

27.05.2016

The Registrar
National Electric Power Regulatory Authority ("NEPRA")
NEPRA Tower, Attaturk Avenue (East)
Sector G-5/1
Islamabad

**Subject: HABIBULLAH COASTAL POWER COMPANY (PVT) LTD ("THE COMPANY") –
APPLICATION FOR MODIFICATION OF THE GENERATION LICENSE**

Dear Sir,

Habibullah Coastal Power Company (Pvt) Ltd ("the Company") was granted the Generation License No. IPGL/012/2003 on 26.08.2003 (the "Generation License") by NEPRA, under Section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 ("NEPRA Act"), for its 140 MW gas (gross) fired power project at Sheikh Manda, Quetta, Balochistan (the "Project").

In order to discharge its contractual obligations under the PPA the Company is required to obtain and maintain a generation license from NEPRA, which remains valid for the life of the PPA. It is needless to mention that the grant of generation license is a critical regulatory consent without which the Company cannot perform its contractual obligations under the PPA and generate and sell electric power and failure to maintain a valid generation license will trigger default in provisions of the Power Purchase Agreement ("PPA").

Given the fact that the term of PPA is thirty years from the COD whereas, the term of Company's generation license # No. IPGL/012/2003 is only valid for thirteen (13) years, ending on 25 August 2016, the Company requires further extension in the generation license in order to make it consistent with the term of the PPA.

The requested modification would benefit consumers, as it would ensure that generation capacity continues to be available and maintained. Moreover, there will be no adverse impact on the quality of service provided by the Licensee if this Application is accepted. Further, there will be no adverse impact on the performance of the Licensee.

Other than the extension in the term of the PPA, the Company is not seeking any material change in the earlier granted generation license and consequently the details and schedules attached with the earlier generation license may be read with this Application.

As NEPRA would appreciate, the proposed modifications do not impact the tariff in any manner. The proposed modification would facilitate the Company in fulfilling its obligations under the License and the PPA.

Please find enclosed a bank draft in the sum of Rs 716,600/- (Seven Lacs Sixteen Thousand Six Hundred Rupees Only) as fee in consideration of the Company's application for LPM.

In light of this application and its enclosures, you are kindly requested to proceed in accepting the Company's application for modification of the Generation License.

Yours sincerely,

For and on behalf of

Habibullah Coastal Power Company (Pvt) Ltd



RIAA Barker Gillette

Enclosures:

1. Extract of Resolution passed by the Board of Directors of the Company dated 24 May 2016 (Annex A);
2. Affidavit dated 23 May 2016 (Annex B);
3. Petition for License Proposed Modification (Annex C);
4. Vakalatnama (Annex D);
5. Bank draft in the sum of Rs 716,600/- (Seven Lacs Sixteen Thousand Six Hundred Rupees Only) payable to NEPRA.

BEFORE
THE NATIONAL ELECTRIC POWER
REGULATORY AUTHORITY

PETITION FOR LICENSE PROPOSED MODIFICATION OF LICENSE No IPGL/012/2003

ON BEHALF OF
HABIBULLAH COASTAL POWER (PVT.) COMPANY

Dated: 27.05.2016

Submitted by:

Legal Consultants
RIAA BARKER GILLETTE
Advocates & Corporate Counselors
68, Nazimuddin Road, F-8/4, Islamabad
Tel: 051-111-LAWYER, Fax: 051-2850444
www.riaabg.com



HABIBULLAH
COASTAL
POWER
COMPANY

May 27th, 2016

Registrar
National Electric Power Regulatory Authority
NEPRA Tower, Attaturk Avenue (East)
Sector G-5/1, Islamabad

Subject: License Proposed Modification Application - on behalf of Habibullah Coastal Power (Pvt.) Company (the "Company" or the "Petitioner")

Dear Sir,

I, Muhammad Danish Hussain, Chief Financial Officer of the Company is the duly authorized representative on behalf of the Company by virtue of a Board Resolution, appended herewith, hereby apply to the National Electric Power Regulatory Authority ("NEPRA or Authority") for the modification of our Generation License for the Company bearing # IPGL/012/2003 dated 26 August 2003 in respect of the Company's 140 MW (gross) gas fired energy power project at Sheikh Manda, Quetta, Balochistan (the "Project") pursuant to Regulation 10(2) of the National Electric Power Regulatory Authority Licensing (Application and Modification Procedure) Regulations, 1999 (the "Regulations" or "AMPR")

I certify that the documents-in-support attached with this application are prepared and submitted in conformity with the provisions of the Regulations. I further undertake and confirm that the information provided in the attached documents-in-support is true and correct to the best of my knowledge and belief.

A bank draft in the sum of Pakistan Rs 716,600 (Seven Hundred and Sixteen Thousand Six Hundred only) being the license application fee calculated in accordance with Schedule II to the Regulations for the modification of the license, is also attached herewith. The Company has requested NEPRA to also consider the Company's request for the waiver of the aforesaid application through reimbursement of already deposited fee, as prayed in the Petition.

Yours Sincerely

Muhammad Danish Hussain
Chief Financial Officer

Habibullah Coastal Power Company (Pvt.) Limited

Corporate Office:
C-15, Block - 4
Clifton, Karachi - Pakistan
Tel: +92 21 3587 6531 - 35
Fax: +92 21 3587 6621

Registered Office:
HCPG Plant Site
Kili Almas Road
Sheikh Manda, Quetta
Tel: +92 81 286 1007
Fax: +92 81 286 1005

PETITION FOR LICENSE PROPOSED MODIFICATION OF LICENSE No. IPGL/012/2003

**ON BEHALF OF
HABIBULLAH COASTAL POWER (PRIVATE) COMPANY**

1. Legal Basis:

Habibullah Coastal Power (Private) Company in pursuance of *inter alia*, Regulation 10(2) of the National Electric Power Regulatory Authority Licensing (Application and Modification Procedure) Regulations, 1999 (the "Regulations" or "AMPR") and other applicable provisions of the Regulation of Generation Transmission and Distribution of Electric Power Act, 1997 (the "Act"), Rules, Regulations and applicable documents submits this Licensee Proposed Modification Application (the "LPM Application") in respect of its Generation License # No. IPGL/012/2003.

Under Section 15 of the Act, NEPRA awarded a Generation License to Habibullah Coastal Power (Private) Company for its Generation Facility/natural gas-fired power project located at Sheikh Manda, Quetta, Balochistan.

2. Habibullah Coastal Power (Private) Company ("HCPC" or the "Company" or the "Petitioner") request for modification in a license:

2.1 The Company is a 140 MW gas (gross) fired energy power project at Sheikh Manda, Quetta , Balochistan independent power producer (IPP) incorporated on 17.12.1995 pursuant to the Government of Pakistan's 1994 Policy Framework and Package of Incentives for Private Sector Power Generation Projects with active facilitation by Private Power & Infrastructure Board (the "PPIB") (the "Project").

2.2 On September 11, 1999, the Project successfully achieved its commercial operation date and is performing its contractual obligations, *inter alia*, under the Power Purchase Agreement (PPA) signed between the Company and Water and Power Development Authority (the "WAPDA" or the "Power Purchaser"). The term of the PPA between the Company and the Power Purchaser is valid up to September 10, 2029 requiring the Company to perform its obligation and deliver the electric power to the Power Purchaser.

- 2.3 In order to discharge its contractual obligations under the PPA the Company is required to obtain and maintain a generation license from NEPRA, which remains valid for the life of the PPA. It is needless to mention that the grant of generation license is a critical regulatory consent without which the Company cannot perform its contractual obligations under the PPA and generate and sell electric power and failure to maintain a valid generation license will trigger default in provisions of the PPA.
- 2.4 Given the fact that the term of PPA is thirty years (from the COD) whereas, the term of Company's generation license # No. IPGL/012/2003 is only valid for thirteen (13) years, ending on 25 August 2016, the Company requires further extension in the generation license in order to make it consistent with the term of the PPA.
- 2.5 The requested modification would benefit consumers as it would ensure that generation capacity continues to be available and maintained. Moreover, there will be no adverse impact on the quality of service provided by the Licensee if this Application is accepted. Further, there will be no adverse impact on the performance of the Licensee.
- 2.6 Other than the extension in the term of the PPA, the Company is not seeking any material change in the earlier granted generation license and consequently the details and schedules attached with the earlier generation license may be read with this Application.
- 2.7 The request of the Company for the extension of the term of the generation license also satisfies NEPRA's requirement that the plant and the equipment of the project will have a useful life for the entire term of the PPA.

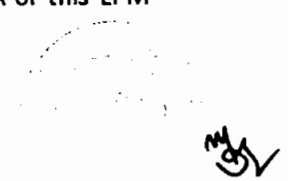
3. **Impact of the Proposed Modification:**

3.1 **Impact on Tariff**

As the learned Authority would appreciate, the proposed amendments do not impact the tariff in any manner.

3.2 **Impact on Quality of Service**

The Company certifies that the quality of service and the performance by the Company under the Generation License shall not be affected on acceptance by NEPRA of this LPM

A handwritten signature in black ink is located at the bottom right of the page. Above the signature is a faint, circular official stamp, likely from NEPRA, though the details are not clearly legible.

Application. It may be pertinent to add that, the license is required for the provision of services for the period consistent with the PPA.

3.3 Impact on the obligations of the Company under the License

The proposed modification would facilitate the Company in fulfilling its obligations under the License and the PPA.

3.4 Reimbursement of License Fee

The Petitioner hereby seeks the learned Authority's kind consideration in respect of a waiver to submit license fees required in respect of Licensee Modification Petition. This request is may be considered in light of the fact that the Company is subjected to unreasonable additional costs which cannot be allocated to consumers and the requirement to get the License modified is requested in order to remain compliant with the terms of the PPA. Consequently, the fee deposited in respect of LPM may kindly be allowed to be reimbursed.

3.5 Further Pleadings

The Company may be allowed to submit further and additional pleadings and documents which may be deemed necessary or important, from time to time.

PRAYER

It is most humbly prayed to the esteemed Authority as follows:

- A. That the Authority shall approve the modifications proposed in its Generation License extend the term of the license corresponding with the term of the PPA.
- B. That the Authority may be pleased to treat the Company's request for the grant of this LPM on a non-discriminatory basis.
- C. It is further prayed that the Authority may kindly allow waiver to deposit fee in respect of LPM and allow the Company to get the same reimbursed from NEPRA.
- D. Any further and better relief that the Authority may deem appropriate in the circumstances may kindly be granted to the Company.

We hope the information/explanation provided above meets the Authority's requirements and remain available to assist the Authority in further queries/clarifications.



Sincerely,

Habibullah Coastal Power (Private) Company

May 27th, 2016



HABIBULLAH
COASTAL
POWER
COMPANY

**EXTRACT OF THE CIRCULAR RESOLUTION PASSED BY THE BOARD OF
DIRECTORS OF HABIBULLAH COASTAL POWER COMPANY (PVT) LIMITED**

(the "Company")

May 24th, 2016

(Resolutions in Writing under Article 64 of the Articles of Association of the Company)

RESOLVED that a License Proposed Modification Application (the "LPM Application") may be instituted in respect of the Generation License issued by NEPRA No. IPGL/012/2003 dated 26.08.2003 on behalf of Habibullah Coastal Power Company Private Limited (the "Company") with the National Electric Power Regulatory Authority ("NEPRA"), in respect of the Company's 140 MW power project at Sheikh Manda, Kili Almas, Quetta (the "Project").

RESOLVED FURTHER that *Mr. Muhammad Danish Hussain* the Chief Financial Officer of the Company bearing CNIC No. 42101-2264606-5, and *Ms. Saira Khalid*, Associate of RIAA Barker Gillette bearing CNIC number 61101-9657810-4, are hereby authorized to sign the LPM Application, and any documentation ancillary thereto, pay all filing fees, and provide any information required by NEPRA in respect of the Project, and do all acts and things necessary for the processing, completion and finalization of the LPM Application.

CERTIFICATION

CERTIFIED, that, the above resolution by circulation was duly passed by the Board of Directors of Habibullah Coastal Power Company Private Limited on May 24th, 2016.

FURTHER CERTIFIED, that the said resolution has not been rescinded and is in operation and that this is a true copy thereof.



Mofiz Ali Saifuddin
Company Secretary



Habibullah Coastal Power Company (Pvt.) Limited

Corporate Office:
C-13, Block - 4,
Clifton, Karachi - Pakistan
Tel: +92 21 3587 6531 - 35
Fax: +92 21 3587 6532

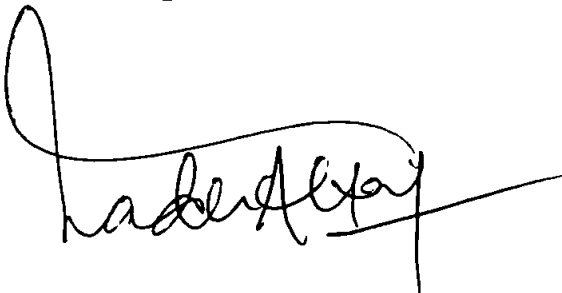
Registered Office:
HCPC Plant Site
Kili Almas Road
Sheikh Manda, Quetta
Tel: +92 81 288 1 007
Fax: +92 81 288 1 008

VAKALATNAMA

I **MR. MUHAMMAD DANISH HUSSAIN**, Chief Financial Officer of Habibullah Coastal Power Company Private Limited (the “Company”), hereby appoint and constitute **MR. NADIR ALTAF**, **MR. MUSTAFA MUNIR AHMED**, **MR. BILAL ALSAMARRAI**, **MS. SAIRA KHALID**, **MS. NOREEN IQBAL**, **MS. MAHWISH IQBAL RAO**, and **MR. SAAD SIDDIQUE BAJWA** of **RIAA BARKER GILLETTE**, to appear and act for us as our advocates in connection with processing presentation of the Company’s Licensee Proposed Modification Application (the “LPM Application”) in respect of Generation License issued to the Company No. IPGL/012/2003 dated 26.08.2003 before the National Electric Power Regulatory Authority (“NEPRA”).

I also authorize the said Advocates or any one of them to do all acts and things necessary for the processing, completion and finalization of the LPM Application with NEPRA.

Accepted



RIAA BARKER GILLETTE
68 NAZIMUDDIN ROAD, F-8/4,
ISLAMABAD
Tel: 051-111-LAWYER

SIGNATURE:



A/C Payee Only

JS BANK
JS Bank Limited
Ocean Tower Branch Karachi-9120

NATIONAL ELECTRIC POWER REGULATORY
Pay to the order of AUTHORITY

PKR SEVEN HUNDRED AND SIXTEEN THOUSAND SIX HUNDRED ONLY
Rupees

Payable at any JS Bank Branch in Pakistan

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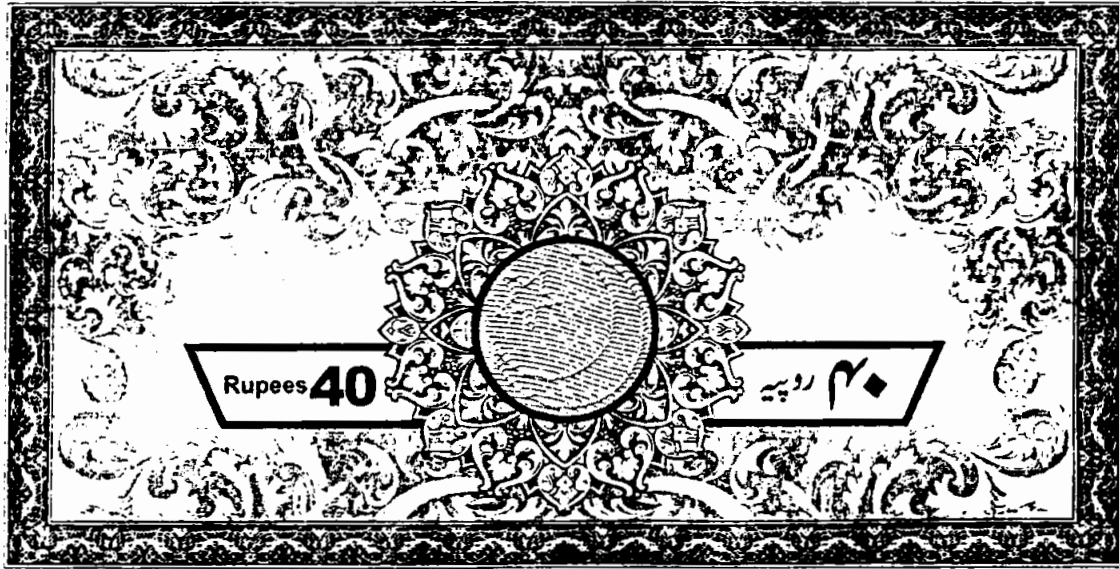
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716,600.00**

Authorised Signatory
PA/Attorney No

Authorised Signatory
PA/Attorney No

⑈020⑈



BEFORE

THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

AFFIDAVIT

I, Muhammad Danish Hussain, s/o Muhammad Asim Hussain, Chief Financial Officer of Habibullah Coastal Power Company Private Limited bearing CNIC No 42101-2264606-5, do hereby solemnly affirm and declare on oath as under:

1. That the License Proposed Modification Application (the "LPM Application") in respect of Habibullah Coastal Power Company Private Limited's Generation License No. IPGL/012/2003 dated 26.08.2003 has been filed before the National Electric Power Regulatory Authority (the "NEPRA") and the contents of the same may kindly be read as an integral part of this affidavit.
2. That the contents of the accompanying LPM Application are true and correct to the best of my knowledge and belief and nothing has been concealed or misstated therein.

(Deponent)

**Muhammad Danish Hussain
Chief Financial Officer**



14 MAY 2016