



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/LAG-318/ 2681-85

February 19, 2018

Mr. Babar Ali Khan,
Chief Executive Officer,
NC Electric Company Limited,
31 – Q, Gulberg II,
Lahore.

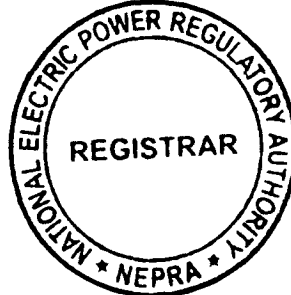
**Subject: Modification-I in Generation Licence No: SGC/115/2016
Licence Application No. LAG-318
NC Electric Company Limited (NCECL)**

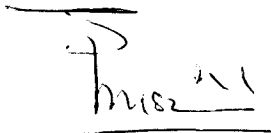
Reference: NCECL's application vide letter dated March 31, 2017 (received on April 11, 2017).

It is intimated that the Authority has approved "Licensee Proposed Modification" in Generation Licence No. SGC/115/2016 in respect of NC Electric Company Limited (NCECL), pursuant to Regulation 10(11)(a) 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 NCECL along with Modification-I in the Generation Licence No. SGC/115/2016, as approved by the Authority.

Encl: As above




19 02 18
(Syed Safeer Hussain)

Copy to:

1. Managing Director, NTDC, 414-WAPDA House, Lahore
2. Chief Executive Officer, CPPA-G, ENERCON Building, Sector G-5/2, Islamabad.
3. Chief Executive Officer, Lahore Electric Supply Company Limited (LESCO), 22-A, Queen Road, Lahore
4. Director General, Environment Protection Department, Government of Punjab, National Hockey Stadium, Ferozpur Road, Lahore.

National Electric Power Regulatory Authority
(NEPRA)

Determination of the Authority
in the Matter of Licensee Proposed Modification in the
Generation Licence of NC Electric Company Limited

February 19, 2018
Case No. LAG-318

(A). Background

(i). The Authority in terms of Section-15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the "NEPRA Act") granted NC Electric Company Limited (NCECL) a generation licence (No. SGC/115/2016 dated April 14, 2016) for its 46.00 MW Imported/Indigenous coal based generation facility/Thermal Power Plant.

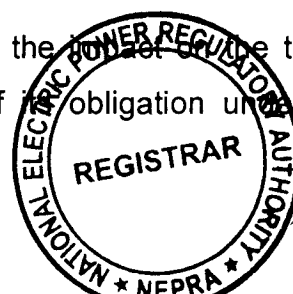
(ii). The above mentioned generation facility/Thermal Power Plant of NCECL is located at 49-KM Lahore-Multan Road, Moza Gagga Phoolnagar, Tehsil Pattoki, District Kasur in the Province of Punjab. The Authority had also allowed NCECL a Second Tier Supply Authorization (STSA) for supplying to six (06) designated Bulk Power Consumers (BPCs).

(B). Communication of Modification

(i). NCECL 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 above mentioned generation licence on April 11, 2017.

(ii). In the "text of the proposed modification", NCECL requested to add nine (09) new BPCs in its above mentioned generation licence. About the "statement of the reasons in support of the modification", NCECL inter alia submitted that the proposed modification will not be against public interest, and shall prove mutually beneficial for all stakeholders, including the consumers who will benefit from power generated from a more resourceful project.

(iii). Regarding the "statement of the reasons in support of the tariff, quality of service and performance by the licensee of the obligation under the licence"



NCECL informed that the proposed amendment will not adversely affect the tariff, quality of service and the performance of the company of its obligations under the generation licence.

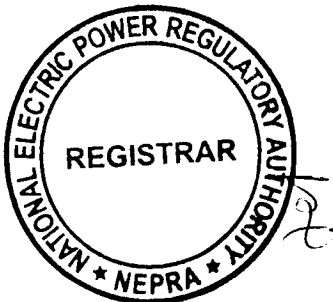
(C). Processing of Modification

(i). After completion of all the required information as stipulated under the Regulation-10(2) and 10(3) of the Licensing Regulations by the licensee, the Registrar published the communicated LPM in one (01) English (The News) and one (01) Urdu (Daily Express) newspaper on April 25, 2017, to seek comments of the general public, interested/affected parties, and different stakeholders about the said LPM as required under the Regulation-10(4) of the Licensing Regulations.

(ii). Apart from the above notice in the press, separate letters were also sent to Government ministries/attached departments and other representative organizations etc. on April 26, 2017. Through the said letters, the stakeholders were informed about the communicated LPM and publication of notice in the press and invited to submit their views and comments for the assistance of the Authority.

(D). Comments of Stakeholders

(i). In response to the above, the Authority received comments from three (03) stakeholders. These included Lahore Electric Supply Company Limited (LESCO), Punjab Mineral Development Corporation (PMDC) and Directorate General, Mines & Minerals, Khyber Pakhtunkhwa (DGM&MKPK). The salient points of the comments offered by the above mentioned stakeholders are summarized in the following paragraphs:-



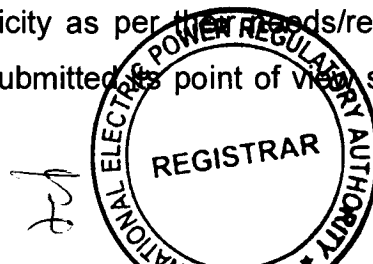
- (a). LESCO submitted that the BPCs proposed in the LPM are also consumers of LESCO, therefore under Section-22 of the NEPRA Act, the proposed supply to its consumers by NCECL is not legal and after December, 2012, the Authority is no more empowered to allow applicants for supplying to BPCs in the service territory of Distribution Companies (DISCOs). Under Section-22 of the NEPRA Act, the BPCs are required to give a three

(03) years prior notice to LESCO before disconnecting supply from LESCO. Further, having dual connection at a time from two separate and distinct companies is neither permissible under utility practices nor under any law. LESCO further submitted that the proposed feeders for supplying power to BPCS from NCECL, will cross LESCO service territory therefore, LESCO seriously object the proposed arrangement;

- (b). PMDC in its comments submitted that it has no objection to the proposed modification in the generation licence of NCECL; and
- (c). DGM&MKPK submitted that it has no comments to offer in the instant case.

(ii). The Authority examined above comments of the stakeholders and found that except LESCO, comments of all other stakeholders were in favor of the LPM in the generation licence of NCECL. Accordingly, the Authority considered it appropriate to seek perspective of the licensee/NCECL on the observations of LESCO.

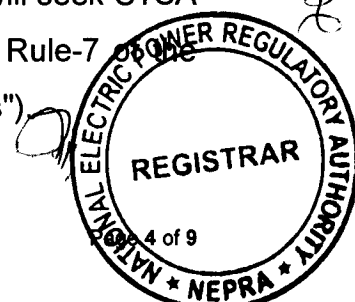
(iii). In reply to the comments/observations of LESCO, NCECL submitted that the new BPCs are proposed to be supplied on the same principle as being supplied to the existing BPCs to which LESCO never objected. NCECL has further submitted that similar objections made by Faisalabad Electric supply Company (FESCO) were rejected by the honorable Authority while rendering its determination dated October 05, 2015 in the matter of Nishat Mills Limited therefore the instant objections of LESCO deserves the same treatment and should be rejected. LESCO also raised similar objections in the case of Nishat Mills Limited and the Authority rejected the same. Further, NCECL rejected the interpretation of Section-22 of the NEPRA Act by LESCO stating that there is no such sunset provision in the NEPRA Act. On the observations of LESCO regarding three (03) years prior notice before disconnection, NCECL clarified that the proposed BPCs which are also consumers of LESCO shall retain LESCO connection as a source of supply of electricity as per their needs/requirement. Regarding dual source of supply, NCECL submitted its point of view stating that



there is no bar on consumers/BPCs on having multiple source of supply to meet their requirement if single source of supply is not sufficient unreliable to meet these requirements. NCECL clarified that it will not interfere with terms and conditions agreed between the said BPCs and LESCO.

(iv). The Authority considered the above reply of NCECL to the comments of LESCO and found the same plausible. Regarding the observations of LESCO, the Authority has observed that Section-21 of the NEPRA Act deals with the rights and liabilities of a distribution licensee and states that the Authority may, subject to conditions specified in the NEPRA Act grant distribution licence and the licensee shall possess exclusive right to provide distribution and to make sale of electric power to consumers in the territory specified in the licence. Further, Section-21 carves out an exception to aforementioned exclusivity of a distribution licensee and allows a generation company to make sales to a BPC within the territory of distribution licensee.

(v). In this regard the Authority has observed that the exclusive distribution right granted to distribution licensees is subject to conditions specified in the NEPRA Act. The NEPRA Act imposes certain conditions on a distribution licensee and that licensee cannot enjoy exclusivity without corresponding obligations to provide safe, continuous and reliable electricity to consumers. Thus a distribution licensee cannot claim the exclusive right as an absolute right for the reason that the NEPRA Act does not intend to create a monopoly to sell electricity to consumers being bonded consumers. Moreover, proviso to Section-21 of the NEPRA Act further clarifies the intention of the legislature by carving out an exception to aforementioned exclusive right of a distribution licensee. The said Proviso categorically states that a generation company may make sales of electric power to BPCs within such territory as the Authority may allow, subject to Section-22 for a period of fifteen (15) years. Proviso to Section-21 explicitly bifurcates sales of electric power from delivery of electric power and allows sales of electric power by another licensee to BPC in the territory of a distribution company, thereby negating the exclusivity of a distribution licensee with respect to sales of electric power. That if any generating company intends to sell power to a BPC located within service territory of a distribution company, it will seek STSA from the Authority under Section-21 of the NEPRA Act read with Rule-7 of the NEPRA Licensing (Distribution) Rules, 1999 (the "Distribution Rules").



(vi). Regarding the period of fifteen (15) years, The Authority has observed that the Rule-7 of the Distribution Rules read with Proviso to Section-21 of the NEPRA Act make it abundantly clear that the Authority may allow, for a period of fifteen (15) years from the commencement of NEPRA Act, a generation company to supply electric power to BPCs in the territory of a distribution licensee. Proviso seeks to achieve an objective that since BPCs are prized consumers and in case of losing BPCs, distribution licensee might incur economic loss, therefore Section-21 and 22 of the NEPRA Act has regulated the sale to BPC by generation companies. It may however be clarified that such restriction was for fifteen (15) years from the commencement of the NEPRA Act and that after December 16, 2012 BPCs are free to get supply of electricity from any source without re-coursing to Section-21 and 22 of the NEPRA Act. It is clarified that time period mentioned in Proviso to Section-21 read with Section-22 of the NEPRA Act does not restrict the powers of the Authority to allow a generation company to supply electric power to a BPC in the territory of a distribution licensee only for the fifteen (15) years from the commencement of the NEPRA Act. Such restrictive interpretation of period of fifteen (15) years mentioned in the Proviso is against the spirit of the NEPRA Act, undermines the competitive environment and discourages the investment in private sector resulting in enhanced demand and supply gap. It is a settled principle of law that a statute has to be read as whole and no single provision can be read to arrive at a just and correct interpretation. Therefore, period of 15 years cannot be read in isolation, it has to be interpreted in the context of scheme of the law. The NEPRA Act envisages a competitive market which was duly translated in the licence of NTDC setting year 2012 as Commercial Market Operation Date, meaning thereby after fifteen (15) years of commencement of the NEPRA Act power market will be opened for bilateral contracting. Therefore, fifteen (15) years mentioned in the Proviso cannot be read as to disallow sale of electricity by a generation company to BPCs in the territory of a DISCO rather that no such permission will be required after 15 years of commencement of the NEPRA Act.

(vii). Further, the Authority also observed that LESCO and FESCO had raised similar queries mainly relating to the addition and supplying to BPCs by generating companies. However, the Authority after detailed deliberation principally decided to allow generation companies to supply electric



power to BPCs. In view of the said, the Authority decided to proceed further with the communicated LPM of NCECL as stipulated in the Licensing Regulations and the NEPRA Licensing (Generation) Rules, 2000 (the "Generation Rules").

(E). Evaluation of the Case

(i). The Authority has examined the entire case in detail including the already granted Generation Licence, the communicated LPM, comments of the stakeholders, submissions of NCECL and relevant rules & regulations.

(ii). In this regard, the Authority observes that in terms of Regulation-10(5) of the Licensing Regulations, it is entitled to modify a licence in accordance with an authority proposed modification or LPM, 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). The main features of the LPM under consideration are that the Authority originally granted NCECL a generation licence (No. SGC/115/2016 dated April 14, 2016) with an installed capacity of 46.00 MW based on 1x46 MW steam turbine with a sub critical boiler. According to the generation licence, the generation facility is proposed to be operated primarily on imported coal. Further, The Authority through STSA allowed NCECL to supply power to six (06) designated BPCs in the name of Nishat Chunian Limited-Zone-I (NCL-I), Nishat Chunian Limited-Zone-II (NCL-II), Abu Bakar Textile Mills Limited (ABTML), Marral Textile Mills Limited (MTML), Hussain Mills Limited (HML) and Azam Spinning Mills Limited (ASML).

(iv). Through the current LPM, NCECL plans to add nine (09) new BPCs in the name of (i). Saaz Gold Industries (Private) Limited (SGIPL), (ii).



Popular Juice Industries (Private) Limited (PJIPL), (iii). Saritow Spinning Mills Limited (SSML), (iv). BBJ Pipe Industries (Private) Limited (BBJPIPL); (v). Millat Industries Product Limited (MIPL), (vi). Sky Textile Mills Limited (STML), (vii). Ghani Auto Industries Limited (GAIL), (viii). Liven Pharma (Pvt.) Limited (LPPL) and (ix). Medi Gas Oxygen (Pvt.) Limited (MGOPL).

(v). According to the provided information, the net capacity (41.00 MW) will now be distributed among the BPC according to new contracted load. The contracted load of BPCs are 13.00 MW (NCL-I), 14.70 MW (NCL-II), 1.80 MW (ABTML), 2.0 MW (MTML), 0.20 MW (HML), 0.10 MW (ASML), 0.30 MW (SGIPL), 0.30 MW (PJIPL), 2.50 MW (SSML), 2.10 MW (BBJPIPL), 0.50 MW (MIPL), 1.50 MW (STML), 0.50 MW (GAIL), 1.00 MW (LPPL) and 0.50 MW (MGOPL), respectively.

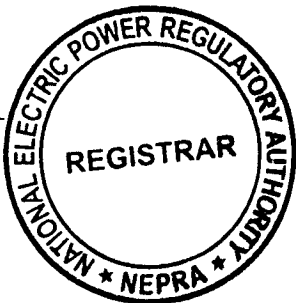
(vi). Regarding BPCs, the Authority has observed that according to Section-2(ii) of the NEPRA Act, a BPC is consumer which purchases or receives electric power at one premises, in an amount of one megawatt or more or in such amount and voltage level and with such characteristics as the Authority may determine. In view of said, the above mentioned entities qualify as BPC under the NEPRA Act and accordingly the Authority declares the same as BPCs of NCECL.

(vii). Regarding supplying to new BPCs, the Authority has observed that for supplying to the new BPCs, the licensee/NCECL will be required laying Feeder(s) on public property/road which is part of the service territory of LESCO for which it has exclusivity in terms of Section-21 and Article-7 of its distribution licence No. 03/DL/2002, dated April 01, 2002. Regarding mode of supply to BPCs in exclusive service territory of DISCOs, the Authority has observed that it has already taken a principle decision in this regard as under:-

a. *"Generation facility may avail wheeling services of the existing distribution network of host DISCO on the Authority's prescribed wheeling charges;*

OR

b. *Generation facility may itself set up a dedicated feeder/distribution system at its own cost for the purposes of supply of electric power to its contracted BPC and hand over*



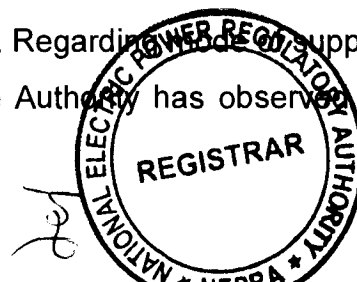
Popular Juice Industries (Private) Limited (PJIPL), (iii). Saritow Spinning Mills Limited (SSML), (iv). BBJ Pipe Industries (Private) Limited (BBJPIPL); (v). Millat Industries Product Limited (MIPL), (vi). Sky Textile Mills Limited (STML), (vii). Ghani Auto Industries Limited (GAIL), (viii). Liven Pharma (Pvt.) Limited (LPPL) and (ix). Medi Gas Oxygen (Pvt.) Limited (MGOPL).

(v). According to the provided information, the net capacity (41.00 MW) will now be distributed among the BPC according to new contracted load. The contracted load of BPCs are 13.00 MW (NCL-I), 14.70 MW (NCL-II), 1.80 MW (ABTML), 2.0 MW (MTML), 0.20 MW (HML), 0.10 MW (ASML), 0.30 MW (SGIPL), 0.30 MW (PJIPL), 2.50 MW (SSML), 2.10 MW (BBJPIPL), 0.50 MW (MIPL), 1.50 MW (STML), 0.50 MW (GAIL), 1.00 MW (LPPL) and 0.50 MW (MGOPL), respectively.

(vi). Regarding BPCs, the Authority has observed that according to Section-2(ii) of the NEPRA Act, a BPC is consumer which purchases or receives electric power at one premises, in an amount of one megawatt or more or in such amount and voltage level and with such characteristics as the Authority may determine. In view of said, the above mentioned entities qualify as BPC under the NEPRA Act and accordingly the Authority declares the same as BPCs of NCECL.

(vii). Regarding the rates, charges and terms and conditions of the tariff between NCECL and its BPCs, it is clarified that under Section-7(3)(a) of the NEPRA Act, determination of the tariff, rate and charges etc. is the sole prerogative of the Authority. However, the Authority observes that the tariff between NCECL and its BPCs is a bilateral issue and does not affect any other consumer or third party. Therefore, in this particular case, the Authority considers it appropriate to direct NCECL and its BPCs to agree on a bilateral agreement and accordingly, NCECL will be allowed to charge the mutually agreed tariff to its BPCs.

(viii). Regarding supplying to new BPCs, the Authority has observed that for supplying to the new BPCs, the licensee/NCECL will be required laying Feeder(s) on public property/road which is part of the service territory of LESCO for which it has exclusivity in terms of Section-21 and Article-7 of its distribution licence No. 03/DL/2002, dated April 01, 2002. Regarding supply to BPCs in exclusive service territory of DISCOs, the Authority has observed that it has



already taken a principle decision in this regard as under:-

- a. *"Generation facility may avail wheeling services of the existing distribution network of host DISCO on the Authority's prescribed wheeling charges;*

OR

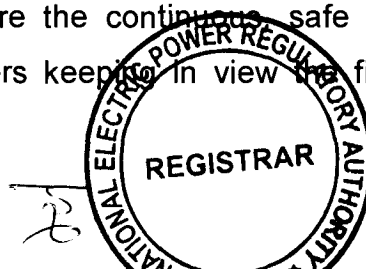
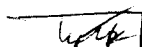
- b. *Generation facility may itself set up a dedicated feeder/distribution system at its own cost for the purposes of supply of electric power to its contracted BPC and hand over the said feeder/distribution to DISCO for ownership, operation and maintenance. However, the cost incurred by the generation company for setting up the feeder will be recovered by the generation company through the Use of System Charges as notified by the Authority;*

OR

- c. *Generation facility may lay feeder/distribution system for direct sale/delivery of electricity where there is no public property involved."*

(ix). In view of the above, the Authority is of the view that option "b" is more suitable in this particular case and NCECL is directed to opt the same for supplying power to BPCs involving public property.

(x). In view of the above, the Authority considers that the LPM will not have any adverse effect on the performance of the licensee of its obligations as it will enable it to supply the available energy for a considerable time. Further, the LPM will 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 the NEPRA Act. The LPM will be beneficial to the consumers in general as relatively cheap and reliable electricity will be available to the BPCs. The LPM is reasonably necessary for the licensee to effectively and efficiently perform its obligations under the licence. The LPM is 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.

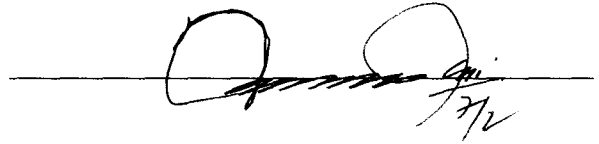
(F). Approval of LPM

(i). In view of the above, the Authority is satisfied that NCECL has complied with all the requirements of the Licensing Regulations pertaining to the modification. Therefore, the Authority in terms of Regulation-10(11)(a) of the Licensing Regulations approves the communicated LPM.

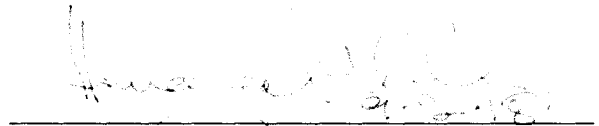
(ii). Accordingly, the generation licence (No. SGC/115/2016 dated April 14, 2016) is hereby modified. The changes made in the generation licence are attached as annexure to this determination. The approval of the LPM will be subject to the provisions contained in the NEPRA Act, relevant rules framed there under, terms & conditions of the generation licence and other applicable documents.

Authority

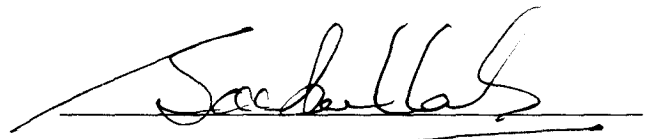
Syed Masood-ul-Hassan Naqvi
(Member)



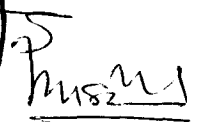
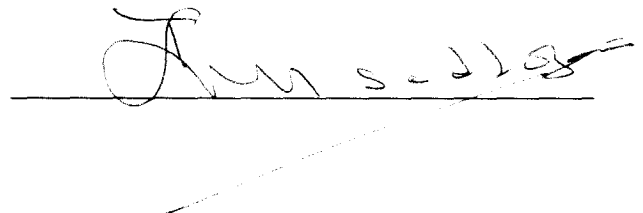
Himayat Ullah Khan
(Member)



Saif Ullah Chattha
(Member/Vice Chairman)


13.2.2018

Tariq Saddozai
(Chairman)


19.02.18

National Electric Power Regulatory Authority (NEPRA)

Islamabad – Pakistan

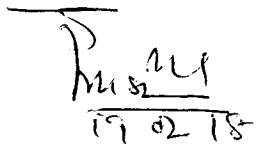
GENERATION LICENCE

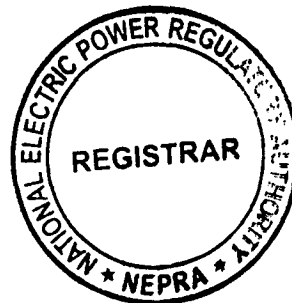
SGC/115/2016

In exercise of the Powers conferred under Section-26 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), the Authority hereby modifies the generation licence granted to **NC Electric Company Limited** to the extent of changes mentioned as hereunder:-

- (i). In face sheet of the generation licence, **expiry date** may be read as **February 26, 2047** instead of **May 14, 2046**;
- (ii). Changes in **Articles** of the generation licence attached as **Revised/Modified Articles**;
- (iii). Changes in **Schedule-I** attached as **Revised/Modified Schedule-I**;
- (iv). Changes in **Schedule-II** attached as **Revised/Modified Schedule-II**; and
- (v). Changes in **Second Tier Supply Authorization** attached as **Revised/Modified Second Tier Supply Authorization**.

This **Modification-I** is given under my hand on this 19th day of **February Two Thousand & Eighteen**

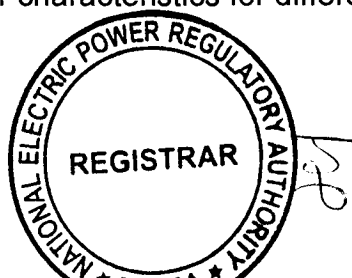

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Registrar



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, 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 the Act, relevant rules and regulations made there under and 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 who purchases or receives electric power at one premises, in an amount of one megawatt or more or in such other amount and voltage level and with such other characteristics as the Authority may determine and the Authority may determine different amounts and voltage levels and such other characteristics for different areas;



- (f). "Bus Bar" means a system of conductors in the generation facility/Thermal Power Plant of the Licensee on which the electric power of all the generators is collected;
- (g). "Commercial Operations Date (COD)" means the day immediately following the date on which the generation facility of the Licensee is Commissioned;
- (h). "Generation Rules" mean the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 as amended or replaced from time to time;
- (i). "LESCO" means the Lahore Electric Supply Company Limited or its successor or permitted assign;
- (j). "Licensee" means "**NC Electric Company Limited**" and its successors or permitted assigns;
- (k). "Power Purchase Agreement" means the Power Purchase Agreement, entered or to be entered into by and between the Power Purchaser and the Licensee, for the purchase of electric power/energy generated by the generation facility/power plant of the Licensee, as may be amended by the parties thereto from time to time;
- (l). "Power Purchaser" means a BPC which has entered or be entering into a Power Purchase Agreement with the Licensee, for the purchase of electric power/energy generated by the generation facility/Thermal Power Plant of the Licensee, as may be amended by the parties thereto from time to time;
- (m). "Licensing Regulations" mean the National Electric Power Regulatory Authority Licensing (Application & Modification Procedure) Regulations, 1999 as amended or replaced from time to time;



(n). "Thermal Power Plant" means the generation facility using fossil fuel for generation of electric power;

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

Article-2
Applicability of Law

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

Article-3
Generation Facilities

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

3.2 The net capacity of the generation facility/Thermal Power Plant of the Licensee is set out in Schedule-II hereto.

Article-4
Term of Licence

4.1 This Licence is effective from the date of its original issuance and has a term of thirty (30) years from the COD of the generation facility/Thermal Power Plant.

4.2 Unless suspended or revoked earlier, the Licensee may apply for renewal of the Licence within ninety (90) days prior to the expiry of the term of the Licence, as stipulated in the Licensing Regulations.



Article-5
Licence fee

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

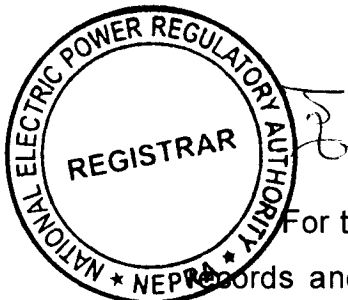
Article-6
Tariff

The Licensee is allowed to charge the Power Purchaser(s) such tariff which has been agreed between the Licensee and the Power Purchaser(s), pursuant to the Power Purchase Agreement(s).

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. 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.

7.2 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

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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 Standards (Generation) Rules 2009 as amended from time to time.

Article-10
Compliance with Environmental & Safety Standards

10.1 The Licensee shall, at all times, comply with the environmental and safety standards as may be prescribed by the relevant competent authority as amended from time to time.

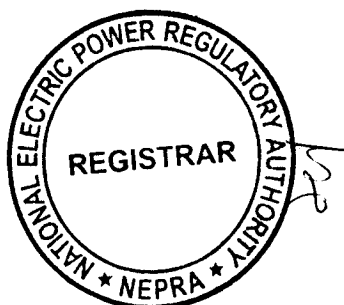
10.2 The Licensee shall provide a certificate on a bi-annual basis, confirming that the operation of its generation facility/Thermal Power Plant is in line with environmental standards as prescribed by the relevant competent authority.

Article-11
Power off take Point and Voltage

The Licensee shall deliver power to the Power Purchaser at the outgoing bus bar of its grid station. The up-gradation (step up) of generation voltage up to the required interconnection voltage level will be the responsibility of the Licensee.

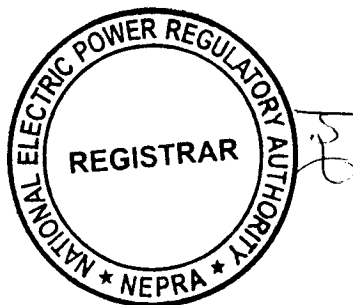
Article-12
Provision of Information

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.



Article-13
Generating Capacity Reserve Requirements

The Licensee shall comply with the minimum and maximum capacity requirements as stipulated and agreed in the Power Purchase Agreement signed between the Licensee and the Power Purchaser(s).

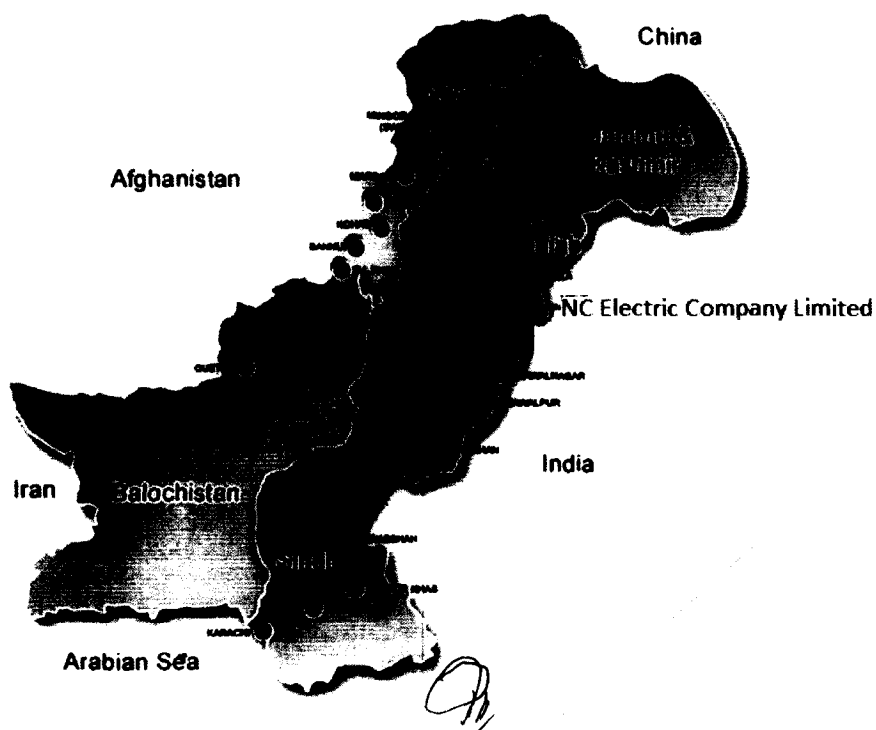


SCHEDULE-I
(Revised/Modified)

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 Facility of the Licensee are described in this Schedule



**Location of the Generation Facility/Thermal Power Plant of NC Electric
Company Limited (NCECL)**

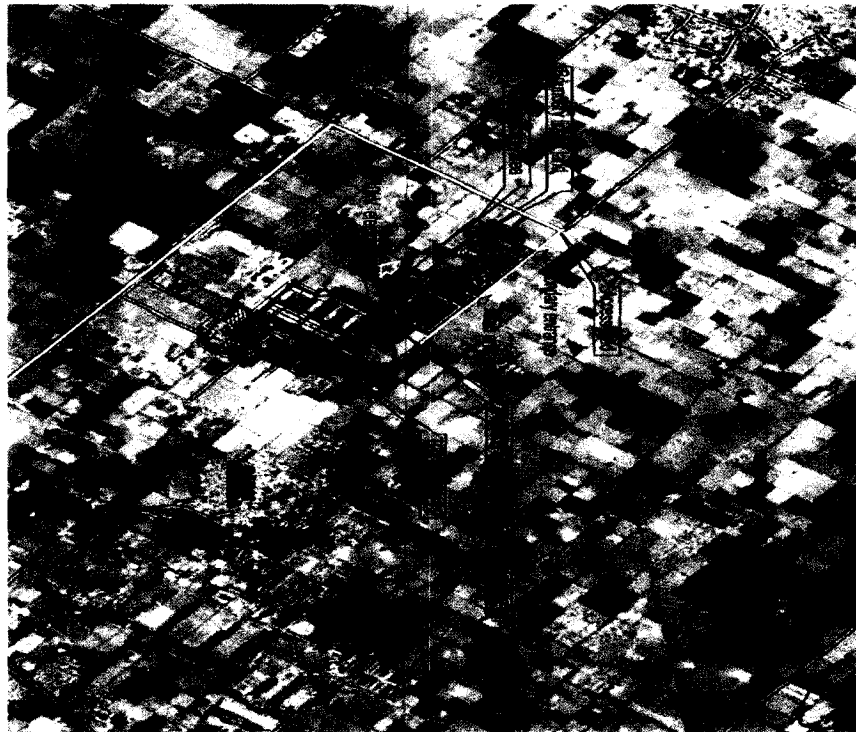


Generation Licence
NC Electric Company Limited
49-KM Lahore-Multan Road
Moza Gagga Phoolnagar
Tehsil Pattoki, District Kasur
in the Province of Punjab

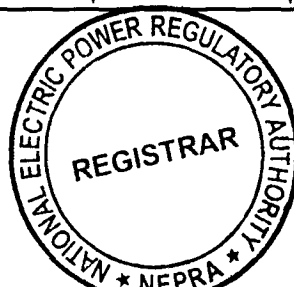
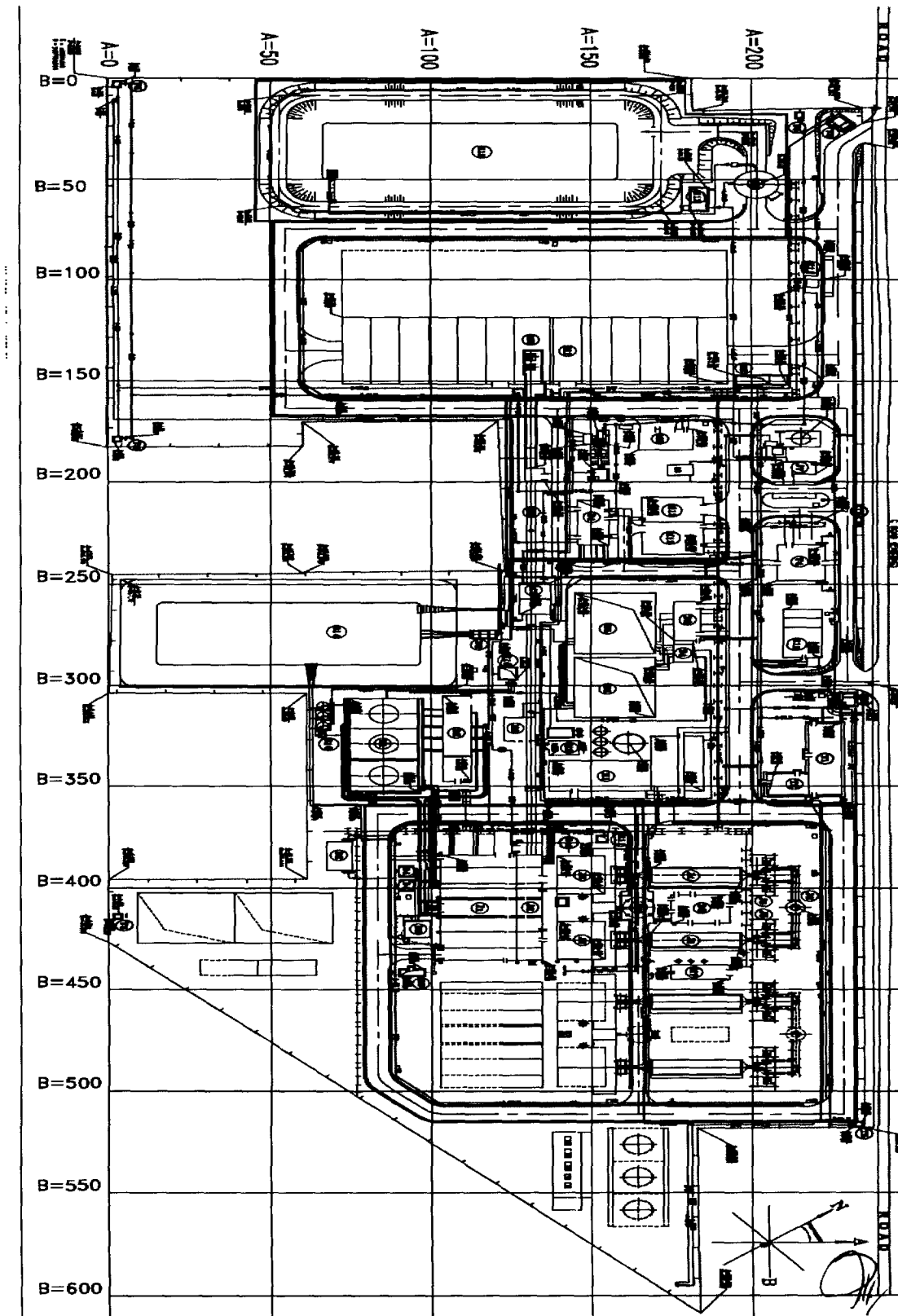
Location of the Generation Facility/Thermal Power Plant of NCECL)



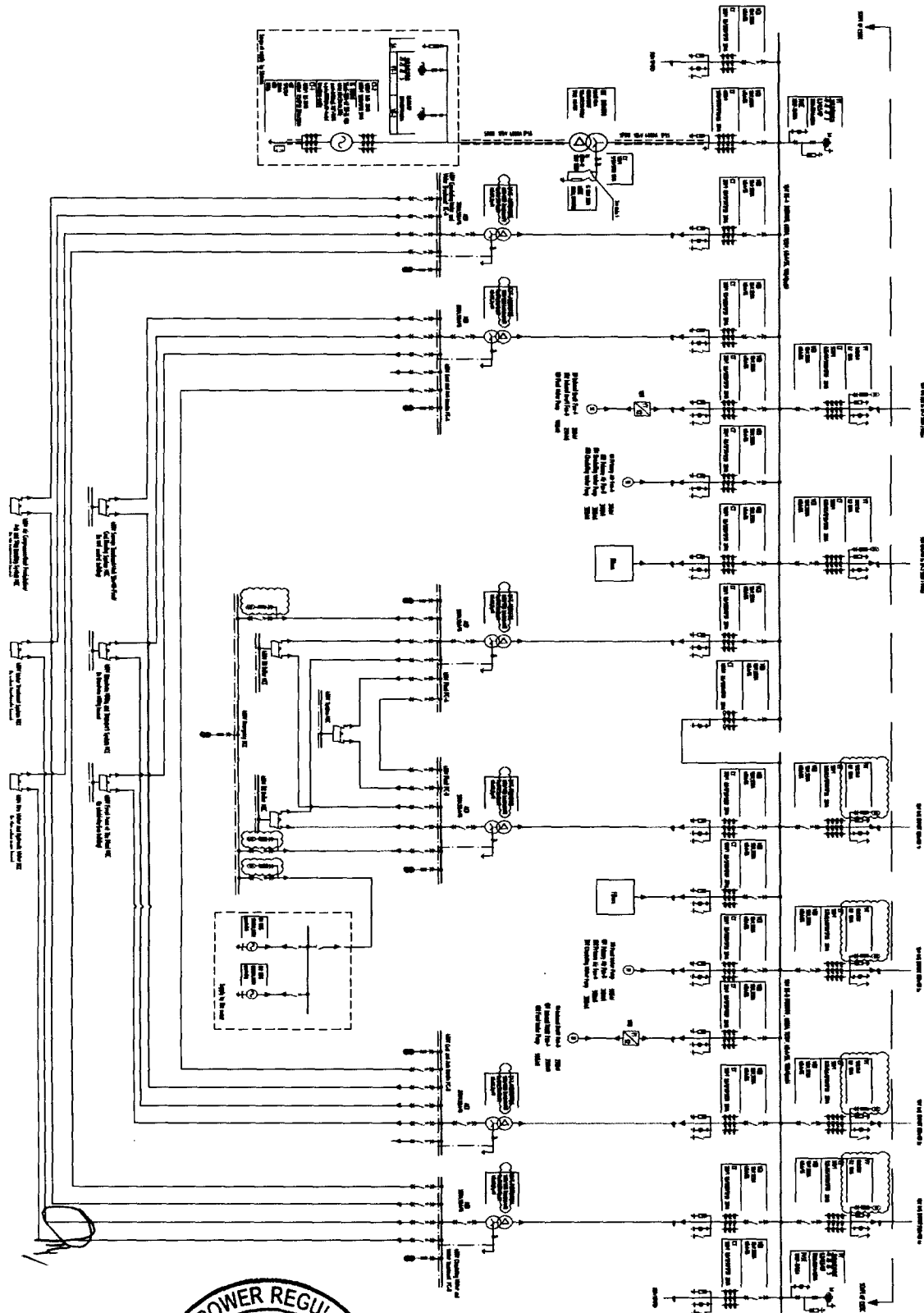
NC Electric Company Limited



Layout of the Generation Facility/Thermal Power Plant of NCECL



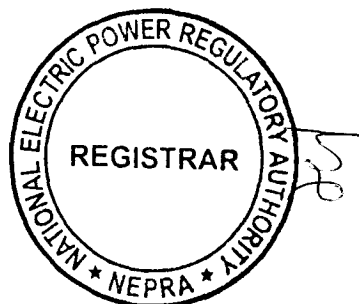
Single line of the Generation Facility/Thermal Power Plant of NCECL



**Interconnection Facilities/
Transmission Arrangements for Dispersal of Power from the
Generation Facility/Thermal Power Plant**

The electric power from the Imported/Indigenous Coal based generation facility/power plant of the Licensee/NC Electric Company Limited (NCECL) will be supplied to different Bulk Power Consumers (BPCs).

(2). The Interconnection Facilities (IF)/Transmission Arrangements (TA) for supplying to BPCs from the above mentioned generation facility shall be at 11 kV level as described in the subsequent details given in this Schedule



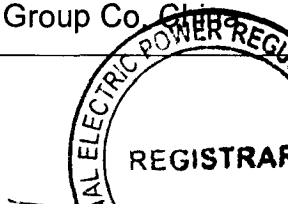
Detail of Generation Facility/Generation Power Plant

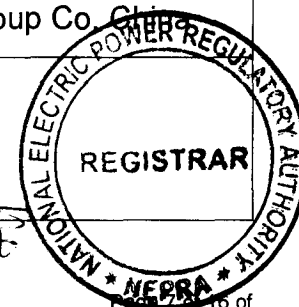
(A). General Information

(i).	Name of the Company/ Licensee	NC Electric Company Limited
(ii).	Registered /Business Office the Company/ Licensee	31-Q, Gulberg II, Lahore
(iii).	Location of the Generation Facility/ Thermal Power Plant	49-KM Lahore-Multan Road, Moza Gagga Phoolnagar, Tehsil Pattoki, District Kasur in the Province of Punjab
(iv).	Type of the Generation Facility/ Thermal Power Plant	Thermal Generation Facility

(B). Plant Configuration

(i).	Installed Capacity/ Size of the Generation Facility/Thermal Power Plant	46.00 MW	
(ii).	Type of Technology of the Generation Facility/ Thermal Power Plant	Circulating Fluidized Bed Boiler (Subcritical parameters) and Steam Turbine Thermal Generation Facility	
(iii).	Number of Units/Size (MW)	1 x 46.00 MW	
(iv).	Unit Make/Model & Year of Manufacture	Steam Turbine	Condensing cum extraction Steam Turbine Manufactured in Germany of Siemens AG, Germany.
		Boiler	Circulating Fluidized Bed (CFB) Boiler , with subcritical steam parameters, of Hangzhou Boiler Group Co. China
(v).	COD of the Generation Facility/Thermal Power Plant	February 27, 2017	

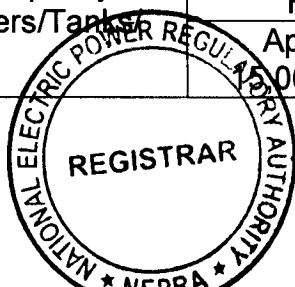




(vi).	Expected Useful Life of the Generation Facility/ Thermal Power Plant from COD	30 Years (Minimum)
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(C). Fuel/Raw Material Details

(i).	Primary Fuel	Imported Coal from Indonesia/South Africa etc.		
(ii).	Alternative Fuel	Imported + Local coal from Baluchistan etc. (Upto a Max. of 30 %)		
(iii).	Start-Up Fuel	Light Diesel Oil (LDO)		
(iv).	Fuel Source for each of the above (i.e. Imported/ Indigenous)	The main fuel source is imported coal from South Africa/Indonesia and will be supplied to the site by various suppliers.		
(v).	Fuel Supplier for each of the above	Primary Fuel	Alternative Fuel	Start-Up Fuel
		Imported from Indonesia/ South Africa	Local coal suppliers	Any Oil Marketing Company including PSO, Shell or Total Etc.
(vi).	Supply Arrangement for each of the above	Primary Fuel	Alternative Fuel	Start-Up Fuel
		Approx. 178,000 MT per annum Required capacity to be supplied via trucks from port	Required capacity to be supplied from local mines	Approx. 40 m ³ per annum to be supplied from local suppliers
(vii).	No of Storage Bunkers/Tanks/ Open Yard	Primary Fuel	Alternative Fuel	Start-Up Fuel
		One coal stockyards at Site of the Generation Facility	Power Plant stockyard will be used	one LDO tank
(viii).	Storage Capacity of each Bunkers/Tanks/ Open Yard	Primary Fuel	Alternative Fuel	Start-Up Fuel
		Approx. 15,000 Tons	Approx. 15,000 Tons	50m ³



(ix).	Gross Storage	Primary Fuel	Alternative Fuel	Start-Up Fuel
		Approx. 20,000 Tons	Approx. 20,000 Tons	50m ³

(D). Emission Values

		Primary Fuel	Alternative Fuel	Start-Up Fuel
(i).	SO _x (mg/Nm ³)	<300	<850	<850
(ii).	NO _x (mg/Nm ³)	<510	<635	<510
(iii).	CO ₂ %	14%	14.1%	-

(E). Cooling System

(i).	Cooling Water Source/Cycle	Underground through Bore Well Water Cycle/Close Cycle cooling system
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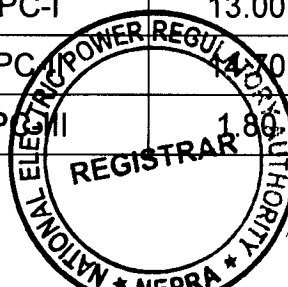
(F). Plant Characteristics

(i).	Generation Voltage	11 KV		
(ii).	Frequency	50Hz		
(iii).	Power Factor	0.8 (lagging) /0.95(leading)		
(iv).	Automatic Generation Control (AGC) (MW control is the general practice)	Yes		
(v).	Ramping Rate (MW/min)	Cold Start	Warm Start	Hot Start
		0.30MW/Min	0.40MW/Min	1.35MW/Min
(vi).	Time required to Synchronize to Grid (Hrs.)	0.5 Hours		

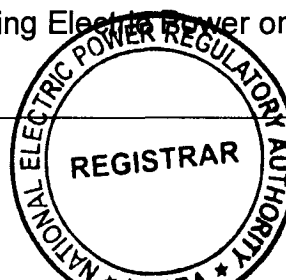



Information Regarding
Bulk Power Consumers-BPCs being supplied Electric Power from the Generation
Facility/Thermal Power Plant of the Licensee-NCECL

(i).	Total Number of BPCs	Fifteen (15)		
(ii).	Name of the BPCs	BPC-I	Nishat Chunian Limited (Zone-I)	
		BPC-II	Nishat Chunian Limited (Zone-II)	
		BPC-III	Abu Bakar Textile Mills Limited	
		BPC-IV	Marral Textile Mills Limited	
		BPC-V	Hussain Mills Limited	
		BPC-VI	Azam Textile Mills Limited	
		BPC-VII	Saaz Gold Industries (Private) Limited	
		BPC-VIII	Popular Juice Industries (Private) Limited	
		BPC-IX	Saritow Spinning Mills Limited	
		BPC-X	BBJ Pipe Industries (Private) Limited	
		BPC-XI	Millat Industries Product Ltd.	
		BPC-XII	Sky Textile Mills Limited	
		BPC-XIII	Ghani Auto Industries Ltd.	
		BPC-XIV	Liven Pharma (Pvt.) Ltd.	
		BPC-XV	Medi Gas Oxygen (Pvt.) Ltd	
(iii).	Location of each of the BPC (distance and/or identity of premises)	BPC-I to BPC-XV	49-KM Lahore-Multan Road, Moza Gagga Phoolnagar, Tehsil Pattoki, District Kasur.	
(i v).	Contracted Capacity (MW) and Load Factor (L.F.) for Each of the BPC	Identity	Contracted Load	Load Factor
		BPC-I	13.00 MW	0.85%-0.90%
		BPC-II	14.70 MW	0.85%-0.90%
		BPC-III	1.80 MW	0.80%-0.85%



		BPC-IV	02.00 MW	0.80%-0.85%
		BPC-V	0.20 MW	0.70%-0.80%
		BPC-VI	0.10 MW	0.85%-0.90%
		BPC-VII	0.30 MW	0.75%-0.85%
		BPC-VIII	0.30 MW	0.80%-0.90%
		BPC-IX	2.50 MW	0.80%-0.90%
		BPC-X	2.10 MW	0.80%-0.85%
		BPC-XI	0.50 MW	0.80%-0.85%
		BPC-XII	1.50 MW	0.80%-0.85%
		BPC-XIII	0.50 MW	0.80%-0.85%
		BPC-XIV	1.00 MW	0.80%-0.85%
		BPC-XV	0.50 MW	0.80%-0.85%
(v).	Specify Whether			
	(a).	Each BPC is an Associate undertaking of the NCECL -If yes, specify percentage ownership of equity;	BPC-I & II (i.e. Nishat Chunian Limited Zone-I & Nishat Chunian Limited Zone-II) are associated undertakings of the Licensee/NCECL whereas other BPCs are not associated in any way.	
	(b).	There are common directorships:	Only BPC-I, II and NCECL have common directors.	
	(c).	Either can exercise influence or control over the other.	Only BPC-I, II and NCECL can exercise influence or control over the other.	
(vi).	Specify nature of contractual Relationship			
	(a).	Between NCECL and BPCs	Supplying Electric Power on a continuous basis	

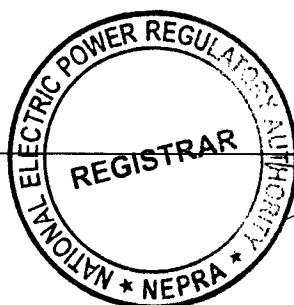


	(b).	Between BPCs and LESCO.	All BPCs are also consumers of LESCO
(vii).	Any other network information deemed relevant for disclosure to or consideration of the Authority		N/A 

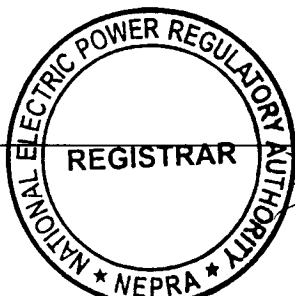


**Information Regarding
Distribution Network for Supply of Electric Power to Different BPCs By the
Licensee [(i.e. NC Electric Company Limited -NCECL)]**

(i).	No. of Feeders	05 (Five)		
(ii).	Length of Each Feeder (Meter)	Identity	Feeder No.	Feeder Length
		BPC-I	F-1(a)	1.90 KM
		BPC-II	F-2	0.80 KM
		BPC-III	F-4(a)	0.50 KM
		BPC-IV	F-4(b)	1.00 KM
		BPC-V	F-4(c)	1.20 KM
		BPC-VI	F-3(a)	2.00 KM
		BPC-VII	F-1(b)	1.60 KM
		BPC-VIII	F-3(b)	2.15 KM
		BPC-IX	F-3(d)	2.00 KM
		BPC-X	F-3(c)	4.60 KM
		BPC-XI	F-5(a)	1.20 KM
		BPC-XII	F-5(b)	1.80 KM
		BPC-XIII	F-5(c)	2.50 KM
		BPC-XIV	F-4(d)	1.00 KM
		BPC-XV	F-5(d)	1.50 KM
(iii).	Length of Each Feeder to each Consumer	As Above		
(iv).	In respect of all the Feeders, describe the property (streets, farms, Agri land, etc.) through, under or over which they pass right up to the premises of customer, whether they cross-over.	F-1	The feeder is located mostly on the private property. However, the Feeder crosses a Public Property.	
		F-2	The feeder is located on the private property owned by BPC itself.	
		F-3	The feeder is located mostly on the private property. However, the Feeder crosses a Public Property.	
		F-4	The feeder is located on the private property owned by BPC itself	
		F-5	The feeder is located mostly on the private property. However, the Feeder crosses a Public Property	



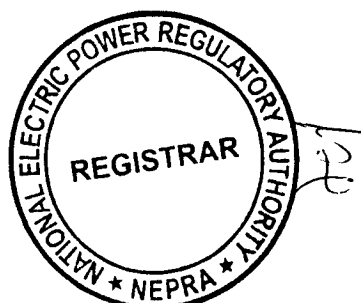
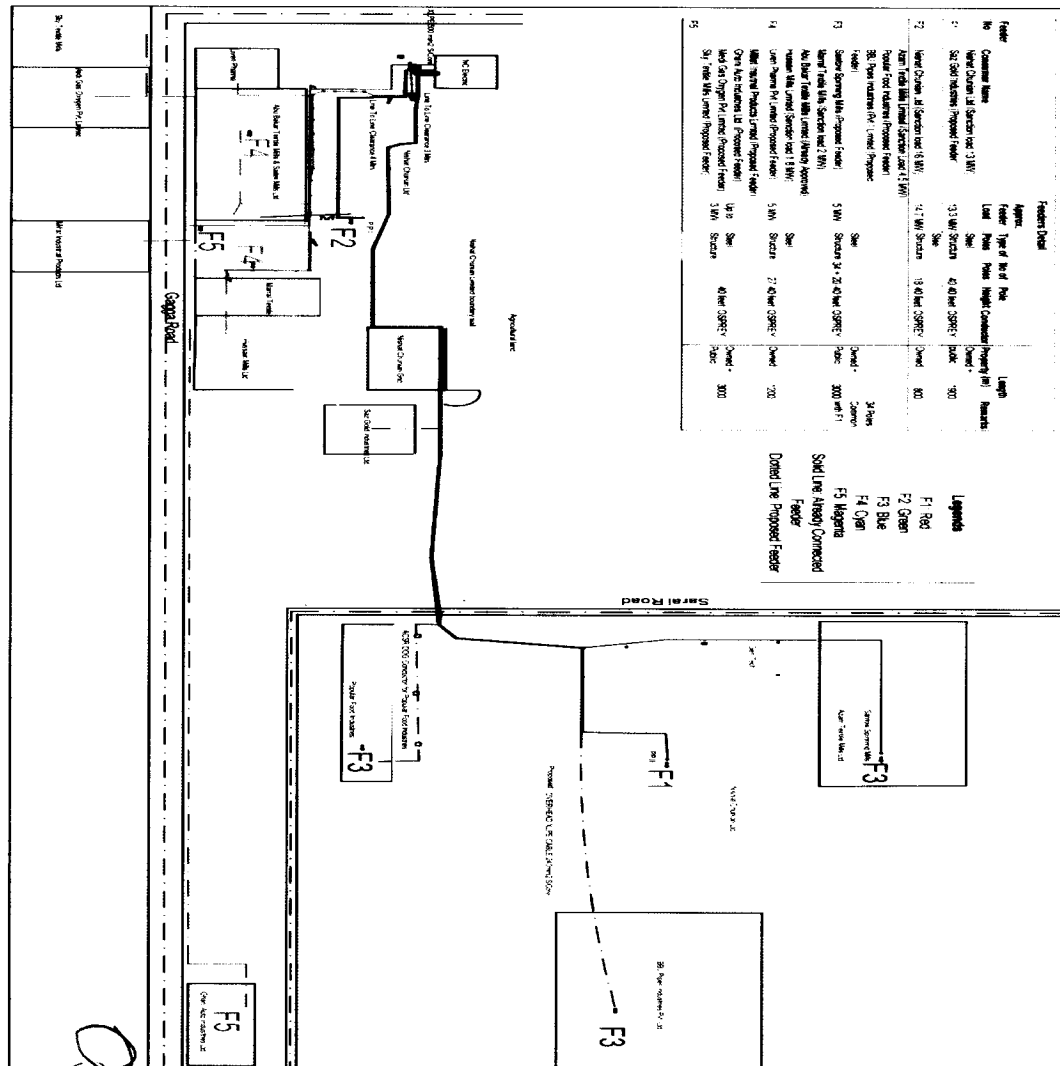
(v).	Whether owned by NCECL, BPC or LESCO-(deal with each Feeder Separately)			
	(a).	If owned by LESCO, please furnish particulars of contractual arrangement		
			F-1	The complete Feeder will be constructed by the BPC itself. The portion of the feeder crossing the public property (i.e. crossing of the Road) will be handed over to LESCO either through sale or lease as decided mutually by the parties (i.e. BPC, NCECL and LESCO)
			F-2	Owned by BPC itself
			F-3	The complete Feeder will be constructed by the BPC itself. The portion of the feeder crossing the public property (i.e. crossing of the Road) will be handed over to LESCO either through sale or lease as decided mutually by the parties (i.e. BPC, NCECL and LESCO)
			F-4	Owned by BPC itself
			F-5	The complete Feeder will be constructed by the BPC itself. The portion of the feeder crossing the public property (i.e. crossing of the Road) will be handed over to LESCO either through sale or lease as decided mutually by the parties (i.e. BPC, NCECL and LESCO).
	(b).	Operation and maintenance (O&M) responsibility for each feeder	F-1	The O&M of the Feeder will be done by BPC itself except the portion of crossing of the public property (i.e. Saran Road), whose O&M will be done either by BPC, NCECL or LESCO on mutually agreed terms and conditions.
			F-2	BPC itself
			F-3	The O&M of the Feeder will be done by BPC itself except the portion of crossing of the public property (i.e. Saran



				Road), whose O&M will be done either by BPC, NCECL or LESCO on mutually agreed terms and conditions.
			F-4	BPC itself
			F-5	The O&M of the Feeder will be done by BPC itself except the portion of crossing of the public property, whose O&M will be done either by BPC, NCECL or LESCO on mutually agreed terms and conditions.
(vi).	Whether connection with network of LESCO exists (whether active or not)- If yes, provide details of connection arrangements (both technical and contractual)		Yes, all BPC(s) are also Consumer of LESCO	
(vii).	Any other network information deemed relevant for disclosure to or consideration of the Authority.		N/A	

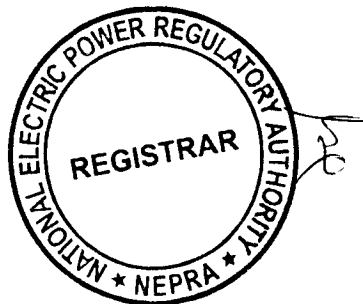


Schematic Diagram for Supply of Electric Power to Bulk Power from the Generation Facility/Thermal Power Plant



SCHEDULE-II
(Revised/Modified)

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 the Licensee are given in this Schedule.

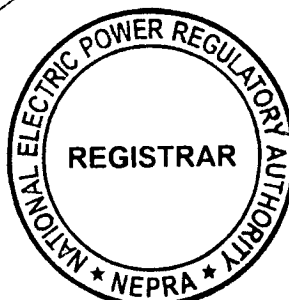


SCHEDULE-II
Modified/Revised

(1).	Total Gross Installed Capacity of the Generation Facility/Thermal Power Plant	46.00 MW
(2).	De-rated Capacity of the Generation Facility/Thermal Power Plant at Reference Site Conditions	46.00 MW
(3).	Auxiliary Consumption of the Generation Facility/Thermal Power Plant	5.00 MW (approx.)
(4).	Total Installed Net Capacity of the Generation Facility/Thermal Power Plant at Reference Site Conditions	41.00 MW (approx.)

Note

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



Modified/Revised Authorization
by National Electric Power Regulatory Authority (NEPRA) to
NC Electric Company Limited (NCECL)

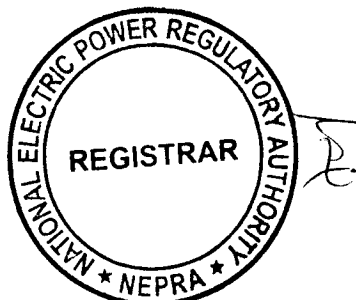
Incorporated under Section-32 of the Companies Ordinance, 1984 (XLVII of 1984)

Under Corporate Universal Identification No. 0087934, Dated April 18, 2014

NEPRA GENERATION LICENCE No. SGC/115/2016
For
Sale to Bulk Power Consumer(s)

Pursuant to Section-21 of the NEPRA Act and Rule-7 of the NEPRA Licensing (Generation) Rules, 2000, the Authority hereby authorizes NCECL/(the Licensee) to engage in Second-Tier Supply business, limited to the following fifteen (15) consumer(s) as mentioned in the Schedules-I of the generation licence (No. SGC/115/2016).

- (i). Nishat Chunian Limited (Zone-I);
- (ii). Nishat Chunian Limited (Zone-II);
- (iii). Abu Bakar Textile Mills Limited;
- (iv). Marral Textile Mills Limited;
- (v). Hussain Mills Limited;
- (vi). Azam Spinning Mills Limited;
- (vii). Saaz Gold Industries (Private) Limited;
- (viii). Popular Juice Industries (Private) Limited;
- (ix). Saritow Spinning Mills Limited;
- (x). BBJ Pipe Industries (Private) Limited;
- (xi). Millat Industries Product Limited;
- (xii). Sky Textile Mills Limited;
- (xiii). Ghani Auto Industries Limited;



- (xiv). Liven Pharma (Pvt.) Limited; and
(xv). Medi Gas Oxygen (Pvt.) Limited.

Authority

Maj. Rtd. Haroon Rashid
(Member)

Syed Masood-Ul-Hassan Naqvi
(Member)

Himayat Ullah Khan
(Member)

Saif Ullah Chattha
(Member/Vice Chairman)

15.2.2018

Tariq Saddozai
(Chairman)

