



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

Registrar

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad
Ph: +92-51-9206500, Fax: +92-51-2600026
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

August 28, 2015

No. NEPRA/R/DL/LAT-03/12814-23

Mr. Fawad Ahmed Mukhtar,
Chief Executive Officer,
Fatima Transmission Company Limited,
E-110, Khayaban-e-Jinnah,
Lahore Cantt, Punjab.

Subject: **Grant of Special Purpose Transmission Licence No: SPTL/01/2015
Licence Application No. LAT-03
Fatima Transmission Company Limited (FTCL)**

Reference: *Your application vide letter No. Nil, dated January 12, 2015, received on January 15, 2015.*

Enclosed please find herewith Determination of the Authority in the matter of Special Purpose Transmission Licence application of Fatima Transmission Company Limited (FTCL) along with Transmission Licence No. SPTL/01/2015 annexed to this determination granted by the National Electric Power Regulatory Authority (NEPRA) to Fatima Transmission Company Limited (FTCL) for its Special Purpose Transmission Facilities Connecting the Generation Facility/Co-Generation Power Plant of Fatima Energy Limited to 220/132 KV New Muzaffargarh Grid Station (of NTDC), located in the Province of Punjab, pursuant to Section 19 of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).

2. Please quote above mentioned Transmission Licence No. for future correspondence.

Enclosure: **Transmission Licence
(SPTL/01/2015)**



(Handwritten signature)
28/8/15
(Syed Safer Hussain)

Copy to:

1. Chief Executive Officer, AEDB, 2nd Floor, OPF Building, G-5/2, Islamabad.
2. Managing Director, Private Power Infrastructure Board (PPIB), 50 Nazim ud Din Road, F-7/4, Islamabad.
3. Chief Executive Officer, Multan Electric Power Company Limited (MEPCO), WAPDA Colony, Khanewal Road, Multan.
4. Chief Executive Officer, NTDC, 414-WAPDA House, Lahore
5. Chief Operating Officer, CPPA-G, 107-WAPDA House, Lahore
6. Director General, Environment Protection Department, National Hockey Stadium, Ferozpur Road, Lahore.
7. Chief Secretary, Government of Punjab, Punjab Secretariat, Lahore.
8. Chief Secretary, Government of Sindh, Sindh Secretariat, Karachi.
9. Chief Secretary, Government of Khyber Pakhtunkhawa, Khyber Pakhtunkhawa Secretariat, Peshawar.
10. Chief Secretary, Government of Baluchistan, Baluchistan Secretariat, Karachi.

National Electric Power Regulatory Authority
(NEPRA)

Determination of the Authority in the Matter of
Application of Fatima Transmission Company Limited for the
Grant of Special Purpose Transmission Licence

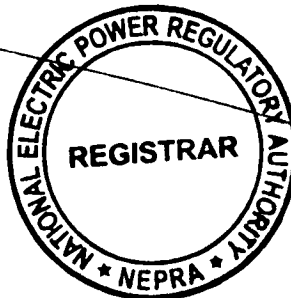
August 18, 2015
Case No. LAT-03

(A). Background

(i). Fatima Group (FG) is a leading Industrial Group of the country having diversified portfolio of investment in Textile, Sugar, Fertilizers, Energy, Mining and Trading. The group is setting up a 120.00 MW Baggase and Imported Coal based Generation Facility/Co-Generation Power Plant at Sanawan, Mehmood Kot, Tehsil Kot Addu, District Muzaffargarh, in the Province of Punjab.

(ii). The above mentioned generation facility/co-generation Power Plant is being set up through a group company in the name of Fatima Energy Limited (FEL). The FG has planned that the electric power generated from FEL will be wheeled through the network of the Host DISCO [i.e. Multan Electric Power Company Limited (MEPCO)] for supplying to designated Bulk Power Consumers (BPCs). In this regard, it was envisaged that the Transmission and Interconnection Arrangement consisting of a 132 KV D/C Transmission Line from the Generation Facility/Co-Generation Power Plant of FEL to 220/132 KV Muzaffargarh Grid Station will be constructed, owned and maintained by MEPCO.

(iii). Later on, MEPCO showed its inability to construct the required Transmission/Interconnection Facility. In consideration of the said, the group decided to construct, own and operate the Transmission and Interconnection Arrangement from the Generation Facility/Co-Generation Power Plant itself. In order to implement the arrangement, the group got incorporated a Special Purpose Vehicle (SPV) in the name of Fatima Transmission Company Limited (FTCL).

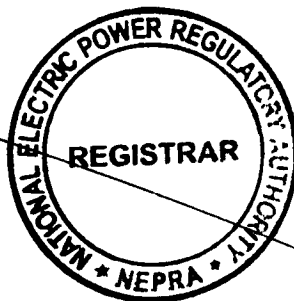


(B). Filing of Application

(i). In accordance with Section-19 of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the NEPRA Act), FTCL submitted an application on January 15, 2015 requesting for the grant of Special Purpose Transmission Licence (SPTL).

(ii). The Registrar examined the submitted application to confirm its compliance with the NEPRA Licensing (Application and Modification Procedure) Regulations, 1999 (the "Regulations"). The Registrar observed that the application lacked some of required information/documentation. Accordingly, FTCL was directed for submitting the missing information/documentation. FTCL completed the missing information/documentation on January 28, 2015. The Authority considered the matter in its Regulatory Meeting (RM-15-144), held on February 26, 2015 and found the form and content of the application in substantial compliance with Regulation-3 of the Regulations. Accordingly, the Authority admitted the application for consideration of the grant of SPTL as stipulated in Regulation-7 of the Regulations. The Authority approved the advertisement [containing (a). the prospectus; (b). a notice to the general public about the admission of the application of FTCL], inviting the general public for submitting their comments in the matter as stipulated in Regulation-8 of the Regulations. The Authority also approved the list of the persons for providing their comments or otherwise to assist the Authority in the consideration of the above mentioned application of FTCL. Accordingly, the advertisement was published in one Urdu and one English National Newspaper on March 03 & 04, 2015.

(iii). Apart from the above, separate letters were also sent to Government Ministries, their Attached Departments, Representative Organizations and Individual Experts etc. on March 05, 2015. The said stakeholders were directed for submitting their views/comments for the assistance of the Authority.

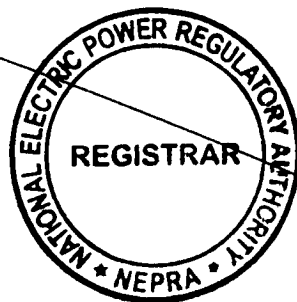


(C). Comments of Stakeholders

(i). In reply to the above, the Authority received comments from four (04) stakeholders. These included Central Power Purchasing Agency (CPPA) of National Transmission and Dispatch Company Limited (NTDC), Ministry of Water & Power (MoW&P), MEPCO and Alternative Energy Development Board (AEDB). The salient points of the comments offered by the above stakeholders are summarized in the following paragraphs: -


- (a). CPPA in its comments did not express any reservations to the Grant of SPTL to FTCL subject to fulfillment of regulatory requirement and consent of MEPCO;
- (b). MoW&P endorsed the above comments of CPPA;
- (c). MEPCO stated explained that Fatima Group was supposed to inject all the generated electric power to its Network for supplying to its designated BPCs through Wheeling. Whereas, now the group intends to transmit electric power from its Generation Facility/Co-Generation Power Plant of FEL to its own 132 KV Grid Station; and
- (d). AEDB supported the request of FTCL for the grant of SPTL.

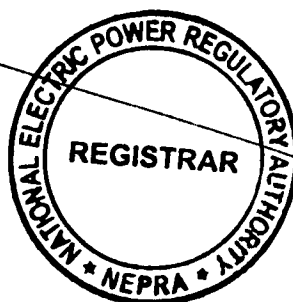
(ii). The Authority considered the above comments of the stakeholders, the provisions of the NEPRA Act, Transmission Licence granted to NTDC and the information provided by the FTCL. The Authority after detailed deliberations decided to hold a Public Hearing in the matter.



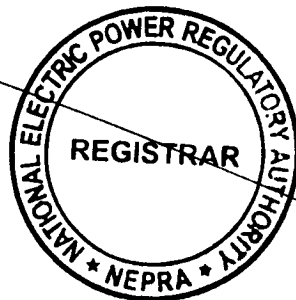
(D). Framing of Issues

(i). The Authority decided organizing the Public Hearing at its Headquarter in Islamabad. In order to make the Public Hearing more meaningful, the Authority also decided framing "Issues" for the proposed Public Hearing. These included the following:-

- (a). Has the company looked into the option of construction of the Transmission Line through suitable contractor and then handing over the same to NTDC through mutually agreed terms and conditions, thus absolving it the responsibility of having the proposed Special Purpose Transmission Licence-SPTL?
- (b). Can the Applicant justify that there is a Public Interest involved in laying the Transmission Line for which it intends to obtain the SPTL under Section-19 of the NEPRA Act?
- (c). What is the Experience of the Applicant/FTCL and its Management in the Electric Power Sector, especially in the Transmission Line Business?
- (d). What is the Ability of the Applicant/FTCL and its Management to raise the required funds for the construction of the proposed Transmission Line connecting the Generation F/Co-Generation Power Plant of FEL with 220/132 kV New Muzaffargarh Grid Station of NTDC?
- (e). Whether, the Applicant/FTCL has the required capability, expertise and other relevant skills to acquire the required Right of Way (RoW) for the construction of the proposed Transmission Line as stated above? — 



- (f). Does the Applicant/FTCL possess the required expertise and capability to Construct, Own, Operate and Maintain the proposed Transmission Line connecting FEL with 220/132 kV New Muzaffargarh Grid Station of NTDC;
- (g). In terms of Section-19 of the NEPRA Act, the Authority may grant SPTL in the exclusive Service Territory of the National Grid Company (i.e. NTDC). The Authority while granting the Transmission Licence has set the Voltage Level as 220 KV whereas, the Company has requested for SPTL with voltage level of 132 KV. Under the said provision, whether the company can be considered for the grant of SPTL or otherwise?
- (h). In terms of Section-2(xix) of the NEPRA Act the "Minimum Transmission Voltage" is set as 66 KV (or such other voltage). The Authority in the Transmission Licence of NTDC has fixed the Transmission Voltage as 220 KV or above. Whether, the said benchmark voltage for Transmission Licence of NTDC needs to be reviewed/looked into in the context of the current application of FTCL for the grant of SPTL or otherwise?
- (i). The understanding and ability of the Applicant/FTCL about the regulatory requirement as stipulated in Section-19 of the NEPRA Act (a). Provision of transmission and inter-connection services/facilities to NTDC (the National Grid Company-NGC); (b). Making available its Transmission Facilities to NTDC/NGC. — *a*



(j). How the Applicant/FTCL will be achieving the above objectives as explained at Para-(h) above. Which kind of physical set-up and communication facilities will be proposed by the applicant for the above arrangement? and

(k). Does the Applicant/FTCL possess the required Ability/Capability to follow the performance standards laid down by the Authority for transmission of electric power, including safety, health and environmental protection instructions issued by the Authority or any Government Agency?

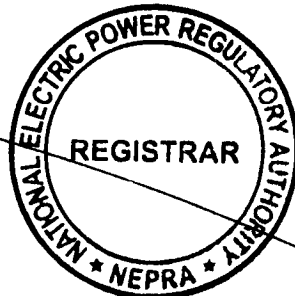
(ii). Accordingly, the Authority opted organizing the Public Hearing on May 14, 2014 at NEPRA Tower G-5/1, Islamabad. In order to encourage the participation of the general public, interested/affected parties and other stakeholders, notices were published in two (02) different newspapers including daily News (English) and Express (Urdu) on April 23, 2015.

(iii). Apart from the above, separate letters were also sent on April 30, 2015 to relevant Ministries of GoP, their attached Departments, Representative Organizations and Individual Experts etc. informing them about the date, time and venue of the proposed Public Hearing.

(E). Public Hearing

(i). The Public Hearing was held as per the schedule explained above. In the said hearing, various stakeholders participated which included representatives of the FG and its Legal Counsel (RIAA Law Associates), Sunder Industrial Estates (SIE), CPPA, NTDC and MEPCO.

(ii). The representatives of FG gave a detailed presentation on the activities of its group and the initiatives being taken to cope with electric power requirements of its Industrial Units. It was stated that FTCL is a public limited company, with the objective to construct, own and operate a Transmission Line

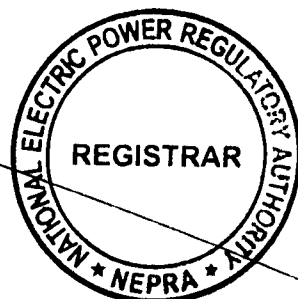


connecting FEL to National Grid. The representative submitted that the company carried out the Feasibility Study (including the Load Flow Study for the project through NTDC) and Environmental Study for the project. The Engineering for the work has been completed which included the Profile Survey and BOQ for 132 KV Transmission Line/Grid Station. Apart from the said, contract for Operation & Maintenance has been initialed. The legal counsel of FG/FTCL gave their point of view on the communicated issues of hearing.

(iii). On the issue of handing over the proposed Transmission Line to NTDC or MEPCO after its construction, the representatives of FG/FTCL submitted that various options were explored. However, considering the basic factor of uninterrupted supply of electric power to its group companies/industrial units, the group has decided to construct, own and operate the proposed Transmission Line connecting the Generation Facility/Co-Generation Power Plant of FEL with the 220/132 Grid Station of NTDC at Muzaffargarh.

(iv). Responding to the Public Interest involved in obtaining the proposed SPTL, it was submitted that Transmission of electricity by FTCL will play a vital role in the economic activity and growth of industrial sector of the country and will have a positive impact on the GDP of the country. The Govt. of Pakistan (GoP) is contemplating offering Transmission Line Project to the Private Investors. In this regard, the GoP has issued Policy Framework for Private Sector Transmission Line Projects 2015 to attract private investment in this segment of the electric power sector. The submitted proposal of FG/FTCL will pave the way to implement the said policy of the GoP.

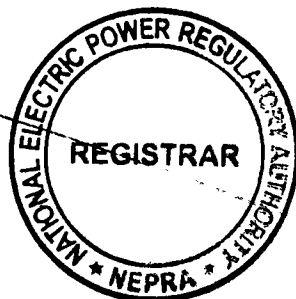
(v). About the Experience of Applicant/FTCL in the Transmission Line Business, it was stated that the sponsors of the project hired the services of leading consultants which are not only experienced but also very well reputed. The job is being done and well be completed through these seasoned professionals and experts.



(vi). In relation to the ability of the Applicant/FTCL and its Management to raise the required funds for the construction of the proposed Transmission Line, it was stated that FG has strong financial capability to fund the proposed project. It was clarified that the project is based on the assumption that NTDC will gain the required RoW for the construction of the Transmission lines. However, if NTDC refuses, FG/FTCL will be proposing attractive offer to acquire the RoW. It was also clarified that Applicant/FTCL has the acquired necessary capability, expertise and other relevant skills to acquire the required RoW for the construction of the proposed Transmission Line and to Construct, Own, Operate and Maintain the same connecting FEL with 220/132 kV New Muzaffargarh Grid Station of NTDC.

(vii). Regarding the issue of the Transmission Voltage, it was submitted that Section 2 (xix) of the NEPRA Act defines the "Minimum Transmission Voltage" as 66 KV or such other voltage that the Authority may determine to be the minimum voltage at which electrical facilities are operated when used to deliver electric power in bulk. Although the Authority has fixed the Transmission Voltage in the Transmission Licence of NTDC to be 220 KV but the NEPRA Act empowers the Authority to declare any voltage as Transmission Voltage. FTCL submitted that the Authority should take a flexible approach and take into account the public interest in this regard. FTCL presented that it is expected that the Authority will look at the larger picture which shall be beneficial to all the stakeholders in the long run. FTCL also confirmed that if granted SPTL, it will fully comply with the requirements of Section-19 of the NEPRA Act without any exception. Further, all the regulatory requirements for compliance on performance standards and environmental standards will also be adhered to.

(viii). Apart from the representatives from FG/FTCL, other participants including representatives from MEPCO, NTDC and CPPA were given opportunity to express their views. The representatives of MEPCO expressed that earlier the FG had envisaged that electric power from the Generation Facility/Co-Generation Facility of FG/FEL will be wheeled to the designated Bulk Power Consumers through the network of MEPCO. However, now FG/FEL/FTCL has totally changed the scheme and has decided constructing a 132 KV D/C Transmission Line for



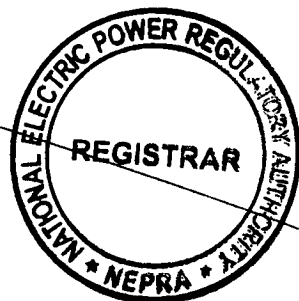
which SPTL is being pursued. On a query of the Authority, the representatives of MEPCO conceded that the application of FTCL is in line with the provisions of Section-19 of the NEPRA Act. Whereas, the representatives of NTDC and CPPA did not express any reservation to the grant of SPTL to FTCL.

(F). Grant of SPTL

(i). Energy is fundamental input to economic activity, and thus to human welfare and progress. The importance of electricity in the development of the economy of any country is beyond any doubt. The economic growth of any country is directly linked with the availability of safe, secure, reliable and cheaper supply of electricity. In view of the said reasons, the Authority is of the considered opinion that for sustainable development all indigenous resources of power generation must be developed on priority basis (in the public and private sector, including Coal, Hydel, Wind, Solar and other Renewable Energy resources).

(ii). The Supply Chain of Electric Power Sector (i.e. Generation, Transmission and Distribution) is very capital intensive, requiring huge investment in all the sectors. Traditionally, the power sector of Pakistan is dominated by Public Sector. However, with the passage of time the GoP has increased its expenditure on social sector thereby reducing fiscal space for the Power Sector. In consideration of the said, the GoP decided inviting Private Sector to invest in the Generation Business of the Electric Power Sector. The GoP has been able to attract considerable investment of the Private Sector through the implementation of the various Power Generation Policies. In view of the successful experience of the Independent Power Producers (IPPs), the GoP is now contemplating to invite Private Sector Investing in the Transmission Business of the Power Sector. In this regard, the GoP has formulated "Policy Framework for Private Sector Transmission Line Projects 2015", inviting the Private Sector to invest in this segment of the Electric Power Sector.

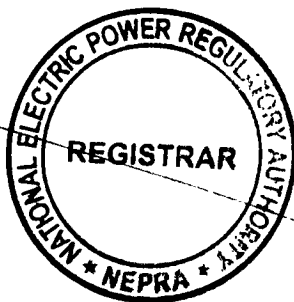
(iii). The Authority has observed that FEL is constructing a 120.00 MW Generation Facility/Co-Generation Power Plant which will utilize (a) bagasse



produced by sugar mill(s); (b) biomass from agriculture waste; and (c) imported coal as fuel. FEL holds a Generation Licence (No. SGC/96/2013, Dated December 31, 2013) which, inter alia, authorizes FEL to sell the electric power to designated BPCs. The said Generation Facility/Co-Generation Power Plant is now in construction phase.

(iv). Pursuant to the provisions of the NEPRA Act, FEL has embarked upon setting up a wheeling arrangement to transport electricity output from FEL to BPCs. Under the wheeling arrangement, the electricity generated from FEL will be supplied to the grid and withdrawn at exit points agreed with NTDC, host Distribution Company i.e. MEPCO and bulk power consumers. In spite of the hectic efforts of FEL and facilitation by the Authority, MEPCO expressed its inability to construct a 132 KV D/C Transmission Line connecting FEL with 220/132 KV Grid Station of NTDC due to lack of funds.

(v). The Authority has observed that FEL is developing a Generation Facility/Co-Generation Power Plant with an estimated cost of U.S. \$ 250.00 Million. The timely completion of the Interconnection and Dispersal facilities/Transmission Facilities from the Generation Facility/Co-Generation Power Plant to National Grid is critical for success of the said project failing which FG/FEL will be facing serious damage. The timely completion of the Transmission Facilities will ensure the required flows of revenues which will be utilized inter alia to fulfill the debt obligations and ensure smooth and uninterrupted operation of the Generation Facility/Co-Generation Power Plant. Any default or disruption in the revenue stream will create a difficult scenario for the project. In view of the said, a workable and robust Interconnection and Dispersal evacuation scheme/Transmission Facility is mandatory to make the project operational. However, inability of MEPCO to construct interconnection and Dispersal Arrangement/Transmission Facilities requires some alternate arrangement. Accordingly, FG/FTCL decided to undertake the construction, ownership and operation of SPTL for the purpose of Interconnection and Dispersal Arrangement connecting FEL with 220/132 KV Grid Station of NTDC. According to the proposed arrangement, the Interconnection and Dispersal Arrangement/Transmission Facilities will be constructed to connect the

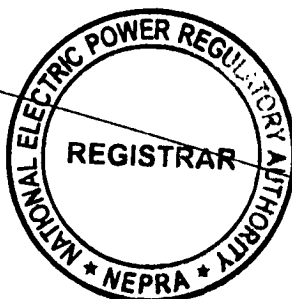


proposed 120.00 MW Generation Facility/Co-Generation Power Plant of FEL with to 220/132 KV New Muzafargarh Grid Station of NTDC. Further, a 132/11 KV Grid Station will also be constructed en-route by FTCL adjacent to a BPC of FEL in the name of Fazal Cloth Mills Limited-FCML. The Grid Station will supply Electric power to FCML through 11 KV feeder(s)/circuit. The proposal of FTCL is in line with the policy of the GoP to allow Private Sector to invest in the Transmission Business. In this regard, the Authority has observed that Section 19 of the NEPRA Act allows it to grant SPTL in Public Interest, in the area of a National Grid Company i.e. NTDC authorizing the licensee to engage in the construction, ownership maintenance and operation of specified transmission facilities on certain terms and conditions.

(vi). In consideration of the above, the Authority considers that the transmission of electric power from the proposed Generation Facility/Co-Generation Power Plant using the proposed Transmission facilities of FTCL will play a vital role in the economic activity and growth of industrial sector of the country. Therefore, approving the SPTL of FTCL will serve the public interest as envisaged in Section-19 of the NEPRA Act. The Authority is of the view that FTCL has complied with the requirements of the relevant provisions of the NEPRA Act and the Regulations, therefore FTCL qualified for the grant of SPTL.

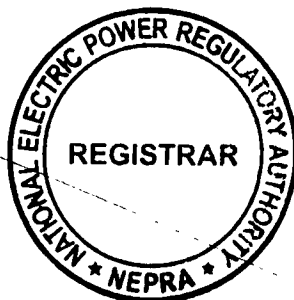
(vii). About the term of the proposed SPTL, the Authority clarifies that transmission facilities (including electrical circuits, transformers and sub-stations) normally have a useful life of more than thirty years. As explained above, the proposed Interconnection and Transmission Arrangement/Transmission Facilities will be used for dispersal of Electric Power from the under construction Generation Facility/ Co-Generation Power Plant of FEL. The Authority at the time of grant of Generation Licence to FEL has fixed the term to thirty (30) years from the Commercial Operation Date (COD) of FEL. In view the said, the Authority fixes the term of the proposed SPTL also to thirty (30) years from the date of its issuance.

(viii). Regarding the Tariff, it is hereby clarified that under Section-7(3)(a) of the NEPRA Act, the determining of tariff, rate and charges etc. is the sole prerogative of the Authority. The Authority directs FTCL to charge only such tariff



which has been determined, approved or specified by it. As explained above, the proposed Interconnection and Transmission Arrangement/Transmission Facilities will be used for dispersal of Electric Power from the under construction Generation Facility/Co-Generation Power Plant of FEL to be supplied to designated BPC(s). The matter of charges between FEL and its BPC(s) including the transmission charge of FTCL, is a bi-lateral issue and does not affect any third party therefore, the parties i.e. FEL, FTCL or BPC may agree the same mutually and approach the Authority for its approval. However, in case of any disagreement, FTCL will have the option to file a Tariff Petition in terms of NEPRA (Tariff Standards and Procedure) Rules, 1998 (the Tariff Rules), to get its transmission/wheeling charge, to be charged from FEL. Apart from the said, in case NTDC requires FTCL to provide transmission and inter-connection services then FTCL will also be required to file a Tariff Petition as stipulated in the Tariff Rules.

(ix). The proposed Transmission Facilities for which FTCL has sought a SPTL consists of overhead lines on lattice Steel Towers. In this regard, FTCL has confirmed that proposed Transmission Facilities will be compliant with the requirements of the applicable environmental laws and policy. The infrastructure and routing alternatives of the FTCL will be based on such environmental considerations including construction activities, RoW clearing and impacts of construction and operation of towers, access roads, substations and related facilities. In this regard, FTCL has confirmed that an Environmental Impact Assessment report/study had already been submitted to Environmental Protection Agency of Govt. of Punjab. The Authority has considered these aspects and has made FTCL obligatory to comply with the environmental rules and regulations. Further, the Authority directs FTCL to submit a copy of the No Objection Certificate confirming that its Transmission Facilities is operating in compliance with required Environmental Standards of the Environmental Protection Agency of GoPb.



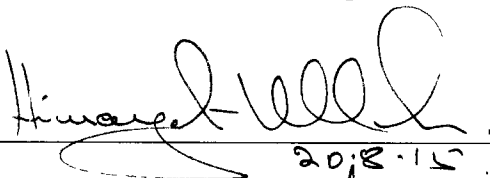
(x). In consideration of the above, the Authority hereby approves the grant of SPTL to FTCL on the terms and conditions as set out in the Licence annexed to this determination. The grant of SPTL will be subject to the provisions contained in the NEPRA Act, relevant rules, regulations framed thereunder and the Applicable Documents.

Authority

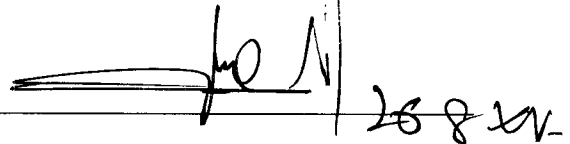
Syed Masood-ul-Hassan Naqvi
(Member)


_____ 28/8/15

Himayat Ullah Khan
(Member)


_____ 20/8/15

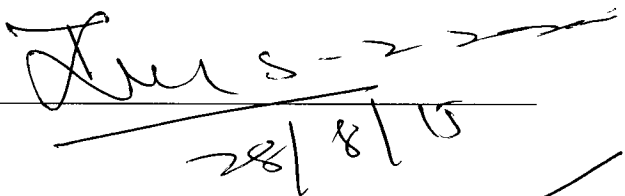
Khawaja Muhammad Naeem
(Member)

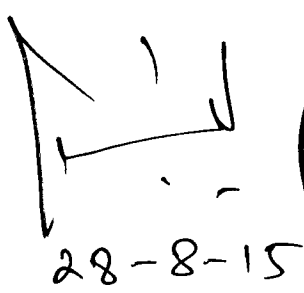

_____ 28/8/15

Maj. (R) Haroon Rashid
(Member)/(Vice Chairman)


_____ 27/8/15

Brig. (R) Tariq Saddozai
(Chairman)


_____ 28/8/15


28-8-15





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

SPECIAL PURPOSE TRANSMISSION LICENCE

No. SPTL/01/2015

In exercise of the Powers conferred upon the National Electric Power Regulatory Authority (NEPRA) under Section-19 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, the Authority hereby grants a Special Purpose Transmission Licence to:-

FATIMA TRANSMISSION COMPANY LIMITED

Incorporated Under Section-32 of the Companies Ordinance, 1984 (XLVII of 1984) Having Corporate Universal Identification No. 0091244
Dated December 26, 2014

for its Special Purpose Transmission Facilities Connecting the Generation Facility/Co-Generation Power Plant of Fatima Energy Limited to 220/132 New Muzaffargarh Grid Station (of NTDC), located in the Province of Punjab

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

Given under my hand this 28th day of August Two Thousand & Fifteen and expires on 27th day of August Two Thousand & Forty Five.

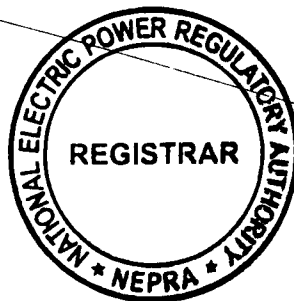

Registrar



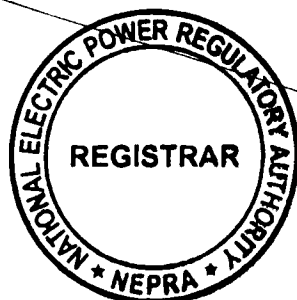
Article-1
Definitions

1.1 In this Licence unless there is anything repugnant in the subject or context:

- (a). "**Act**" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997);
- (b). "**Affiliate**" in relation to any person, means any person who owns or controls, or is owned or controlled by, or is under common ownership or control with, that person, and for the purpose of this definition:-
- (i). "**control**" means the right, power or ability to influence or determine any decision in respect of the conduct of affairs of the person under control; and
- (ii). "**ownership**" means the ownership or the right to own the shares or voting securities of the person owned;
- (c). "**Ancillary Services**" means the services ancillary or incidental to the safe, reliable, stable and efficient availability and utilization of electrical energy and net capacity and include without limitation, the following, namely:-
- (i). energy imbalance service;
- (ii). spinning reserve service;
- (iii). supplemental reserve service;
- (iv). reactive supply and voltage control service; and
- (v). regulation and frequency response service;



- (d). "Applicable Documents" means the NEPRA rules and regulations, the grid code and any document issued or instrument or determination made by the Authority under any of the foregoing or pursuant to the exercise of the powers of the Authority under the Act, 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.
- (e). "Authority" means the National Electric Power Regulatory Authority constituted under Section 3 of the Act;
- (f). "BPC" means the bulk power consumers of FEL;
- (g). "CPPA-G" means the Central Power Purchasing Agency Company (Guarantee) Limited;
- (h). "FEL" means Fatima Energy Limited and its successors or permitted assigns, granted a Generation Licence No. SGC/96/2013 dated December 31, 2013 by the Authority under Section 15 of the Act;
- (i). "Laws" include all statutes, rules and regulations made pursuant thereto, judicial decisions, in each case as may be notified to the Licensee or its Affiliates;
- (j). "Licence" means this Special Purpose Transmission Licence;
- (k). "Licensee" means Fatima Transmission Company Limited and its successors or assigns;

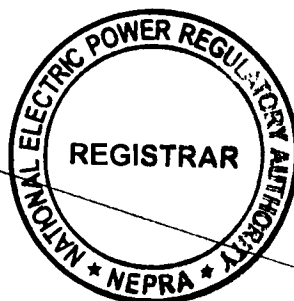


- (l). "NTDC" means National Transmission and Despatch Company Limited and its successors or permitted assigns which has granted a Transmission Licence (No. TL/01/2002, dated December 31, 2002 as amended from time to time) under Section 17 and Section 7(4) of the Act;
- (m). "Public Sector Entity" means any authority, agency, division or instrumentality of the Federal or Provincial Government or a local authority but does not include the Authority;
- (n). "Rules" means the National Electric Power Regulatory Authority rules made under Section 46 of the Act;
- (o). "Transmission Business" means the business of transmission of electric power carried on or to be carried on by the Licensee pursuant to and in accordance with the terms of this Licence in planning, development, construction and maintenance of the transmission facilities of the Licensee and operation of such facilities for the transmission of electric power including the inter-connection services;

1.2 Words and expressions used but not defined herein bear the meaning given thereto in the Act or in the Rules.

Article-2
Grant of Licence

2.1 This Licence is granted to the Licensee in terms of Section 19 of the Act and the Applicable Documents to construct, own, maintain and operate specified transmission facilities connecting the generating facility/co-generation power plant of FEL with 220/132 KV Muzaffargarh Grid Station of NTDC, as set out in Schedule-I to this Licence.



2.2 The details specific to the transmission facilities of the Licensee, including length of line, transmission line type (underground/overhead), connecting grids, technical limits, technical functional specifications and other information are set out in Schedule-II of this Licence.

Article-3
Licence fee

The Licensee shall pay to the Authority the licence fee, in the amount, manner and time specified in the National Electric Power Regulatory Authority (Fees) Rules, 2002.

Article-4
Term and Renewal of Licence

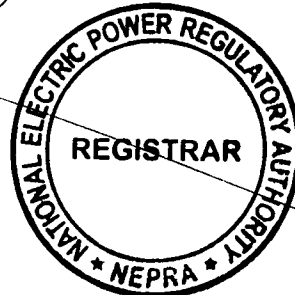
4.1 This Licence is granted to the Licensee for a term of thirty (30) years from the date of its issuance.

4.2 Subject to the provisions of the National Electric Power Regulatory Authority (Application & Modification) Procedure Regulations, 1999 the Authority may renew this Licence for such further term as deemed appropriate.

4.3 While considering renewal of Licence the Authority may keep in view the performance of the Licensee during the then expiring term and the interests of consumers and the electric power industry as a whole.

Article-5
Revocation and Suspension

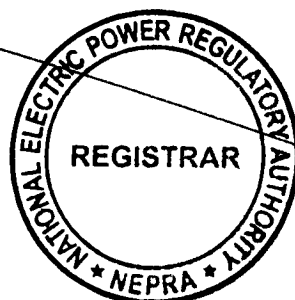
5.1 Subject to Section 28 of the Act, the Authority may suspend or revoke this Licence upon the persistent failure of the Licensee to comply with the terms and conditions of the Licence.



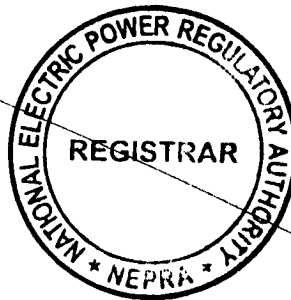
5.2 The Authority shall determine, on a case to case basis, the degree of recurrence of a specific breach of any term or condition of this Licence, provided that a breach shall be deemed to be recurring on a daily basis where the effects of breach are continuing beyond the time of breach and no measures for rectification thereof are undertaken by the Licensee to the satisfaction of the Authority.

5.3 Subject to the provisions of sub-articles 5.2 and 5.4, the occurrence of the following events shall constitute failure of the Licensee to comply with the terms and conditions of this Licence:-

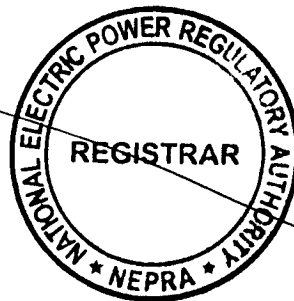
- (a). failure of the Licensee to pay the licence fee when due;
- (b). a breach by the Licensee of any of the provisions of the Applicable Documents which materially and adversely affects the standards, price and quality of service, the reliability and integrity of the transmission facilities, distribution systems or any generation facility, or the safe and efficient operation of the electric power industry, save where such breach occurs without the willful or negligent default of the Licensee;
- (c). failure of the Licensee to prepare or adhere to any codes, programmes or manuals required to be prepared by the Licensee and, where applicable, obtain approval of the Authority, where such failure has a material adverse effect on the performance by the Licensee of its obligations under the Applicable Documents;
- (d). except for the purposes of an amalgamation, reconstruction or re-organisation of the Licensee approved by the Authority, the occurrence of any of the following events:-
 - (i). the passing of a resolution by the shareholders for the winding-up of the Licensee, with the majority required under the Companies Ordinance, 1984 (XLVII) of 1984, to give effect to such resolution;



- (ii). the appointment of a receiver, official assignee or administrator of the affairs of the Licensee which appointment has not been set aside or stayed within ninety (90) days of the date of such appointment; or
 - (iii). the making by a court of competent jurisdiction of an order for the winding-up of the Licensee that has not been stayed or set aside within thirty (30) days of the date of the order;
- (e). abandonment by the Licensee of the operation of the Transmission Business or any part thereof;
- (f). the incurring by the Licensee of cumulative operating losses in an amount which materially and adversely affects, or is likely to affect, the financial viability of the Licensee and which disables or is likely to disable the Licensee from carrying out its Transmission Business and the failure of the Licensee to implement measures for improvement of its financial position within the time limit and with the results specified in this behalf by the Authority;
- (g). the assignment or transfer of this Licence or the transfer, conveyance, loss or relinquishment by the Licensee of the ownership or control or the right to own, control or operate the Transmission Business or any material part thereof without an authorization in accordance with the provisions of the Act or this Licence, except where such transfer, conveyance, loss or relinquishment is effected pursuant to a contract approved by the Authority for the management or operation of the transmission facilities by a person other than the Licensee;



- (h). any statement or representation made or information provided by the Licensee in the application for this Licence or subsequently on the directions of the Authority or pursuant to any Applicable Documents proving to have been incorrect, inaccurate or misleading in any material aspect and having a material adverse effect on the ability of the Licensee to perform its obligations under this Licence or causing the Authority to issue or renew this Licence in the belief of the accuracy and correctness of such statement, representation or information irrespective of whether or not the Authority would have issued this Licence if it had knowledge of the inaccuracy of such statement, representation or information;
- (i). the exercise by the lenders, if any, of the Licensee of their remedies under the documentation relating to loans by such lenders in respect of the Transmission Business, where the exercise of the remedies renders the Licensee incapable of performing its obligations in its own right under this Licence or the Applicable Documents including, without limitation, the removal of the management of the Licensee from the control of the Transmission Business and the failure of the Licensee to obtain approval of the Authority for the appointment of the successor management within one hundred and twenty (120) days after such removal;
- (j). any default by the Licensee in the making of any payment, other than the Licence fee, required to be made by it under the Applicable Documents within ninety (90) days of the due date thereof; or



- (k). failure of the Licensee to comply with the objects, terms and articles of this Licence due to supervening impossibility notwithstanding the best efforts of the Licensee to comply, where such non-compliance continues for a period of ninety (90) days consecutively or for a cumulative period of one hundred and twenty (120) days in a calendar year.

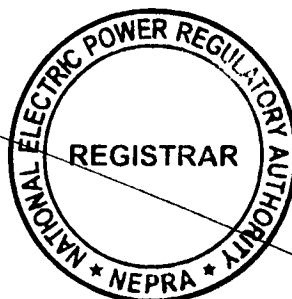
5.4 Notwithstanding the provisions of this Article, the Authority shall not revoke or suspend this Licence where the Licensee demonstrates to the satisfaction of the Authority that the breach of the terms of the Licence is a direct result of the failure of the Licensee to obtain consent or its renewal except where such consent is not granted or renewed because of the failure or inability of the Licensee to comply with the laws in relation to such consent or renewal and without providing an opportunity of hearing.

5.5 Any decision to suspend or revoke this Licence shall be taken in accordance with the Act and the Applicable Documents.

Article-6
Procurement of Electric Power

6.1 The Licensee shall ensure that neither the Licensee nor any of its Affiliates or related undertakings on its own or in concert with others purchases electric power for the purpose of sale to a third party.

6.2 The Licensee shall not take any measure to prevent or unduly delay changes to Applicable Documents to which it is a party and are required for the development of competitive electricity market and complete and timely enforcement and operation of competitive electricity market.



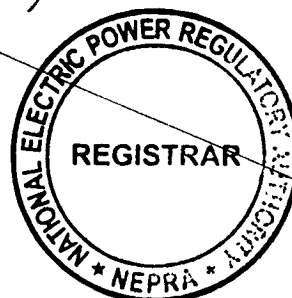
Article-7
Accounting Practices and Audit

7.1 Subject to and in accordance with the terms of this Licence, the Licensee shall prepare the accounts of its business and other businesses, if any, in accordance with the Act and the Applicable Rules.

7.2 The Licensee shall ensure that the Licensee and each of its Affiliates maintains accounting and financial reporting arrangements which enable separate accounts to be prepared for each separate business and showing the financial affairs of each such separate business as if it were a separate company so that the revenues, costs, assets, liabilities, capital, reserves and provisions of or reasonably attributed to, each separate business are separately identifiable in the books of the Licensee and its Affiliates from those of any other business, in sufficient detail.

7.3 The Licensee and any of its Affiliates shall:-

- (a). maintain and preserve the books of account and accounting records in respect of each financial year for a period of five(5) years; and
- (b). prepare on a consistent basis for such financial records in respect of each financial year, accounting statement comprising of a profit and loss account, balance sheet and a statement of source and application of funds, together with notes thereto, and showing separately in respect of each separate business and in appropriate detail the amounts of any revenue, costs, assets, liability, reserve or provision which has been either:-
 - (i). charged from or to any other business, whether or not a separate business, together with a description of the basis of that charge; or



- (ii). determined by apportionment or allocation between any separate business together with a description of the basis of the apportionment or allocation.

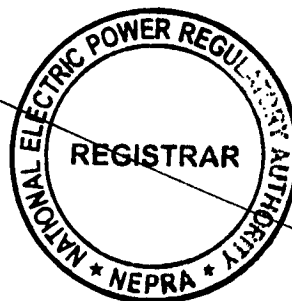
7.4 Without prejudice to the provisions of the Applicable Documents regarding the audit of the accounts of the Licensee, the Authority may, after giving the Licensee an opportunity to be heard in this regard, appoint independent auditors of national repute from amongst a panel of auditors specified in this behalf by the Authority through a notification in the official Gazette, for the audit of the accounts of the Licensee, where the Authority has reason to believe that the accounts provided to the Authority by the Licensee do not provide a complete, true and fair view of the Transmission Business or any separate business of the Licensee, provided that such audit shall be restricted to accounting matters under question and shall not be carried out more than once in a financial year.

7.5 The costs of audit as referred to in sub-article 7.4 shall be borne by the Licensee.

7.6 The Licensee shall ensure that the accounting statements in respect of each financial year prepared under sub-article 7.3 (b) and report of the Auditor in respect of each financial year are made available to any person requesting them at a price not exceeding fair copying charges.

Article-8
Open Access

8.1 Subject to Section 19 of the Act, the Licensee shall offer its transmission and inter-connection services to NTDC and others on such terms and conditions as may be determined by the Authority.



8.2 The Licensee in consultation with NTDC shall administer its transmission access (offer to connect) in a fair, transparent and open manner setting out rules, policies, procedures and charges as described in this Licence or Applicable Documents to be developed by the Licensee and approved by the Authority.

Article-9
Tariff

9.1 The Licensee shall submit to the Authority a petition for the determination of tariff in respect of its Transmission Business within one eighty days (180) days of the grant of this Licence. The Authority shall determine tariff of the Licensee pursuant to NEPRA (Tariff Standards and Procedure) Rules, 1998.

9.2 The Licensee shall make available to general public the tariff specifying the rates, charges and other terms and conditions for transmission and inter-connection services determined by the Authority.

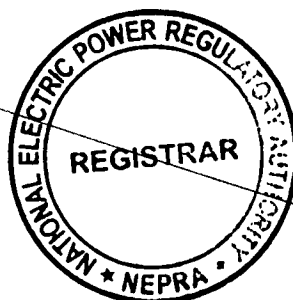
Article-10
Grid Code

The Licensee shall comply with the provisions and terms and condition of Grid Code prepared by the NTDC and approved by the Authority as amended from time to time.

Article-11
Compliance with Distribution Codes

11.1 The Licensee shall comply with the relevant provisions of the Distribution Code of any distribution licensee to the extent applicable to the Licensee in the discharge of its obligations under this Licence.

11.2 The Licensee shall comply with any request of a distribution company with respect to its obligations to comply with the Distribution Code so long such compliance by the Licensee is not in violation of the Grid Code.



Article-12
Functional Separation

12.1 The Licensee shall ensure that none of its core businesses shall be held or carried on through any Affiliate or related undertaking of the Licensee.

12.2 The Licensee shall ensure that any of the businesses of the Licensee other than core businesses (non-core activity) shall be held by or through wholly owned subsidiaries of the Licensee.

Article-13
Commercial Code

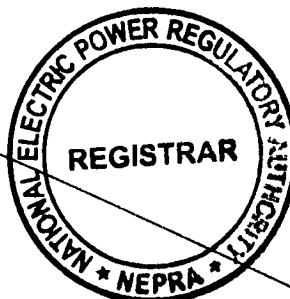
The Licensee will comply with all relevant provisions in the Commercial Code approved by the Authority relevant to transmission, reliable operation, balancing and Ancillary Services and provision of information to CPPA-G.

Article-14
Acquisition and Disposal of Assets

The Licensee shall not, except under prior authorisation of the Authority, sell or dispose in any manner any tangible assets comprised in the transmission facilities or any intangible assets accruing or likely to accrue to the Licensee from the Transmission Business.

Article-15
Compliance with Performance Standards

The Licensee shall comply with the relevant provisions of the National Electric Power Regulatory Authority Performance Standards (Transmission) Rules 2005 as amended from time to time.



Article-16
Security Standard and Quality of Service

16.1 The Licensee shall plan, construct, own, operate and maintain its transmission facilities in accordance with the Grid Code and subject to the approval of the Authority.

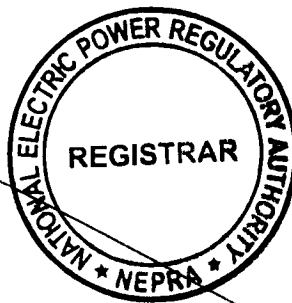
16.2 Within three (3) months after the end of each financial year the Licensee shall submit to the Authority a report providing details of the performance of the Licensee during the previous financial year in maintaining the security, availability and quality of service of its transmission facilities.

16.3 The criteria referred to in Article 16.2, against which the performance of the Licensee will be measured will be set out in a statement drawn up consistent with NEPRA Performance Standards (Transmission) Rules, 2005 and approved by the Authority in consultation with the Licensee.

16.4 The Authority may following consultation with the Licensee and, where appropriate with other licensees, issue directions relieving the Licensee of its obligations under Article 16.1 in respect of certain parts of the transmission facilities of the Licensee.

Article-17
Compliance with Environmental Standards

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



Article-18
Availability of Resources

18.1 The Licensee shall at all times act in a manner to ensure that it has sufficient management and financial resources to enable it to:

- (a). carry out the Transmission Businesses; and
- (b). comply with its obligations under this Licence, the Act and the Applicable Documents.

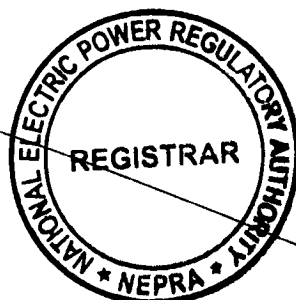
18.2 No later than two (2) calendar months following the beginning of each financial year, the Licensee shall submit a statement in writing to the Authority informing the Authority of its ability (or inability as the case may be) to fulfill its obligations under Article 18.1.

18.3 The Licensee shall, as soon as it becomes aware, notify the Authority of any circumstances that may prevent it from fulfilling its obligations under Article 18.1.

Article-19
Industry Standards and Codes of Conduct

19.1 The Licensee shall participate in such measures and activities as may be initiated by the Authority for the development of industry standards and uniform codes of conduct.

19.2 The Licensee shall be obliged to comply with such industry standards and uniform codes of conduct which may be specified by the Authority as having a bearing on the safety, reliability, stability, integrated operability and efficiency of the whole or a material part of the electric power system.



Article-20
Insurance

The Licensee may obtain and maintain such policies of insurance as deemed fit and appropriate in accordance with the prudent utility practices.

Article-21
Maintenance of Records

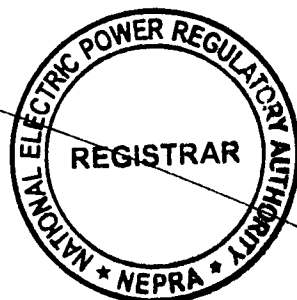
21.1 The Licensee shall keep complete and accurate records and data in respect of all aspects of each of its separate businesses. All such records and data shall, unless provided otherwise under the Laws or the Applicable Documents, be maintained for a period of five (5) years after the creation of such record or data.

21.2 The Authority may authorize its any officer/professional staff to inspect documents, record and data as may be necessary to carry out the purposes of the Act and the Applicable Documents, at any time without prior notice to the Licensee.

21.3 For the purposes of sub article 21.2, the authorized officer/professional staff shall have full and free access to any premises, place, documents or work station and may make copy of relevant record, information and data as may be necessary for the purposes of the Act and the Applicable Documents. The Licensee shall provide all reasonable facilities and assistance to ensure the effective exercise of the right of inspection.

Article-22
Safety to Public

The Licensee shall plan, design, operate and maintain its transmission facilities in such a manner so as not to endanger public life or property.



Article-23
Health and Safety of Employees

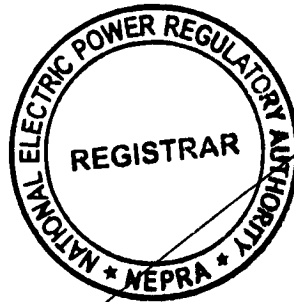
The Licensee shall arrange and maintain appropriate machinery in respect of the health and safety of the employees of Licensee at work.

Article-24
Provision of Information to the Authority and General Public

Pursuant to Section 44 of the Act, the Licensee shall furnish to the Authority, in such manner and at such times as the Authority may require, such information and shall procure and furnish such reports, as the Authority may require and deem necessary.

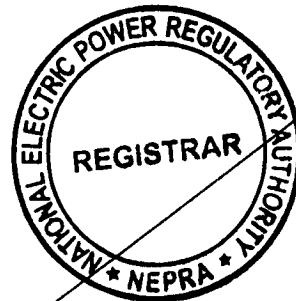
Article-25
Interpretation of the Licence Provisions

The Authority shall, in accordance with the provisions of the Act make the interpretation of any or all of the provisions of this Licence. The decision of the Authority in this regard shall be final.

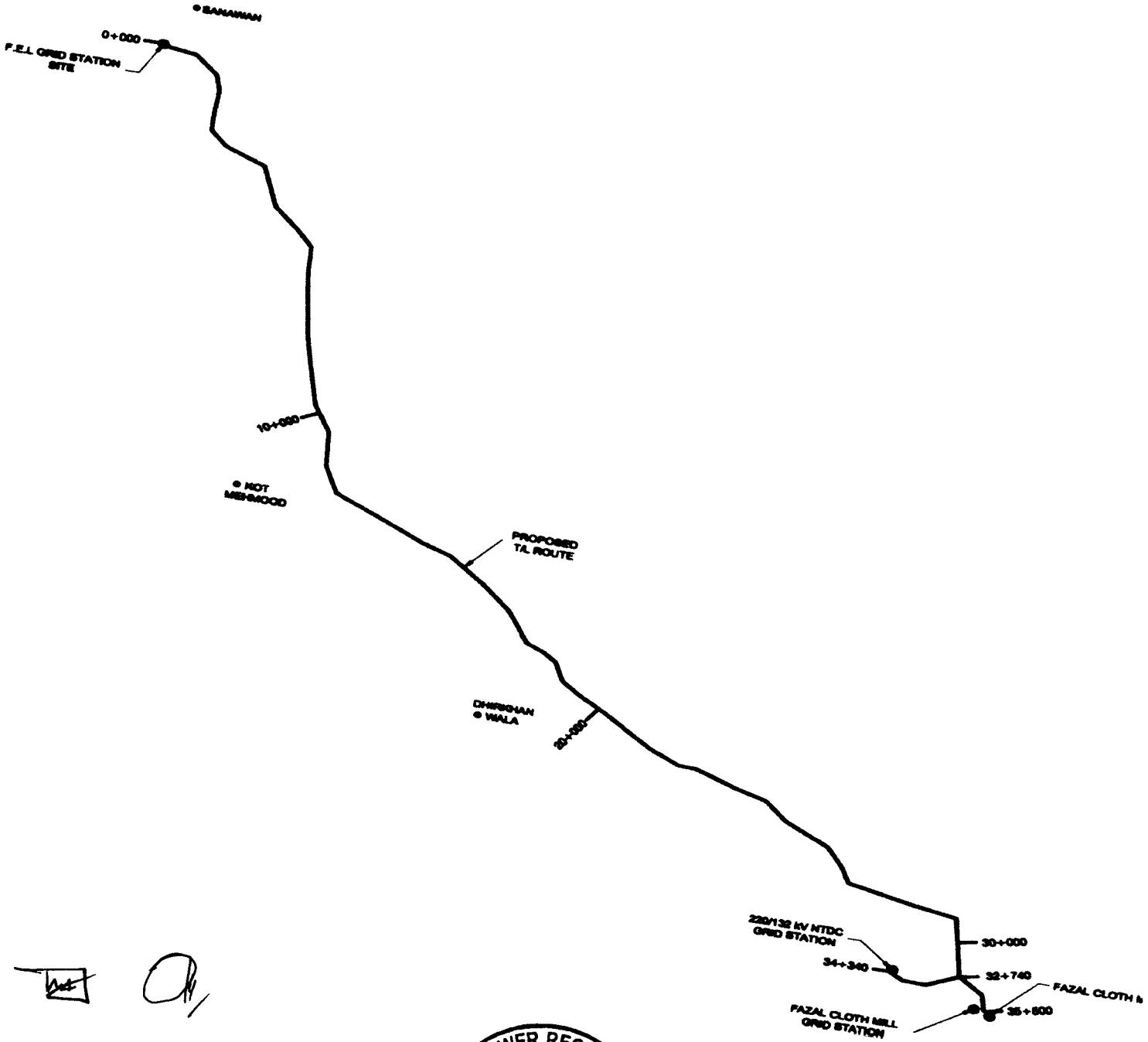


SCHEDULE-I

The Specified Transmission Facilities the Licensee is allowed to construct, own, maintain and operate for connecting the generating facility/co-generation power plant of Fatima Energy Limited-FEL with 220/132 KV Muzaffargarh Grid Station of NTDC is set out in this Schedule

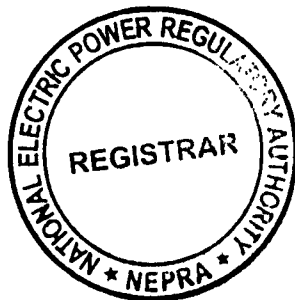


Route of The Transmission Facilities From Generation Facility of Fatima Energy Limited to New 220/132 KV Muzaffargarh Grid Station

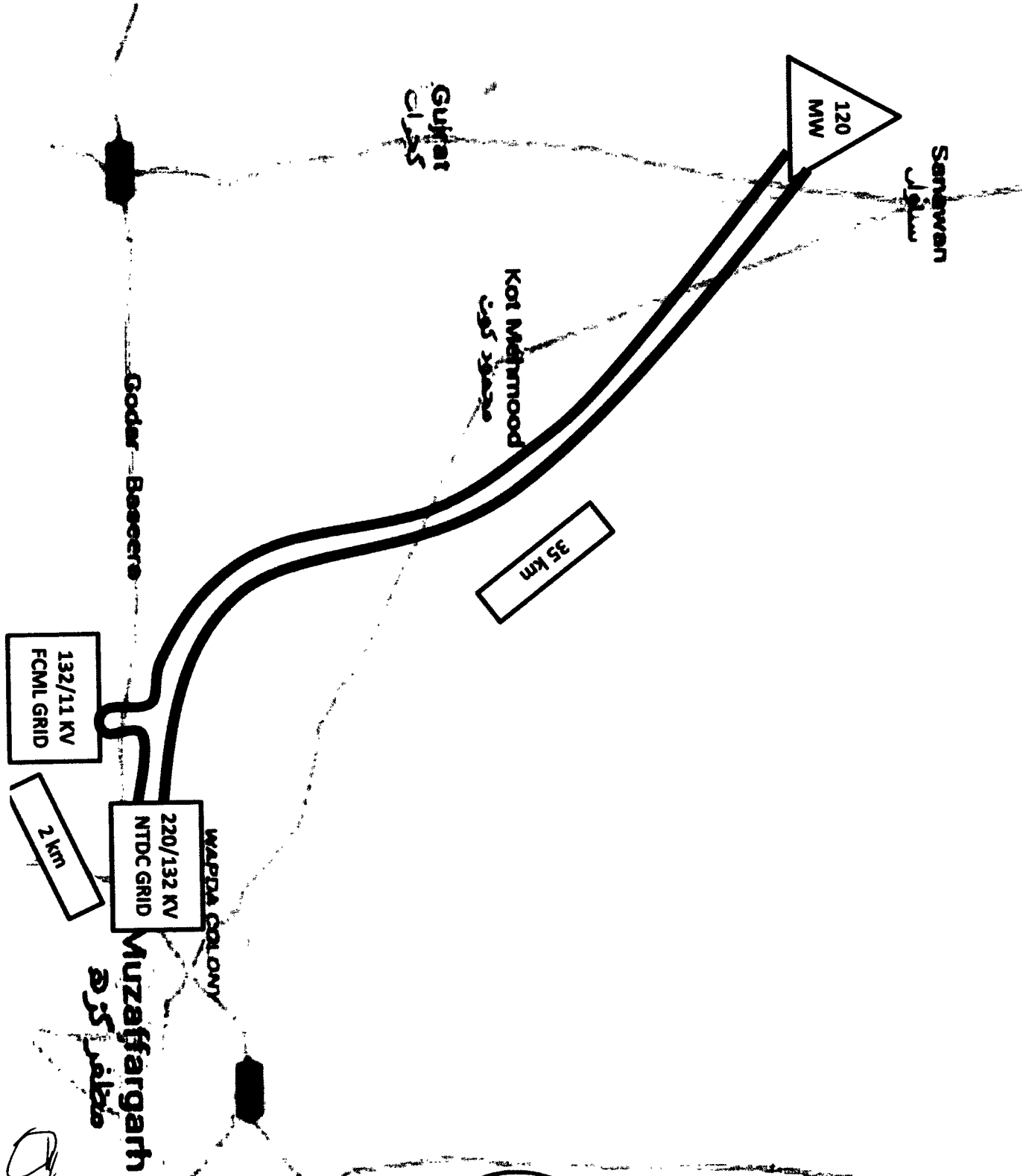


Handwritten initials/signature

Handwritten signature

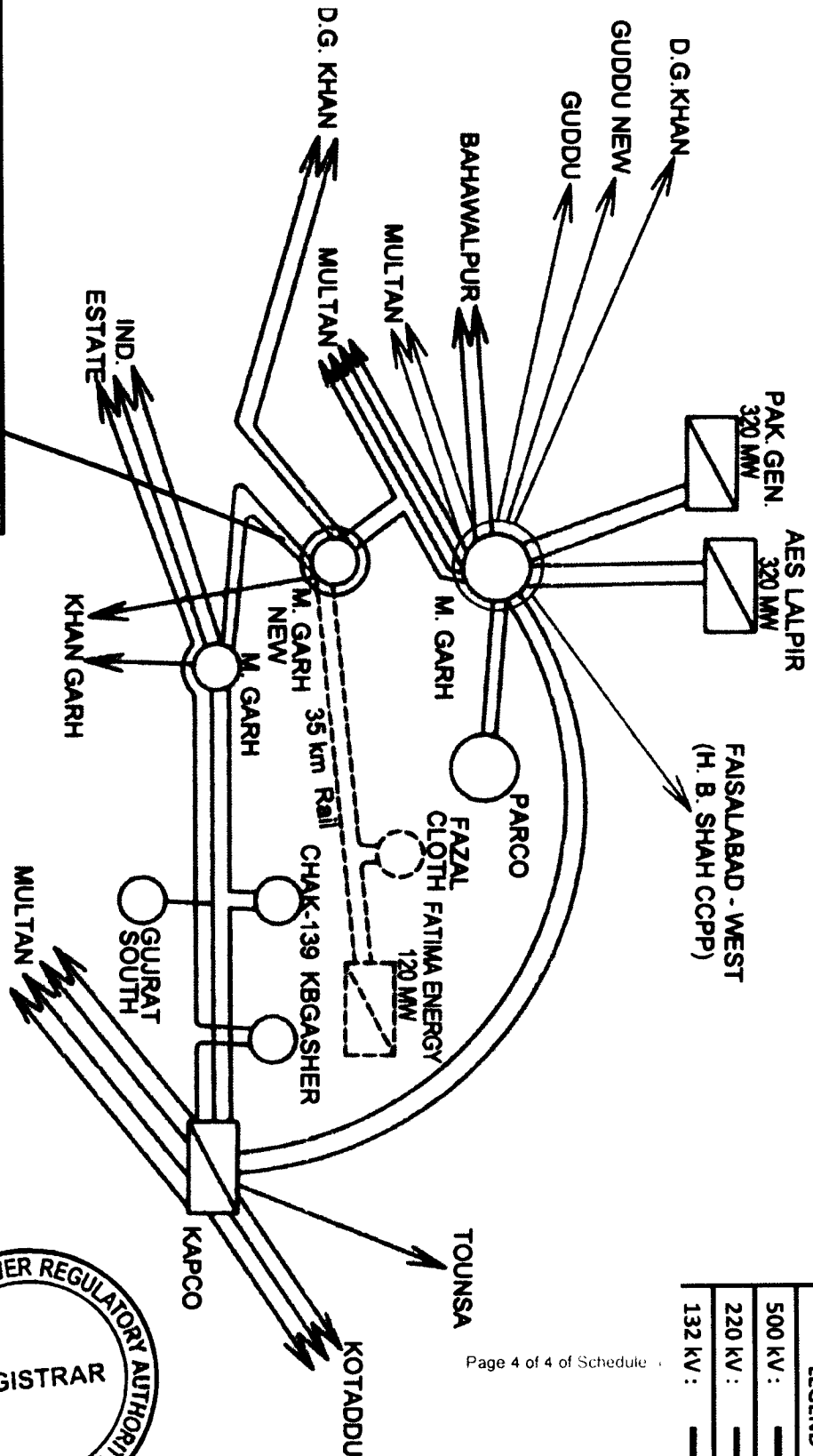


Schematic Diagram of The Transmission Facilities
From Generation Facility of Fatima Energy Limited to New
220/132 KV Muzaffargarh Grid Station



**Interconnection Arrangement
 For Dispersal of Electric Power From Generation Facility of
 Fatima Energy Limited to New 220/132 KV Muzaffargarh
 Grid Station**

Muzaffargarh New 220/132 kV Grid Station
ACSR Rail Conductor measuring 35km
132kV Double Circuit Transmission Line



LEGEND

500 kV :	—————
220 kV :	—————
132 kV :	—————



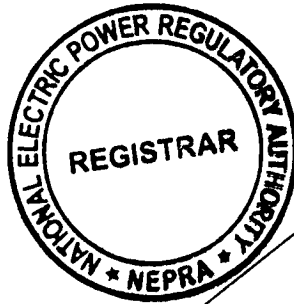
Handwritten signatures and initials are present in the bottom left corner of the page.

SCHEDULE-II

The details specific to the Transmission Facilities of the Licensee, including length of line, transmission line type (underground/overhead), connecting grids, technical limits, technical functional specifications and other information are described in this Schedule.

Handwritten mark

Handwritten mark



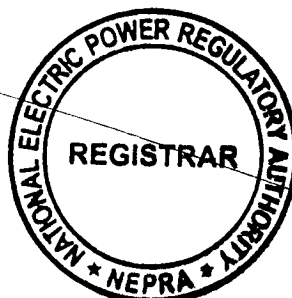
**Detail of
 Transmission Facilities
 of the Licensee**

(A). General Information

(i).	Name of Company/ Licensee	Fatima Transmission Company Limited
(ii).	Registered/Business Office	E-110, Khayaban-e-Jinnah, Lahore Cantt, in the Province of Punjab
(iii).	Location of the Transmission Facilities	From the outgoing bus bar of the 120 MW Generation Facility/Co-Generation Power Plant of Fatima Energy Limited (FEL) located at Sanawan, Mehmoodkot, district Muzaffargarh to 220/132 ^{KV} New Muzaffargarh Grid Station of NTDC, located at Muzaffargarh and an In-Out of one circuit at 132 KV/11 KV Grid Station of Fazal Cloth Mills Limited (FCML) in the Province of Punjab.
(iv).	Type of Transmission Facilities	Overhead Transmission Line (T/L)

(B). Transmission Facilities

(i).	Type of Transmission Facilities	Overhead Transmission Line on Lattice Steel Towers
(ii).	Transmission Line	Double Circuit (D/C)
(iii).	Connecting Grid	From outgoing Bus Bar of FEL to New Muzaffargarh Grid Station of NTDC & IN-Out of One Circuit of the Transmission Line at 132/11 KV Grid of FCML
(iv).	Voltage Level	132 KV
(v).	Length of Transmission Line	37-KM
(vi).	Type of Conductor	ACSR Rail Conductor



(C). **Bill of Quantity (BOQ) for the T/L**

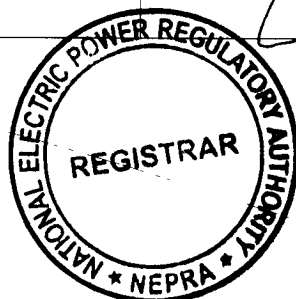
(i).	Type of Tower	ZM Series (i.e. ZM-1, ZM-30° & ZM-60°)
(ii).	Tower Type ZM-1	112 No.
(iii).	3-Meter Leg Extension for ZM-1	004 No.
(iv).	6-Meter Leg Extension for ZM-1	004 No.
(v).	Tower Type ZM-30°	008 No.
(vi).	3-Meter Leg Extension for ZM-30°	002 No.
(vii).	Tower Type ZM-60°	010 No.
(viii).	3-Meter Leg Extension for ZM-60°	002 No.
(ix).	Grounding Set	130 No.

(D). **Conductor & Earth Wire**

(i).	Length of ACSR Conductor	228.66 KM
(ii).	Earth Wire (9-MM)	038.11 KM

(E). **Hardware for Conductor**

(i).	Single Suspension Fitting for ACSR Rail Conductor	672 Sets
(ii).	Single Tension Fitting for ACSR Rail Conductor	216 Sets
(iii).	Mid Span Joint for ACSR Rail Conductor	070 No.
(iv).	Repair Sleeve Joint for ACSR Rail Conductor	035 No.



(v).	PG Clamp for ACSR Rail Conductor	264 No.
(vi).	Stock Bridge Damper for ACSR Rail Conductor	1560 No.

(F). **Hardware for Earth Wire**

(i).	Single Suspension Fitting for Earth Wire	112 Sets
(ii).	Single Tension Fitting for Earth Wire	036 Sets
(iii).	Mid Span Joint for Earth Wire	030 No.
(iv).	Repair Sleeve Joint for Earth Wire	NIL
(v).	Stock Bridge Damper for Earth Wire	260 No.

(G). **Insulators**

(i).	Disc Insulators (80 KN)	9119 No.
------	-------------------------	----------

