002/2001 dated August 27, 2001 and subject to the conditions, stipulated herein below:-



3.1.1 The Licensee shall engage in the Distribution Business to the extent of ownership, operation, maintenance and control of the Isolated Distribution System provided in Schedule-I attached to this Licence for distribution of power generated and delivered to the Consumers as per Generation Licence No SGC/002/2001 dated August 27, 2001 and Second Tier-Supply Authorization already granted to Sapphire Power Generation Limited, in respect of consumers listed in Schedule-II to this Licence.

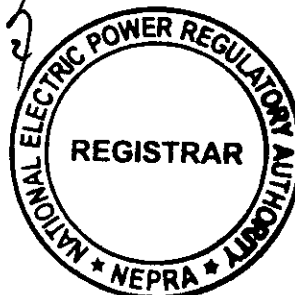
3.1.2 The Service Territory of the Licensee is limited up to three (3) meters on either side of the 11 KV Distribution Feeder as shown in Schedule-I of this Licence; and restricted to the extent of movement or delivery to Consumers as authorized in the Second Tier-Supply Authorization provided in the case of Generation Licence No. SGC/002/2001 dated August 27, 2001 granted to Sapphire Power Generation Limited in respect of consumers listed in Schedule-II to this Licence.

3.1.3 At the time of grant of this Licence, where the line part of a Distribution System owned/operated by any XW DISCO, as its existing Distribution System operating at 11 KV or less is located within three (3) meters of spatial distance on either side of the 11 KV Isolated Distribution System of the Licensee as shown in Schedule-I of this Licence, such 11 KV Distribution System of the Licensee shall be converted into an underground system in accordance with applicable IEC/IEEE standards for the area where such proximities exist.

3.1.4 The Licensee shall not alter or modify its 11 KV Isolated Distribution System arrangement, as authorized in Schedule-I of this Licence, without the prior approval of the Authority.

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3.2 All disputes relating to the demarcation of the Service Territory shall be decided by the Authority.

**Article-4**  
**Licence fee**

After the grant of this Licence, the Licensee shall pay to the Authority the Licence fee, in the amount and manner and at the time set out in National Electric Power Regulatory Authority (Fees) Rules, 2002.

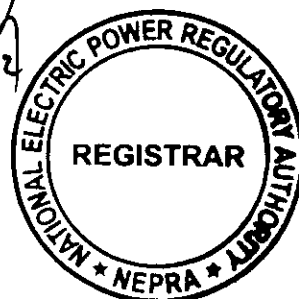
**Article-5**  
**Term and renewal of Licence**

The term of this Licence shall be co-terminus with the validity of Generation Licence No. SGC/002/2001 dated August 27, 2001, issued to Sapphire Power Generation Limited or up to the date on which all of the consumers mentioned in Schedule-II of this Licence stop purchasing power on a permanent basis from the Licensed SPP, whichever is earlier.

**Article-6**  
**Tariff**

6.1 The Licensee shall charge only such "use of system charges" from the Licensed SPP as approved by the Authority. The Licensee shall submit a statement of "use of system charges" to the Authority within 90 days of grant of this licence.

6.2 The Licensee shall participate in such measures as may be directed by the Authority from time to time for development of a competitive power market structure.



**Article-7**  
**Isolation of the System**

The Isolated Distribution System of the Licensee as detailed in Schedule-I shall be operated and utilized solely for the purpose of delivery of power to Consumers as authorized in the Second Tier-Supply Authorization provided in the case of Generation Licence No. SGC/002/2001 dated August 27, 2001 to Sapphire Power Generation Limited in respect of consumers listed in Schedule-II to this Licence.

**Article-8**  
**Disposal of Assets**

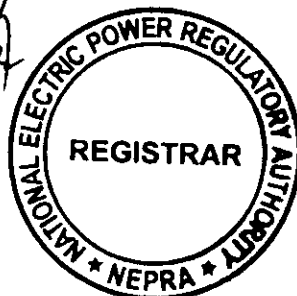
The Licensee shall not except under a prior authorization, sell or dispose in any manner any of the tangible assets comprised in the Isolated Distribution System or any intangible assets accruing or likely to accrue to the Licensee from the distribution business.

**Article-9**  
**Compliance with Performance Standards and Distribution Code**

The Licensee shall conform to the Performance Standards and Distribution Code as prescribed by the Authority for distribution companies to the extent applicable.

**Article-10**  
**Compliance with Safety Standards**

10.1 The Licensee shall conform to the relevant Safety Standards as prescribed by the Authority from time to time including safety standards mentioned in the performance standards for the distribution companies prescribed by the Authority. In case, no such standards are prescribed, the Licensee shall comply with relevant IEEE/IEC Standards.





10.2 All disputes relating to the safety concerns shall be decided by the Authority.

**Article-11**  
**Compliance with Environmental Standards**

The Licensee shall conform to the Environmental Standards as may be prescribed by the relevant competent authority.

**Article-12**  
**Accounting practice**

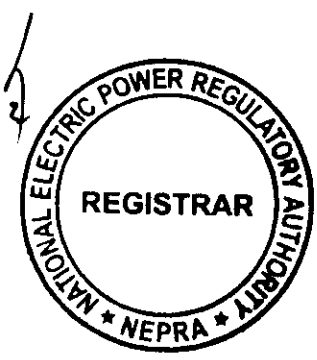
The Licensee shall maintain separate accounts for its Isolated Distribution Business.

**Article-13**  
**Maintenance of record**

13.1 The Licensee shall keep and maintain complete and accurate record and the date in respect of all aspects of its distribution business in their original form. Three years after the issuance of this Licence, the Licensee shall start maintaining the above mentioned record in electronic form as well.

13.2 Without prejudice to the provisions of the Article 13.3, unless provided otherwise under the law or the applicable documents, all record and data shall be maintained for a period of five year after the creation of such record or data. The Licensee shall not destroy or dispose off any such record or data after the aforesaid period without thirty days prior written notice to the Authority. The Licensee shall not dispose off or destroy any record or data which the Authority directs the Licensee to preserve.

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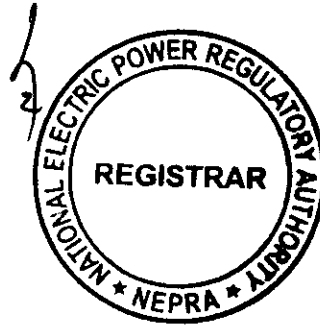
13.3 All record and data maintained in an electronic form shall, subject to just claims of confidentiality, be accessible by staff authorized by the Authority.

**Article-14**  
**Provision of information**

14.1 The obligation of the Licensee to provide information to the Authority shall be in accordance with Section 44 of the Act.

14.2 The Licensee shall be subject to such penalties as may be specified in the relevant rules made by the Authority, for failure to furnish such information as may be required from time to time by the Authority and which is or has been in the control or possession of the Licensee.

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## SCHEDULE-I

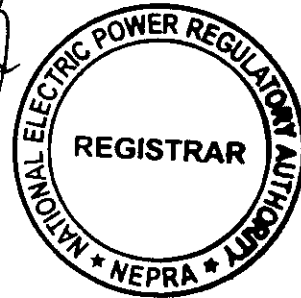
The details of the distribution facilities, including consumers, length of feeders and other specific pertaining to the Distribution Network of the Licensee.

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**Schedule-I**

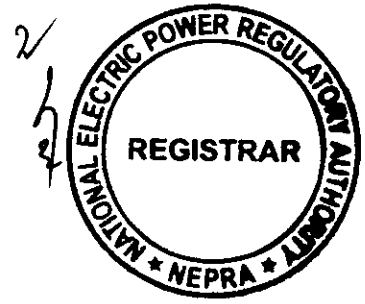
**A. Name, Address & Location**

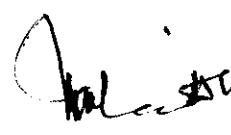
i.	Name of Applicant	Sapphire Power Generation Limited
ii.	Registered Office	7-A/K Main Boulevard Gulberg-II, Lahore
iii.	Plant Location	1-Kilometer Warburten Road, District Sheikhpura

**B. Distribution Network System Details**

i.	No. of Feeders	Five		
ii.	Length of Each Feeder (Meter)	Feeder Number	Length of Feeder (Meters)	
		02	300	
		03	3700	
		04	3600	
		05	1900	
		06	440	
iii.	Length of Each Feeder to Each Consumer (Meters)	Consumer	Feeder No.	Length of Feeder (Meters)
		Sapphire Textile Mills No.5.	02	300
		Reliance Cotton Spinning Mills.	02	100
		Sapphire Fibers – Knitting Unit.	03	120

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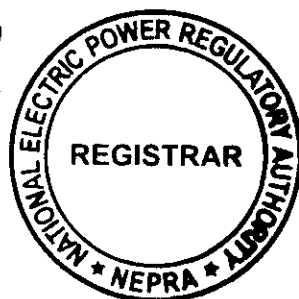
		Sapphire Fibers Limited No.3.	04	3500
		Amer Fabrics Limited	03	3500
		Diamond Fabrics Limited.	03	3500
		Ali Akbar Spinning Mills.	05	1900
		Sapphire Textile Mills No.6.	06	440

**C. Distribution Network Consumer Details**

i.	No. of Consumers	Seven	
		Consumer's Name and Location	Length of Feeder (Meters)
		Sapphire Textile Mills No.5.	300
		Reliance Cotton Spinning Mills.	100
		Sapphire Fibers – Knitting Unit.	120
ii.	Location of Consumers (Distance and/or Identity of Premises)/Length of Each Feeder	Sapphire Fibers Limited No 3.	3500
		Amer Fabrics Limited.	3500
		Diamond Fabrics Limited.	3500
		Ali Akbar Spinning Mills.	1900
		Sapphire Textile Mills No.6.	440

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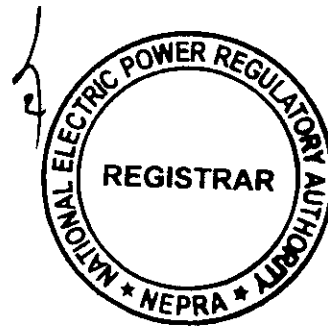
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**D. Other Information**

i.	Regulation	Voltage Level	11000 V $\pm$ 5%
		Frequency Level	50 Hz $\pm$ 4%
ii.	Type of Distribution System	Radial - single circuit overhead lines	

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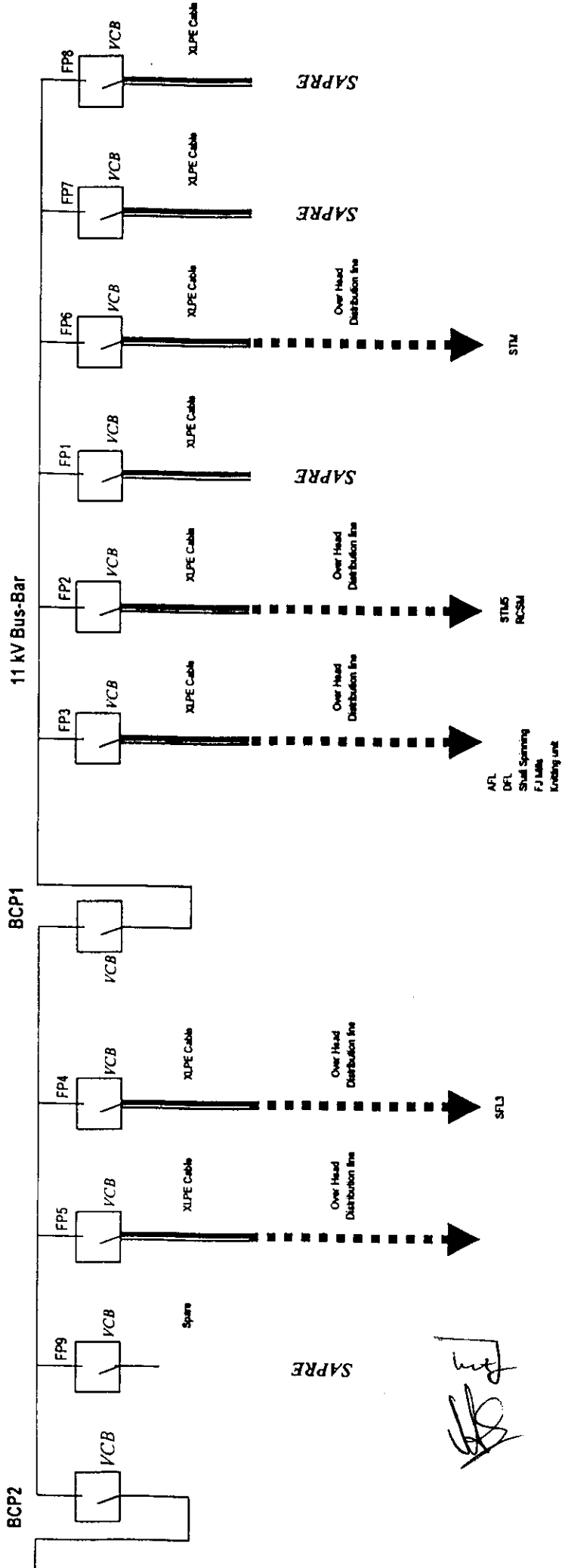
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# Distribution System Configuration

Single Line



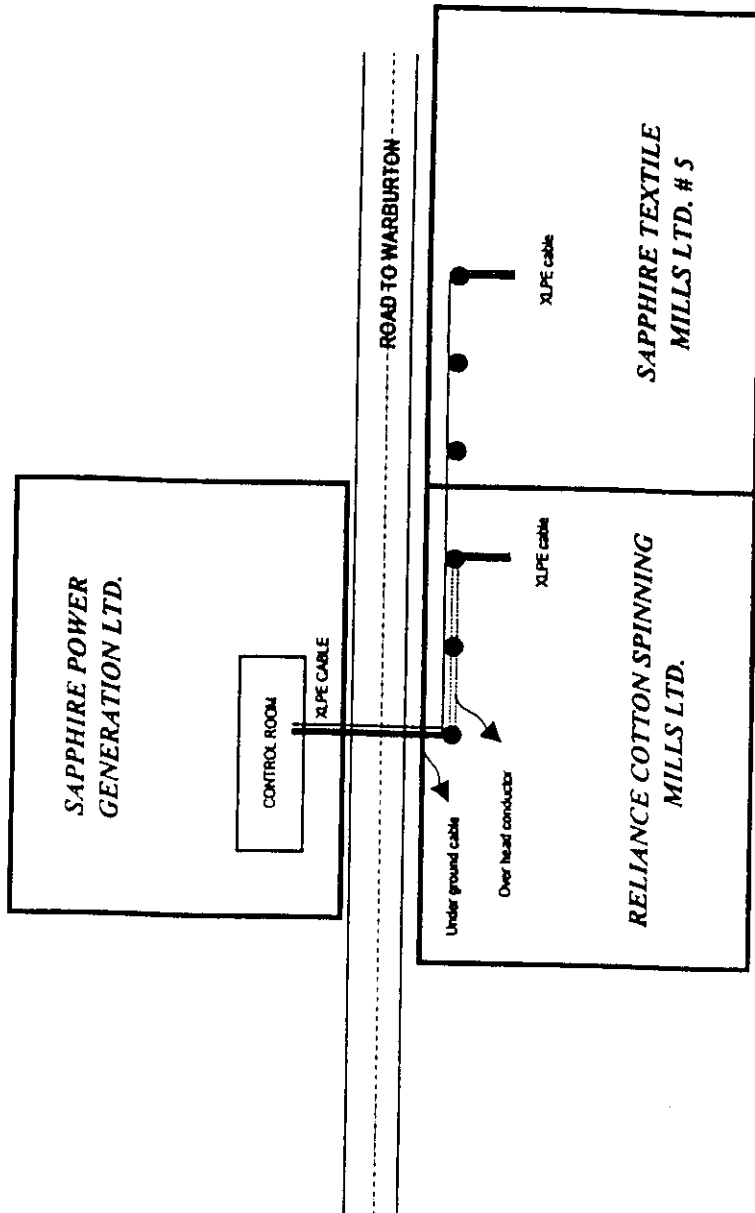
Distribution Licence for  
Isolated Distribution System Linked  
Sapphire Power Generation Limited  
7-A/K Main Boulevard Gulberg-II  
Lahore



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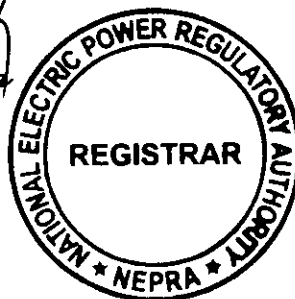
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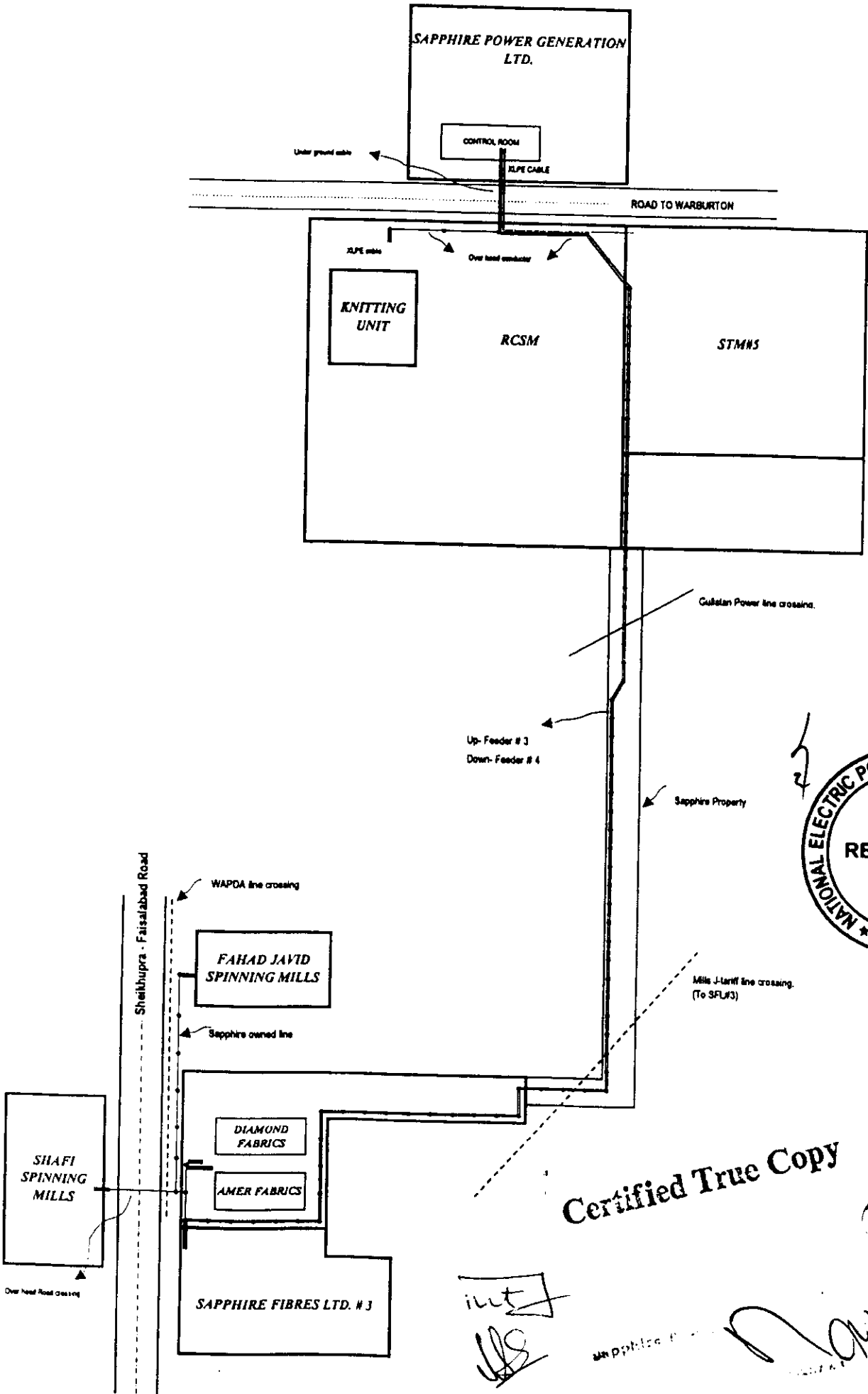
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**FEEDER # 3,4**

Distribution Licence for  
Isolated Distribution System Linked  
Sapphire Power Generation Limited  
7-A/K Main Boulevard Gulberg-II  
Lahore

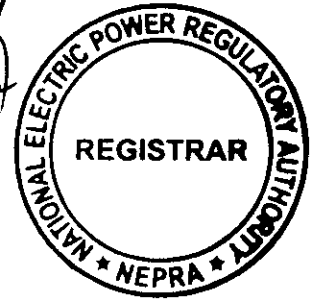
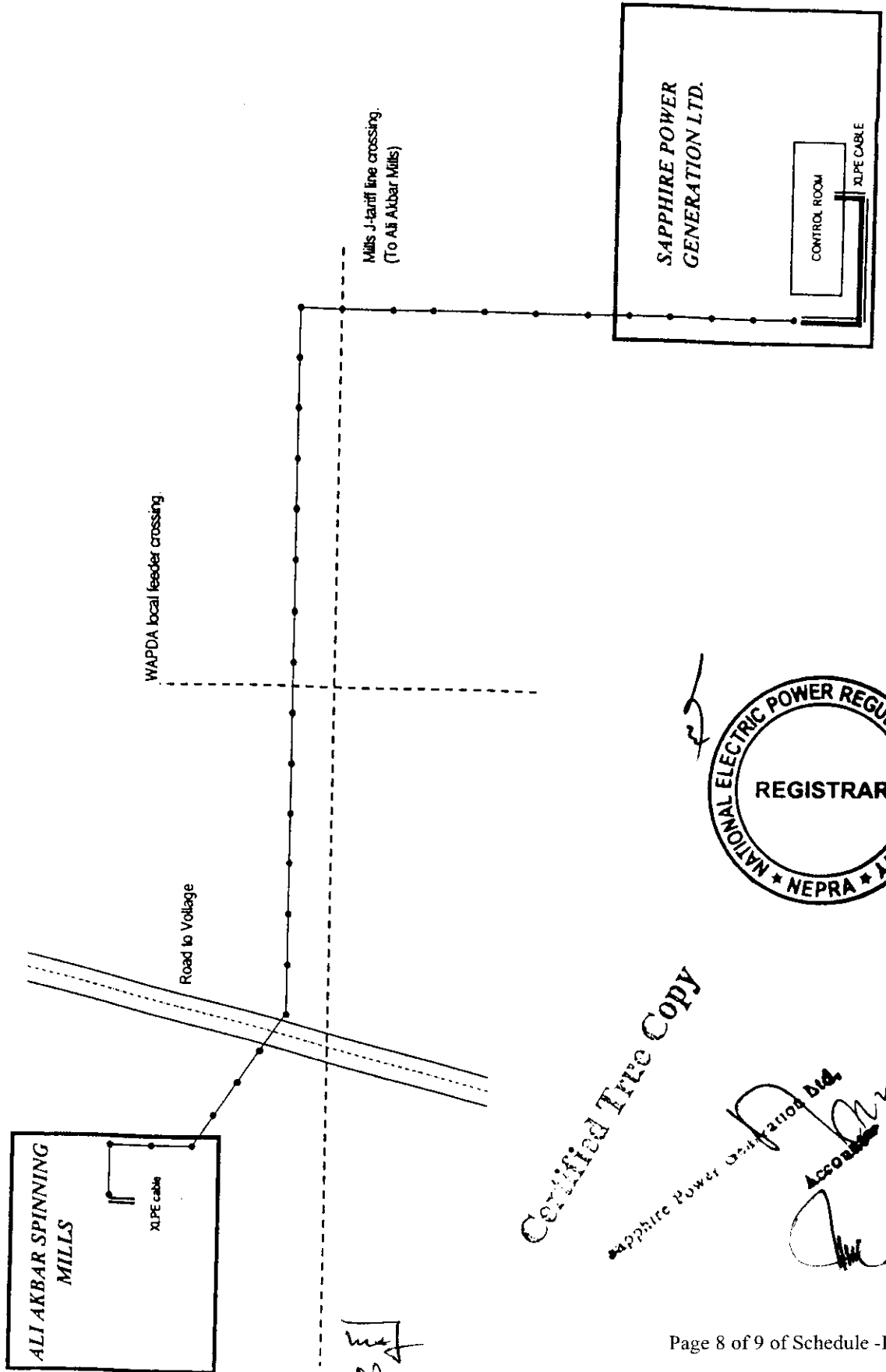


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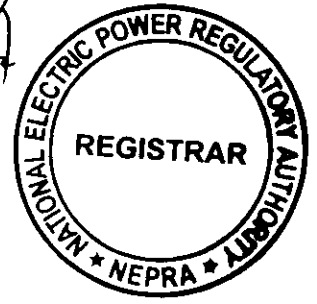
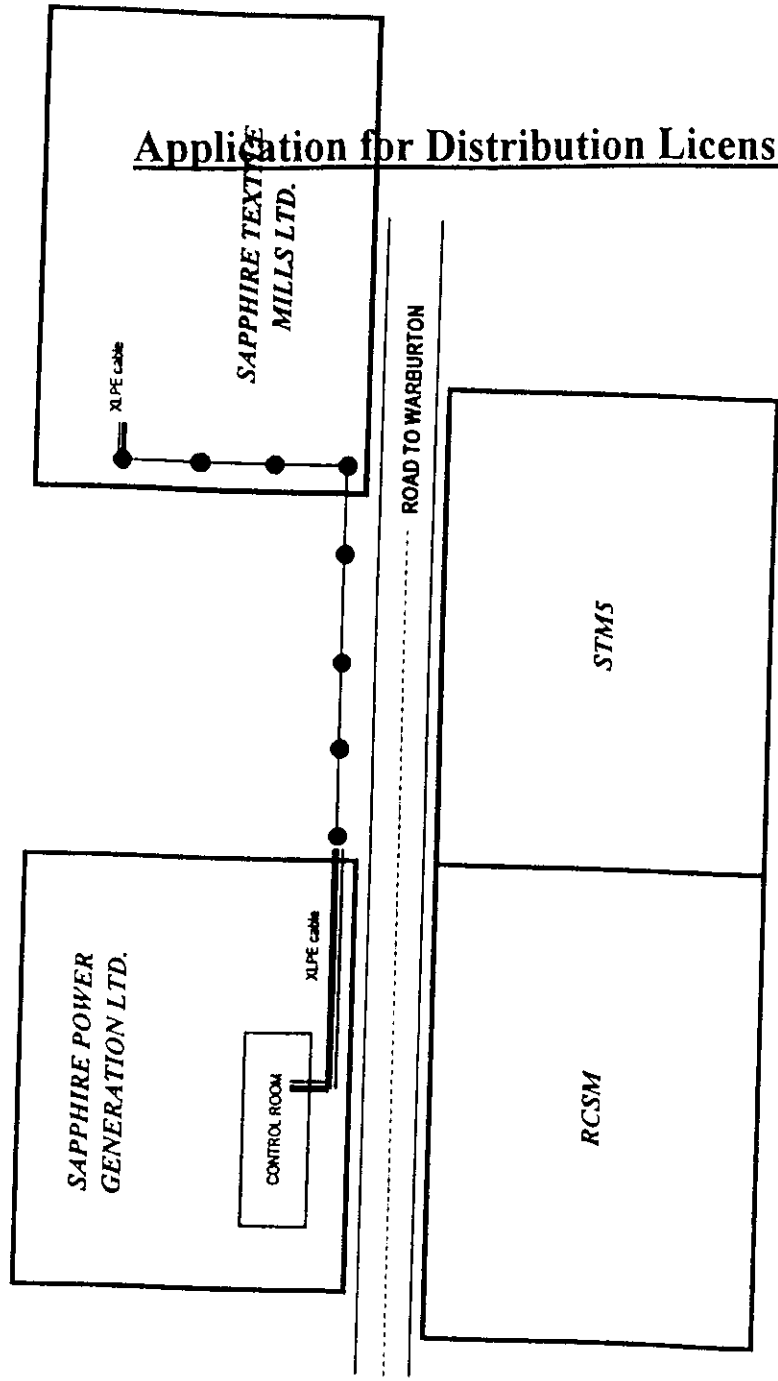


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Sapphire Power Generation Ltd.  
Accountant  
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Application for Distribution License

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*Sapphire Power Generation Ltd.*  
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 Accountant

## Schedule-II

**List of Dedicated Consumers in respect of which Second Tier Supply Authorization has been granted to Sapphire Power Generation Limited (SPGL) as Small Power Producer (SPP) and still being provided Sale/Service by SPGL as per available information.**

1.	Sapphire Textile Mills No.5, 1-KM Warburton Road, Feroze Watwan-Sheikhupura
2.	Reliance Cotton Spinning Mills, 1-KM Warburton Road, Feroze Watwan-Sheikhupura
3.	Sapphire Fibres – Knitting Unit, 1-KM Warburton Road, Feroze Watwan-Sheikhupura
4.	Sapphire Fibres Limited No.3, 26-KM Faisalabad Road, Feroze Watwan-Sheikhupura
5.	Amer Fabrics Limited, 26-KM Faisalabad Road, Feroze Watwan-Sheikhupura
6.	Diamond Fabrics Limited, 26-KM Faisalabad Road, Feroze Watwan-Sheikhupura
7.	Ali Akbar Spinning Mills, 26-KM Faisalabad Road, Feroze Watwan-Sheikhupura
8.	Sapphire Textile Mills No.6, 1.5 KM Warburton Road, Feroze Watwan-Sheikhupura

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