



1/ LAG-65
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National Electric Power Regulatory Authority
Islamic Republic of Pakistan

Registrar

2nd Floor, OPF Building, G-5/2, Islamabad.
Ph: 9206500, 9207200 Fax : 9210215
E-mail: office@nepra.org.pk

No. NEPRA/R/LAG-65/3827

September 26, 2007

Mr. Taufique Yusuf
Company Secretary
Lucky Energy (Pvt.) Limited
L-A, 2/B, Block No. 21, Federal "B" Area,
Rashid Minhas Road,
Karachi

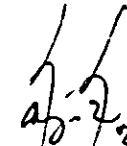
**Subject: Modification to Generation Licence No. SGC/030/2005 dated 19.04.2005
Lucky Energy (Pvt.) Limited (LEPL).**

Reference: Your letter No. PHM/120/08/2006, dated August 26, 2006.

It is intimated that the Authority has approved "Licensee Proposed Modification" in Generation Licence No. SGC/030/2005 in respect of Lucky Energy (Pvt.) Limited (LEPL) pursuant to Regulation 10(11) of the NEPRA Licensing (Application & Modification Procedure) Regulations, 1999.

2. Enclosed herewith is Modification-I to Generation Licence No. SGC/030/2005 along with modified Schedule-I & Schedule-II as approved by the Authority.

DA / Modification-I to Generation Licence
Modified Schedule I & II


26.09.07.
(Mahjoob Ahmad Mirza)

National Electric Power Regulatory Authority
(NEPRA)
Islamabad – Pakistan

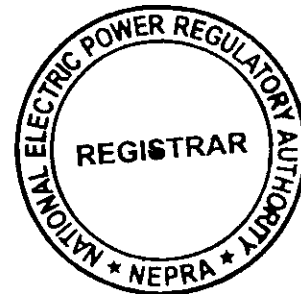
GENERATION LICENCE NO. SGC/030/2005
MODIFICATION-I

In pursuance of Regulation 10(11) of NEPRA Licensing (Application and Modification Procedure) Regulation 1999, the National Electric Power Regulatory Authority (NEPRA) hereby approves the Licensee Proposed Modification of Lucky Energy (Pvt.) Limited by modifying Schedule-I and Schedule-II of the Generation Licence No. SGC/030/2005 to the extent provided as Annexure.

Given under my hand this 6th day of SEPTEMBER two thousand and SEVEN and expires on 18th day of April, two thousand and twenty three.



Registrar



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**Modification to
Schedule-I & II of the
Licence No. SGC/030/2005**

PLANT DETAILS

1. The details of Plant-3 appearing in Schedule-I and II of the Generation Licence No. SGC/030/2005 stand deleted.
2. Modifications made to Schedule-I of the Original Licence No. SGC/030/2005 as follows:-

Plant Configuration

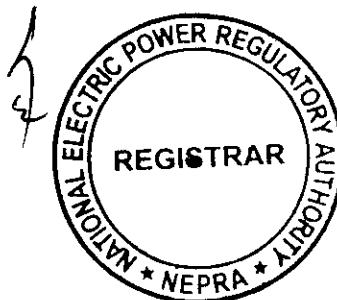
The plant configuration given at items 5.a to 5.f is hereby replaced in its entirety with following:-

		Plant-1	Plant-2	Plant-4
5.a	Plant Size	9.75 MW	0.965 MW	1.95 MW
5.b	Type of Technology	Spark Ignited Turbo Charged After Cooled	Spark Ignited Turbo Charged After Cooled	Spark Ignited Turbo Charged After Cooled
5.c	Number of Units	5	1	1
5.d	Unit Size	1.95 MW x 5	0.965 MW x 1	1.95 MW x 1
5.e	Unit Make and Model	Caterpillar G 3520 C	Caterpillar G 3516 LE	Caterpillar G 3520 C
5.f	Date of Commissioning	September 30, 2007	July 4, 1995	May 23, 2005

The Installed Capacity given at item 9 is hereby replaced in its entirety with following:-

		Plant-1	Plant-2	Plant-4
9	Installed Capacity	9.75 MW	0.965 MW	1.95 MW

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Plant Characteristics

The Auxiliary Consumption given at items 14.f is hereby replaced in its entirety with following:-

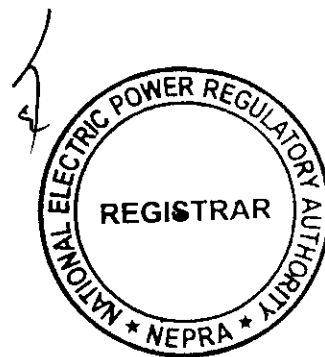
		Plant-1	Plant-2	Plant-4
14.f	Auxiliary Consumption	0.45 MW	0.06 MW	0.31MW

PART – A

The network facts given at items "A to B" of Part A of the Schedule-I is hereby replaced in its entirety with following:

A.	No. of Feeders	<ul style="list-style-type: none"> Plant-1: 4-Feeders for Fazal Textile Mills Limited. 1-Feeder for LTM-2. Plant-2 & 4: Power is directly supplied to consumers from LEPL main distribution panel at 415 volts.
B.	Length of Each Feeder (meter)	<ul style="list-style-type: none"> Plant-1: Feeder 1 to 5, each having a length of 50 meters. Plant-2 & 4: Power is directly supplied to consumers from LEPL main distribution panel at 415 volts.

not to be

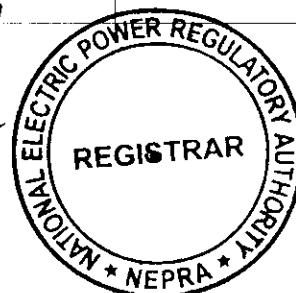


PART – B

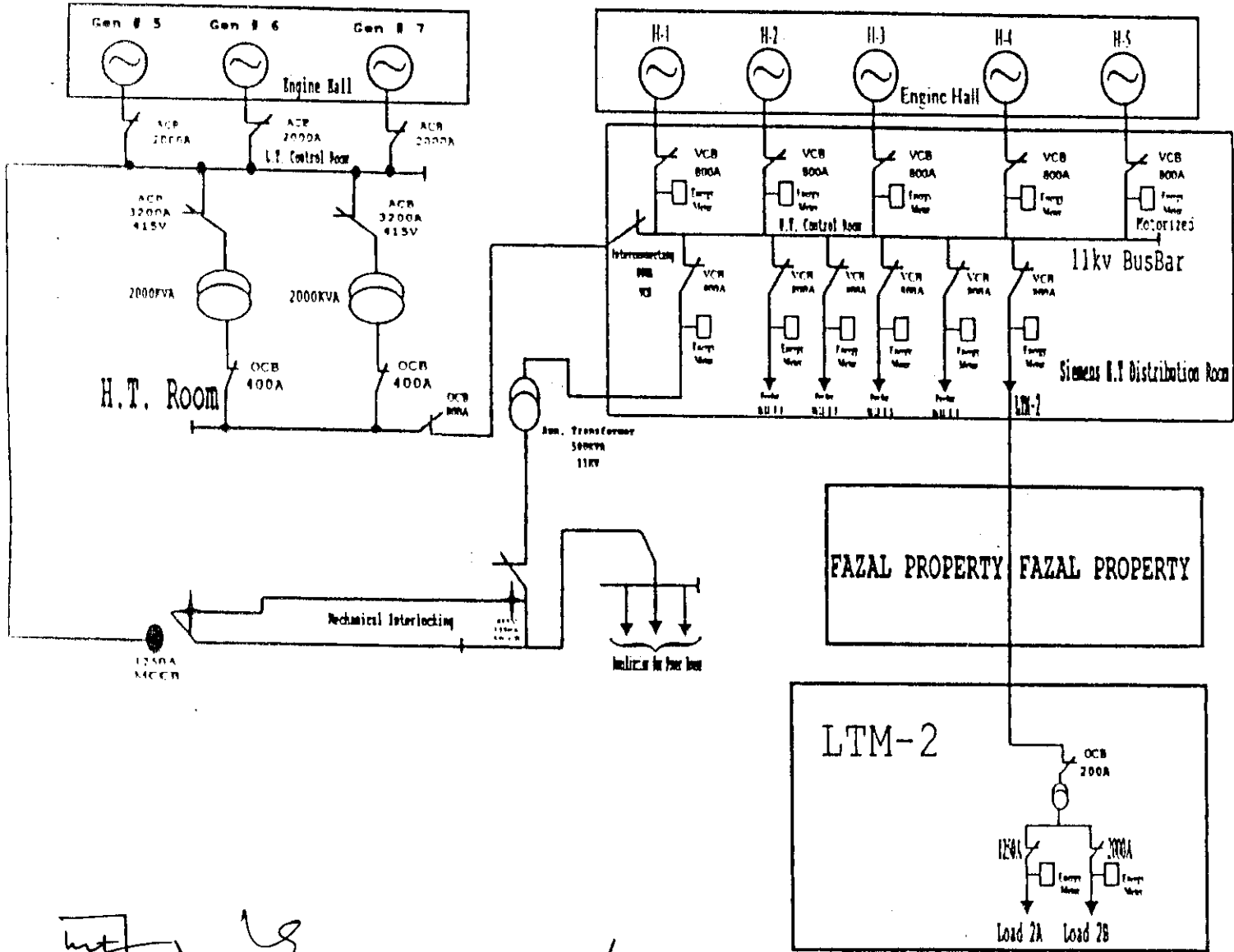
The consumers facts given at items "A to C including the MAP" of Part B of Schedule-I is hereby replaced in its entirety with following:-					
A.	No. of Consumers	<ul style="list-style-type: none"> Plant-1: 2 Consumers. Plant-2: 1 Consumer. Plant-4: 1 Consumer. 			
B.	Location of consumers (distance and/or identity of premises)Length of Each Feeder	<ol style="list-style-type: none"> Fazal Textile Mills Limited, L/A 2/B, Block 21, Federal "B" Area, Karachi, Length of Feeder 1 to 5 is 50 meters each. Lucky Textile Mills No. 01, L-8, Block 21, Federal "B" Area, Karachi. Lucky Textile Mills No. 02, L-3, Block 21, Federal "B" Area, Karachi. Lucky Textile Mills No. 03, Plot No. A/8-C, SITE, Karachi. 			
C.	Contracted Capacity and Load Factor for each consumer		Plant-1	Plant-2	Plant-4
		Contracted Capacity	7.8 MW	0.7 MW	1.58 MW
		Load Factor	0.70	0.72	0.78

Item 1, 3 and 4 of Schedule-II of the Licence No. SGC/030/2005 is hereby replaced in its entirety with the following:

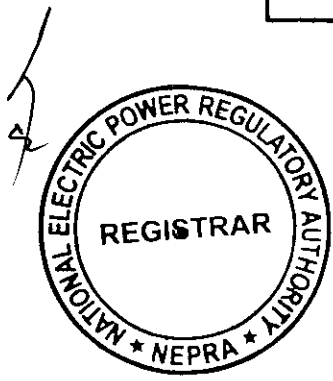
		Plant-1	Plant-2	Plant-4	Total
1.	Gross Installed Capacity (MW)	9.75 MW	0.965 MW	1.95 MW	12.665 MW
3.	Auxiliary Consumption (MW)	0.45 MW	0.06 MW	0.31 MW	0.82 MW
4.	Net Capacity of the Plant (MW)	9.3 MW	0.905 MW	1.64 MW	11.845 MW



Single Line Diagram of the System (Map)

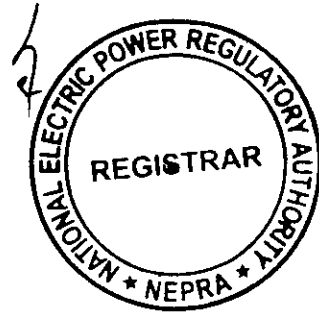


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National Electric Power Regulatory Authority
NEPRA

Determination of Authority in the Matter of Licensee
Proposed Modification of Lucky Energy (Private) Limited



September 6, 2007
Application No. LAG-65

Background

NEPRA granted a Generation Licence No. SGC/030/2005, dated April 19, 2005 to Lucky Energy Private Limited (LEPL), a Small Power Producer, for its four distinctly located Generation Facilities (namely P1, P2, P3 and P4) located at Federal-B, Area and S.I.T.E, Karachi. The total installed capacity of the generation facility of LEPL was 12.545 MW which consisted of 13 Gas engines (8 Gas Engines at P1, 1 Gas Engine at P2, 2 Gas Engines at P3 and 2 Gas Engines at P4), each having capacity of 0.965 MW. NEPRA also granted a second tier supply authorization to LEPL for supplying power to its four sister concern consumers including Fazal Textile Mills Limited, Lucky Textile Mills No.1, 2 and 3.

2. LEPL informed NEPRA in October 2005 about the addition of 2 gas engines, each of 1.95 MW at P1 and another of 1.95 MW at P4. The changes were made without prior intimation/permission of NEPRA. LEPL could not make any changes to its existing installation prior to the expiry of 365 days period as stipulated under Section 10 (15) of NEPRA Application and Modification Procedure Regulation (AMPR)-1999. However, changes were made before the above mentioned expiry period. The Authority consequently issued a Show Cause Notice to LEPL in April 2006.

3. LEPL in response to the above mentioned Show Cause notice explained its position as follows:-

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“The Letter of Credit (L/C) for the three new generators of 1950 KW was opened in June 2004. Therefore these enhancements were not notified to you as required under Rule 8, sub rule 3-(g) of NEPRA Licensing Generation Rule 2000. We were in this opinion that since the L/C was opened before the issuance of the Generation Licence we were not required to comply with the above rule. However, we duly informed you once these were installed and were in operation. The non-compliance of the rules was due to inadvertence and misunderstanding. In view of the above forgoing facts, it is hereby requested to condone the inadvertent omission and with draw the Show Cause Notice, we on our part extend assurance for proper future compliance.”

4. Authority considering the request of LEPL condoned the action on the part of LEPL for carrying out the modification in plant layout and capacity without prior approval of NEPRA and reprimand LEPL for ignorance about Regulation 10 (15) of the NEPRA AMPR. Authority further instructed LEPL to apply for an amendment in its Generation Licence through “Licensee Proposed Modification (LPM)” as stipulated in the above mentioned AMPR of NEPRA.

Filing and Processing of Licensee Proposed Modification

5. In compliance to the instructions of the Authority, LEPL pursuant to Regulation-10 of NEPRA AMPR-1999, applied for a LPM in June 2006. NEPRA could not process the application of LEPL for a LPM as some of the vital information was not supplied. NEPRA advised LEPL through a series of reminders for the submission of the required information for processing of LPM. However, LEPL completed the submission of the requisite information in May 2007 in conformity to Regulation 10 (2) and 10 (3) of the NEPRA AMPR-1999.

6. LEPL in the submitted “Text & Reason in Support of Modification” statement, informed that the gas engines installed at P1 and P3 have



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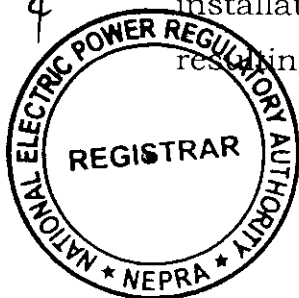
completed most of their operating hours. The O&M costs of these generators were on the rise, therefore, LEPL decided to replace the old existing generators with new ones having much better efficiency. LEPL also decided to curtail its ever increasing overheads by abandoning the power plant P3.

7. Regarding the "Impact of Tariff", "Quality of Service (QOS)" and "Performance", LEPL informed that the prospective changes would not Impact the existing Tariff at all. LEPL also elaborated that the QOS and "Performance" would be greatly improved with the installation of the new generators having better efficiency. LEPL further explained that in order to reduce the electricity time out to its textile units, LEPL would now be using the three old gas engines (of capacity of 0.965 MW with a cumulative capacity of 2.895 MW) at P1 as stand by source. Also another old engine at P4 (with a capacity of 0.965 MW) would be utilized as a stand by source. LEPL elaborated all the above measures would result in much better QOS and Performance with reduction in O&M costs making LEPL and its sister textile units more competitive in the Local and International Textile Market by reducing the cost of production.

8. Pursuant to Regulation 10 (4) of the NEPRA AMPR-1999, Registrar invited comments from general Public and other Stakeholders by publishing a Public Notice in the newspapers of June 10, 2007 on the LPM of LEPL. NEPRA received comments of Institute of Electrical and Electronics Engineers (IEEE) Pakistan, Pakistan Environmental Protection Agency, Environmental Protection Agency, Government of Sindh and Karachi Electric Supply Corporation Limited. All the stakeholders who have offered comments favored the modification of the LEPL.

Approval of Licensee Proposed Modification to Generation Licence.

9. The Authority considers that the proposed modification of LEPL for installation of new generating units at its power plants P1 and P4, ^{is} resulting in better efficiency and performance without any adverse



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impact on consumer tariff or any other stakeholder and is therefore justified and allowed by the Authority.

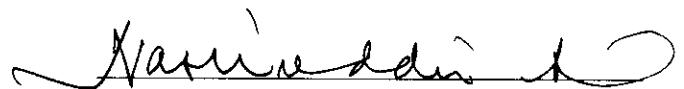
Order

10. The Authority hereby approves the Licensee Proposed Modification, in the Generation Licence of LEPL for addition of 5 new generating units, each of 1.95 MW with a cumulative installed capacity of 9.75 MW at power plant P1, abandonment of power plant P3 and addition of one new units of 1.95 MW at power plant P4. The capacity of Power Plant P2 will remain unchanged as 0.965 MW.

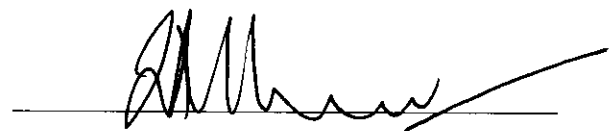
11. The already granted Generation Licence No. SGC/030/2005 in the name of Lucky Energy (Private) Limited is hereby modified. The modifications made in Schedule-I and II to the extent of the already granted Generation Licence is attached as Annexure to this determination. The grant of such a Licensee Proposed Modification would be subject to the provisions contained in the NEPRA Act and relevant rules framed there under.

Authority

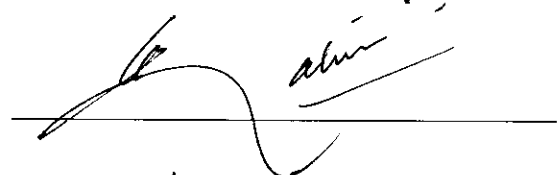
Nasiruddin Ahmed
Member



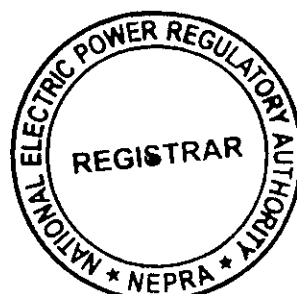
Zafar Ali Khan
Member



Abdul Rahim Khan
Member/Vice Chairman

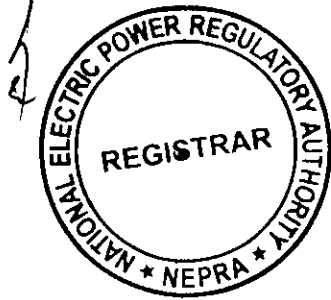


Lt. Gen. (R) Saeed uz Zafar
Chairman



National Electric Power Regulatory Authority
NEPRA

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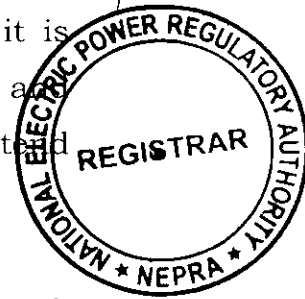
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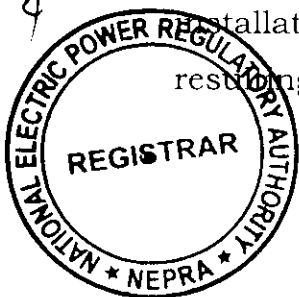
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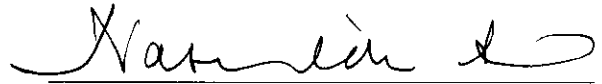
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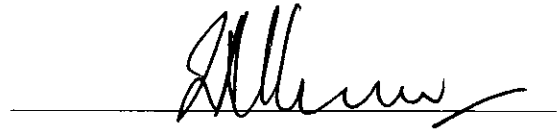
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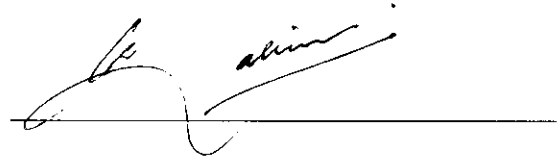
Nasiruddin Ahmed
Member



Zafar Ali Khan
Member



Abdul Rahim Khan
Member/Vice Chairman



Lt. Gen. (R) Saeed uz Zafar
Chairman

