



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/LAG-222/ 28945-61

December 31, 2019

Mr. Fazal Ahmed Sheikh,
Chief Executive Officer,
Fatima Energy Limited,
E-110, Khayaban-e-Jinnah.
Lahore Cant.
Contact No. 042-111 328 462

**Subject: Modification-II in Generation Licence No. SGC/96/2013
Licence Application No. LAG-222
Fatima Energy Limited (FEL)**

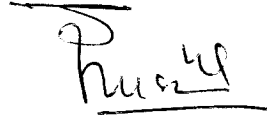
Reference: FEL's LPM submitted vide letter dated August 21, 2019 (received on August 22, 2018)

It is intimated that the Authority has approved Modification in Generation Licence No. SGC/96/2013 dated December 31, 2013 in respect of Fatima Energy Limited (FEL), pursuant to Regulation 10(11) of the NEPRA Licensing (Application and Modification Procedure) Regulations 1999.

2. Enclosed please find herewith determination of the Authority in the matter of Licensee Proposed Modification in the Generation Licence of FEL along with Modification-II in the Generation Licence No. SGC/96/2013 as approved by the Authority.

Encl: As above




31/12/19
(Syed Safer Hussain)

Copy to:

1. Secretary, Power Division, Ministry of Energy, A-Block, Pak Secretariat, Islamabad.
2. Managing Director, NTDC, 414-WAPDA House, Lahore.
3. Chief Executive Officer, CPPA-G, ENERCON Building, Sector G-5/2, Islamabad.
4. Chief Executive Officer, Islamabad Electric Supply Company Limited (IESCO), Head Office Street 40, Sector G-7/4, Islamabad

5. Chief Executive Officer, Quetta Electric Supply Company (QESCO), 14-A Zarghoon Road, Quetta.
6. Chief Executive Officer, Multan Electric Power Company Limited (MEPCO), MEPCO Head Quarters, Khanewal Road, Multan.
7. Chief Executive Officer, Faisalabad Electric Supply Company Limited (FESCO), Abdullahpur, Canal Road, Faisalabad.
8. Chief Executive Officer, Lahore Electric Supply Company Limited (LESCO), 22-A, Queens Road, Lahore.
9. Chief Executive Officer, K-Electric Limited (K-Electric), KE House, 39 B, Main Sunset Boulevard, DHA Phase-II, Karachi.
10. Chief Executive Officer, Peshawar Electric Supply Company Limited (PESCO), 166 WAPDA House, Shami Road, Peshawar.
11. Director General, Pakistan Environmental Protection Agency, Plot No. 41, Street No. 6, H-8/2, Islamabad.
12. Director General, Environmental Protection Department, Government of Punjab, National Hockey Stadium, Ferozpur Road, Lahore.
13. Director General, Environment Protection Department, Government of Sindh, Complex Plot No. ST-2/1, Korangi Industrial Area, Karachi.
14. Director General, Environmental Protection Agency (EPA), 3rd Floor, Old Courts Building, Khyber Road, Peshawar.
15. Director General, Environmental Protection Department, Government of Balochistan, Zarghoon Road, Quetta.

National Electric Power Regulatory Authority
(NEPRA)

Determination of the Authority
in the Matter of Licensee Proposed Modification in the Generation
Licence of Fatima Energy Limited

December 31, 2019
Case No. LAG-222

(A). Background

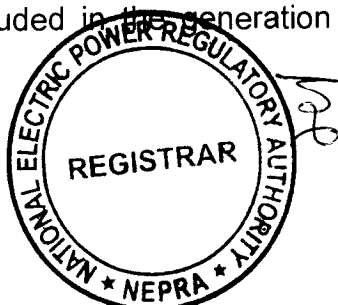
(i). In terms of the then Section-15 (now Section-14B) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the "NEPRA Act"), the Authority granted a generation licence (No. SGC/96/2013, dated December 31, 2013 and Modification-I dated September 14, 2015) to Fatima Energy Limited (FEL).

(ii). The above mentioned licence envisaged setting up a 120.00 MW Bagasse/Imported Coal based generation facility/Co-generation facility/Power Plant at Sanawan, Mehmood Kot, Tehsil Kot Addu, District Muzaffargarh, in the Province of Punjab supplying to any Distribution Company or K Electric Limited (KEL) or the designated different Bulk Power Consumers [BPC(s)].

(B). Communication of Modification

(i). FEL in accordance with Regulation-10(2) of the NEPRA Licensing (Application & Modification Procedure) Regulations, 1999 (the "Licensing Regulations"), communicated a Licensee Proposed Modification (LPM) in its existing generation licence on August 22, 2019.

(ii). In the "text of the proposed modification", FEL submitted that apart from the existing BPCs, it plans supplying electric power to twenty-two (22) more BPCs. Regarding the "statement of the reasons in support of the modification", FEL submitted that the Authority while allowing supplying to existing BPC had directed that the details of any new/additional BPC(s) other than mentioned in the generation licence shall be provided before starting supply/wheeling of electric power and their name will be got included in the generation licence. In pursuance of the said,



appropriate changes are required in the generation licence to include additional BPC(s).

(iii). About the "statement of impact on the tariff, quality of service and the performance by the licensee of its obligations under the licence", FEL submitted that the tariff, quality of service, and performance and obligations of the licensee under the generation licence will not be affected by the proposed modification.

(C). Processing of Modification

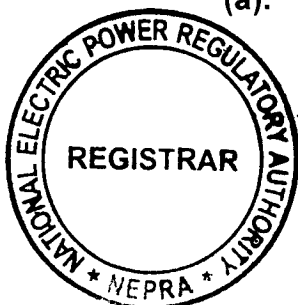
(i). After completion of all the required information as stipulated under the Regulation-10(2) and 10(3) of the Licensing Regulations, by FEL, the Registrar published the communicated LPM on September 12, 2019, in one (01) Urdu (Daily Express) and one (01) English (the Dawn) newspaper as stipulated in Regulation 10(4)(b) of the Licensing Regulations, informing the general public about the communicated LPM and inviting their comments within a period of fourteen (14) days from the date of the said publication.

(ii). Apart from the above, separate letters were also sent to other stakeholders including Government Ministries and their attached departments, various representative organizations, individual experts and others, on September 13, 2019. Through the said letters, the stakeholders were informed about the communicated LPM and publication of its notice in the press. Further, the said entities were invited to submit their views and comments in the matter, for assistance of the Authority.

(D). Comments of Stakeholders

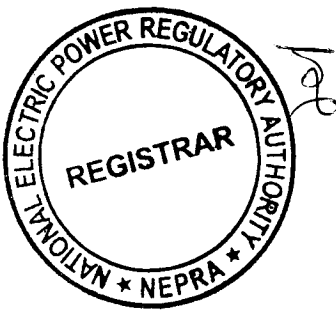
(i). In response to the above, the Authority received comments from three (03) stakeholders. These included National Transmission & Despatch Company Limited (NTDCL), Islamabad Electric Supply Company Limited (IESCO) and Multan Electric Supply Company Limited (MEPCO). The comments offered by the said stakeholders are summarized in the following paragraphs: -

(a). NTDCL submitted that after detailed analysis of the information/parameters available at official website/portal of the



Authority/NEPRA, it is concluded that the information/data provided by FEL is insufficient for Load Flow Studies etc. The system operator has expressed reservations regarding wheeling of power, it is therefore, requested to direct FEL to coordinate directly with the office of General Manager (Power System Planning) NTDC, so that the complete analysis may be done and report be provided to the Authority for further necessary action please.

- (b). IESCO stated that under existing tariff regime, the cost of losses is part of the Power Purchase Price (PPP) of the DISCO which will not be paid by the BPC(s) of FEL. Therefore, IESCO will be unable to recover the cost of losses from such consumers who opt for wheeling. The Authority is well aware that Transmission and Distribution loss is an inherent part of the electricity system. However, the current Use of System Charge (UoSC) formula given in the Tariff Determination does not account the cost of losses. It is evident that IESCO/or any other distribution company will only be able to recover its Distribution Margin (DM), which is fixed and doesn't include the cost of losses. However, IESCO will incur losses while supplying power to BPC. Therefore, it is requested that the cost of losses should be incorporated in the UoSC and IESCO shall be allowed to recover that cost from respective BPC. The MDI charge should be recovered from FEL for further payment to NTDC as its Network will be used for supply of electricity to BPC of FEL, once Maximum Demand Indicator (MDI) is recorded during any billing cycle at the Common Delivery Point (CDP) of IESCO including 05.00 MW load of the proposed BPC. Therefore. NTDC will charge IESCO that MDI including 05.00 MW load of the BPC. Considering the fact that, NTDC charges are fixed, if consumers are being exempted from the NTDC charge, then the tariff for the remaining consumers will increase as NTDC system is designed from the perspective of the whole load irrespective of the suppliers of the



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load. Therefore, NEPRA should consider these concerns and allow IESCO to recover the UoSC of NTDC from the respective BPC. As under the current tariff structure, the large consumers pay higher tariff to cross subsidy the small consumers. As cross subsidization is a policy decision and shall be applicable on all consumers irrespective of purchasing electricity from IESCO or having bilateral contract with FEL. Further, Capacity charges are also recovered through almost 20-30% fixed component and about 70-80% as variable component in Energy Purchase Price (EPP). If this is not properly addressed, it will increase the tariff for the remaining consumers of the IESCO and there is huge incentive for other BPCs as well to leave IESCO and go for bilateral contracts to avoid the cross-subsidy. This will have detrimental impacts on the financial position of IESCO. The role of Settlement and Dispatch of Power plants lies with other specialized institutions such as the CPPA-G/Market Operator and the System Operator which needs to be considered. The case being pursued involves two DISCOs and NTDC, however, the relevant regulations in this regard are silent on intra DISCO settlement. The clauses for Liquidated Damages (LDs) in the wheeling regulations are very strict as compared to the situation on ground. It will be very difficult for the DISCOs to implement wheeling on such strict terms and conditions. The sanctioned load of proposed BPC is 2.8 MW and infrastructure laid down there is according to sanctioned load. However, FEL intends to wheel 5 MW power on same infrastructure; and

- (c). MEPCO remarked that the generation facility of FEL and existing BPC(s) are located in its jurisdiction/Service Territory and accordingly, Energy Wheeling Agreement (EWA) was executed. With addition of new BPC(s) located in different Distribution Companies will create legal, technical and operational issues which are not catered in existing EWA. As transmission/distribution network of different DISCO(s) will be



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involved, calculation of UoS in case of DISCO(s) other than MEPCO require legal cover in EWA to be executed between FEL and each DISCO involved in it. The status of banked energy will have to be determined with addition of twenty two (22) new BPC(s). The impact of T&D losses involved should also be considered and accounted for to secure the financial interests of DISCO(s).

(i). The Authority considered the above comments of the stakeholders and in view of the observations of NTDC, IESCO and MEPCO, considered it appropriate seeking perspective of the licensee/FEL. In reply to the said, FEL on the comments of NTDC submitted that the load flow studies for evacuation of power from its generation facility/thermal power plant to 220/132 KV New Muzaffargarh Grid have already been conducted and approved by NTDC. All the BPC(s) mentioned in Application for Modification of the generation licence of FEL are already connected with relevant Distribution Companies having sanctioned loads and connection agreements. Since there is no modification envisaged in the sanctioned loads of BPC(s) therefore existing approved load flow studies are applicable. Furthermore, as per generation licence FEL is permitted to wheel/sell electricity to BPC(s) across the country in all DISCO(s) & KEL.

(ii). Regarding observations of IESCO, it was submitted that the Authority has determined Wheeling charges after duly considering every aspect including line losses at relevant voltage level. As far as any revision or changes in wheeling charges formula is required that can be made upon submission of petition by DISCO with the Authority after complying with the due process where all the stakeholders shall be given opportunity to submit their comments in this regard. Nevertheless, till the time any such amendments are in place, existing regulations/rules/determinations should be followed. It is important to mention that core business of DISCO is to transport electricity to various consumers/customers on non-discriminatory basis as per its licence. DISCO should be indifferent whether it transport electricity from Central Power Purchasing (Guarantee) Limited (CPPA-G) to end consumers or from FEL to end consumer, there should not be any discrimination. As far as UoS are concerned, the same shall be charged by DISCO



as determined by NEPRA. The determination of UoSC is an on-going process and does not relate to addition of BPC(s) to generation licence of FEL. It is foreseen that for transport of energy through NTDC network another EWA will be signed with NTDC as per relevant regulations. NTDC shall get its charges through aforementioned EWA as determined by the Authority.

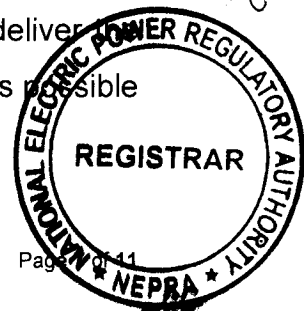
(iii). Further to the above, FEL submitted that the aforementioned queries shall be addressed in EWA with NTDC and does not relate to addition of BPC in generation licence. In this regard, an application has already been submitted to IESCO/NTDC under the relevant regulations and IESCO has advised to submit approval of the Authority for supplying to the relevant BPC in order to process the application further. The subsidy or cross subsidy to some of the consumers is a policy decision of Federal Government and applicable to consumers off-taking power from DISCO network. Currently consumers which are generating and consuming electricity privately as well as being consumers of DISCO network are not compensating for the cross subsidy or payment of capacity charges to DISCO then question of FEL consumers paying such subsidies/charges is irrelevant. The proposal of recovery of fixed charges of CPPA-G/DISCO contracted plants from an independent private company like FEL or its BPC(s) is neither fair nor justifiable. How can cost of other unrelated entities be burdened on a company like FEL or its BPC(s), which are availing only transportation services from DISCO/NTDC and paying all the determined charges approved by the Authority? The cross subsidy is related to tariff determination of the DISCO and is not applicable for approval of new BPC(s).

(iv). FEL stated that the allocation of energy to different DISCOs shall be addressed in EWA. The banking of energy is necessary till the development of balancing mechanism. Nevertheless, FEL is open for selling energy instead of banking once NEPRA approved rates are available. Peak and Off-peak banking is done separately under EWA. FEL has no incentive to bank energy and it's a mere operational requirement, therefore, FEL would prefer to deliver the banked energy to its BPC(s) or sell to NTDC/DISCO as soon as possible with the approval of NEPRA. FEL is successfully executing wheeling under EWA with MEPCO and the plant operations are being managed with smooth coordination of NTDC/NPCC.



(v). Furthermore, FEL assured that for wheeling through multi DISCO(s), EWA with NTDC shall be executed and role of system operator would be dealt with. As far as role of settlement by CPPA-G is concerned, the same shall be applicable once the free market and settlement mechanism is in place. The relevant regulations, cover both wheeling within the DISCO as well as wheeling through NTDC/DISCO and wheeling through multiple DISCO(s). The clauses for LD(s) have been determined by the Authority after due deliberation and added as part of draft EWA. Furthermore, LD(s) are also provided to protect the interest of DISCO as these are applicable on supplier seeking wheeling services as well. Nevertheless, till the time any such amendments are in place, existing regulations/rules/determinations will be followed. Regarding the observation of IESCO on sanctioned load of BPC, it was confirmed that wheeling of power will be strictly restricted to the sanctioned load of the BPC i.e. 2.80 MW.

(vi). On the observations of MEPCO, the company/FEL submitted that relevant regulations in the matter covers wheeling within a DISCO as well as through NTDC. Further, the regulations also envisage wheeling through multiple DISCO(s). It is foreseen that for transporting energy through network of NTDC, another EWA will be signed as per the relevant regulations and submitted for the approval of the Authority. NTDC shall get its charges through aforementioned wheeling agreement as determined by the Authority. Therefore, the apprehensions expressed by MEPCO shall be addressed in the said EWA with NTDC and do not relate to addition of BPC(s) in generation licence. In this regard, an application has already been submitted to IESCO/NTDC under the relevant regulations and IESCO had advised to submit approval of the Authority for the relevant BPC in order to process the same any further. The Allocation of energy to different DISCO(s) shall be addressed in EWA with NTDC. The mechanism on banking of energy is necessary till the development of a balancing mechanism. Nevertheless, as explained above FEL is open for selling energy instead of banking once the approved rates of the Authority are available. It is pertinent to mention that Peak and Off-peak banking is done separately under the EWA. The company/FEL has no incentive to bank energy and it is a mere operational requirement, therefore, company will prefer to deliver banked energy to its BPC(s) or sell the same to NTDC/DISCO as soon as possible



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with the approval of the Authority.

(vii). The Authority has determined the wheeling charges after duly considering every aspect including line losses at relevant voltage level. As far as any revision or changes in wheeling charges formula is required that can be made upon submission of petition by DISCO with the Authority after complying with the due process where all the stakeholders shall be given opportunity to submit their comments in this regard. Nevertheless, till the time any such amendments are in place, existing regulations/rules/determinations are binding and should be followed. It is important to mention that core business of DISCO is to transport electricity to various consumers/customers on non-discriminatory basis as per its licence. DISCO should be indifferent whether it transport electricity from CPPA-G to end consumers or from FEL to end consumer, there should not be any discrimination. As far as UoSC are concerned, the same charges shall be charged by DISCO as determined by the Authority. The determination of UoSC is an on-going process and does not relate to addition of BPC(s) to generation licence of FEL. Under the relevant regulations covers wheeling within the DISCO as well as wheeling through NTDC/DISCO or wheeling through multiple DISCO(s) therefore, the request of FEL is line with the said provisions.

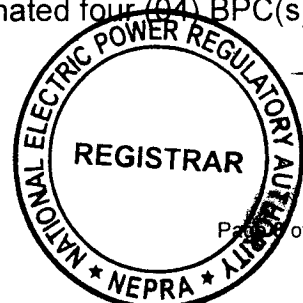
(viii). The Authority considered the above submissions of FEL to the observations of NTDC, IESCO and MEPCO and decided to proceed further in the matter, as stipulated in the NEPRA Licensing (Generation) Rules, 2000 (the "Generation Rules") and the Licensing Regulations.

(E). Evaluation/Findings

(i). The Authority examined the entire case in detail including the already granted licence, communicated LPM, comments of stakeholders and rejoinders from the Licensee. In this regard, the Authority observed that it granted a generation licence (No. SGC/96/2013, dated December 31, 2013 and Modification-I dated September 14, 2015) for its 120.00 MW bagasse and imported coal based generation facility located at Sanawan, Mehmood Kot, Tehsil Kot Addu, District Muzaffargarh, in the Province of Punjab. The said licence allowed FEL supplying to any distribution company or K Electric Limited or the designated four (04) BPC(s).

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(ii). According to the communicated LPM under consideration, the company/Licensee/FEL now plans supplying to additional twenty (22) BPC(s) as stipulated under Section-22 of the NEPRA Act. In this regard, the Authority in terms of Section-26 of the NEPRA Act read with Regulation-10(5) of the Licensing Regulations, is empowered to modify an existing licence of a licensee subject to and in accordance with such further changes as it may deem fit, if in the opinion of the Authority such modification (a). does not adversely affect the performance by the licensee of its obligations; (b). does not cause the Authority to act or acquiesce in any act or omission of the licensee in a manner contrary to the provisions of the NEPRA Act or the rules or regulations made pursuant to it; (c). is or is likely to be beneficial to the consumers; (d). is reasonably necessary for the licensee to effectively and efficiently perform its obligations under the licence; and (e).is reasonably necessary to ensure the continuous, safe and reliable supply of electric power to the consumers keeping in view the financial and technical viability of the licensee.

(iii). In consideration of the above, the Authority observes that (a). the proposed LPM will not adversely effect the performance of the licensee of its obligations under its generation licence considering the fact it will be able to discharge its obligation towards its existing BPC(s) as it has sufficient electric power available supplying to the proposed BPC(s); (b). the LPM will not cause it to act or acquiesce in any act or omission of the licensee in a manner contrary to the provisions of the NEPRA Act or the rules or regulations made pursuant to it; (c). the LPM is likely to be beneficial to the BPC(s) as it will be having continuous supply of reliable electric power from the licensee; (d). the LPM is reasonably necessary for the licensee to effectively and efficiently perform its obligations under the licence; and (e).is reasonably necessary to ensure the continuous, safe and reliable supply of electric power to the BPC(s) keeping in view the financial and technical viability of the licensee.

(iv). In consideration of the above, the Authority has considered the comments of the stakeholders and has observed that NTDC, IESCO and MEPCO have raised certain observations which needs to be addressed. In its comments NTDC submitted that (a). the information/data is not sufficient for power flow studies



etc.; and (b). the system operator has shown reservations on wheeling of power. In this regard, the Authority confirms that the generation facility of FEL has already been set up and operational for some time supplying to its already allowed BPC(s) and CPPA-G. In this regard, FEL now plans supplying to additional BPC(s) therefore, the understanding of NTDC for the load flow study is misconceived.

(v). The Authority has observed that IESCO and MEPCO in its comments has raised various observations including (a). non-recoverable cost of losses; (b). UoSC of NTDC and Fee of CPPA-G; (c). impact of Cross Subsidy and non-payment of Capacity Charges; (d). Problems with Banked Energy; (e). roles of Settlement and Dispatch of Power Plant; (f). settlement of differences within Distribution Companies [i.e. DISCO(s)]; (g). issues relating to imposition of LD(s); and (h). wheeling through multiple DISCO(s).

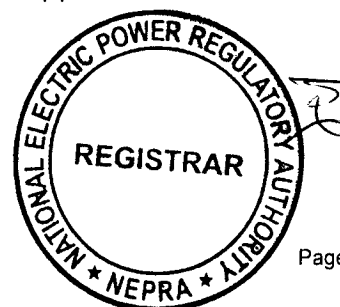
(vi). In consideration of the above, it is clear that points highlighted by IESCO and MEPCO mostly relate to the tariff structure on wheeling whereas rest of the observations are generally addressed in the related agreement pertaining to wheeling of energy. On the issues of cost related issues of wheeling, the Authority has already started a consultative process with all the stakeholders to address the same suitably in the determination for tariff for DISCO(s) which the Authority has either admitted or will be admitting. The Authority can even consider initiating suo-moto proceedings for those DISCOs for which it had determined Multi Year Tariff. Regarding issues other than cost/tariff on wheeling, the Authority considers that such issues are related to EWA and the same may be addressed there at the time of execution of such agreements. In consideration of the above, the Authority considers that all the observations of NTDC, IESCO and MEPCO stands suitably addressed.

(F). Approval of LPM

(i). In view of the above, the Authority is satisfied that the Licensee has complied with all the requirements of the Licensing Regulations pertaining to the modification. Therefore, the Authority in terms Section-26 of the NEPRA Act read with Regulation-10(11) of the Licensing Regulations approves the communicated LPM without any changes.

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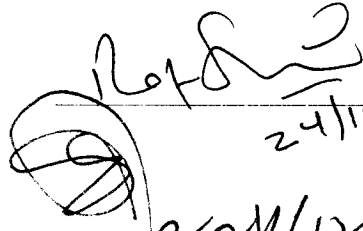
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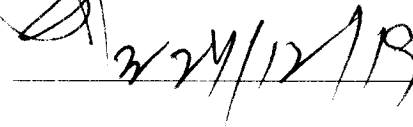
(ii). Accordingly, the Generation Licence (No. SGC/96/2013, dated December 31, 2013 and Modification-I dated September 14, 2015) granted to FEL is hereby modified. The changes made in the generation licence are attached as annexure to this determination. The approval of the LPM is subject to the provisions contained in the NEPRA Act, relevant rules framed there under, terms & conditions of the generation licence and other applicable documents.

Authority


Rafique Ahmed Shaikh
(Member)


24/12/19

Rehmatullah Baloch
(Member)


24/12/19

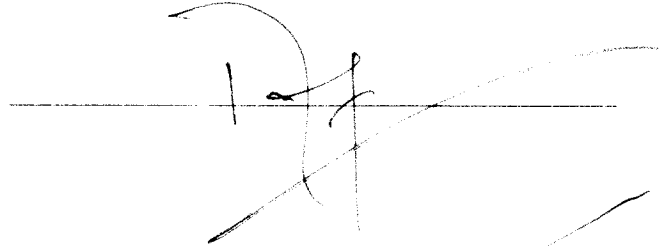
Saif Ullah Chattha
(Member)

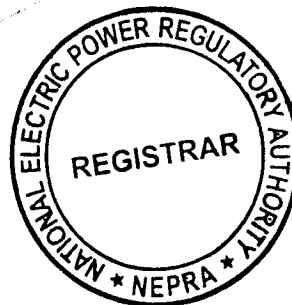

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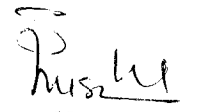
Engr. Bahadur Shah
(Member/Vice Chairman)



Tauseef H. Farooqi
(Chairman)






31/12/19

**National Electric Power Regulatory Authority
(NEPRA)
Islamabad – Pakistan**

GENERATION LICENCE

No. SGC/96/2013

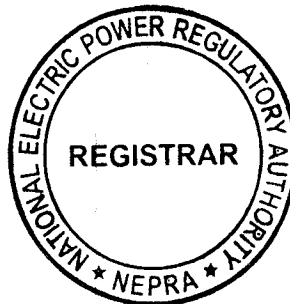
In exercise of the Powers conferred under Section-26 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, the Authority hereby modifies the Generation Licence (No. SGC/96/2013, dated December 31, 2013 and Modification-I dated September 14, 2015) to Fatima Energy Limited, to the extent of changes mentioned hereunder:

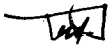
- (a). The Changes made in Articles of the Generation Licence are attached as Revised/Modified Articles of Generation Licence;
- (b). Changes made in Schedule-I of the Generation Licence are attached as Revised/Modified Schedule-I;
- (c). Changes made in Schedule-II of the Generation Licence are attached as Revised/Modified Schedule-II; and
- (d). Changes in Second Tier Supply Authorization attached as Revised/Modified Second Tier Supply Authorization.

This **Modification-II** is given under my hand on this **31st day** of **December Two Thousand & Nineteen**



Registrar 31.12.19





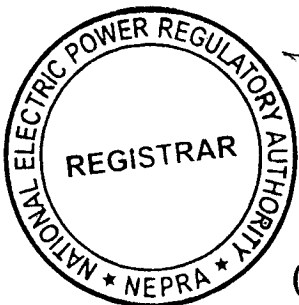
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Article-1 Definitions

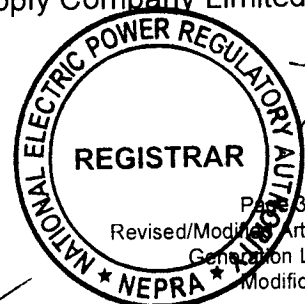
1.1 In this licence

- (a). "Act" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 as amended or replaced from time to time;
- (b). "Applicable Documents" mean the Act, the rules and regulations framed by the Authority under the Act, any documents or instruments issued or determinations made by the Authority under any of the foregoing or pursuant to the exercise of its powers under the Act, the Grid Code, the applicable Distribution Code, the Commercial Code if any, or the documents or instruments made by the Licensee pursuant to its generation licence, in each case of a binding nature applicable to the Licensee or, where applicable, to its affiliates and to which the Licensee or any of its affiliates may be subject;
- (c). "Applicable Law" means all the Applicable Documents;
- (d). "Authority" means the National Electric Power Regulatory Authority constituted under Section-3 of the Act;
- (e). "Bulk Power Consumer (BPC)" means a consumer which purchases or receives electric power, at one premises, in an amount of one (01) megawatt or more or in such other amount and voltage level and with such other characteristics as the Authority may specify and the Authority may specify different amounts and voltage levels and with such other characteristics for different areas;
- (f). "Bus Bar" means a system of conductors in the generation facility/Co-Generation Facility/Power Plant of the Licensee on which the electric power from all the generators is collected for

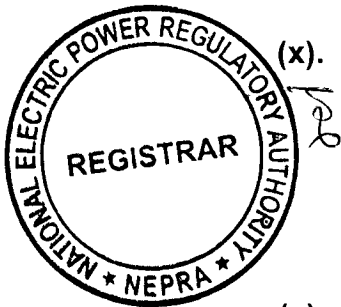


supplying to the Power Purchaser or Bulk Power Purchaser;

- (g). "Co-Generation Facility/Power Plant" means the generation facility for simultaneous production of both electric power and heat or steam for industrial processes from a common fuel source;
- (h). "Commercial Code" means the National Electric Power Regulatory Authority (Market Operator Registration, Standards and Procedure) Rules, 2015 as amended or replaced from time to time;
- (i). "Commercial Operations Date (COD)" means the day immediately following the date on which the Co-Generation Facility/Power Plant of the Licensee is commissioned;
- (j). "CPPA-G" means Central Power Purchasing Agency (Guarantee) Limited or any other entity created for the like purpose for functioning as market operator;
- (k). "Distribution Code" means the distribution code prepared by the concerned XW-DISCO and approved by the Authority, as it may be revised from time to time with necessary approval of the Authority;
- (l). "Distribution Company" means "a company to whom the Authority has granted a distribution licence under Section 20-21 of the Act and engaged in the distribution of electric power;
- (m). "Energy Wheeling Agreement" means the energy wheeling agreement, entered or to be entered into by and between any XW-DISCO or KEL or NTDC or holder of a licence under the Act and the Licensee, for the Wheeling of electrical energy generated by the generation facility, as may be amended by the parties thereto from time to time;
- (n). "FESCO" means Faisalabad Electric Supply Company Limited and its successors or permitted assigns;



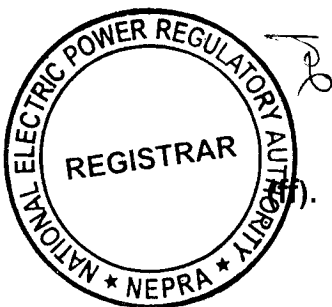
- (o). "Generation Rules" mean the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 as amended or replaced from time to time;
- (p). "GEPCO" means Gujranwala Electric Power Company Limited and its successors or permitted assigns;
- (q). "Grid Code" means the grid code prepared and revised from time to time by NTDC with necessary approval of the Authority;
- (r). "HESCO" means Hyderabad Electric Supply Company Limited and its successors or permitted assigns;
- (s). "IESCO" means Islamabad Electric Supply Company Limited and its successors or permitted assigns;
- (t). "KEL" means "K-Electric Limited and its successors or permitted assigns as a Distribution Company;
- (u). "Law" means the Act, relevant rules and regulations made there under and all the Applicable Documents;
- (v). "LESCO" means Lahore Electric Supply Company Limited and its successors or permitted assigns;
- (w). "Licensee" means Fatima Energy Limited and its successors or permitted assigns;
- (x). "Licensing Regulations" mean the National Electric Power Regulatory Authority Licensing (Application & Modification Procedure) Regulations, 1999 as amended or replaced from time to time;
- (y). "MEPCO" means Multan Electric Power Company Limited and its successors or permitted assigns;



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- (z). "NTDC" means National Transmission & Despatch Company Limited and its successors or permitted assigns;
- (aa). "PESCO" means Peshawar Electric Supply Company Limited and its successors or permitted assigns;
- (bb). "Power Purchaser" means CPPA-G on behalf of all XW-DISCOs or any individual XW-DISCO or KEL or any BPC which purchases electricity from the Licensee, pursuant to a Power Purchase Agreement for procurement of electricity;
- (cc). "Power Purchase Agreement-PPA" means the power purchase agreement, entered or to be entered into by and between the Power Purchaser and the Licensee, for the purchase and sale of electrical energy generated by the generation facility, as may be amended by the parties thereto from time to time;
- (dd). "Service Territory" means the service territory as defined in the distribution licence of a Distribution Company including any XW-DISCO or KEL or holder of a licence under the Act;
- (ee). "Wheeling" means supplying/injecting electrical energy by the Licensee into the Grid System of any Distribution Company (including FESCO, GEPCO, HESCO, IESCO, LESCO, MEPCO, PESCO) or NTDC, at one point and receiving the same amount at any other location located in the Service Territory of any Distribution Company including KEL upon payment of use of system charges as determined by the Authority;
- (ff). "XW-DISCO" means an Ex-WAPDA distribution company engaged in the distribution of electric power".



1.2 The words and expressions used but not defined herein bear the meaning given thereto in the Act or rules and regulations issued under the Act.

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Article-2 **Applicability of Law**

This licence is issued subject to the provisions of the Applicable Law, as amended or replaced from time to time.

Article-3 **Generation Facilities**

3.1 The location, size/capacity (MW), technology, interconnection arrangements, technical limits, technical functional specifications and other details specific to the generation facility/Co-Generation Facility/Power Plant of the Licensee are set out in Schedule-I of this licence.

3.2 The installed/ISO capacity (MW), the de-rated capacity (MW), the auxiliary consumption (MW) and the net capacity (MW) of the generation facility/Co-Generation Facility/Power Plant of the Licensee is set out in Schedule-II hereto this licence.

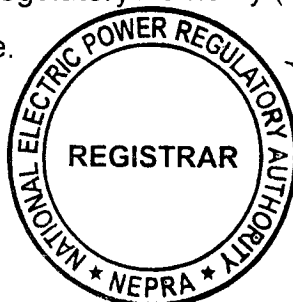
Article-4 **Term of Licence**

4.1 This licence is effective from the original date of its issuance i.e. December 31, 2013 and has the term of thirty (30) years from the COD of the generation facility subject to the provisions of Section-14B of the Act.

4.2 However, unless suspended or revoked earlier, the Licensee may apply for renewal of this licence ninety (90) days prior to the expiry of the above term, as stipulated in Generation Rules read with the Licensing Regulations.

Article-5 **Licence fee**

The Licensee shall pay to the Authority the licence fee as stipulated in the National Electric Power Regulatory Authority (Fees) Rules, 2002 as amended or replaced from time to time.



Article-6 **Tariff**

6.1 The Licensee shall charge CPPA-G or XW-DISCO(s) or KEL only such tariff which has been determined, approved or specified by the Authority in terms of Rule-6 of the Generation Rules.

6.2 The Licensee is allowed to charge its BPC(s) a mutually agreed tariff in a competitive trading arrangement.

Article-7 **Competitive Trading Arrangement**

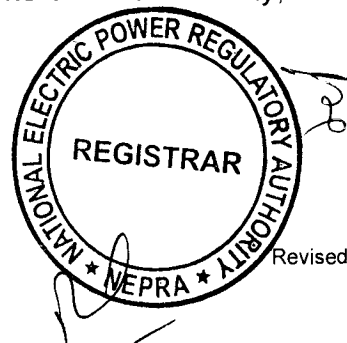
7.1 The Licensee shall participate in such manner as may be directed by the Authority from time to time for development of a Competitive Trading Arrangement.

7.2 The Licensee shall in good faith work towards implementation and operation of the aforesaid Competitive Trading Arrangement in the manner and time period specified by the Authority. Provided that any such participation shall be subject to any contract entered into between the Licensee and another party with the approval of the Authority.

7.3 Any variation or modification in the above-mentioned contracts for allowing the parties thereto to participate wholly or partially in the Competitive Trading Arrangement shall be subject to mutual agreement of the parties thereto and such terms and conditions as may be approved by the Authority.

Article-8 **Maintenance of Records**

For the purpose of sub-rule (1) of Rule 19 of the Generation Rules, copies of records and data shall be retained in standard and electronic form and all such records and data shall, subject to just claims of confidentiality, be accessible by authorized officers of the Authority.



Article-9
Compliance with Performance Standards

The Licensee shall comply with the relevant provisions of the National Electric Power Regulatory Authority Performance (Generation) Rules 2009 as amended or replaced from time to time.

Article-10
Compliance with Environmental & Safety Standards

10.1 The generation facility/Co-Generation Facility/Power Plant of the Licensee shall comply with the environmental and safety standards as may be prescribed by the relevant competent authority from time to time.

10.2 The Licensee shall provide a certificate on a bi-annual basis, confirming that the operation of its generation facility/Co-Generation Facility/Power Plant is in line with environmental standards as prescribed by the relevant competent authority.

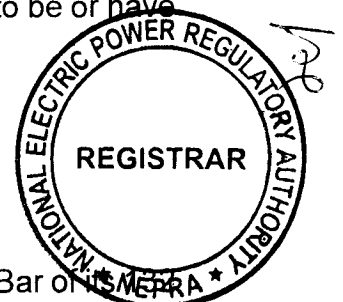
Article-11
Provision of Information

11.1 In accordance with provisions of Section-44 of the Act, the Licensee shall be obligated to provide the required information in any form as desired by the Authority without any exception.

11.2 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 ought to be or have been in the control or possession of the Licensee.

Article-12
Power off take Point and Voltage

12.1 The Licensee shall deliver electric power at the outgoing Bus Bar of 110 KV grid station to Fatima Transmission Company Limited holding a special purpose transmission licence No. SPTL/01/2015, dated August 28, 2015.



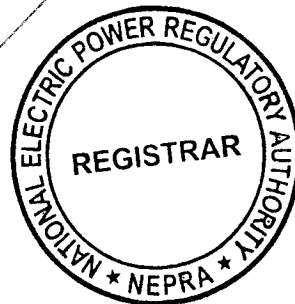
12.2 Fatima Transmission Company Limited shall transport the electric power from the generation facility/Co-Generation Facility/Power Plant of the Licensee to 132 KV/11KV Grid Station of Fazal Cloth Mills Limited (a BPC of the Licensee) and to 220/132 KV New Muzaffargarh Grid Station of NTDC for supplying to any Distribution Company or wheeling to any BPC or KEL.

Article-13
Compliance with Applicable Law

The Licensee shall comply with the provisions of the Applicable Law, guidelines, directions and prohibitory orders of the Authority as issued from time to time.

Article-14
Corporate Social Responsibility

The Licensee shall provide the descriptive as well as monetary disclosure of its activities pertaining to corporate social responsibility (CSR) on an annual basis.

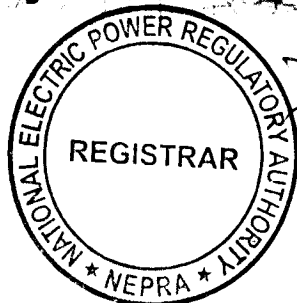
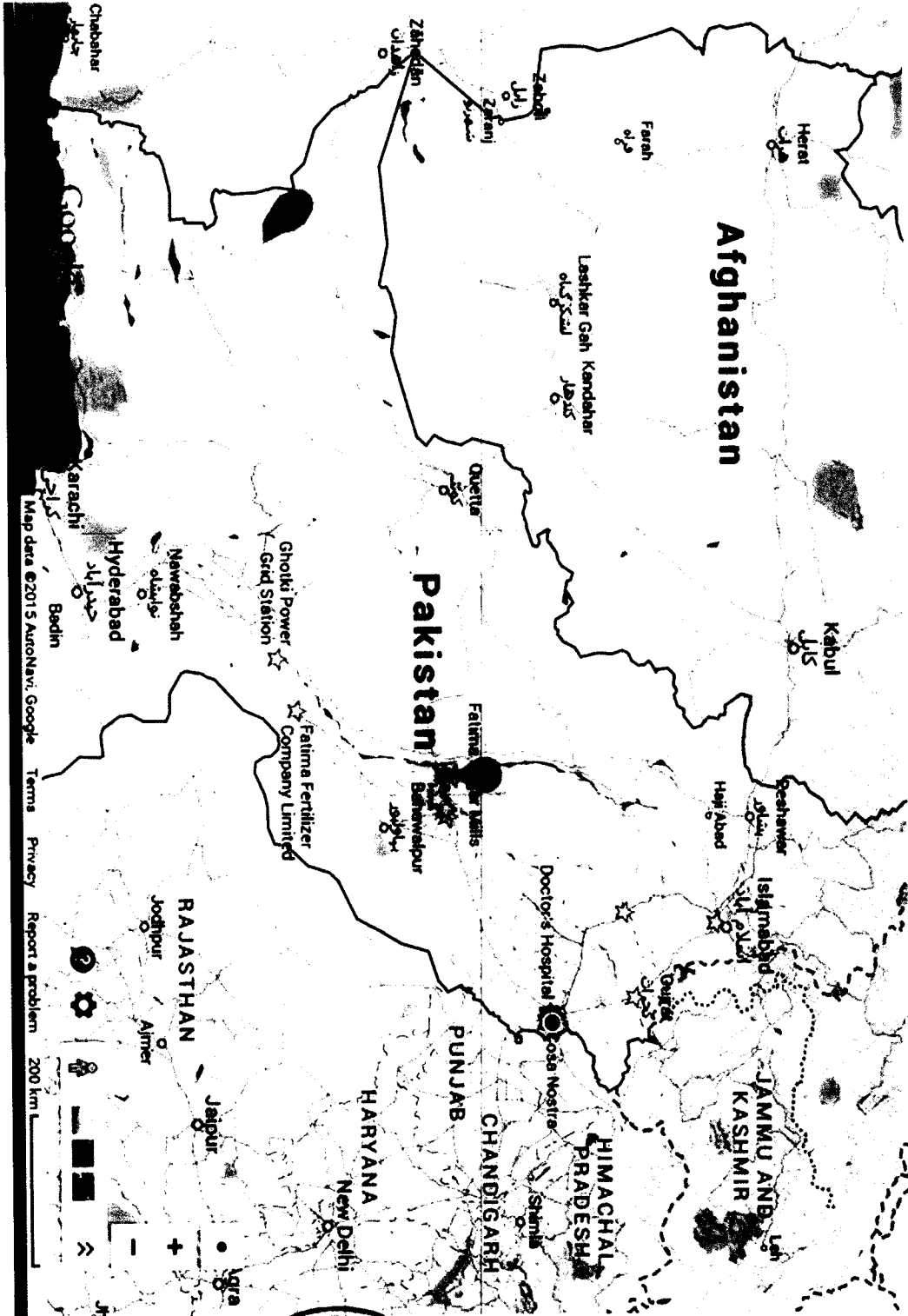


Revised/Modified
SCHEDULE-I

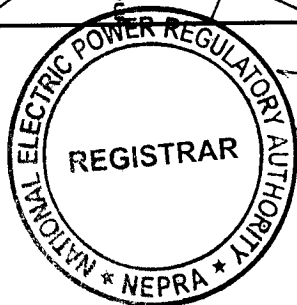
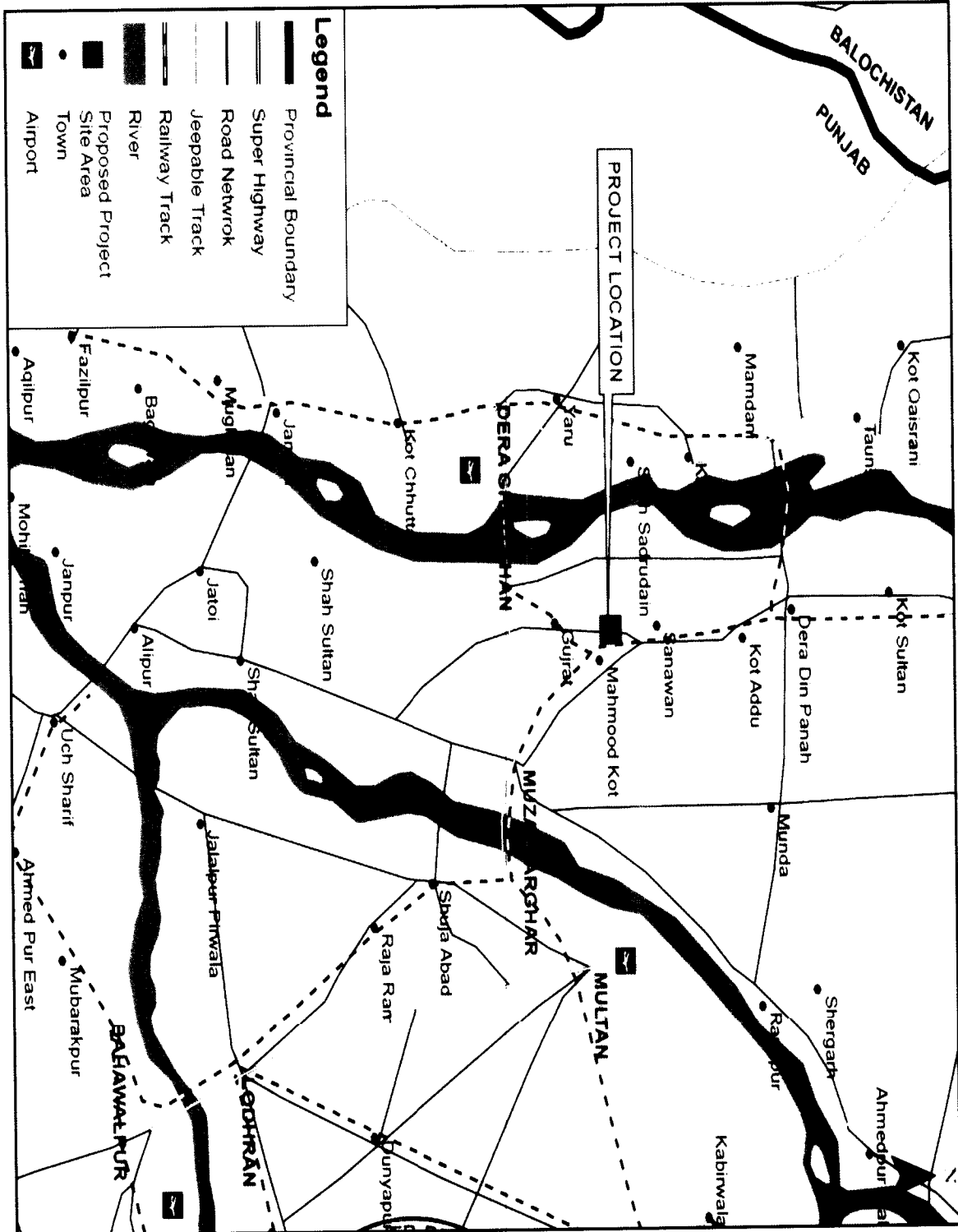
The Location, Size (i.e. Capacity in MW), Type of Technology, Interconnection Arrangements, Technical Limits, Technical/Functional Specifications and other details specific to the Generation Facilities of the Licensee are described in this Schedule.



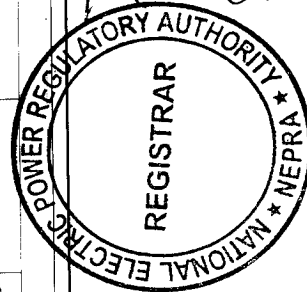
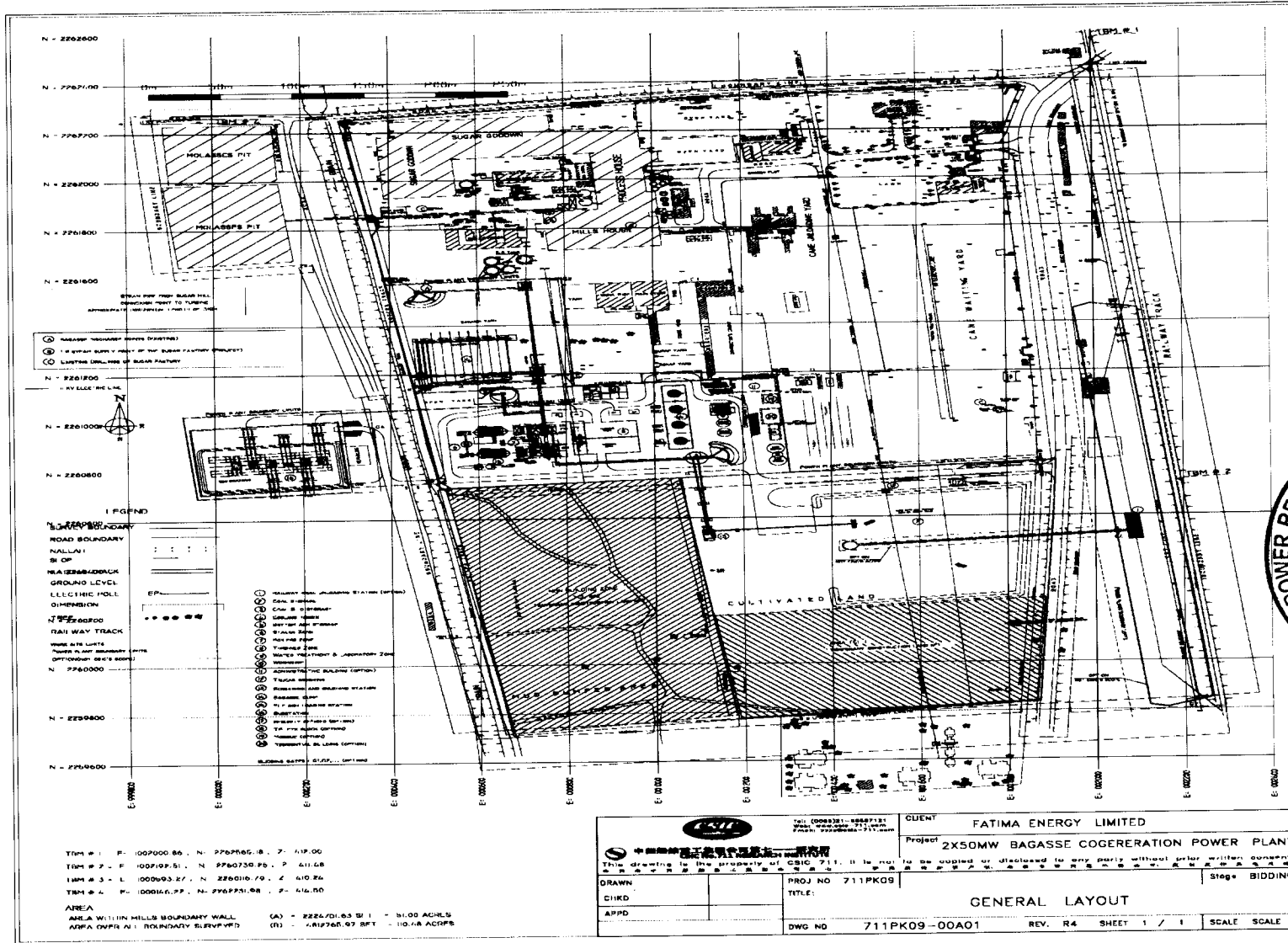
Location
of the Generation Facility/ Co-Generation Power Plant on
Map of Pakistan



Location
of the Generation Facility/Co-Generation Power Plant on
Map of Province of Punjab

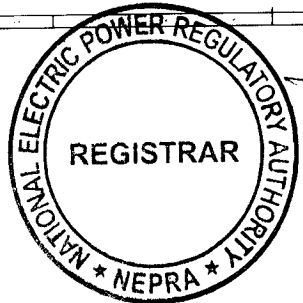
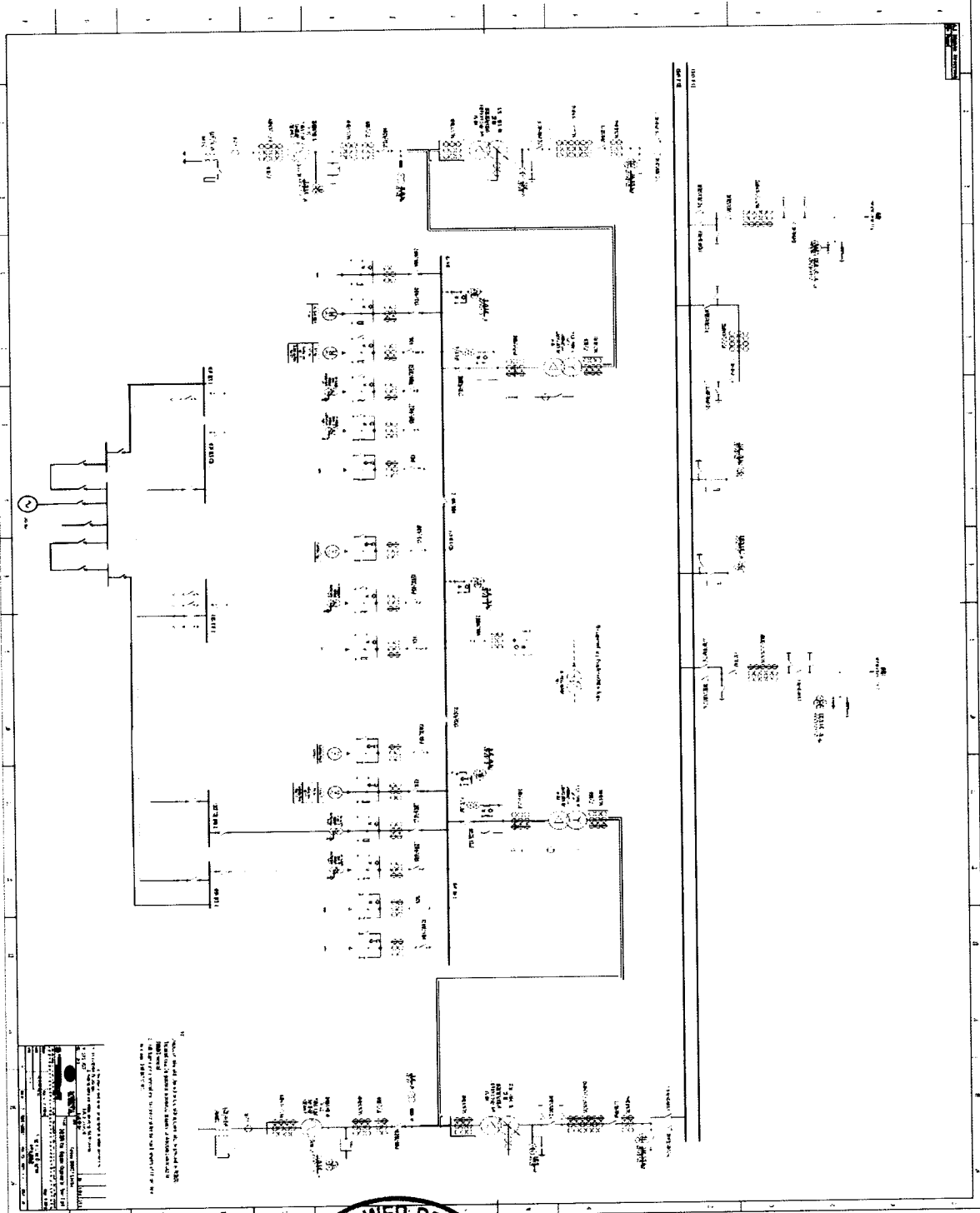


Lay-Out of the Generation Facility/Co-Generation Power Plant



M
CHKD

Single-line Diagram of the Generation Facility/Co-Generation Power Plant of the Licensee

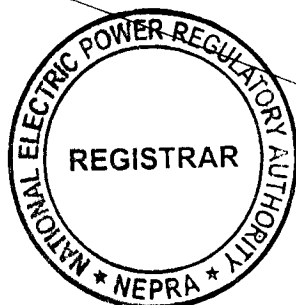


**Interconnection Arrangement/Transmission Facilities
for Dispersal of Power from the Generation Facility/Co-
Generation Power Plant of the Licensee**

The electric power from the Generation Facility/Co-Generation Power Plant (operating on Bagasse/Biomass and Coal) of the Licensee/Fatima Energy Limited (FEL) shall be dispersed to the 220/132 KV Muzaffargarh Grid Station of NTDC and 132 KV Grid Station of Fazal Cloth Mills Limited, located at Fazal Nagar, Jhang Road Muzaffargarh.

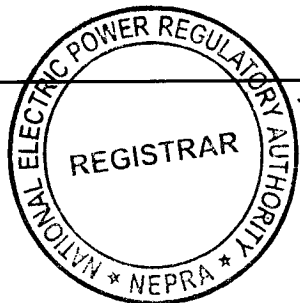
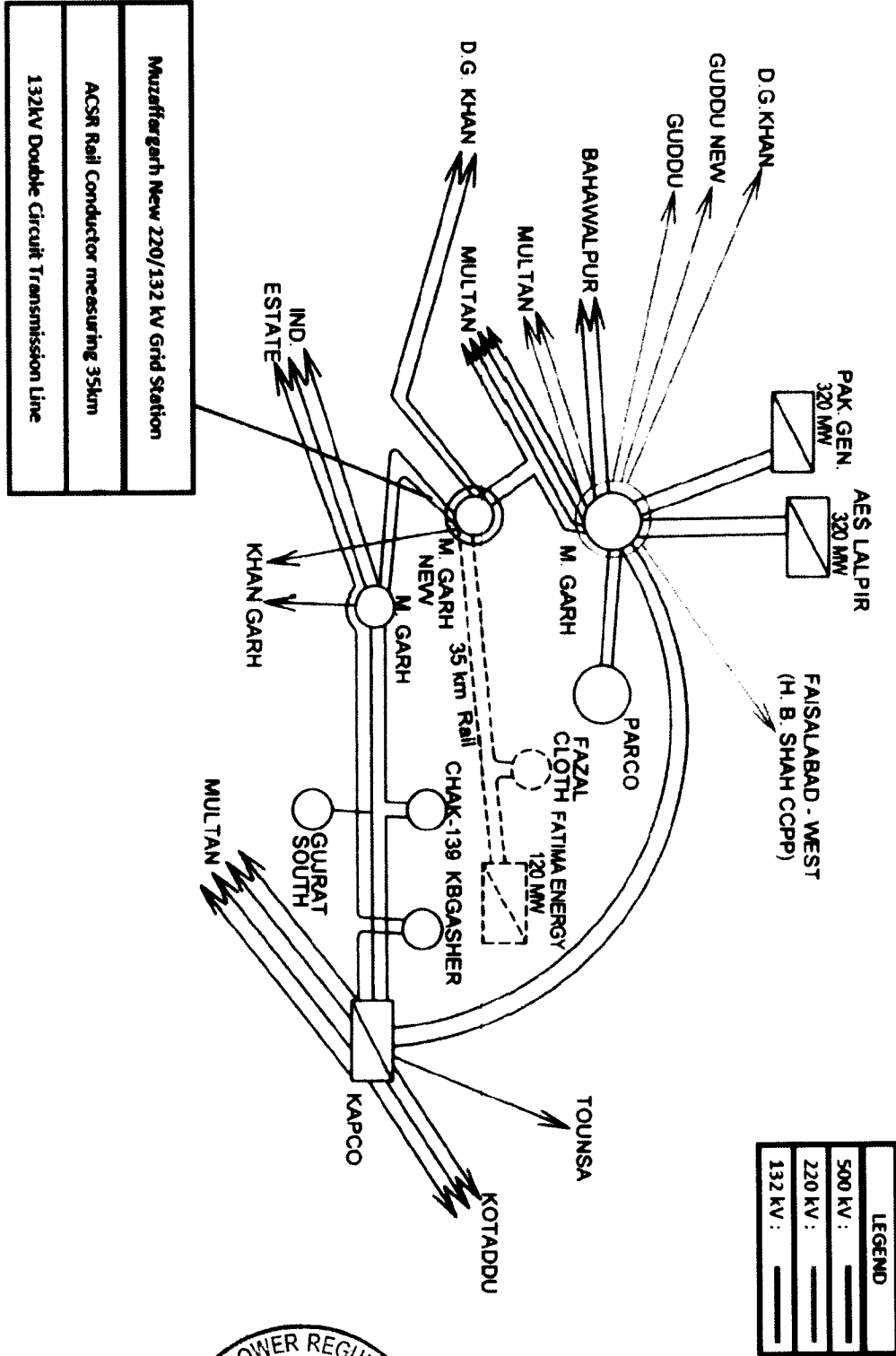
(2). In this regard, the Interconnection/Transmission Facilities for dispersal of power is consisting of a 132 KV Double Circuit (D/C) Transmission Line measuring about 35-KM in length on ACSR Rail Conductor which is constructed, owned and operated by Fatima Transmission Company Limited for which the Authority has granted a special purpose transmission licence No. SPTL/01/2015, dated August 28, 2015.

(3). The electric power delivered by Fatima Transmission Company Limited from the Licensee will be wheeled to the network of any XW-DISCOs or KEL or NTDC and will be supplied to different BPC(s) as indicated/including in the Second Tier Supply Authorization attached herewith¹. In order to wheel the power, XW-DISCO or KEL NTDC will be charging the Licensee a Use of System Charge (UoSC) as per the determination of the Authority. Notwithstanding the said, the Licensee is also allowed to supply electric power to CPPA-G, XW-DISCOs or KEL.

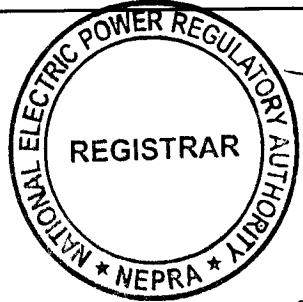
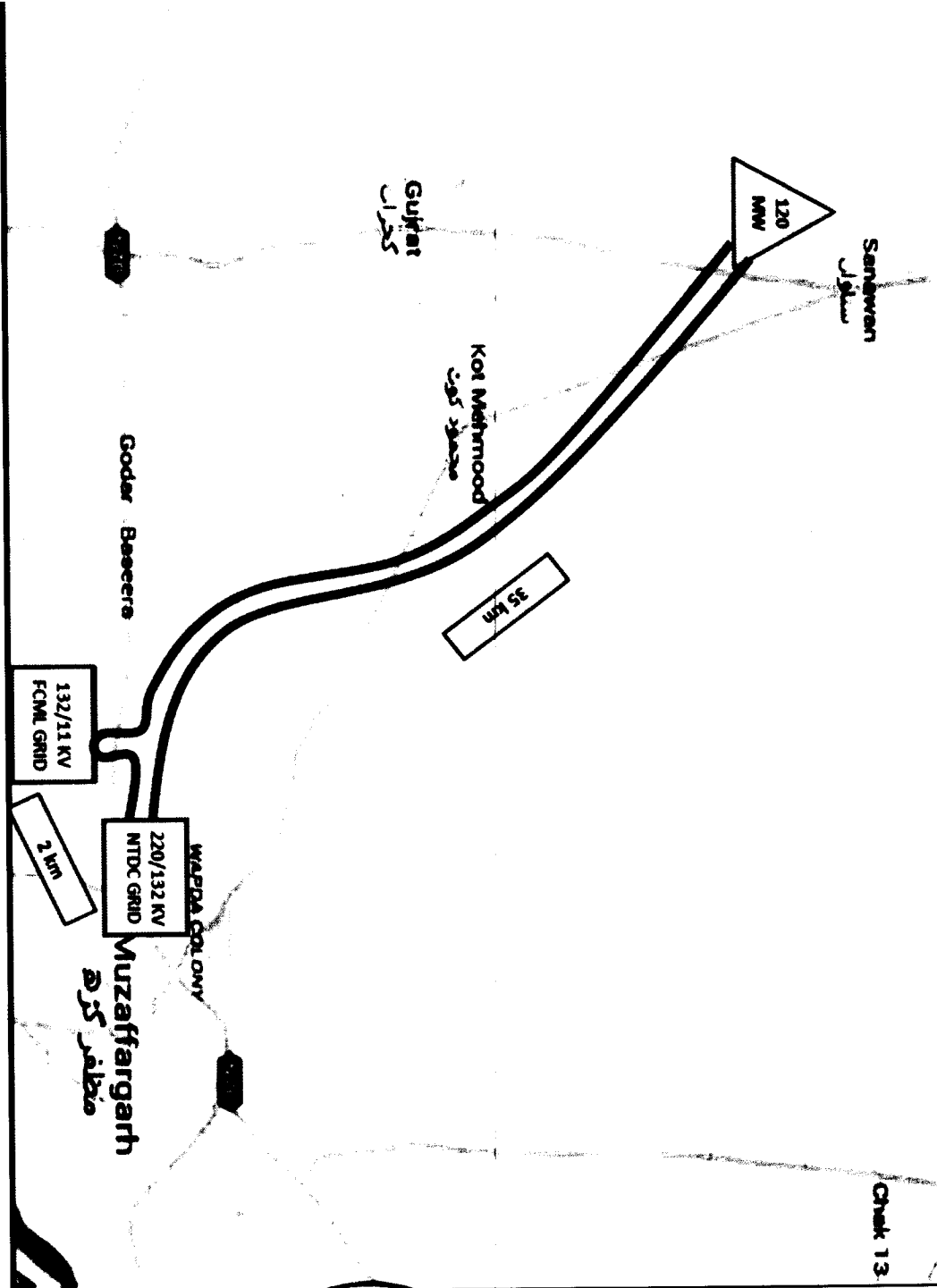


¹ FEL shall provide the detail(s) of any new/additional BPC(s) other than mentioned above, before starting supply of electric power to it and will get the name of BPC included in the Generation Licence through a modification as stipulated in the Licensing Regulations

Schematic Diagram of the Interconnection Arrangement/Transmission Facilities for Dispersal of Power



Route Diagram
of the Interconnection Arrangement/Transmission
Facilities for Dispersal of Power



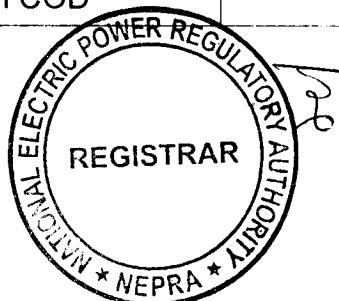
Details of
Generation Facility/Co-Generation Plant
of the Licensee

(A). General Information

(i).	Name of the Company/ Licensee	Fatima Energy Limited.
(ii).	Registered/ Business Office	E -110, Khayaban-e Jinnah (DHA Boulevard), Lahore Cantt, Province of Punjab.
(iii).	Location of the Generation Facility/ Co-Generation Power Plant	Sanawan, Mehmoodkot, district Muzaffargarh, Province of Punjab.

(B). Configuration

(i).	Type of Generation Facility	Thermal Power Plant	
(ii).	Type of Technology	Steam Turbine (Condensing cum Extraction type) & Boiler (Travelling Grate Spreader stoker technology)	
(iii).	Number of Units/Size (MW)	2 x 60.00 MW	
(iv).	Unit Make & Model	Steam Turbine	Siemens Germany Model SST600EP
		Boiler	Foster Wheeler Spain
(v).	COD of Generation Facility/Co-Generation Power Plant/Synchronization of Generation Facility/Co-Generation Power Plant with NTDC grid	November 27, 2016	
(vi).	Expected Useful Life of Generation Facility/ Co-Generation Power Plant from COD	30 Years	

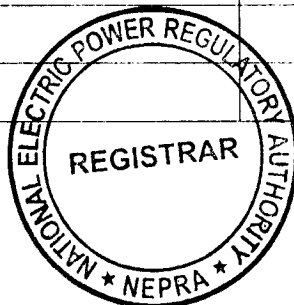


(C). Fuel Details

(i).	Primary Fuel	Biomass/Bagasse	
(ii).	Alternative/Secondary Fuel	Imported Coal	
(iii).	Start Up Fuel	Imported Coal	
(iii).	Fuel Source (Imported/Indigenous)	Primary Fuel	Alternative/Secondary Fuel
		Indigenous	Imported
(iv).	Fuel Supplier	Primary Fuel	Alternative/Secondary Fuel
		Fatima Sugar Mills Limited & Any other reputable contractor involved in the relevant business for supplying bagasse from other sources	MERCURIA Geneva Switzerland
(v).	Supply Arrangement	Primary Fuel	Alternative/Secondary Fuel
		Conveyor/Trucks	Trucks
(vi).	Storage Capacity (open yard)	Primary Fuel	Alternative/Secondary Fuel
		100,000 tons (estimated)	40,000 tons (estimated)
(vii).	Storage Capacity (covered)	Primary Fuel	Alternative/Secondary Fuel
		2,000 tons	3,600 tons

(D). Emission Values

		Primary Fuel	Alternative/Secondary Fuel
(i).	SO _x	≤ 1500	≤ 1500
(ii).	NO _x	≤ 1200	≤ 1200
(iii).	CO	≤ 800	≤ 800
(iv).	PM ₁₀	≤ 50	≤ 50

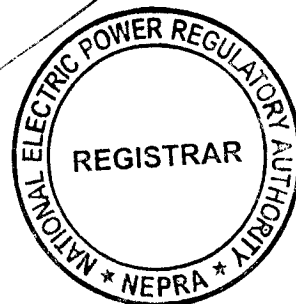


(E). Cooling Water System

(i).	Cooling Water Source/Cycle	Water from Bore wells.
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(F). Plant Characteristics

(i).	Generation Voltage	11KV	
(ii).	Frequency	50 Hz	
(iii).	Power Factor	0.80 lagging and 0.90 leading	
(iv).	Automatic Generation Control	Not Applicable	
(v).	Ramping Rate	Cold Start	To be provided later
		Warm Start	-do-
		Hot Start	-do-
(vi).	Time required to Synchronize to Grid and loading the complex to full load.	Cold Start	-do-
		Warm Start	-do-
		Hot Start	-do-

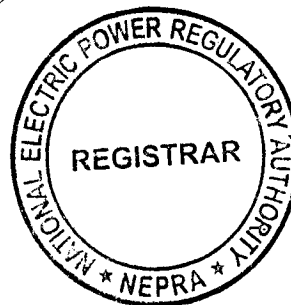


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Revised/Modified
SCHEDULE-II

The Installed/ISO Capacity (MW), De-Rated Capacity at Mean Site Conditions (MW), Auxiliary Consumption (MW) and the Net Capacity at Mean Site Conditions (MW) of the Generation Facilities of Licensee are given in this Schedule.

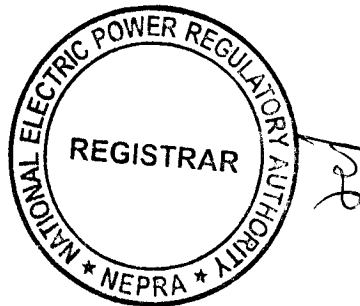


SCHEDULE-II

(1).	Total Installed Gross Capacity (2 x 60.00 MW Steam Turbines) of Generation Facility	120.00 MW
(2).	Total Installed De-Rated Capacity (2 x 59.40 MW Steam Turbine) of Generation Facility at Reference Site Condition	118.80 MW
(3).	Total Auxiliary Consumption of Generation Facility	11.26 MW
(4).	Total Installed Net Capacity of Generation Facility at Reference Site Condition	107.54 MW

Note

All the above figures are indicative as provided by the Licensee. The Net Capacity available to Power Purchaser for dispatch will be determined through procedure(s) contained in the PPA(s)/Bi-lateral Agreement(s) or any other applicable document(s) in the matter.



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Revised/Modified Authorization
by National Electric Power Regulatory Authority (NEPRA) to
Fatima Energy Limited

Incorporated Under Section-32 of the Companies
Ordinance 1984 (XLVII of 1984) Having Company Registration No.
00000001455/20040605, dated June 22, 2004

NEPRA GENERATION LICENCE
(No. SGC/96/2013, dated December 31, 2013)

For Sale to Bulk Power Consumer(s)-BPC(s)

Pursuant to Section-22 of the Act and Rule-7 of the NEPRA Licensing (Generation) Rules-2000, the Authority hereby authorize the Licensee/Fatima Energy Limited (FEL) to engage in second-tier supply business, limited to the following consumers:-

(A). BPC(s) Located in the Service Territory of FESCO

(a).	Khadim Steel – (AOP Association of Persons) (project of Ittehad Steel) (located at M-3, Industrial Area, Faisalabad).
(b).	Ashiana Cotton Products Limited (located at Gojra Road, Jhang).

(B). BPC(s) Located in the Service Territory of GEPCO

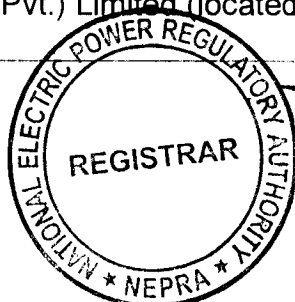
(a).	Mian Steel Casting (Pvt.) Limited (located near Golden Marriage Hall, Climaxabad GT Road, Gujranwala).
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(C). BPC(s) Located in the Service Territory of HESCO

(a).	Power Cement Limited (located at Nooriabad Industrial Area, Kalo Kohar, Jamshoroo)
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(D). BPC(s) Located in the Service Territory of IESCO

(a).	Ittehad Steel Industries (AOP Association of Persons) - (located at Plot No. 51, Street No. 12, Industrial Area I-9 and Islamabad).
(b).	Karachi Steel Re Rolling Mills (located at Plot No. 191, Sector I -10/3, Industrial Area and Islamabad).
(c).	Fazal Steel (Pvt.) Limited (located at Plot No. 418-421 Industrial Area, I-9 Islamabad).



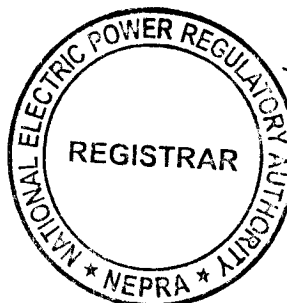
(d).	MAT Cast (Pvt.) Limited (Mumtaz Steel) located at Plot # 13 and 14, I-9, Industrial Area, Islamabad.
(e).	Hussaini Engineering Limited C/O Karim Aziz Industry Limited (located opposite to Railway Station, Hasanabadal, Attock).
(f).	Reliance Weaving Mills Limited -Unit No. 3 (located at Rawat, Chakbeli Road, Mukhtarabad).

(E). BPC(s) Located in the Service Territory of LESCO

(a).	Ejaz Spinning Mills Limited (located at Sheikhpura Faisalabad Road, Sheikhpura).
(b).	Ittehad Chemicals Limited (located at G.T. Road, Kala Shah Kaku, Sheikhpura).
(c).	Colony Textile Mills Limited (located at 4km Raiwind Manga Road, Raiwind, Kasur).

(F). BPC(s) Located in the Service Territory of MEPCO

(a).	Ahmed Fine Textile Mills Limited, (Unit No. 1 & 2 located at Shahbazpur Road, Rahimyar Khan).
(b).	Fazal Rehman Fabrics Limited, (Unit No. 1 & 2 located at Qadir Pur Rawan, Khanewal Road, Multan)
(c).	Hussain Mills Limited (5 units)
	(i). Hussain Mills Limited (Unit 1 located at Fazalabad Vehari Road, Opp. Timber Market, Multan).
	(ii). Hussain Mills Limited (Unit 2 located at 35-KM, Bahawalpur Road, Near Adda Muhammad Pur, Multan).
	(iii). Hussain Mills Limited (Unit 3 located at Fazalabad Vehari Road, Opp. Timber Market, Multan).
	(iv). Hussain Mills Limited (Unit 4 located at Qadir Pur Rawan Bypass, Khanewal Road, Multan).
(v). Hussain Mills Limited (Unit 5 located at 17-KM Mauza Kohiwala, Kabirwala, Khanewal).	
(d).	Mukhtar A Sheikh Memorial Welfare Hospital (located at Khanewal Road, Multan).
(e).	SM Food Makers Limited (Unit 1 located at New Shah Shams Colony, Multan Unit 2 Saim Zulifqar Ali Anjam located at BWP road near Yaqoob soap factory Multan)
(f).	Colony Textile Mills Limited (located at Sher shah Road Ismailabad, Multan).

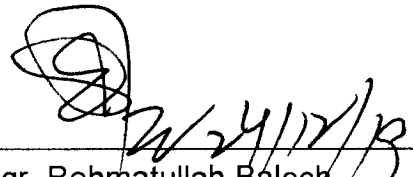


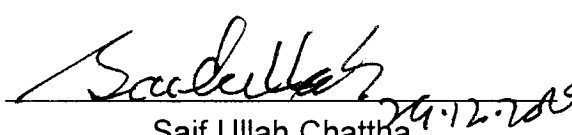
g.	Fatima Sugar Mills Limited (located at Sanawan, Mehmood Kot, Tehsil Kot Addu, and District Muzaffargarh).	
h.	Fazal Cloth Mills Limited (8 Units)	
	(i).	Fazal Cloth Mills Limited (Unit 1, 2, 4 and 7 located at
	(ii).	Fazal Cloth Mills Limited (Unit 3, 5, 6 and 8 located at Qadir Pur Rawan bypass, Khanewal Road, Multan).
i.	Reliance Weaving Mills Limited (Unit 1, 2 & 4 located at Fazalpur Khanewal Road Multan).	
j.	Pak-Arab Fertilizer Limited (located at Khanewal Road Multan)	

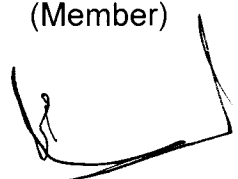
(G). BPC(s) Located in the Service Territory of PESCO

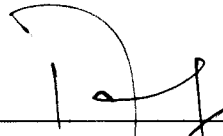
(a).	Fareed Steel Casting (Pvt.) Limited Unit 2 (located at Plot # 81, PH 5 Hattar Industrial Estate, Haripur).
(b).	MA Steel Casting (Pvt.) Limited (located at Plot # 82, Phase 5, Hattar Industrial Estate, Haripur).
(c).	Sher Steel Furnace & Re Rolling Mills (Pvt.) Limited (located at Dargai MKD Agency)
(d).	Taj Re Rolling & Steel Mills (Pvt.) Limited (Unit No. 1 located at Sakhakot MKD)


 Engr. Rafique Ahmed Shaikh
 (Member)


 Engr. Rehmatullah Baloch
 (Member)


 Saif Ullah Chattha
 (Member)


 Engr. Bahadur Shah
 (Member)/Vice Chairman


 Engr. Tauseef H. Farooqi
 Chairman

