



National Electric Power Regulatory Authority  
Islamic Republic of Pakistan

Registrar

2nd Floor, OPF Building, G-5/2, Islamabad.  
Ph : 9207200 Ext : 318 — Fax : 9210215  
E-mail : office@nepra.isb.sdnpk.org  
Direct Phone : (051) 9206500

No. RI 10-1-03.022 / 2000

August 27, 2001

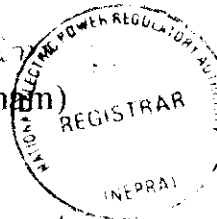
Ch. of Executive,  
ICI Pakistan PowerGen Ltd.  
Lahore.  
Fax: 042 – 6368805

Subject: **Grant of Generation Licence**  
**Licence Application No. RI 10-1-03.022**  
**ICI Pakistan PowerGen Ltd.**

Please refer to your application dated May 25, 2000 to NEPRA for a Generation Licence.

2. Enclosed here is Generation Licence, No. 003/SGC/2001 granted by the Authority to ICI Pakistan PowerGen Ltd. The Licence is granted to you pursuant to Section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).
3. Please quote above mentioned Generation Licence No. in your future correspondence with the Authority.

(Hussnain Zaighan)



Copy for information to Director General, Pakistan Environment Protection Agency, 44-E, Officer Tower, Blue Area, Islamabad.

**NATIONAL ELECTRICITY POWR REGULATORY AUTHORITY**

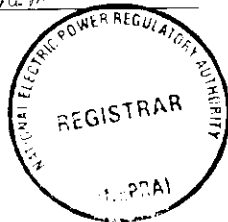
GENERATION LICENCE NO. 003/SGC/2001

In exercise of the powers conferred on the National Electric Power Regulatory Authority under Section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act , 1997 (XL of 1997), the Authority hereby grants a Licence to

ICI Pakistan Power Gen Limited incorporated under the  
Companies Ordinance. 1984 under  
Certificate of Incorporation No.K-03286 of 1991-92 dated 15/12/1991

to engage in the generation business for delivery and sale to the consumers mentioned in schedule I subject to and in accordance with the terms and conditions of the licence.

Signed



Date:

August 23, 2001

**Article 1**  
**Application of Rules**

Save as expressly provided otherwise, the provisions of the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 as amended from time to time shall apply to this licence.

**Article 2**  
**Definitions**

Unless there is anything repugnant in the subject or context and save as expressly defined hereinafter, words and expressions used in this Licence bear the respective meanings given thereto in the Act or in the Rules.

**Article 3**  
**Grant of licence**


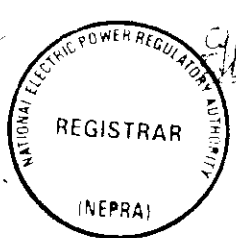
- 3.1 The location, size (capacity in MW), technology, interconnection arrangements, technical limits, technical functional specifications and other details specific to the generation facilities of the licensee are set out in Schedule I to this licence.
- 3.2 The net capacity of the licensee's generation facilities is set out in Schedule II hereto.

**Article 4**  
**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 Schedule III.

**Article 5**  
**Term and renewal of licence**

This licence is granted for a term of 15 years.

**Article 6  
Tariff**

The licensee shall charge from its consumers only such tariff which is either approved or specified by the Authority.

**Article 7  
Distribution facilities of licensee.**

Not Applicable

**Article 8  
Connection to transmission system,  
Compliance with Grid code,  
Pooling and settlement arrangement**

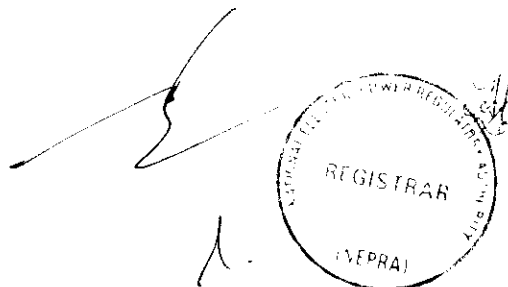
Rule 10 of the Rules shall apply only to those SPPs whose generation facilities are connected directly or indirectly at voltage of 132 kV or above

**Article 9  
Generating Capacity Reserve Requirements**

The installed generating capacity of the licensee shall not fall below 85% of the connected load and generating capacity of the largest installed unit at the time of application for generation license.

**Article 10  
Compliance with Performance Standards**

The licensee shall conform to the relevant NEPRA rules on Performance Standards as may be prescribed by the Authority from time to time.

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "REGISTRAR" in the center, "NATIONAL ELECTRICITY POWER REGULATORY AUTHORITY" around the top inner edge, and "NEPRA" at the bottom. There are some additional handwritten marks and a small scribble to the right of the stamp.

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

The licensee shall conform to the environmental standards as may be prescribed by the relevant competent authority.

**Article 12**  
**Maintenance of record**

12.1 The licensee shall keep complete and accurate record and the data in respect of all aspects of the generation business and the second-tier supply business, in their original as well as in electronic form.

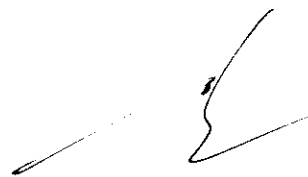

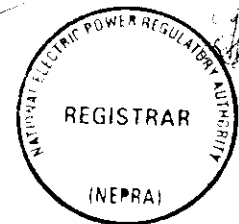
12.2 Without prejudice to the provisions of sub-rule 15(3) of the Rules, unless provided otherwise under the law or the applicable documents, all record and data shall be maintained for a period of 5 years after the creation of such record or data. The licensee shall not destroy or dispose of any such record or data after the aforesaid period without thirty days prior written notice to the Authority. The licensee shall also not dispose of or destroy any record or data which the Authority directs the licensee to preserve.

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

**Article 13**  
**provision of information**

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

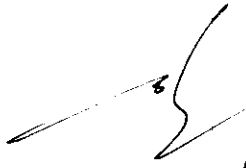
13.2 The licensee shall be subject to such penalties as may be specified in the relevant rules made by the Authority for failure to furnish such information as may be required from time to time by the Authority and which is or ought to be or have been in the control or possession of the licensee.

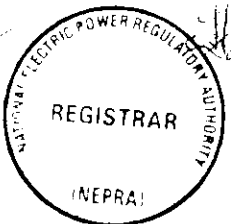
  
  


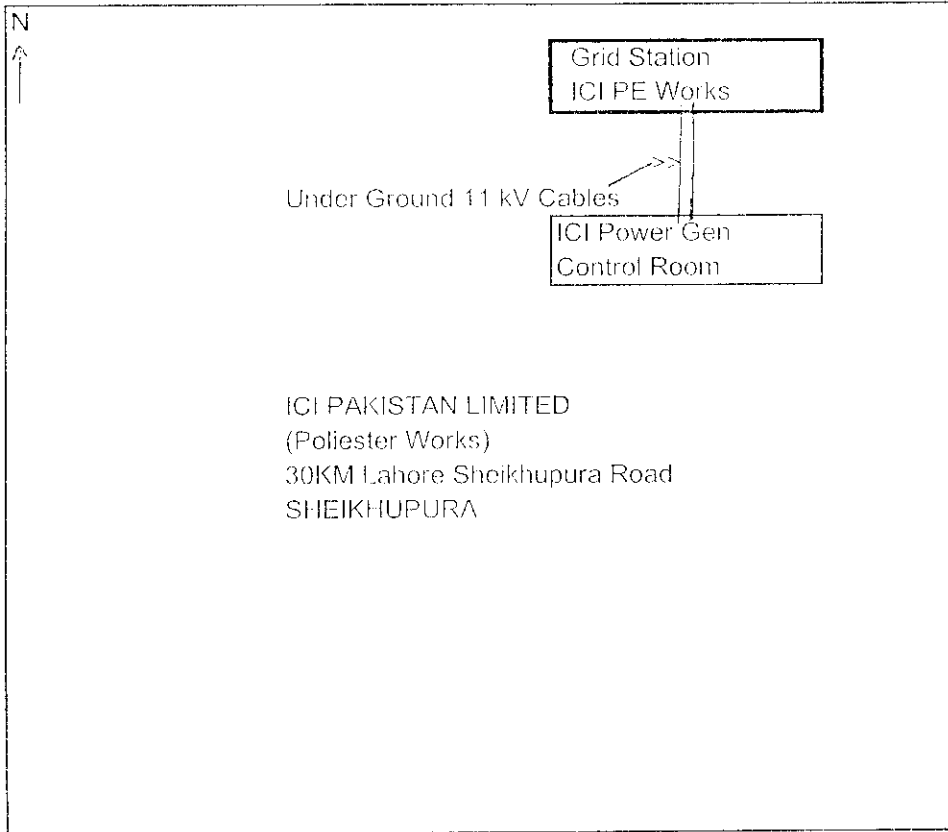
## SCHEDULE - I

- The location, size (capacity in MW), technology, interconnection arrangements, technical limits technical functional specifications and other details specific to the generation facilities of the licensee

Date 23.08.2001

  
A.





Title			
AREA OF SUPPLY OF ELECTRICITY			
ICI PAKISTAN POWERGEN. LTD. 30 KM LAHORE-SHEIKHUPURA ROAD SHEIKHUPURA			
Drawn	Farooq	01/01/01	Scale N.T.S.
Traced			Dwg. No. ICI PL
Checked			Ref. Dwg. No.

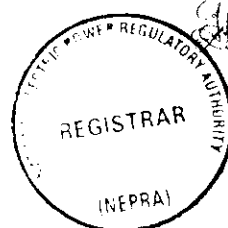
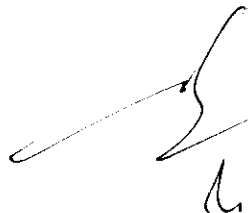
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**REGISTRAR**  
 NEPRA

**PLANT DETAILS**

1	Name of Applicant	ICI Pakistan PowerGen Limited
2	Registard Office	ICI Pakistan Limited, ICI House, 5 West Wharf, Karachi-74000
3	Plant Location	30 Km, Lahore -Shaikhupura Road, Shaikhupura
4	Type of Facility	Thermal Generation
5	<b><u>Plant Configuration</u></b>	
5.a	Plant Size	14 MW
5.b	Type of Technology	Diesel Electric
5.c	Number of Units	7
5.d	Unit Size	2.0 MW
5.e	Unit Make & Model	Daihatsu,, 8 DL-32
5.f	Date of Commissioning	Units 1-5 in July 1993 Units 6-7 in August 1996
6	<b><u>Fuel Use</u></b>	
6.a	Fuel Type	HFO
6.b	Fuel (imported/indigenous)	Both, depending on availability
6.c	Fuel Supplier	Caltex
6.d	Supply Arrangement	Road/Tankers
6.e	No. of Tanks	3
6.f	Storage Capacity/Tank	650 Tons/Tank
6.g	Gross Storage	1950 Tons





7	<u>Emmission Values</u>	1996	1997	1998	1999
7.a	SO <sub>2</sub>	235 ppm	137 ppm	350 ppm	120 ppm
7.b	NO <sub>x</sub>	160 ppm	275 ppm	300 ppm	500 ppm
7.c	CO <sub>2</sub>	3.20%	3.70%	3.70%	4.70%

8 Cooling Water Source Tubewell

9 Installed Capacity 14 MW

10 Derated Capacity 12.6 MW

11 Expected Remaining Life of the Facility 21 Years

12 Operational Record Given as Section 16 of the Application

13 Ancilliary Svices

13.a Energy Imbalance Services 10%

13.b Spinning Reserve Service 20%

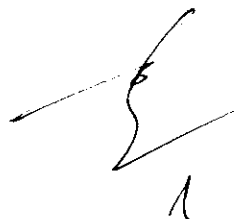
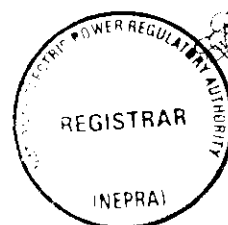
14 Project Cost 1993 1995 1996 Total

Thousand Rs.

14.a Equity 100,000 60,000 50,000 210,000

14.b Debt 133,099 133,099

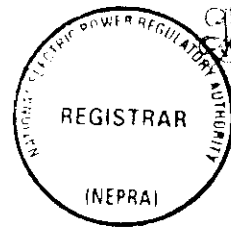
14.c Total Project Cost 233,099 343,099

15 Plant Characteristics

15.a	Generation Voltage	11000 V
15.b	Frequency	50 Hz
15.c	Power Factor	0.85 lagging
15.d	Automatic Generation Control	Provided
15.e	Ramping Rate	3.0% per Second
15.f	Alternative Fuel	Light Diesel Oil
15.g	Auxiliary Consumption	2,472,000 kWh during 1999
15.h	Time Required to Synchronize to Grid	Not Applicable since not connected to LESCO Grid

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**ICI Pakistan PowerGen Limited:**

**SPP Licenses - Proforma for Information regarding Distribution issues**

PART - A

Network Facts		
A	No. of Feeders	02 (Underground 11 KV Cables)
B	Length of Each Feeder	200 meters Each
C	Length of Each Feeder to Each Consumer	200 meters Each
D	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 customer's premises, and whether they cross-over or pass near the DISCO lines.	SPP & Consumer located in the same premises, therefore private property
E	Whether owned by SPP, consumer or DISCO - (deal with each Feeder separately) -If owned by DISCO, please furnish particulars of contractual arrangement  - Operation and maintenance responsibility for each Feeder	Owned by ICI Pakistan PowerGen Limited  ICI Pakistan PowerGen Limited
F	Whether connection with DISCO's network exists (whether active or not) - If yes, provide details of connection arrangements (both technical and contractual)	No
	Any other network information deemed relevant for disclosure to or consideration by NEPRA	SPP Owned lines may be transferred to Consumer

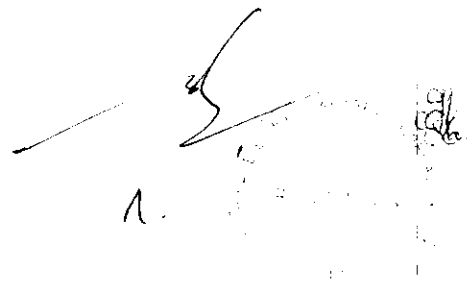
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**ICI Pakistan PowerGen Limited:**

PART - B

Consumption Facts		(Please use additional sheets if necessary)
A	No. of consumers	One
B	Location of consumers (distance and/or identity of premises)	ICI Pakistan Limited (Polyester Works) <b>Affiliated Consumer (Adjacently Located)</b> 30 Km Lahore Sheikhupura Road, Sheikhupura
C	Contracted Capacity and Load Factor for each consumer	7,000 KW (Load Factor - Variable)
D	Specify whether I) the consumer is an associated undertaking of the SPP <sup>A</sup> - if yes, specify percentage ownership of equity  II) there are common directorships  III) either can exercise influence or control over the other	Yes, ICI Pakistan Limited has 100% Equity in ICI PowerGen Limited  Yes  Yes
E	Specify nature of contractual relationship  I) between each consumer and the SPP; and  II) each consumer and host DISCO	Firm supply of electricity on continuous basis  None
F	Capacity originally sanctioned by Provincial Government - if subsequently enhanced, evidence of permissions for enhancement	14 MW
G	Tariff arrangement and particulars with WAPDA / Provincial Government	As per Provincial Govt. approval & same as WAPDA.





Generation License  
ICI Pakistan PowerGen Ltd  
Lahore-Sheikhupura Road

August 23, 2001

The Case Officer  
Licensing Group  
National Electric Power Regulatory Authority  
OPF Building  
Islamabad.

SUBJECT: Latest Information regarding ICI Pakistan Powergen Limited

Dear Sir

As per your instructions, it is clarified that the power plant equipment of ICI Pakistan Powergen Limited was procured in brand new condition and was manufactured on the following dates.

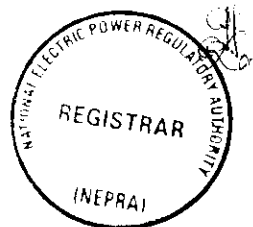
Units 1-5      Year of Manufacturing 1992  
                    Year of Installation 1993

Units 6-7      Year of Manufacturing 1995  
                    Year of Installation 1996

We remain available to respond to any question or clarification pertaining to this or any other matter.

Yours Sincerely

Manzar Qureshi  
Director



Page 7 of 7- Schedule-I  
Date:23.08.2001

Generation Licence  
ICI Pakistan PowerGen Ltd  
Lahore-Sheikhupura Road

## SCHEDULE - II

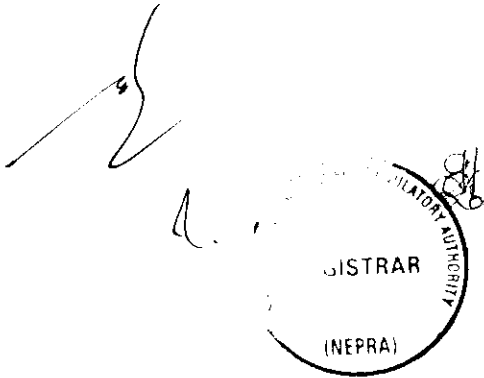
- The net capacity of the licensee's generation facilities

Date 23.08.2001


## SCHEDULE II

GROSS CAPACITY (MW)	2x7=14 MW (7 Units)
DERATED CAPACITY (MW)	=12.6 MW
NET CAPACITY (MW)	=12.25 MW

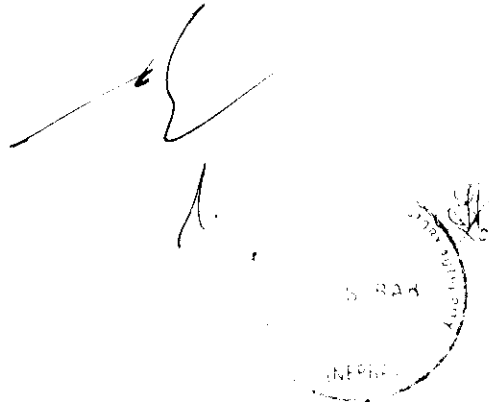


Generation Licence  
ICI Pakistan PowerGen Ltd  
Lahore-Sheikhupura Road

### SCHEDULE - III

- LICENCE FEE (Annual)

Date 23.08.2001



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**SCHEDULE-III**

**PART I**

**Licence Fees (Annual)**

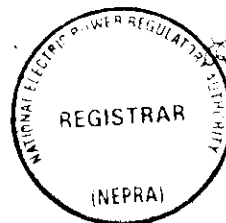
**1. Generation Licence**

Fee will be calculated at the rate of Rs.6200 per MW on the basis of gross (ISO) MW capacity of the licensed generation facility.

**PART II**

**Terms of payment of fee by the Generation,  
Transmission and Distribution Licensees**

- I) The fee for the generation licenses specified in this schedule shall be paid on a recurring basis in respect of each financial year by the licensee for the term of the licence (hereinafter referred to as the "annual licence fee")
- II) The annual licence fee in respect of any financial year shall be paid in advance within thirty days of the expiry of the preceding financial year, provided that, the annual licence fee for the first financial year shall be paid within thirty days of the date of grant of the licence and shall be prorated for the number of months remaining before the expiry of the financial year in which the licence is granted.
- III) In case of generation licenses, the Gross (ISO) MW capacity for which the generation licence is granted shall form the basis for the calculation of the annual licence fee.



### PART III

#### Indexation of Fees

- I) Any and all fees payable pursuant to the relevant rules shall be indexed to the Consumer Price Index ("CPI") published from time to time by the Federal Bureau of Statistics.
- II) The indexation shall be done on the basis of the most recent CPI prevailing on the date of payment of the fees and shall be increased or decreased, as the case may be, in accordance with the following formula:

$$F_{pd} = F_t [CPI_{pd} / CPI_{rd}]$$

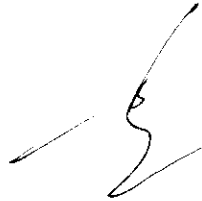
Where

$F_{pd}$  = The actual fee payable on the date of payment

$F_t$  = The respective fee set out in Part I of this schedule.

$CPI_{pd}$  = The most recent CPI prevalent on the last day of the month immediately preceding the month in which the payment is due.

$CPI_{rd}$  = The reference or base CPI, prevalent on the last day of the month in which these rules are notified in the official gazette.



A.



**Term of the Licence  
(Article 5 of the Licence)  
ICI Pakistan PowerGen Ltd.**

The rule 5 of the Licensing (Generation) Rules - 2000 stipulates that the term of licence shall be commensurate with the maximum expected useful life of the units comprised in a generation facility demonstrated to the satisfaction of the Authority unless the applicant consents to a shorter period.

ICI Pakistan Power Gen Ltd., has shown in its application No.Nil dated 25<sup>th</sup> May 2000 to NEPRA for a generation licence, remaining life of its facility as 21 years.

The Licensing Group considers that the Diesel Electric Generators normally have useful life of around 20 years. Since the plants of ICI Pakistan PowerGen Ltd. were commissioned in 1993, and 1996 therefore the Group recommends that the licence be issued to ICI Pakistan PowerGen Ltd. by the Authority 15 years from the date of grant of licence by the Authority.

**AUTHORITY DECISION**

The Authority agrees with the Licensing Group recommendations about the term of licence. The licence is granted for a term of 15 years.

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**Authority**

Justice (R) Saad Saood Jan, Chairman

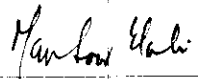
Mr. Mansoor Elahi, Vice Chairman

Sardar Muhammad Sharif Khan T. St., Member

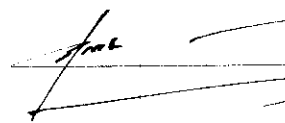
Mr. Fazlullah Qureshi, Member

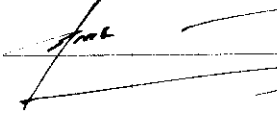
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**Authority**

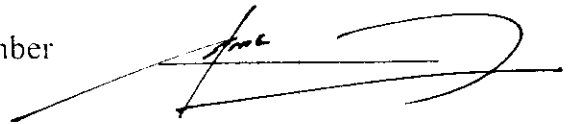
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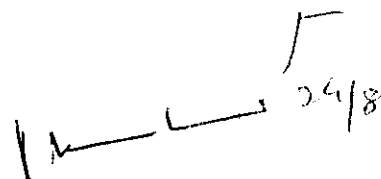
  
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National Electric Power Regulatory Authority  
(NEPRA)

Subject: Request for Authority Regulatory Meeting R-93

It is requested to hold an Authority Regulatory Meeting on 25th August 2001 at 1000 hours to discuss and approve the issuance of Generation Licence to M/s ICI Pakistan PowerGen Limited. Draft Generation Licence for M/s ICI Pakistan PowerGen Limited is attached please.

 24/8

( Abdul Rashid Kakar )  
Leader Task Group (Licensing)  
August 24, 2001

Chairman

Vice Chairman

Member Administration

Member Technical

Member Finance

A.D (Personnel)