

**BEFORE
THE NATIONAL ELECTRIC
POWER REGULATORY AUTHORITY**

APPLICATION FOR MODIFICATION OF GENERATION LICENSE NO.IGSPL/57/2015 DATED April
20, 2015

IN RESPECT OF

83.835 MW Gulf Powergen (Pvt) Limited Power Plant located at Eminabad, District
Gujranwala in the Province of Punjab,
Pakistan

Dated: 15.12.2017

File for and behalf of:

Gulf Powergen (Pvt) Limited



Gulf Powergen

Gulf Powergen (Pvt) Limited
15 Peshawar Block, Fortress Stadium
Lahore 54810, Pakistan
Tel: 92 (42) 36675595, 36660085
Fax: 92 (42) 36673960, 36664349

Our Ref: GPPL/G-License (Renewal)/NEPRA/12-1025
Dated: December 15, 2017

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

APPLICATION FOR RENEWAL OF GENERATION LICENSE NO; IGSP/57/2015

I, Mr. Abdul Rashid, Executive Director/CFO of the Gulf Powergen (Pvt) Limited (the "Company" or "GPPL") being the duly authorized representative of Gulf Powergen (Pvt) Limited by virtue of a Board Resolution dated 02.12.2017, appended herewith, hereby apply to the National Electric Power Regulatory Authority ("NEPRA or Authority") for the renewal of Generation License for the Company bearing No. IGSP/57/2015 dated April 20, 2015 in respect of the Company's 83.835 MW power plant located at Eminabad, District Gujranwala in the Province of Punjab, Pakistan (the "Project") pursuant to Regulation 10(2) of National Electric Power Regulatory Authority (NEPRA) Licensing (Application and Modification Procedure) Regulations 1999, read with Rule 5 of the Licensing (Generation) Rules 2000;

I certify that the documents-in-support attached with this application are prepared and submitted in conformity with the provision of National Electric Power Regulatory Authority (NEPRA) Licensing (Application and Modification Procedure) Regulations, 1999, and undertake to abide by the terms and provisions of above-said regulations. I further undertake and confirm that the information provided in the attached documents-in-support is true and corrected to the best of my knowledge and belief.

A pay order in the sum of Rupees 382,580/- (Rupees: Three hundred eighty two thousand five hundred and eighty only) being the non-refundable license application fee calculated in accordance with Schedule-II to National Electric Power Regulatory Authority Licensing (Application and Modification Procedure) Regulations, 1999, is also attached herewith.

Regards,

Yours Sincerely
For Gulf Powergen (Pvt) Limited


Abdul Rashid
Executive Director/CFO



EXTRACTS FROM RESOLUTION

PASSED BY THE BOARD OF DIRECTORS OF GULF POWERGEN (PVT) LIMITED DATED December 02, 2017

RESOLVED that Gulf Powergen (Pvt) Limited (the "**Company**") shall apply for modification of its Generation License No. IGSPL/57/2015 dated April 20, 2015 (the "Generation License") in respect of the Company's 83.835 MW power plant located at Eminabad, District Gujranwala in the Province of Punjab, Pakistan (the "Project"), and in relation thereto, sign all requisite documentation, pay all applicable fees and undertake all other necessary and ancillary acts and deeds.

RESOLVED FURTHER that an application for Renewal of its Generation License be made to NEPRA with regards to the Project;

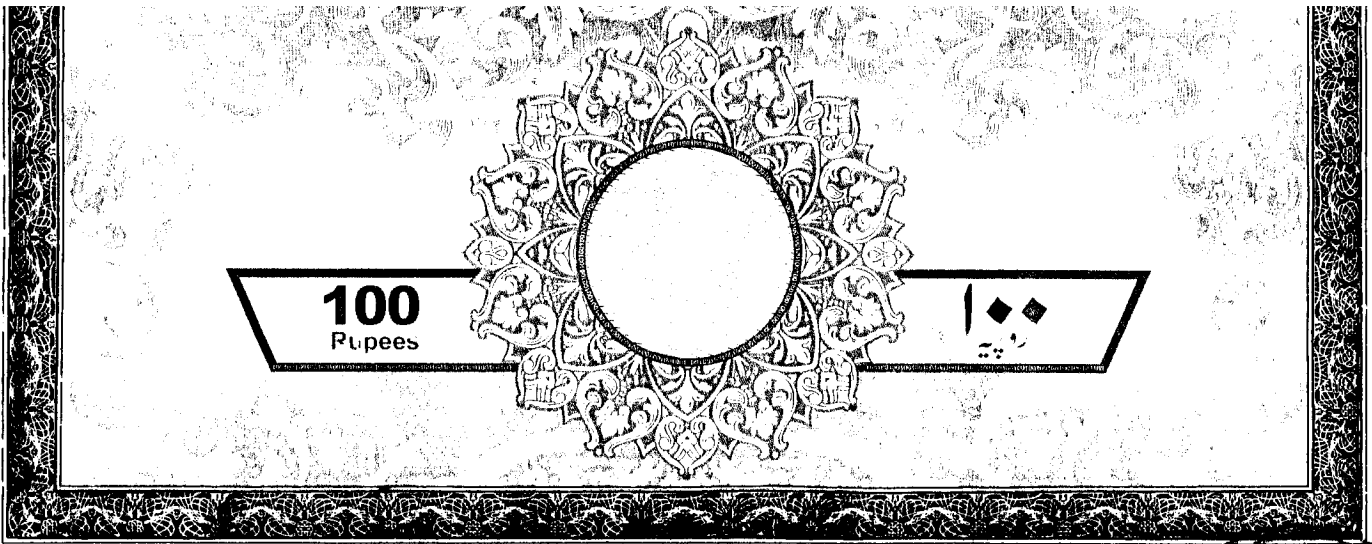
RESOLVED FURTHER that Mr. Abdul Rashid S/O Tufail Muhammad, bearing CNIC No; 35201-1654090-9, the Executive Director /CFO of the Company, be and is hereby authorized to sign any Document(s) ancillary thereto, represent before and provide any information required by the National Electric Power Regulatory Authority in relation to the Renewal Of Generation License, do all lawful acts and deeds necessary and ancillary for the processing, completion and finalization of the Renewal Of Generation License,

CERTIFIED TO BE TRUE COPY

CERTIFICATION

CERTIFIED that, the above resolution was duly passed by the Board of Directors of Gulf Powergen (Pvt) Limited in their meeting held on December 02, 2017, for which the quorum of directors was present.


Company Secretary



BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY



AFFIDAVIT

I, Abdul Rashid S/O Tufail Muhammad, bearing CNIC No. 35201-1654000-9, the Executive Director /CFO of the Company, being duly authorized by Gulf Powergen (Pvt) Limited, hereby solemnly affirm and declare on oath that the contents of the accompanying application of Gulf Powergen (Pvt) Limited for the Renewal of its Generation License No. IGSPL/57/2015 dated April 20, 2015, including all attached documents-in-support, are true and correct to the best of my knowledge and belief and that nothing has been concealed.

DEPONENT

Signature: Abdul Rashid
Name: Abdul Rashid
Dated: 12-12-2017

ATTESTED

Zeeshan Ahmad Advocate
Oath Commissioner
Lahore

PETITION FOR LICENSEE RENEWAL OF GENERATION LICENSE No;

IGSPL/57/2015 dated April 20, 2015

On Behalf Of

Gulf Powergen (Pvt) Limited

1. Legal Basis:

(a) Gulf Powergen (Pvt) limited in pursuance of, inter alia, Regulation 10(2) of NEPRA (Application and Modification Procedure) Regulations, 1999 read with Rule 5 of the Licensing (Generation) Rules 2000 and other applicable provisions of the Regulation of Generation Transmission and Distribution of Electric Power Act, 1997 (the "Act"), Rules, Regulations and applicable documents (collectively "NEPRA Laws") submits this Application for Licensee Renewal of its Generation License in respect of its Generation License No. IGSPL/57/2015 dated April 20, 2015 (the "License").

(b) Regulation 10(2) of Application and Modification Procedure Regulations, 1999 states as under:

A licensee may, at any time during the term of the license, communicate to the Authority a licensee proposed modification setting out:

- i) The text of the proposed modification;*
- ii) A statement of the reasons in support of the modification; and*
- iii) A statement of the impact on tariff, quality of service and the performance by the licensee of its obligations under the license.*

(c) The Rule 5 of the License (Generation) Rules 2000 state as under:

Terms and renewal:

- (1) Except where an applicant for a generation license consents to a shorter term, the term of a generation license shall be commensurate with the maximum expected useful life of the units comprised in a generation facility demonstrated to the satisfaction of the Authority.

(2) Upon the expiry of the term of the generation license, unless revoked earlier in accordance with these rules or the terms of the generation license, the generation license may be renewed by the Authority for such further term as it may deem appropriate in the manner provided for in the generation license keeping in view the remaining maximum expected useful life of the units comprised in the generation facility, the performance of the licensee during the then expiring term and the interests of the consumers and the electric power industry as a whole.

2. Gulf Powergen (Pvt) Limited (the "Company" or "GPPL") request for Renewal of its Generation License:

(a) The Company holds a Generation License No. IGSPL/57/2015 dated April 20, 2015 for its 83.835 MW power plant located at Eminabad, District Gujranwala in the Province of Punjab, Pakistan.

(b) Para-J (v) of the Determination of the Authority in the matter of Application of Gulf Powergen (Private) Limited for the Grant of Generation Licence dated April 14, 2015 provides that;

“The Authority fixes the term of the Generation License of GPGPL to three (03) years from the COD/Operation of the generation License of the Generation Facility under the new scheme as approved by ECC”.

(c) Article -4 “Term of Licence” of the Generation License provides that

“Unless suspended or revoked earlier, the licensee may apply for renewal of this Licence under the national Electric Power regulatory Authority Licencing (Application & Modification Procedure) regulations, 1999 (as amended or replaced from time to time), within ninety (90) days prior to the expiry of the term of this license”

(d) Gulf Powergen (Pvt) Limited Generation License No: IGSPL/57/2015 dated April 20, 2015 shall expire on April 29, 2018

(e) Gulf Powergen (Pvt) Limited entered into Power Purchase agreement (PPA) with Central Power Purchase Agency Guarantee Limited on May 25, 2017 Executed PPA appended herewith. The company immediately started operation under this PPA.

(f) Pursuant to

- Regulation 10(2) of Application & Modification Procedure regulations, 1999,
- Rule 5 of NEPRA Generation Licensing Rules
- Para-J (v) of the Determination of the Authority in the matter of Application of Gulf Powergen(Private) Limited for the Grant of Generation Licence dated April 14, 2015
- Article -4 "Term of Licence" of the Generation License

The Company is eligible to apply and seek an extension of its respective Generation License upto **May 24, 2020** I,e three (03) years from operation of generation facilities under PPA dated May 25, 2017.

(g) GPPL hereby requests the learned Authority to consider and accept the request for the Renewal of its Generation License.

(h) GPPL requests the Authority to kindly consider the interests of the electric power industry as a whole. GPPL is devoted to undertake its generation business and aspires to cater to the energy crisis currently being faced by Pakistan.

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

(j) Additionally, GPPL would like to bring to the Authority's attention that GPPL is a meticulous service provider and has complied with the Performance Standards and Generation Code prescribed by the Authority and the Environmental Standards.

(k) In light thereof, GPPL requests the Authority to please Renew license to avoid any losses that GPPL and its consumers might incur as a result of its generation facilities being discontinued.

3. The information as required under Regulation 10(2) of Application and Modification Procedure Regulations, 1999 is provided as under:

i) The Text of Proposed Modification:

The Text in the GPPL's Generation Licence No. IG SPL/57/2015 dated April 20, 2017

"Given under my hand this 20th day of April Two Thousand & Fifteen and expires on 29th day of April Two Thousand & Eighteen"

shall be modified as under:

"Given under my hand this ----- and expires on 24th day of May Two Thousand & Twenty"

ii) A statement of the reasons in support of the modification:

- (a) Gulf Powergen (Pvt) Limited Generation License No: IG SPL/57/2015 dated April 20, 2015 shall expire on April 29, 2018
- (b) Gulf Powergen (Pvt) Limited entered into Power Purchase agreement (PPA) with Central Power Purchase Agency Guarantee Limited on May 25, 2017. The company immediately started operation under this PPA.
- (c) Para-J (v) of the Determination of the Authority in the matter of Application of Gulf Powergen(Private) Limited for the Grant of Generation Licence dated April 14, 2015
"The Authority fixes the term of the Generation License of GPGPL to three (03) years from the COD/Operation of the generation License of the Generation Facility under the new scheme as approved by ECC"
- (d) Article -4 "Term of Licence" of the Generation License
"Unless suspended or revoked earlier, the licensee may apply for renewal of this Licence under the national Electric Power regulatory Authority Licencing (Application &

Modification Procedure) regulations, 1999 (as amended or replaced from time to time), within ninety (90) days prior to the expiry of the term of this licence”

(e) The Company is eligible to apply and seek an extension of its respective Generation License upto **May 24, 2020** i.e three (03) years from operation of generation facilities under PPA dated May 25, 2017.

i) Impact of the Proposed Modification:

a) Impact on Tariff

As the learned Authority would appreciate, the proposed amendments would not impact the tariff of the Company.

b) 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 Application. As mentioned above, the Company has been fully diligent and dedicated in the performance of its services and aspires to cater to the energy crisis currently being faced by Pakistan.

c) Impact on the obligations of the Company under the License

The proposed Renewal would facilitate the Company in fulfilling its obligations under the License and continue the generation of electric power in national interest.


PRAYER:

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

- a. That the Authority may kindly approve the Renewal of GPPL's Generation license till May 24, 2020;
- b. During the pendency and adjudication of this Petition, the Company humbly requests the learned Authority to kindly allow it to continue to perform Generation activities and undertake Generation business;
- c. That the Authority may be pleased to treat the Company's request for Renewal of GPPL's Generation License expeditiously and on a non-discriminatory basis;
- 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 GPPL shall remain available to assist the Authority in further queries/clarifications.

Yours Sincerely
For Gulf Powergen (Pvt) Ltd


Abdul Rashid
Executive Director/CFO

Dated: December 15, 2017



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

GENERATION LICENCE

No. IGSP/57/2015

In exercise of the Powers conferred upon the National Electric Power Regulatory Authority (NEPRA) under Section-15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, the Authority hereby grants a Generation Licence to:

GULF POWERGEN (PRIVATE) LIMITED

Incorporated under the Companies Ordinance, 1984
Corporate Universal Identification No. 0088410, dated January 02, 2009

for its Residual Fuel Oil based Generation Facility Located at Eminabad,
District Gujranwala in the Province of Punjab

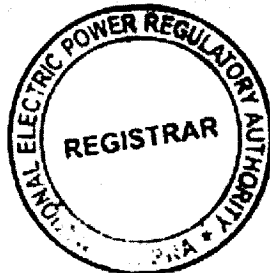
(Total Gross Installed Capacity: 83.835 MW)

to engage in generation business subject to and in accordance with the Articles of this Licence.

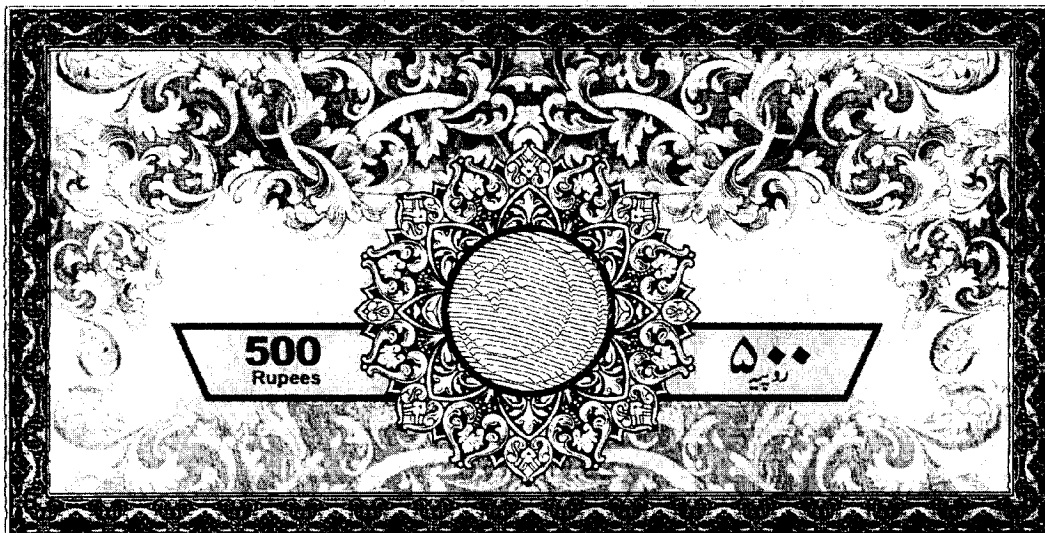
Given under my hand this 20th day of April Two Thousand & Fifteen and expires on 29th day of April Two Thousand & Eighteen.



Registrar







POWER PURCHASE AGREEMENT

This Power Purchase Agreement (this "Agreement") is made and entered into as of 25th May 2017 at Islamabad, Pakistan

By and between

1. Central Power Purchase Agency Guarantee Limited, a guarantee limited company established under the laws of Pakistan, with its principal office at 6th Floor, Shaheed-e-Millat Secretariat, Blue Area, Islamabad and its successors and assigns of the one part, (hereinafter called the "Power Purchaser").

and

2. Gulf Powergen (Pvt) Limited, a private limited company incorporated under the laws of Pakistan, with its principal office at 15 Peshawar Block, Fortress Stadium Lahore, and its permitted successors and permitted assigns of the other part, (hereinafter called the "Seller").

Both the Power Purchaser and the Seller shall hereinafter also be referred to individually as the "Party" and collectively as the "Parties".

WHEREAS the Seller will sell and the Power Purchaser will purchase from the Seller, electrical energy on the terms and conditions set here-in-forth, pursuant to the Generation Licence and the Tariff Determination issued by NEPRA.

WHEREAS the Parties are entering into this Agreement pursuant to the ECC Decision under case number 60/10/2014 dated 27th March 2014, regarding utilization of the existing available generation capacities -- short term IPPs and the Policy Framework for Utilization of the Available Power Generation Capacity Short Term Independent Power Producers under case number IPP-1/11/2011.STR dated 3rd April 2014.

NOW THEREFORE, in consideration of the mutual benefits to be derived and the representations, warranties, conditions, and promises herein contained, and intending to be legally bound, the Seller and the Power Purchaser hereby agree as follows:-

NO.

18049

Date: 24-05-2017

**POWER PURCHASE AGREEMENT
BY AND BETWEEN
CENTRAL POWER PURCHASING AGENCY GUARANTEE
LIMITED, ISLAMABAD
AND GULF POWERGEN (PVT) LTD
LAHORE**

Stamp Used for 4.03 DIA
New No. Method Project
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Wherever the following capitalized terms appear in this Agreement, they shall have the meanings stated below:

“Back-Up Metering System” – All meters and metering devices installed by the Seller and thereafter owned and maintained by the Seller as back-up to the Metering System.

“Billing Cycle” – the period starting from 00.00 hours of first day of each month and ending at 24.00 hours of the last day of the same month.

“Control Centre” – The National Power Control Centre located in Islamabad, or such other control centre designated by the Purchaser and notified to the Seller in writing from time to time, but not more than one at any time, from where the Complex shall be Despatched.

“Despatched” or “Despatch”- means the net electrical energy delivered in accordance with the Despatch Instructions;

“Despatch Instructions”- means the instructions issued from the Control Centre on behalf of the Power Purchaser to the Seller for delivery of the electrical energy to the Interconnection Point based on merit order.

“Dispute” – Any dispute or disagreement or difference arising under, in connection with or relating to this Agreement, including any dispute or difference concerning the existence, legality, validity or enforceability of this Agreement or any provision hereof, or the obligations or performance of a Party under any provision hereof.

“Fixed Cost Component” – The tariff component payable @ Rupees 1.2363 per kWh for the delivered electrical energy at Interconnection Point, by the Seller as determined by NEPRA from time to time.

“Fuel Cost Component” or “FCC” – The tariff component payable @ Rupees 9.1728 per kWh for the delivered net electrical energy at Interconnection Point, by the Seller based on the Specific Fuel Consumption and the Reference Fuel Price and as adjusted from time to time for fuel price movements as determined by NEPRA from time to time.

“Generation Facility” – The generation facility or part thereof, located on site having installed capacity up to 83.835 MW on RFO and earmarked to deliver electrical energy to the Power Purchaser at Interconnection Point under this Agreement.

“Generation License” – the license No. IGSPL/57/2015 dated 20th April 2015 issued by NEPRA permitting generation and supply of electrical energy by the Seller from the Complex in accordance with the terms and conditions of such license.

“Interconnection Point” – The physical point(s) where the Generation Facility and the 132 kV system of the Power Purchaser is connected i.e. 132 kV bus bar of the plant switchyard.

“Metering Point” – The Power Purchaser’s side of the Interconnection Point.

“Metering System” –All existing meters and metering devices, already available at the Metering Point of the Generation Facility of the Seller or procured by the Power Purchaser and installed by the Seller, which shall be used for recording of electrical energy to be supplied to Power Purchaser. The accuracy class of meters shall be 0.2. The Power Purchaser may check/recalibrate the Metering System at appropriate intervals, at its own cost.

“NEPRA” – The National Electric Power Regulatory Authority established by the Regulation, Transmission and Distribution of Electric Power Act 1997 (XI of 1997), and any successor or substitute regulatory agency with authority and jurisdiction over the electricity sector in Pakistan.

“**Power Purchaser Interconnection Facilities**” means the facilities and equipment to be designed, constructed or installed by or on behalf of the Purchaser on the Purchaser’s side of the Interconnection Point.

“**Power Purchaser Interconnection Works**” means those works and activities to be undertaken by or on behalf of the Purchaser for the design, engineering, construction, installation and commissioning of the Purchaser Interconnection Facilities in accordance with this Agreement.

“PSO” – means Pakistan State Oil.

“**Prudent Electrical Practices**” – The use of equipment, practices or methods, as required to comply with applicable industry codes, standards, and regulations in Pakistan (i) to protect the grid system, employees, agents, and customers from malfunctions occurring at the Generation Facility, and (ii) to protect the Generation Facility and the Seller’s employees and agents at the Generation Facility from malfunctions occurring on the grid system. Prudent Electrical Practices are not limited to optimum practices, methods or acts to the exclusion of all other but rather are a spectrum of possible practices, methods and acts which could have been expected to accomplish the desired result at reasonable cost consistent with reliability and safety.

“**Prudent Utility Practices**” – Those practices, methods and procedures conforming to safety and legal requirements which are attained by exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced generator of electricity engaged in the same or a similar type of undertaking or activity under the same or similar circumstances and conditions to those pertaining in Pakistan and satisfying the health, safety and environmental standards of reputable international electric generation companies. Prudent Utility Practices are not limited to optimum practices, methods or acts to the exclusion of all others, but rather are a spectrum of possible practices methods and acts which could have been expected to accomplish the desired result at reasonable cost consistent with reliability and safety.

“**Reference Fuel Price**” – The delivered price of RFO at the Generation Facility is Rs. 40,000 per metric ton, excluding general sales tax taken in to consideration by the NEPRA for determination of the tariff.

“**Seller Interconnection Facilities**” – means the facilities and equipment to be designed, constructed or installed by or on behalf of the Seller on the Seller’s side of the Interconnection Point, including any tele-metering equipment, transmission lines, and associated equipment, transformers and associated equipment, relay and switching equipment, telecommunications devices, data interface for the SCADA System of the Control Centre, protective devices and safety equipment;

Seller Interconnection Works – means those works and activities to be undertaken by or on behalf of the Seller for the design, engineering, construction, installation and commissioning of the Seller Interconnection Facilities in accordance with this Agreement;

“**Specific Fuel Consumption**” – The fuel consumption fixed at 229.32 grams per kilowatt hour during the term of the Agreement.

“Take-and-Pay Basis” – means the basis on which Power Purchaser will pay to the Seller, the Fuel Cost Component, the Fixed Cost Component and Variable O&M Component against the delivered kWh only.

“Tariff”-means the per kWh rate expressed in Pakistan rupees as set out in the Tariff Determination;

“Tariff Determination” - means the tariff approval dated 9th June 2016 and numbered NEPRA/TRF-356/GPPL-2016/8638-8640 issued by NEPRA in relation to the Generation Facility (as amended from time to time including any clarification thereto issued by NEPRA) as notified in the official Gazette, annexed herewith as Annex A;

“Variable O&M Component” - The tariff component payable @ Rupees 0.8707 per kWh for the delivered electrical energy at Interconnection Point, by the Seller as determined by NEPRA from time to time.

The Parties agree that:

- a) Unless terminated earlier in accordance with its terms, this Agreement shall continue in full force and effect for three (3) Years (such period, the “Term”), from the signing of the Agreement which can be extended by mutual consent of the Parties.
- b) The Generation Facility shall not supply electrical energy, produced on any fuel other than that agreed between the Parties in this Agreement.
- c) The Seller has obtained Generation License from NEPRA and the Parties agree that the Seller is fully capable to generate and sell the electrical energy to the Power Purchaser from the date of this Agreement. The Seller shall sell and the Power Purchaser shall purchase the electrical energy in accordance with Tariff Determination.
- d) The Seller will provide up to 62 MW of power on Take-and-Pay Basis at a voltage of 132kV and at 50 Hz frequency with a tolerance of $\pm 10\%$ in nominal voltage and $\pm 3\%$ in nominal frequency. The quality of electrical energy shall be ensured by the Seller through installation of necessary equipment required as per Prudent Electrical Practices and Prudent Utility Practices.
- e) **Seller Interconnection Facilities:** The Seller shall complete or cause to be completed, at its cost, the Seller Interconnection Works with all proper skill and care and in all material respects in accordance with this Agreement and the applicable Laws of Pakistan, such that the Seller Interconnection Facilities can be reasonably expected to provide a useful life of not less than the Term.
- f) **Power Purchaser Interconnection Facilities:** The Power Purchaser shall design, construct, finance and complete/commission the Power Purchaser Interconnection Works in accordance with this Agreement and the applicable Laws of Pakistan, such that the Power Purchaser Interconnection Facilities can be expected to have a useful life of not less than the Term.
- g) The meter reading will be recorded by Power Purchaser’s authorized persons in the presence of the Seller’s representative as per Billing Cycle and the Seller will submit its energy invoice for the delivered net electrical energy based on the reading of Metering System for the Billing Cycle.
- h) The Seller may notify the Power Purchaser/Control Centre of its available energy in kWh estimated in good faith on daily/hourly basis, which may be revised any time by issuing a notice to the Power Purchaser/Control Centre

prior to the issuance of Despatch Instructions by the Power Purchaser. The Power Purchaser agrees that it shall not charge any liquidated damages under this Agreement for any outages or reduction in the estimated generation capacity or otherwise.

- i) The Fuel Cost Component will be adjusted for any increase or decrease as the case may be in the Reference Fuel Price during the Billing Cycle in accordance with the Tariff Determination from time to time.
- j) The arrangement of fuel will be the sole responsibility of the Seller. The calculation of Fuel Cost Component will be dependent upon accounting principle of First In First Out. The Seller will claim GST through a separate invoice.
- k) The Seller will submit one (1) original invoice with two (2) copies to Power Purchaser along with PSO notification of fuel price of the Billing Cycle and meter reading. The Power Purchaser will make payment against each due and payable invoice submitted by the Seller on or before 25th day from the date of receipt of the invoice by the Power Purchaser, in case 25th day is not a business day then the following business day will be the Due Date. If the Power Purchaser fails to make the payment by Due Date then the Power Purchaser will pay to the Seller late payment surcharge @ 1% (one percent), per month. In the event of non-payment by the Power Purchaser for fifteen (15) days from the Due Date of the invoice, the Seller reserves the right to discontinue the power supply.
- l) The Power Purchaser shall not charge any liquidated damages for noncompliance of the Despatch Instructions.
- m) The Import of Power by the Seller will be charged by the Power Purchaser at the rate of tariff C-3 as notified by NEPRA for the respective distribution Company.
- n) The Tariff will be adjusted for variation as per Tariff Determination by NEPRA.
- o) All notices and other communications required or permitted to be given by a Party shall be in writing and either delivered personally or by courier or sent by facsimile to the address or number of the other Party specified below:

If to the Power Purchaser:

Attention: Chief Executive Officer
Central Power Purchase Agency Guarantee Limited
Address: 6th Floor, Shaheed-e-Millat Secretariat, Blue Area,
Islamabad
Facsimile: 0092519213617
Email: ceo@cpga.gov.pk

If to the Seller:

Attention: Chief Executive Officer
Gulf Powergen (Pvt) Limited
Address: 15 Peshawar Block Fortress Stadium Lahore
Facsimile: 00924236664349
Email: arashid@gulfpower.com.pk

Provided that a Party may change the address to which notices are to be sent to it, by giving no less than thirty (30) Days' prior written notice to the other Party.

- p) No notice or other communication shall be effective until received or deemed received. Notices or other communications shall be deemed to have been received by the receiving Party:
 - (i) when delivered, if personally delivered;
 - (ii) two (2) Business Days after sending, if sent by courier;
 - (iii) upon sending, if sent by facsimile, subject to confirmation of an uninterrupted transmission report and provided that a hard copy is dispatched to the recipient by courier or personal delivery no later than the following Business Day.
- q) The Seller shall install the Back-Up Metering System with meters of 0.2 accuracy class in the metering room at Seller's premises and tested and calibrated in the presence of Power Purchaser's authorized representative. Parties agree that, in case of doubt by any Party about the accuracy of Metering System, the recordings of the Back-Up Metering System or any other mutually agreed arrangement may be adopted. In the event of complete or partial damage to the Metering System the same shall be replaced by the Seller. On the initial or any subsequent replacement of the Metering System, the Power Purchaser shall have the right to affix seals on the tested and calibrated meters but in the presence of Seller's authorized representative.
- r) If either of the Metering System differs from the other by an amount greater than one-fifth of one percent (0.2%), the Power Purchaser shall test the accuracy of the Metering System and recalibrate the Metering System. If the Metering System is found to be in order, the Seller shall be bound to test and calibrate the Back-Up Metering System to the satisfaction of the Power Purchaser. Either Party shall give prior notice, not less than seventy-two (72) hours to conduct such tests.
- s) The Seller shall provide its maintenance schedule to the Power Purchaser so as to ensure stable and reliable supply to Power Purchaser's network.
- t) The Seller shall serve at least forty-eight (48) hour notice to the Power Purchaser regarding any planned shutdown. The Seller has right to immediately disconnect the power supply to the Power Purchaser in the event of any breakdown of machineries in the Generation Facility and will intimate to Power Purchaser.
- u) The Seller will immediately inform the Power Purchaser about power supply failure due to defect/mal-operation of the Generation Facility.
- v) Either Party shall be responsible to adopt all safety measures according to the Prudent Electrical Practices on respective sides of the Interconnection Point.
- w) In the event that a Dispute arises, the Parties shall attempt in good faith to settle such Dispute through their Chief Executive Officers (CEOs) by mutual discussion(s) within thirty (30) days after the date that the disputing Party delivers written notice of the Dispute to the other Party.
- x) The Party reporting the existence of a Dispute shall give to the other Party written notice setting out the material particulars of the Dispute in the written

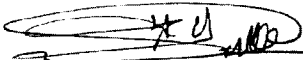
notice. Chief Executive Officer (CEOs) of each Party shall meet in Islamabad, Pakistan to attempt in good faith to resolve the Dispute.

- y) In case the Dispute is not resolved within thirty (30) days after the date of receipt of notice described in section (t) by the relevant Party (or within such longer period of time as the Parties may agree), any Party may initiate arbitration proceedings under the Arbitration Act 1940, and the jurisdiction in such cases would be that of the relevant court in Pakistan.
- z) The arbitration shall be conducted in Islamabad, Pakistan.
- aa) Except as specifically provided elsewhere in this Agreement, the Power Purchaser shall indemnify and defend the Seller, for itself and as trustee for its officers, directors and employees against, and hold the Seller, its officers, directors and employees harmless from, at all times after the date hereof, any and all losses incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, the Seller.
- bb) Except as specifically provided elsewhere in this Agreement, the Seller shall indemnify and defend the Power Purchaser, for itself and as trustee for its officers, directors and employees against, and hold the Power Purchaser, its officers, directors and employees harmless from, at all times after the date hereof, any and all loss, incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, the Power Purchaser.
- cc) All permissions, consents required by the Seller from different agencies such as NEPRA etc. will be arranged by the Seller at its sole cost and expense
- dd) This Agreement may be executed in two (2) counterparts and each counterpart will be deemed an original instrument but both the counterparts together will constitute one Agreement. The Agreement shall be effective upon the approval of Board of Director of the Parties.

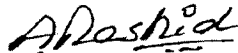
IN WITNESS whereof the Parties hereto have signed this Agreement on the day and year first above written.

On behalf of Power Purchaser

On behalf of Seller



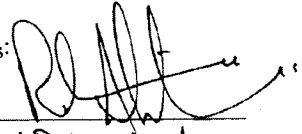
Abid Latif Lodhi
Chief Executive Officer



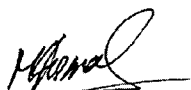
Abdul Rashid
Executive Director

Witness:

1.


Name: Rihan Akhtar
CNIC: 33100-1888395-3.

2.


Name: Muhammad Younis
CNIC: 33202-1370607-1

ANNEXURE A
Tariff Determination

