



**Registrar**

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/LAG-180/6031-37

February 21, 2020

**Syed Hassan Mazhar Rizvi,**  
General Manager (Power Generation),  
Lucky Cement Limited,  
6-A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street,  
Karachi-75350.

Subject: **Modification-I in Generation Licence No. SGC/72/2011  
Licence Application No. LAG-180  
Lucky Cement Limited (LCL)**

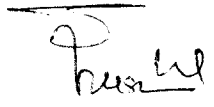
Reference: *LCL's LPM submitted vide letter dated July 20, 2019 (received on July 23, 2019)*

It is intimated that the Authority has approved Modification in Generation Licence No. SGC/72/2011 dated April 27, 2011 in respect of Lucky Cement Limited (LCL), pursuant to Section-26 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

2. Enclosed please find herewith determination of the Authority in the matter of Licensee Proposed Modification in the Generation Licence of LCL along with Modification-I in the Generation Licence No. SGC/72/2011 as approved by the Authority.

**Encl: As above**



  
21/02/20  
(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, K-Electric Ltd, KE House, 39-B, Sunset Boulevard, Phase-II, DHA, Karachi.
5. Chief Executive Officer, Hyderabad Electric Supply Company Limited (HESCO), WAPDA Offices Complex, Hussainabad, Hyderabad
6. 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 Lucky Cement Limited**

**February 21, 2020**  
**Case No. LAG-180**

**(A). Background**

(i). In terms of Section-14B (previously Section-15) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the "NEPRA Act"), the Authority granted a generation licence (No. SGC/72/2011 dated April 27, 2011) to Lucky Cement Limited (LCL).

(ii). The above mentioned licence envisaged setting up a 29.7304 MW Natural Gas based generation facility/thermal power plant at 58-Main Super Highway, district Karachi in the province of Sindh, for supplying 20.00 MW electric power to Hyderabad Electric Supply Company Limited (HESCO).

**(B). Communication of Modification**

(i). LCL 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 July 23, 2019.

(ii). In the "text of the proposed modification", LCL submitted that it has surplus electricity from its generation facility which it plans supplying to DHA City or any other Distribution Company as the case may be. Regarding the "statement of the reasons in support of the modification", LCL submitted that due to non-existence of distribution system in the near vicinity of DHA City, it is without electricity since 2011 whereas, LCL has surplus from its above mentioned generation facility which it plans supplying to DHA City located in its

close vicinity.

(iii). About the “statement of impact on the tariff, quality of service and the performance by the licensee of its obligations under the licence”, LCL submitted that electricity supply tariff between the parties shall be finalized and agreed with the consideration and consent of rules and regulations. LCL has confirmed that the proposed modification in its generation licence will not adversely affect the 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 LCL, the Registrar published the communicated LPM on August 28, 2019, in one (01) Urdu (Daily Express) and one (01) English (the News) newspaper, 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 organization, individual experts and others, on August 28, 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 four (04) stakeholders including K Electric Limited (KEL), HESCO, Sui Southern Gas Company Limited (SSGCL) and Ministry of Energy Petroleum Division (MoEPTD). The salient points of the comments offered by the above mentioned stakeholders are summarized in the following paragraphs: -

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(a). KEL submitted that the geographical location of DHA City, Karachi, falls entirely within its Service Territory for which it holds an exclusive right granted through its distribution licence No. 09/DL/2003 dated July 21, 2003. Therefore, no entity can distribute and make sales of electric power, make schemes or engage in incidental activities in its Service Territory, hence the application of LCL for modification in its generation licence is ineligible, void ab initio and cannot be admitted/processed. Further, KEL would like to mention that DHA Energy Supply Company Private Limited ("DESCO") has already applied for a distribution licence for distribution of power within DHA City and the same is *sub-judice* in the Honorable High Court of Sindh (HCS) in Suit No. 2259/2017, where the Authority/NEPRA is a co-respondent. Further, it would be contrary to the due process if the exclusive right to sale electricity granted in 2003 by the Authority is to be unilaterally reversed or circumscribed by NEPRA once legally vested rights have been created in favour of KEL. Hence the proposed application, which intends to dilute, impair, circumvent, abrogate and adversely affect the exclusivity of KEL, which has attained finality and cannot be interfered with in any manner whatsoever. In respect of aforementioned, it may please be noted that NEPRA through its letter No. NEPRA/ADG(L)/LAD-01/18554, dated November 23, 2018 sought to propose modification in the distribution licence of KEL, which has been challenged in Constitutional Petition-CP No. 8623 of 2018 (KEL vs NEPRA and FoP) in the HCS and the court vide its order dated December 11, 2018 has suspended the operation of the impugned letter of NEPRA and therefore

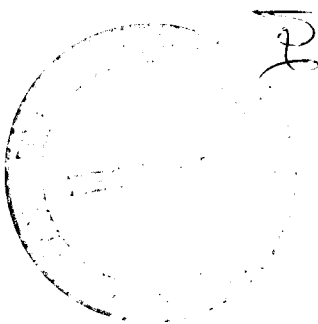


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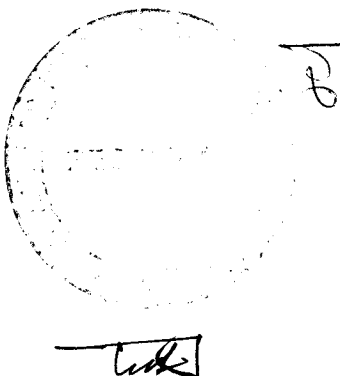
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any further proceedings whether attempting to modify or change distribution licence of KEL, shall amount to violation of the said order of the HCS. It is further pointed out that if the subject proceedings pertaining to modification of licence of LCL are continued, then such continuance will not only be illegal, in violation of the rights of KEL but will also amount to contempt of the said order as such permission to sale electric power cannot be granted to LCL without modification of distribution licence. It is therefore reiterated that the Authority cannot separately through award of the proposed modification allow LCL to make sales of electricity to consumers within Exclusive Service Territory of KEL. In light of the above, KEL requested the Authority to withdraw the public notice for modification in generation licence of LCL, stop any further proceedings in this regard and reject the application for grant of modification in the generation licence of LCL. In this regard, KEL reserves the right to impugn any such proceedings before the appropriate judicial forum;

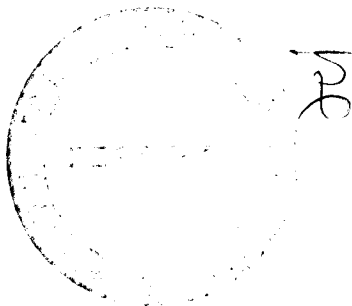
- (b). HESCO stated that the Authority/NEPRA vide letter NO.NEPRA/R/LAG-180/3019-21 dated April 27, 2011 issued the generation licence No. SGC/72/2011, dated April 27, 2011 to LCL. It is well mentioned in the said generation licence that the power generated by LCL, from its proposed Natural Gas operated thermal power generation facility, shall be dispersed to the load centre of HESCO. Accordingly, HESCO signed a Power Purchase Agreement (PPA) with LCL on March 22, 2011 for procurement of 20.0 MW (Gas based) Power under NCPP policy framework for 14 years, after completion of



supply to HESCO recovery of remaining amount of tariff difference i.e. Rs.395.25 Million and fate of recovery of GIDC of Rs.1,026.379 Million is in abeyance/halted; (b). LCL is not following/obeying the directions of the Authority by not accepting its instructions/PAR and filed the suit and CP in HCS & further SCP respectively. (c). HESCO paid millions of Rupees in terms of Financial Cost Component. After getting this amount from HESCO, now how LCL approached NEPRA for LPM for sale of electric power to other entity(s) from HESCO's investment/amount? without seeking prior written consent of HESCO; (d). The BPC's are the back bone of HESCO & it receives handsome revenue from them. The direct sale/purchase agreement between power producers and BPCs will deprive HESCO/DISCOs from ample revenue, which will result the increase in loss, ultimately result in high tariff to poor consumers or higher subsidy which is un-bearable for GoP/HESCO/DISCOs. It is pertinent to mention that the Authority in a similar case (i.e. Hi-Tech Pipe & Engineering Industries (Pvt) Limited), rejected such type of modification. Therefore, HESCO does not support LPM in generation licence of LCL, as this will open the doors for the generation companies to sell power to consumers of HESCO especially BPCs. Further, the NoC issued by SSGCL is only for generating and supplying to HESCO. In view of the said, it is clear that LPM is also not in line with the aforesaid NoC/Gas Supply Agreement-GSA. Moreover, it has been viewed that these type of Licensee (i.e. generation companies) initially obtains the licence for sale of power to single purchaser (i.e. HESCO) or other entity, and later requests the Authority for LPM, when they have already enjoyed & availed the handsome amount



all the codal formalities. The aforesaid PPA was signed on the basis of Tariff (Energy Transfer Rate) provided by the CPPA/NTDC. Subsequently, HESCO submitted, the Power Acquisition Request (PAR), as per directives of the Authority/NEPRA and subsequently the PAR was approved vide letter No. NEPRA/PAR-74/202, dated January 09, 2013. LCL filed the suit and CP against HESCO, NEPRA & others in the HCS, after realization that the Authority NEPRA has reduced the Tariff in aforesaid PAR. After lengthy proceedings in the matter, HCS on August 19, 2015 disposed off the aforesaid CP with the remarks that "the petitions are entitled to recover contractual rates only upto February 01, 2012 and after that the petitioners would be entitled to the rates as fixed by the Authority/NEPRA for the supplies made. In the light of said, a recovery of Rs. 941.28 Million was established against LCL and HESCO has adjusted an amount of Rs. 546.03 Million till December 2018. The balance amount of Rs.395. Million is still pending against the company which is to be recovered on account of difference of Tariff. HESCO and LCL filed a review petition in the Supreme Court of Pakistan (SCP) against the decision of HCS dated August 19, 2015 which is under hearing/trial. Now, LCL has applied for the LPM proposing to supply surplus power to DHA City Karachi, as Bulk Power Consumer (BPC). In this regard HESCO has serious reservations on the aforesaid LPM which are (a). LCL disconnected the supply of electric power from May, 2019 on pretext of recovery of amount by HESCO on account of Gas Infrastructure Development Cess (GIDC), which has already been paid by HESCO to LCL, but not further deposited to SSGCL. Due to discontinuation of power



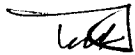



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from the Power Purchaser (in this case HESCO) on account of Financial Cost Component (FCC). In this regard, HESCO understands that this act of the generation companies is totally unfair, and against our cult, creed & norms etc. Therefore, it is suggested that the Authority may add a clause in generation licenses to "That this generation licence is solely issued to ABC Company (The Licensee — Power Producer) for generation of electric power for XYZ Company (Power Purchaser), and later if ABC wants LPM, then ABC Company has to obtain first the written consent from XYZ Company before approaching NEPRA for LPM". Finally, HESCO wants personal appearance before the Authority in the subject matter for presenting and defending its stance in the matter;

- (c). SSGCL issued NoC to LCL for supplying gas based generation to HESCO. The Govt. of Pakistan (GoP) vide letter April 08, 2008 allowed only Sui Northern Gas Pipeline Limited (SNGPL) & SSGCL to issue NoC for selling surplus to DISCOs or KEL. SSGCL cannot issue NoC for supplying to DHA City. MoEPTD endorsed the above mentioned comments of SSGCL.

(ii). The Authority reviewed the above comments of the stakeholders and in view of the observations of KEL and HESCO, considered it appropriate seeking perspective of LCL. On the observations of KEL, it was submitted that that an understanding has been developed among the parties whereby instead of supplying directly to DHA, the surplus electric power will be supplied to KEL which will then be transported/distributed/supplied to DHA. In this regard, KEL also provided a confirmation that an understanding has been reached and if the Authority approves the LPM allowing supply of electric power from LCL to KEL



for ultimately supplying to DHA, the petition pending in the high court of Sindh will be withdrawn.

(iii). Regarding the comments of HESCO, the Licensee/LCL submitted that it executed a PPA for supplying 20.00 MW from its generation facility against a total Installed capacity of 29.00 MW. In view of the said, it is clear that LCL has surplus and can supply around/upto 5.00 MW to KEL for supplying/re-selling to DHA without disturbing the PPA with HESCO.

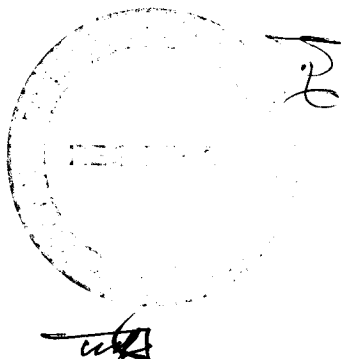
(iv). About the comments of SSGCL/MoEPTD, it was submitted that in view of the observations the electric supply from the generation facility will be supplied to KEL for delivering to DHA City.

#### **(E). Hearing of the Parties**

(i). The Authority considered the above submissions of LCL on the observations of the above mentioned stakeholders and considered it appropriate to hold a hearing of the parties (i.e. LCL, KEL, HESCO and DHA).

(ii). Accordingly, the hearing was held on December 05, 2019 to discuss various issues arising out of the comments of stakeholders as detailed below: -

- (a). KEL challenged the processing of the current case in the court. The court in its interim order restrained the Authority to pass any final order/determination against the LPM which has now been withdrawn. Whether KEL has withdrawn the petition or only the restraining order?
- (b). Will KEL provide one point supply to the DHA City through entering into O&M Agreement or it will provide service to DHA on individual consumer basis?
- (c). Whether KEL will be able to meet the demand of DHA City



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through its own generation capacity if there is any interruption in supply from LCL?

**(d).** Will the proposed arrangement with KEL/DHA City will affect the obligations of LCL regarding HESCO?

**(e).** Whether an exclusive NOC from SSGCL will be required for supply of gas based power to KEL for further supply to DHA City or an explicit NOC as stated in the letter of SSGCL will be sufficient?

**(iii).** The hearing was attended by the representatives of LCL, KEL and HESCO. In the hearing all the stakeholders were offered the opportunity to give their point of view on the above issues.

**(iv).** The representatives of KEL submitted that a petition was filed in the court against the processing of the LPM of LCL and even a restraining orders were also obtained. However, the parties (i.e. LCL, KEL and DHA City) had decided to resolve the concerns with mutual understanding. In this regard, it has been agreed that LCL will be supplying the available surplus to the tune of 5.00 MW to KEL and the same will be delivered to DHA City.

**(v).** After development of the said understanding, KEL has already withdrawn the restraining orders and once the Authority gave its determination on the communicated LPM as per the understanding, the aforesaid petition submitted in the High Court of Sindh will also be withdrawn.

**(vi).** Regarding the supply arrangement to DHA City, the representatives of LCL and KEL confirmed that the surplus electric power available will be supplied to KEL for further supplying to DHA city on individual metering basis serving each of the consumer by installing separate meters for each one.

(vii). KEL confirmed that a number of projects are in pipeline to increase the generation capacity of its fleet. Further, the discussions are going on to increase the supply to KEL from the National Grid through NTDC or CPPAGL, therefore, it can be safely assumed that KEL will be able to meet the demand of DHA City through its own resources in the long run if there is any interruption in supply from LCL.

(viii). About the effect of the proposed arrangement for supplying surplus with KEL/DHA City on the PPA already executed between LCL and HESCO, it was confirmed by LCL that its obligations towards HESCO under the PPA will not be affected as it is bound to supply only 20.00 MW of electric power to it whereas it has sufficient capacity not only to meet this demand of the utility but have surplus for supplying to DHA city through KEL.

(ix). On the particular issue of an exclusive NOC from SSGCL for supplying to KEL, the Licensee/LCL submitted that gas supplier presumably has issue if the supplied natural gas is utilized for supplying to KEL. However, once the approval of its communicated LPM is granted, it will approach SSGCL to obtain a formal NOC in this regard to set the record right.

(x). The Authority considered the above submission of LCL, KEL and DHA City and decided to proceed further in the matter as stipulated in the Licensing Regulations and the NEPRA Licensing (Generation) Rules, 2000 (the "Generation Rules").

**(F). Evaluation/Findings**

(i). The Authority examined the entire case in detail including the already granted licence, the communicated LPM, comments of stakeholders and rejoinders from the Licensee.

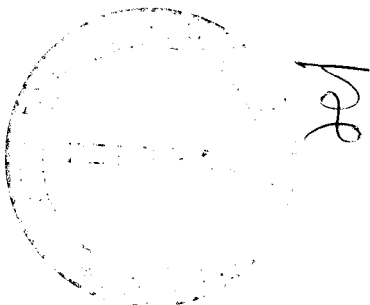
(ii). In this regard, the Authority has observed that it granted a generation licence (No. No. SGC/72/2011, dated April 27, 2011) to LCL (through

its determination No. NEPRA/R/LAG-180/3019-21, dated April 27, 2011) for setting up a generation facility with a cumulative installed capacity of 29.7304 MW. The Authority allowed LCL supplying electric power to the tune of 20.00 MW to HESCO from the above mentioned generation facility.

(iii). The Authority has observed that according to the communicated LPM, the company/Licensee/LCL now plans supplying to a KEL to the tune of 5.00 MW from the above mentioned generation facility. 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;

(iv). In consideration of the above, the Authority observes that (a). the proposed LPM will not adversely affect the performance of the licensee of its obligations under its generation licence considering the fact it has surplus electric power capacity available with it and will be able to discharge its obligation towards its previous PPA executed with HESCO; (b). the LPM has not caused 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 will be beneficial to the consumers of KEL which plans supplying to the residents of DHA City as it will be having continuous supply of reliable electric power from the proposed arrangement; (d). the LPM is reasonably necessary for the licensee to effectively and efficiently



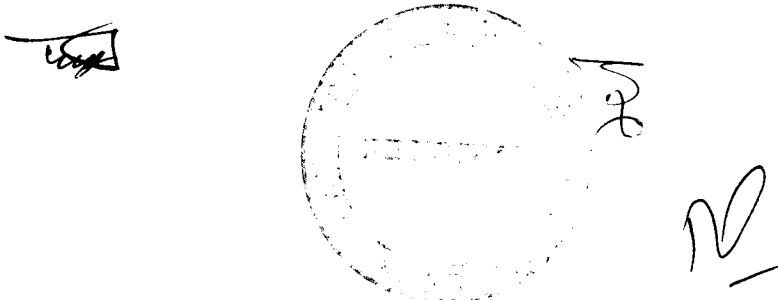
perform its obligations under the licence; and (e).is reasonably necessary to ensure the continuous, safe and reliable supply of electric power to the consumers of KEL keeping in view the financial and technical viability of the licensee. In view of the above, the Authority is satisfied that the Licensee has complied with all the requirements of the Licensing Regulations pertaining to the submitted/communicated modification.

**(G). Approval of LPM**

(i). The Authority considers that availability of sufficient electricity at affordable price with a reasonable mix of hydel, fossil fuel based thermal, nuclear and other RE is imperative for the sustainable economic development of the country.

(ii). The Authority is also well aware of the fact that installation of new power plants requires a considerable lead time. Therefore, the Authority considers it extremely important that in the short term period, the dormant capacity available with various industrial units (including textile, chemical and sugar mills) is brought into the National Grid. The Authority considers that area served by KEL is facing considerable supply-demand gap resulting in shortage of electric power for various segments of the society which not only hampers the economic growth of are served by KEL but also has a negative impact for the country.

(iii). As explained above, in the present case LCL has offered to supply around 5.00 MW Natural Gas based surplus electric power from its generation facility to KEL specially for supplying to DHA City the residents of which are without electricity for the last many years. The arrangement will not only be beneficial for LCL which has surplus available with it after serving the requirements of HESCO but will also provide electric power to KEL for supplying to DHA City which is currently facing issues relating to electricity thus mitigating the problem being faced by DHA City enabling it supplying electric power to its residents.



(iv). In consideration of the above, the Authority hereby clarified that under Section-7(3)(a) of the NEPRA Act, the determining of tariff, rate and charges etc. is the sole responsibility of the Authority. In terms of Section-31 of the NEPRA Act read with relevant provisions of the NEPRA (Tariff Standards and Procedure) Rules, 1998, a generation company may file a tariff petition for determination of its generation tariff. Further, in terms of Section-32 of the NEPRA Act read with relevant provisions of the NEPRA Interim Power Procurement (Procedures and Standards) Regulations, 2005, a generation company may approach a transmission or distribution company for filing a Power Acquisition Request (PAR) and for negotiating a Power Acquisition Contract (PAC). As explained in the preceding paragraphs, LCL will be supplying to KEL to the tune of 5.00 MW for supplying to DHA City on individual metering/connection basis. Therefore, the Authority directs LCL to charge only such tariff from the Power Purchaser (i.e. KEL) which has been determined, approved or specified by it as stipulated in Rule-6 of the Generation Rules.

(v). As explained in the preceding paragraphs, a number of stakeholders have given their comments in the particular case of LPM of LCL including KEL, HESCO and SSGCL. The Authority has considered the comments offered in the matter and has observed that KEL and HESCO has raised certain issues which need to be addressed through the current determination. The said points include (a). KEL in this particular case approached the Sindh High Court and got an interim order restraining the Authority to pass any final order/determination; (b). Lately, KEL approached the court for withdrawing the said orders; (c). there are contractual disputes between HESCO and LCL pending before different courts on various issues pertaining to PPA executed between said parties; (d). BPC should not be allowed to obtain electric power from other generation companies; (e). the NoC granted/issued by SSGCL to LCL is only for supplying to HESCO.



(vi). In consideration of the above, the Authority expresses its serious concern on the conduct of KEL as a Licensee and approaching the superior court without even before completion of the quasi-judicial proceedings of the case. However, considering the fact that KEL has already withdrawn restraining orders and also has given an assurance that main petition will also be withdrawn, the Authority takes a lenient view of the situation and ignore the act of KEL. During the proceedings of the current case, the Authority found that there are a number of contractual disputes between HESCO and LCL pending before different courts on account of violation of the terms and conditions of the PPA executed between them. In this regard, the Authority does not find appropriate to indulge itself in such matters however, directs LCL to comply with the terms and conditions of the PPA and does not deprive HESCO of its legitimate share of 20.00 MW and continue supplying the same as stipulated in the PPA in addition to 5.00 MW it will be supplying to KEL for selling/delivering the same to DHA City. Regarding the observation of HESCO that the BPC should not be allowed to take supply form other generation companies, the Authority considers that the said comment is not relevant with the current case. However, the Authority directs HESCO to be careful in future and not to express/suggest anything which is contrary to the provisions of the NEPRA Act and the relevant rules and regulations framed thereunder. During the processing of the case, the issue of NOC from SSGCL has also been highlighted that currently the same has been issued for HESCO only. In this regard, the Authority has observed that although no specific NOC for supplying electric power from the gas generated facility is available however, considering the comments of SSGCL as stated in the previous paragraphs, the Authority does not consider it an issue in approving the LPM. However, the Authority directs LCL to approach SSGCL and get the required NOC for supplying to KEL for further distributing/supplying to DHA city. In view of the said, the Authority considers that the observations raised by different stakeholders stand addressed.



(vii). In view of the above, 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, allowing LCL to supply electric power to KEL for supplying to DHA City on individual connection/metering basis as the Licensee has complied with all the requirements of the relevant rules and regulation.

(viii). Accordingly, the Generation Licence (No. SGC/72/2011, dated April 27, 2011) granted to LCL 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)

*Rafique*  
14/2/20

Rehmatullah Baloch  
(Member)

Saif Ullah Chattha  
(Member)

*Saif Ullah*  
17.2.2020

Engr. Bahadur Shah  
(Member/Vice Chairman)

Tauseef H. Farooqi  
(Chairman)

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23.02.20



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

**GENERATION LICENCE**

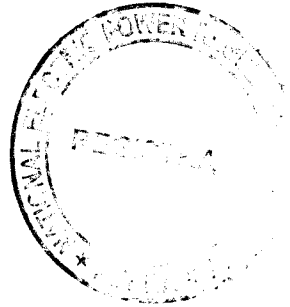
**No. SGC/72/2011**

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/72/2011 dated April 27, 2011) to Lucky Cement 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). The Changes made in Schedule-I of the Generation Licence are attached as Revised/Modified Schedule-I;
- (c). The Changes made in ~~Schedule-II~~ of the Generation Licence are attached as Revised/Modified ~~Schedule-II~~; and

This **Modification-I** is given under my hand on this 21<sup>st</sup> day of **February Two Thousand & Twenty**

  
\_\_\_\_\_  
**Registrar** 21/02/20



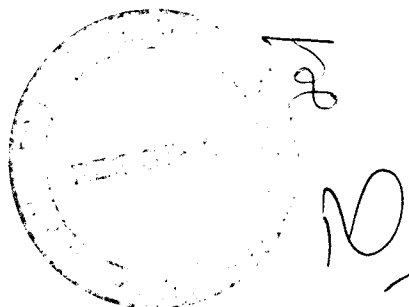


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## Article-1 Definitions

### 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). "Bus Bar" means a system of conductors in the generation facility/Thermal Power Plant of the Licensee on which the electric power from all the generators is collected for supplying to the Power Purchaser;
- (f). "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;



- (g). "Commercial Operations Date (COD)" means the day immediately following the date on which the generation facility/Thermal Power Plant of the Licensee is commissioned;
- (h). "CPPA-G" means Central Power Purchasing Agency (Guarantee) Limited or any other entity created for the like purpose to function as market operator;
- (i). "Distribution Code" means the distribution code prepared by the concerned XW-DISCO and approved by the Authority, as may be revised from time to time with necessary approval of the Authority;
- (j). "Generation Rules" mean the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 as amended or replaced from time to time;
- (k). "Grid Code" means the grid code prepared and revised from time to time by NTDC with necessary approval of the Authority;
- (l). "HESCO" means Hyderabad Electric Supply Company Limited and its successors or permitted assigns;
- (m). "IEC" means the International Electrotechnical Commission and its successors or permitted assigns;
- (n). "IEEE" means the Institute of Electrical and Electronics Engineers and its successors or permitted assigns;
- (o). "KEL" means K Electric Limited and its successors or permitted assigns as distribution company engaged in the distribution of electric power;
- (p). "Law" means the Act, relevant rules and regulations made there under and all the Applicable Documents;

- (q). "Licensee" means Lucky Cement Limited and its successors or permitted assigns;
- (r). "Licensing Regulations" mean the National Electric Power Regulatory Authority Licensing (Application & Modification Procedure) Regulations, 1999 as amended or replaced from time to time;
- (s). "NTDC" means National Transmission and Despatch Company Limited and its successors or permitted assigns;
- (t). "Power Purchaser" means CPPA-G on behalf of all XW-DISCOs or any individual XW-DISCO or KEL which purchases electricity from the Licensee, pursuant to a PPA for procurement of electricity;
- (u). "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 of electric power generated by the generation facility/Thermal Power Plant of the Licensee, as may be amended by the parties thereto from time to time;
- (v). "Thermal Power Plant" means a generation facility for production electric power using fossil fuel;
- (w). "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 Generation Rules and Licensing 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 (MW), technology, interconnection arrangements, technical limits, technical 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.

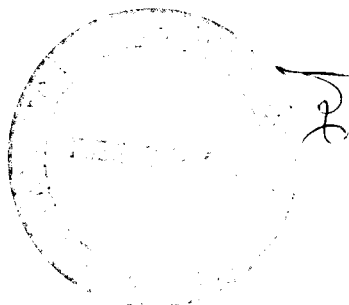
3.2 The installed/ISO capacity (MW), the de-rated capacity (MW), the auxiliary consumption (MW) and the net capacity (MW) of the generation facility/Thermal Power Plant of the Licensee is set out in Schedule-II hereto this licence.

3.3 The Licensee shall provide the final arrangement, technical and financial specifications and other specific details pertaining to its generation facility/Thermal Power Plant before its COD.

## **Article-4** **Term of Licence**

4.1 This licence is effective from the original date of its issuance i.e. dated April 27, 2011 and has the term of twenty (20) 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 or Licence ceases to have effect, 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**

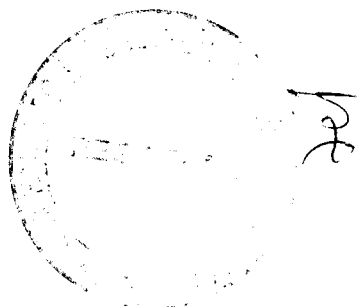
The Licensee shall charge the Power Purchaser only such tariff which has been determined, approved or specified by the Authority in terms of Rule-6 of the Rules.

### **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**

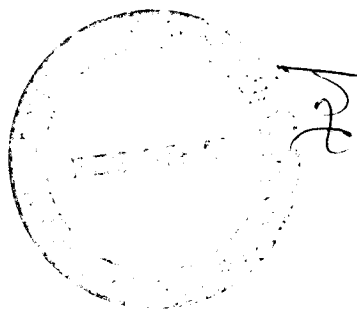
**10.1** The generation facility/Thermal Power Plant of the Licensee shall comply with the environmental and safety standards as may be prescribed by the relevant competent authority from time to time.

**10.2** The Licensee shall provide a certificate on a bi-annual basis, confirming that the operation of its generation facility/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 the electric energy to the Power Purchaser or BPC at the outgoing Bus Bar of its generation facility/Thermal Power Plant. The Licensee shall be responsible for the up-gradation (step up) of generation voltage up to the required dispersal voltage level.

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**Article-12**  
**Provision of Information**

12.1 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.

12.2 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-13**  
**Design & Manufacturing Standards**


The generation facility of the Licensee shall be designed, manufactured and tested according to the latest IEC standards or other equivalent standards. All plant and equipment shall be un-used/brand new and of relevant

**Article-14**  
**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-15**  
**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.



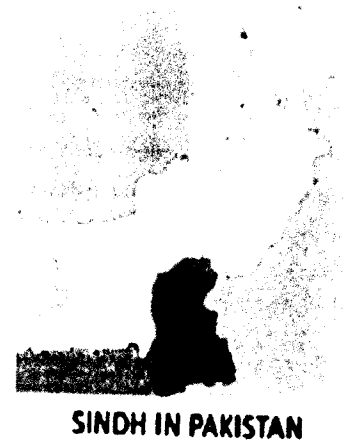
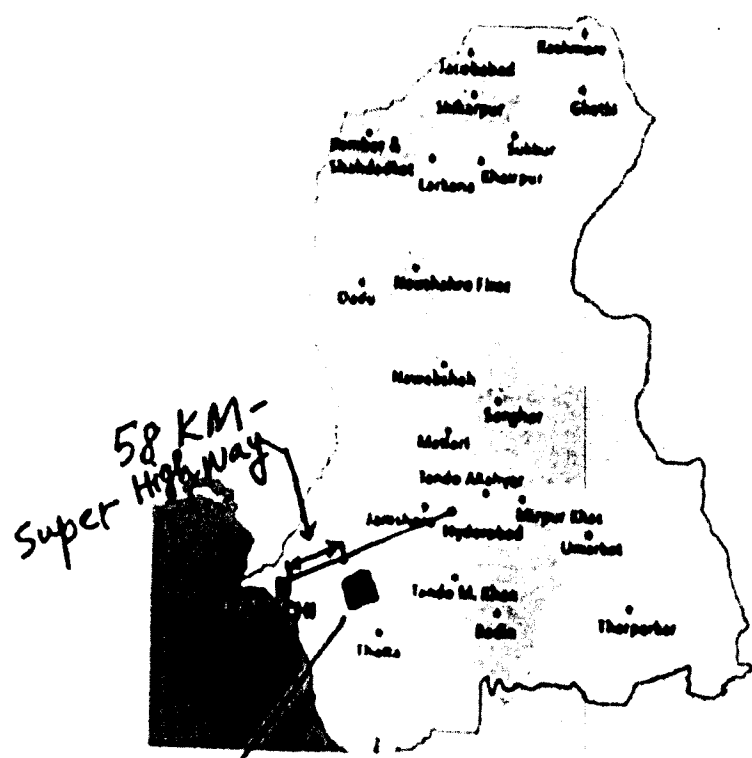


**Revised/Modified**  
**SCHEDULE-I**

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.

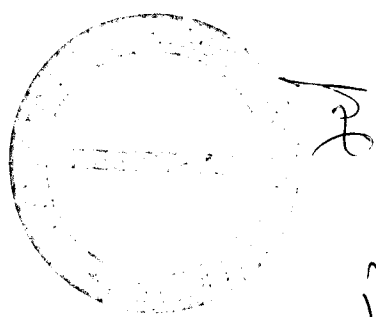


Location of the  
Generation Facility/Thermal Power Plant  
of the Licensee



LUCKY CEMENT LIMITED

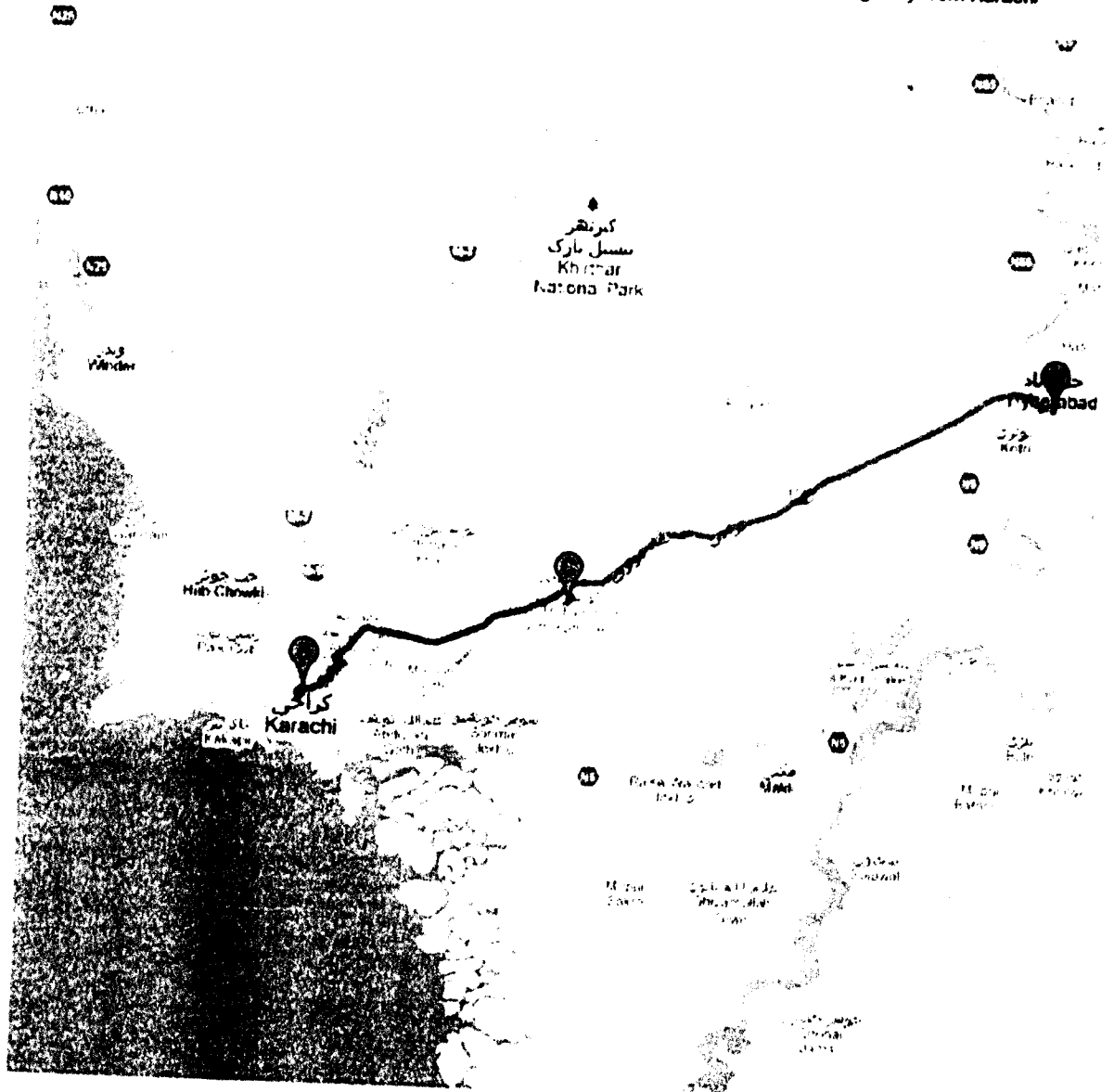
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## Location of the Generation Facility/Thermal Power Plant of the Licensee

- A- Hyderabad
- B- Karachi
- C- Lucky Cement Limited at 58 KM stone on super highway from Karachi

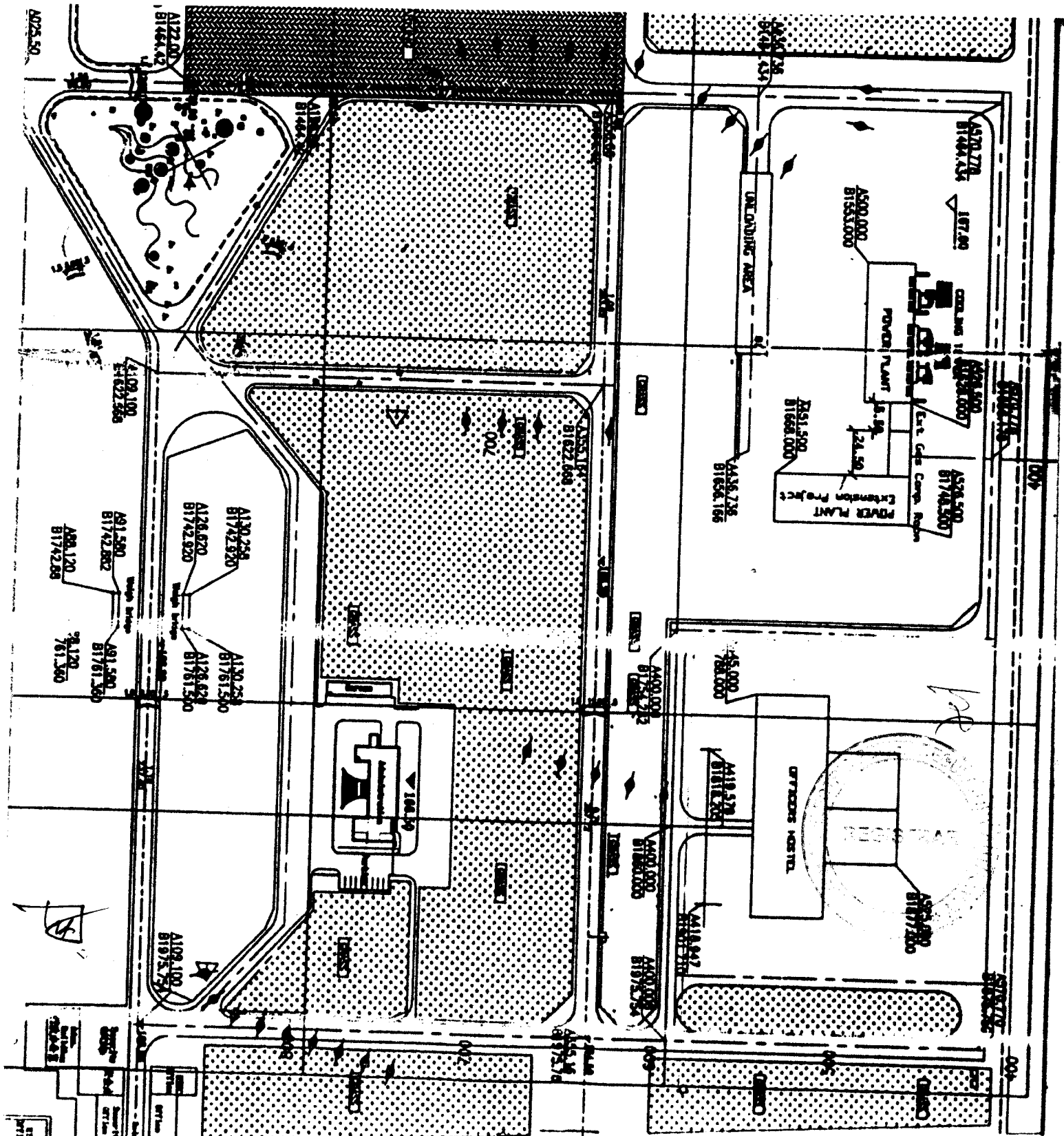


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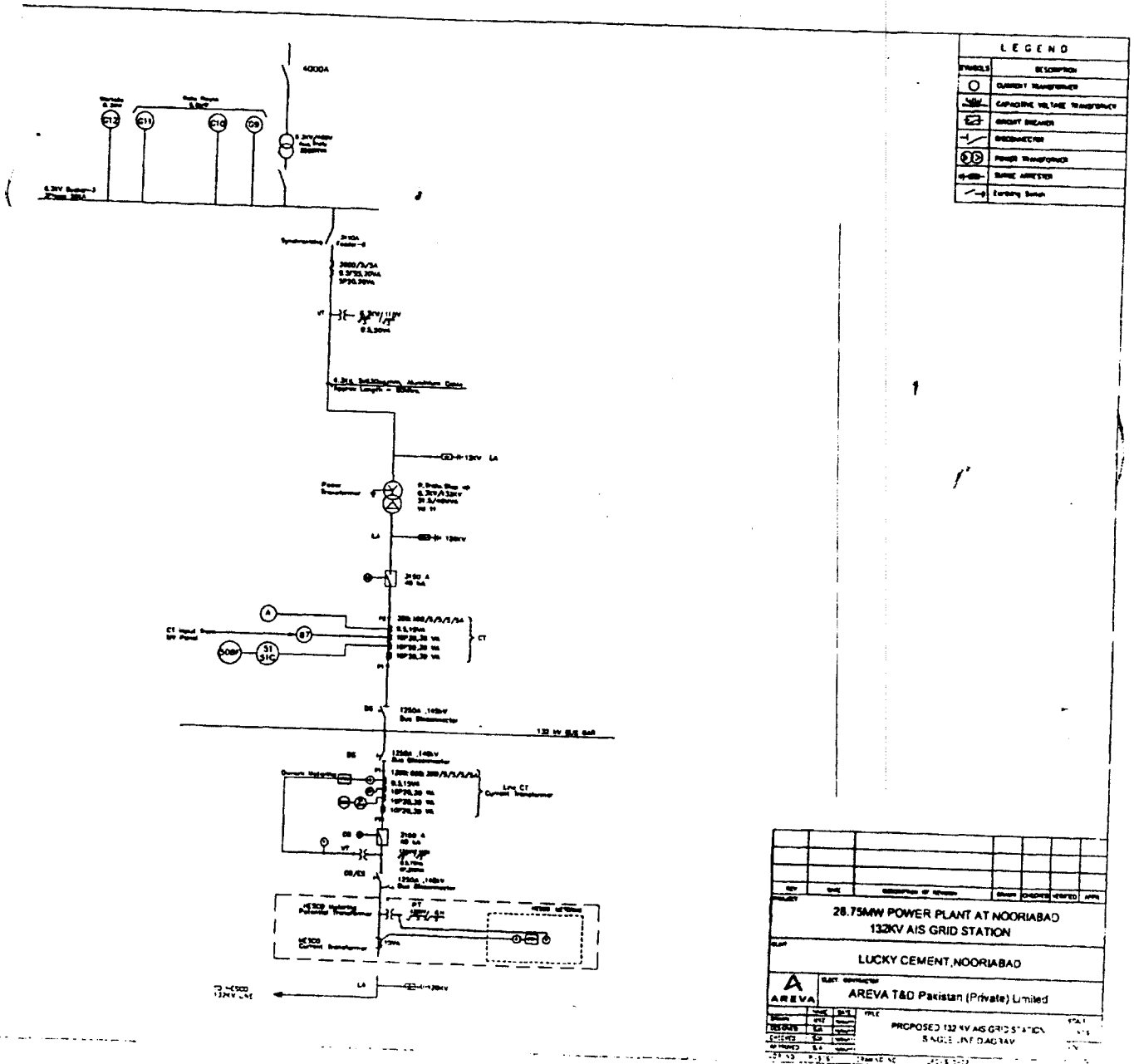
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Layout of the  
 Generation Facility/Thermal Power Plant  
 of the Licensee



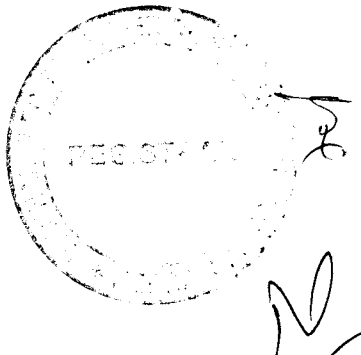
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## Singleline Diagram of the Generation Facility/Thermal Power Plant of the Licensee



LEGEND	
○	CURRENT TRANSFORMER
⊖	CAPACITIVE VOLTAGE TRANSFORMER
⊞	BREAKER
⊞	DISCONNECT
⊞	POWER TRANSFORMER
⊞	LINE ARRESTER
⊞	Earthing Busbar

NO.	REV.	DESCRIPTION OF REVISION	DATE
<b>28.75MW POWER PLANT AT NOORIABAD 132KV AIS GRID STATION</b>			
<b>LUCKY CEMENT, NOORIABAD</b>			
<b>AREVA T&amp;D Pakistan (Private) Limited</b>			
DESIGNED BY	CHECKED BY	DATE	SCALE
<b>PROPOSED 132 KV AIS GRID STATION SINGLE LINE DIAGRAM</b>			



**Interconnection Arrangement/Transmission Facilities  
for Dispersal of Power From the Generation Facility/  
Power Plant**

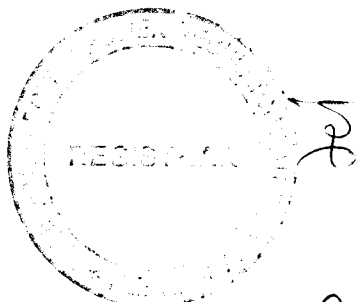
The Power generated by Lucky Cement Limited (LCL) from its Natural Gas based Thermal Generation Facility shall be dispersed to the Load Centre of Hyderabad Electric Supply Company Limited (HESCO) as well as to K Electric Limited-KEL.

(2). The Interconnection Facilities (IF)/Transmission Arrangement (TA) for HESCO from the above mentioned facilities will be at 132 KV voltage connecting the generation facility of LCL to 132 kV Kalu Kohar Grid Station of HESCO through 132 KV Single Circuit (S/C) on ACSR Lynx Conductor.

(3). Similarly, The Interconnection Facilities (IF)/Transmission Arrangement (TA) for KEL from the above mentioned facilities will be at 11 kV voltage connecting the generation facility of LCL to DHA City.

(4). Any change in the above Interconnection Arrangement/Transmission Facilities as agreed by LCL or HESCO or KEL shall be communicated to the Authority in due course of time.







**Detail of**  
**Generation Facility/Generation**  
**Power Plant**

**(A). General Information**

(i).	Name of Licensee/ Company	Lucky Cement Limited
(ii).	Registered /Business Office of the Licensee	6-A, M. Ali Housing Society ,Karachi-75350
(iii).	Location of the generation facility	58-KM Main Super High Way, Goth Khadeji, Jokhio Morre, District Karachi in the Province of Sindh
(iv).	Type of the generation facility	Thermal Generation

**(B). Plant Configuration**

(i).	Size/Installed Capacity of the generation facility	29.7304 MW	
(ii).	Type of Technology	Gas Engines Operating on Simple Cycle	
(iii).	Number of Units/Size (MW)	Rolls Royce	3 x 7.00 MW Gas Engines
		Wartsila	1 x 8.7304 MW Gas Engine
(iv).	Unit Make/ Model & Year of Manufacture	Rolls Royce	B35:40V16AG
		Wartsila	20V34SG
(v).	Commercial Operation Date (COD) of the generation facility	October 25, 2011	

(vi).	Minimum Expected Useful Life of the generation facility from the date of issuance of this Modification	20 Years
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**(C). Fuel Details**

(i).	Primary Fuel	Natural Gas (Pipeline Quality)
(ii).	Alternative Fuel	Not Applicable (N/A)
(iii).	Start-Up Fuel	Same as Main fuel
(iv).	Fuel Source (Imported/Indigenous)	Indigenous
(v).	Fuel Supplier	Sui Southern Gas Company Limited
(vi).	Supply Agreement	Through Pipeline

**(D). Emission Values**

(i).	SO <sub>x</sub> (mg/Nm <sup>3</sup> )	0.00 mg/Nm <sup>3</sup>
(ii).	NO <sub>x</sub> (mg/Nm <sup>3</sup> )	140-210 mg/Nm <sup>3</sup>
(iv).	CO (mg/Nm <sup>3</sup> )	430-490 mg/Nm <sup>3</sup>
(v).	PM <sub>10</sub> (mg/Nm <sup>3</sup> )	Less than 10 mg/Nm <sup>3</sup>

**(E). Cooling System**

(i).	Cooling Water Source/Cycle	Reverse Osmosis water from well/Closed Circuit Air Cooled Cooling System
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**(F). Plant Characteristics**

(i).	Generation Voltage	6.30 KV
(ii).	Frequency	50 Hz
(iii).	Power Factor	0.80 Lagging
(iv).	Automatic Generation Control (AGC)	NA
(v).	Ramping Rate	10.00 KW/Sec
(vi).	Time required to Synchronize to Grid and loading the complex to full load.	Minimum 1 hour after receiving dispatch notice

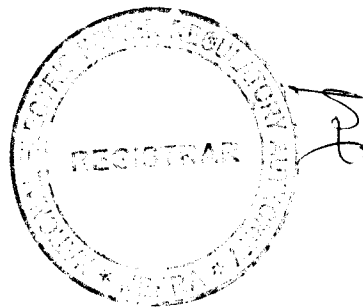






**Revised/Modified**  
**SCHEDULE-II**

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.



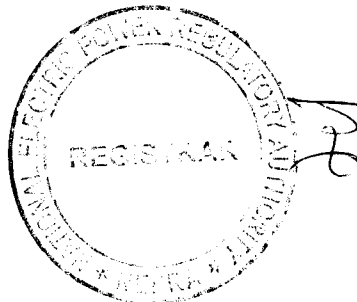
**SCHEDULE-II**

(1).	Total Installed Gross Capacity of Generation Facility at ISO Conditions (3 x 7.00 MW + 1 x 8.7304 MW)	29.7304 MW
(2).	Total Installed De-Rated Capacity of Generation Facility at Mean Site Condition (3 x 6.802 MW + 1 x 8.35 MW)	28.7560 MW
(3).	Total Auxiliary Consumption of Generation Facility (3 x 0.204 MW Gas Engines + 1 x 0.250 MW Gas Engines)	00.8620 MW
(4).	Total Installed Net Capacity of Generation Facility at Mean Site Condition (3 x 6.598 MW Gas Engines + 1 x 8.100 MW Gas Engines)	27.8940 MW

**Note**

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

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