



Registrar

# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

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No. NEPRA/R/TRF-99/SPL-2008/255-257  
January 16, 2009

Subject: **Decision of the Authority regarding Motion for Recalculation filed by Saif Power Ltd. (SPL) Pursuant to Rule 16(5) of NEPRA (Tariff Standards and Procedure) Rules, 1998 [Case No. NEPRA/TRF-99/SPL-2008 (3)] - Intimation of Determination of Tariff pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997)**

Dear Sir,

In continuation of this office letter No. NEPRA/R/TRF-99/SPL-2008/558-60 dated October 21, 2008 whereby determination of the Authority on Saif Power Ltd. was sent. Please find enclosed herewith the decision of the Authority along with Annexes-I, II & III (12 pages) in the matter of Motion for Recalculation filed by Saif Power Ltd. against Case No. NEPRA/TRF-99/SPL-2008 (3).

2. Subsequent to the culmination of proceedings in the subject Motion for Recalculation the decision of the Authority along with Annexes-I, II & III (12 pages) is being intimated to the Federal Government for the purpose of notification of the specified tariff, in the official Gazette pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997) read with Rule 16(11) of the National Electric Power Regulatory Authority Tariff (Standards and Procedure) Rules, 1998.

3. Please be informed that the Reference Tariff earlier intimated vide para 11 of the Authority's determination dated October 21, 2008, stands revised to the extent as detailed in para 3 of the decision of the Authority on the subject motion along with Annexes-I, II & III needs to be notified in the official Gazette.

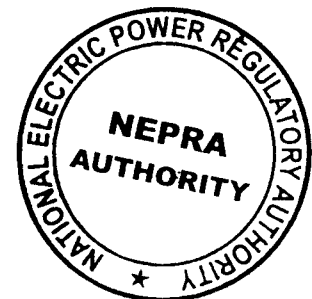
Enclosure: As above

Secretary  
Cabinet Division,  
Government of Pakistan  
Cabinet Secretariat  
Islamabad

CC:

1. Secretary, Ministry of Water & Power, Islamabad.
2. Secretary, Ministry of Finance, Islamabad.

( Hussnain Zaigham )





**DECISION OF THE AUTHORITY REGARDING MOTION FOR RECALCULATION FILED BY  
SAIF POWER LIMITED (SPL) PURSUANT TO RULE 16 (5) OF TARIFF STANDARDS AND  
PROCEDURE RULES – 1998**

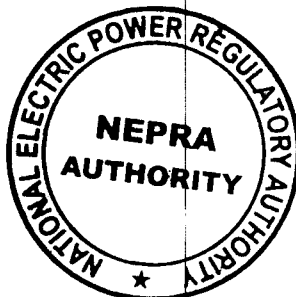
Saif Power Limited vide letter No. SPL/NEPRA/2008/58 dated December 26, 2008 filed motion for recalculation pursuant to Rule 16(5) of the Tariff Standards and Procedure Rules – 1998 against the Authority's determination dated October 21, 2008. SPL in its motion for recalculation mentioned that:

- i) SPL inadvertently mentioned 75:25 as the project's debt equity ratio in place of actual debt-equity ratio of 80:20 in the tariff modification petition dated May 26, 2008. This inadvertent error got reflected in the modified tariff determine by the Authority on October 21, 2008.
  - ii) With the modified tariff specifying 75:25 debt-equity ratio, the lenders have expressed reluctance to disburse funds claiming it to be inconsistent with the term sheets and financing documents which have serious implications on the project.
2. In view of the above, SPL vide letter No. SPL/NEPRA/2009/59 dated January 1, 2009 requested to:
- i) Condone the delayed time period for filing motion for recalculation
  - ii) Accept the motion for recalculation based on an inadvertent error.
3. Having considered the request of the SPL, the Authority is of the view that the project is at advance stage and any delay in disbursement by the lenders may result in delay in Commercial Operation Date (COD), which under the prevailing power shortage may not be acceptable. Since the change in debt-equity ratio does not have material impact on the overall levelized tariff i.e. from Rs. 4.9528 /kWh (US Cents/kWh) to Rs. 4.9457 (Us Cents/kWh) on operation on gas and from Rs. 15.4601/kWh (US Cents 18.861/kWh) to Rs. 15.453 /kWh (US Cents 18.8524/kWh) on operation on HSD, therefore SPL's request is being accepted. After considering all the relevant aspects of the case, the Authority has decided to change the debt-equity ratio of SPL from 75:25 to 80:20. Accordingly Order of the Authority dated October 21, 2008 has been revised / modified which is given hereunder:

**REVISED/MODIFIED ORDER**

The Authority has assessed the project cost as per the breakup given hereunder;

- |      |                     |                 |
|------|---------------------|-----------------|
| i)   | EPC;                |                 |
|      | US\$                | 93,068,800      |
|      | Euro                | 47,501,000      |
| ii)  | Rupee/Euro parity   | Pak Rs. 110.428 |
| iii) | Rupee/Dollar parity | Pak Rs. 81.9683 |
- } equivalent  
US\$ 157.06 m



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iv)	Piling Work and Soil Investigation	US\$ 2.12 million
v)	Non-EPC	US\$ 16.26 Million
vi)	Lenders Advisory Fee	US\$ 2.94 Million
vii)	Custom Duties	US\$ 5.50 Million
viii)	Taxes	US\$ 1.88 million
ix)	IDC	US\$ 27.42 Million
	<b>Total Project Cost</b>	<b>US\$ 213.173 million</b>
	Debt (80%)	US\$ 170.54
	Equity (20%)	US\$ 42.63

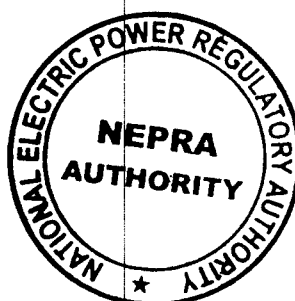
Based upon the above assessment of Project Cost the Reference Tariff determined by the Authority is indicated in the following table:

#### REFERENCE TARIFF

Tariff Components	Year 1 to 10	Year 11 to 30	Indexation
<b>Capacity Charge (PKR/kW/Hour)</b>			
O&M Foreign	0.0976	0.0976	US CPI & \$ to Rupee
O&M Local	0.0502	0.0502	WPI
Cost of Working Capital *	0.0455	0.0455	KIBOR
Insurance	0.0949	0.0949	US\$ to Rupee
Debt Service	1.6481	-	KIBOR
Return on Equity	0.2908	0.2908	US\$ to Rupee
ROE during Construction	0.0236	0.0236	US\$ to Rupee
<b>Total Capacity Charge</b>	<b>2.2506</b>	<b>0.6024</b>	
* In case of HSD plant operation on HSD cost of working capital shall be paid on 15 days inventory level basis as Rs. 0.0974/kW/hour			
<b>A) Energy Charge on Operation on Gas Rs./kWh</b>			
Fuel Cost Component	1.8573	1.8573	Fuel Price
Variable O&M	0.2547	0.2547	US CPI & US\$ to Rupee
<b>B) Energy Charge on Operation on HSD Rs./kWh</b>			
Fuel Cost Component	12.1651	12.1651	Fuel Price
Variable O&M	0.3676	0.3676	US CPI & US\$ to Rupee

- Note: i) Capacity Charge Rs./kW/hour applicable to dependable capacity at the delivery point.
- ii) Dispatch criterion will be Energy Charge.
- iii) The above tariff is applicable for a period of 30 years commencing from the date of the Commercial Operation.
- iv) Component wise tariff for operation on Gas and HSD is indicated at Annex-II & III.

Pursuant to Rule 6 of the NEPRA Licensing (Generation) Rules 2000, Saif Power Limited (SPL) is allowed to charge, subject to adjustment of Capacity Purchase Price on account of net dependable capacity as determined by test jointly carried out by Central Power Purchasing Agency (CPPA) and the petitioner, the above mentioned tariff for delivery of



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electricity to CPPA of NTDC for procurement on behalf of Ex-WAPDA Distribution Companies. The following indexations shall be applicable to reference tariff;

**I. Adjustment in EPC Cost (One Time)**

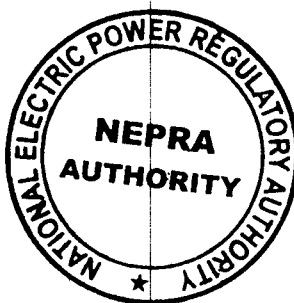
The Authority has assessed EPC cost as US\$ 157.062 million comprising of US\$ 73 million plus Euro 47.501 million for equipment and US\$ 20 million for construction. Since the exact timing of payment to EPC contractor is not known at this point of time therefore an adjustment for foreign currency fluctuation for the portion paid in the relevant foreign currency will be made. In this regard, the sponsor will be required to provide all the necessary relevant details along with documentary evidence. Based upon such information the relevant currency of EPC cost components shall be established and applied to the corresponding EPC cost components. The relevant tariff components i.e. Insurance, ROE, ROEDC, Principal Repayment and Interest Charges shall be adjusted only for currency fluctuation against the reference parity values.

**Adjustment due to variation in net capacity**

The reference tariff has been determined on the basis of minimum net capacity of 209 MW at delivery point at mean site conditions. All the relevant tariff components including fuel cost component shall be adjusted at the time of Commercial Operation Date (COD) based upon the Initial Dependable Capacity (IDC) to be carried out for determination of contracted capacity. Adjustment shall not be made if IDC is established less than net capacity of 209 MW at reference site conditions. The adjustments shall be made according to the following formula:

- |                                 |   |
|---------------------------------|---|
| i) O&M Foreign                  | = $0.0976/\text{tested IDC} \times 209 \text{ MW}$        |
| ii) O&M Local                   | = $0.0502/\text{tested IDC} \times 209 \text{ MW}$        |
| iii) Insurance                  | = $0.0949/\text{tested IDC} \times 209 \text{ MW}$        |
| iv) Cost of Working Capital-Gas | = $0.0455/\text{tested IDC} \times 209 \text{ MW}$        |
| v) Cost of Working Capital-HSD  | = $0.0974/\text{tested IDC} \times 209 \text{ MW}$        |
| vi) Debt Service                | = $1.6481/\text{tested IDC} \times 209 \text{ MW}$        |
| vii) Return on Equity           | = $0.2908/\text{tested IDC} \times 209 \text{ MW}$        |
| viii) ROE during Construction   | = $0.0236/\text{tested IDC} \times 209 \text{ MW}$        |
| ix) Variable O&M - Gas          | = $0.0318+0.2229/\text{tested IDC} \times 209 \text{ MW}$ |
| x) Variable O&M - HSD           | = $0.0460+0.3216/\text{tested IDC} \times 209 \text{ MW}$ |

- b) Debt Service, Return on Equity (ROE) and Return on Equity during Construction (ROEDC) shall be adjusted at COD as per actual based upon the authentic documentary evidence to be provided by SPL on account of following variations;
- i) The Euro and Dollar component of EPC cost for variation in relevant exchange rate variation against reference exchange rates;



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- ii) Financial Advisory Fee (subject to the maximum of 1.2% of the borrowing);
- iii) Cost of Piling Works and Soil Investigation;
- iv) Custom Duties & Taxes including Federal Excise Duty of 1% and Sindh Infrastructure Cess of 0.525%
- v) Interest During Construction;
- vi) Change in Financing Structure due to change in Foreign / Local Borrowing Composition
- vii) Cost of working capital based on HSD price prevailing at the time of COD.

**Adjustment in Insurance as per actual**

The actual insurance cost for the minimum cover required under contractual obligations with the Power Purchaser, not exceeding 1.35% of the EPC cost, will be treated as pass-through. Insurance component of reference tariff shall be adjusted as per actual on yearly basis upon the production of authentic documentary evidence by SPL according to the following formula;

$$\text{Insurance (Adj.)} = \text{AIC} / 2.12 * P_{(\text{Act})} * ER_{(\text{Rev})} / 81.9683$$

Where;

AIC = Adjusted Insurance Component (Rs. kW/hr) as per IDC Test

P<sub>(Act)</sub> = Actual Premium or 1.35% of the adjusted EPC whichever is lower

ER<sub>(Rev)</sub> = The revised TT & OD selling rate of US dollar as notified by the National Bank of Pakistan at Invoice date

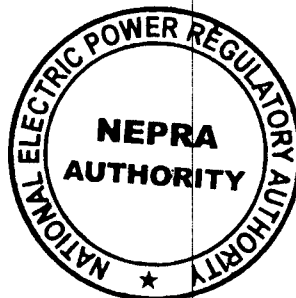
**Adjustment of Withholding Tax**

**Pass-Through Items**

No provision for income tax, workers' profit participation fund and workers' welfare fund, any other tax, excise duty or other duty, levy, charge, surcharge or other governmental impositions, payable on the generation, sales has been accounted for in the tariff. If SPL is obligated to pay any tax on the income purely generated from its operation i.e. Electricity Generation of power producer, the exact amount should be reimbursed by CPPA on production of original receipts. This payment may be considered as pass-through (as Rs./kW/hour) hourly payment spread over a 12 months period in addition to the capacity purchase price in the Reference Tariff. Furthermore, in such a scenario, SPL may also submit to CPPA details of any tax shield savings and CPPA will deduct the amount of these savings from its payment to SPL on account of taxation.

Withholding tax is also a pass through item just like other taxes as indicated in the government guidelines for determination of tariff for new IPPs. Withholding tax shall be paid @ 15% of the reference equity. CPPA (NTDC) shall make payment on account of withholding tax at the time of actual payment of dividend subject to maximum of 7.5% of 15% equity according to the following formula:

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$$\text{Withholding Tax Payable} = \{[15\% * (E_{(\text{Ref})} - E_{(\text{Red})}) + \text{ROEDC}_{(\text{Ref})}] * 7.5\% * ER_{(\text{Rev})} / 81.9683$$

Where:

$E_{(\text{Ref})}$  = Adjusted Reference Equity at COD

$E_{(\text{Red})}$  = Equity Redeemed

$\text{ROEDC}_{(\text{Ref})}$  = Reference Return on Equity During Construction

$ER_{(\text{Rev})}$  = The revised TT & OD selling rate of US dollar as notified by the National Bank of Pakistan

Note: In case of foreign equity withholding tax calculated according to the above formula shall be adjusted for variation in currency (US\$ to Rupee).

In case Company does not declare a dividend in a particular year or only declares a partial dividend, then the difference in the withholding tax amount (between what is paid in that year and the total entitlement as per the Net Return on Equity) would be carried forward and accumulated so that the Company is able to recover the same as a pass through from the Power Purchaser in future on the basis of the total dividend pay out.

#### Indexations:

The following indexation shall be applicable to the reference tariff as follows;

##### a) Indexation applicable to O&M

The Fixed O&M local component of Capacity Charge will be adjusted on account of Inflation (WPI) and Fixed O&M foreign component on account of variation in US CPI and dollar/Rupee exchange rate. Quarterly adjustment for local inflation, foreign inflation and exchange rate variation will be made on 15<sup>th</sup> July, 15<sup>th</sup> October, 15<sup>th</sup> January and 15<sup>th</sup> April based on the latest available information with respect to WPI notified by the Federal Bureau of Statistics (FBS), US CPI issued by US Bureau of Labor Statistics and revised TT & OD selling rate of US Dollar notified by the National Bank of Pakistan. The mode of indexation will be as under:

##### (i) Fixed O&M

$$F \text{ O\&M-Local}_{(\text{Rev})} = \text{Rs. } 0.0502/\text{kW/Hour} * WPI_{(\text{REV})} / 132.1$$

$$F \text{ O\&M-Foreign}_{(\text{Rev})} = \text{Rs. } 0.0976/\text{kW/Hr} * US \text{ CPI}_{(\text{REV})} / 213.528 * ER_{(\text{REV})} / 81.9683$$

Where:

$F \text{ O\&M}_{(\text{LREV})}$  = The revised applicable Fixed O&M Local Component of the Capacity Charge indexed with WPI

$F \text{ O\&M}_{(\text{FREX})}$  = The revised applicable Fixed O&M Foreign Component of the Capacity Charge indexed with US CPI and Exchange rate

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variations.

$WPI_{(REV)}$	=	The revised wholesale Price Index (manufacturers)
$WPI_{(REF)}$	=	132.1 wholesale price index (manufactures) of March 2008 notified by Federal Bureau of Statistics
$US\ CPI_{(REV)}$	=	The revised average quarterly US CPI
$US\ CPI_{(REF)}$	=	Reference US CPI (All Urban Consumers) of 213.528 for March 2008 as notified by the US Bureau of Labor Statistics
$ER_{(REV)}$	=	Revised TT & OD selling rate of US dollar as notified by the National Bank of Pakistan
$ER_{(REF)}$	=	Reference TT & OD selling rate of US dollar of Rs. 81.9683 per US\$ as notified by the National Bank of Pakistan

Note: The reference numbers indicated above shall be replaced by the revised numbers after incorporating the required adjustments at COD.

(ii) **Variable O&M**

The formula of indexation for variable O & M component will be as under:

$$V\ O\&M\text{-Gas}_{(REV)} = \text{Rs. } 0.2547 \text{ per kWh} * US\ CPI_{(REV)} / 213.528 * ER_{(REV)} / 81.9683$$

$$V\ O\&M\text{-HSD}_{(REV)} = \text{Rs. } 0.3676 \text{ per kWh} * US\ CPI_{(REV)} / 213.528 * ER_{(REV)} / 81.9683$$

Where:

$V\ O\&M_{(LREV)}$	=	The revised applicable Variable O&M Component of the Energy Charge indexed with US CPI and Exchange rate variations
$V\ O\&M_{(FREV)}$	=	The revised applicable Variable O&M Component of the Energy Charge indexed with US CPI and Exchange rate variations
$WPI_{(REV)}$	=	The revised wholesale Price Index (manufacturers)
$WPI_{(REF)}$	=	132.1 wholesale price index (manufactures) of March 2008 notified by Federal Bureau of Statistics
$US\ CPI_{(REV)}$	=	The revised average quarterly US CPI
$US\ CPI_{(REF)}$	=	Reference US CPI (All Urban Consumers) of 213.528 for March 2008 as notified by the US Bureau of Labor Statistics
$ER_{(REV)}$	=	Revised TT & OD selling rate of US dollar as notified by the National Bank of Pakistan
$ER_{(REF)}$	=	Reference TT & OD selling rate of US dollar of Rs. 81.9683 per US\$ as notified by the National Bank of Pakistan

Note: The reference VO&M indicated above shall be replaced with the revised number at COD after incorporating the required adjustment based upon the IDC Test.

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b) **Adjustment for KIBOR variation**

The interest part of fixed charge component will remain unchanged throughout the term except for the adjustment due to variations in interest rate as a result of variation in quarterly KIBOR/LIBOR according to the following formula;

$$\Delta I = P_{(REV)} * (KIBOR_{(REV)} - 14.80\%) / 4$$

Where:

$\Delta I$  = the variation in interest charges applicable corresponding to variation in quarterly KIBOR.  $\Delta I$  can be positive or negative depending upon whether KIBOR REV > or < 14.80%. The interest payment obligation will be enhanced or reduced to the extent of  $\Delta I$  for each quarter under adjustment applicable on quarterly

$P_{(REV)}$  = is the outstanding principal (as indicated in the attached debt service schedule to this order) on a quarterly basis on the relevant quarterly calculations date. Period 1 shall commence on the date on which the 1<sup>st</sup> installment is due after availing the grace period.

c) **Fuel Price Variation**

The Variable Charge part of the tariff relating to fuel cost shall be adjusted on account of the fuel price variations as and when notified by the relevant authority, which in the instant case is the Oil & Gas Regulatory Authority (OGRA). In this regard, the variation in SPL's allowed rate relating to fuel cost shall be revised according to the following formula:

$$FC-Gas_{(Rev)} = Rs. 1.8573 \text{ per kWh} * FP_{(Rev)} / Rs. 278.62 \text{ per MMBTU}$$

Where:

$FC-Gas_{(Rev)}$  = Revised fuel cost component of Variable Charge on gas

$FP-Gas_{(Rev)}$  = The new price of gas as notified by the relevant Authority per MMBTU of fuel adjusted for LHV-HHV factor.

$$FC-D_{(Rev)} = Rs. 12.1651 \text{ per kWh} * [FPD_{(Rev)} \text{ Rs. Per MMBTU} ] / Rs. 1728.69 \text{ MMBTU (Excl-GST)}$$

Where:

$FCD_{(Rev)}$  = Revised fuel cost component of Variable Charge on diesel

$FPD_{(Rev)}$  = The new price of diesel as notified by the relevant Authority per Litre of fuel adjusted for NCV-GCV factor, Specific gravity and Calorific value (Gross)

Reference values used in the calculations;

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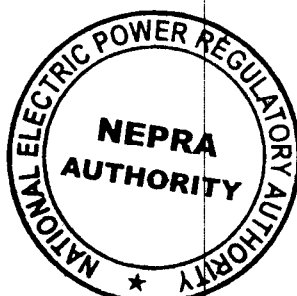
HSD Fuel price with GST (GCV)	Rs. 68.14 per liter
General Sales Tax (GST)	16%
HSD fuel Price without GST (GCV)	Rs. 58.74 per liter
HHV-LHV Adjustment Factor	1.06
HSD Fuel Price without GST (NCV)	Rs. 62.27 per liter
HSD Fuel Price without GST	Rs. 1,728.69 per MMBTU *
* Calculated by using the following reference values	
Reference Specific Gravity @ 15 °C or 15.6 °C	0.84
Reference Calorific Value (Gross)	42,880 BTUs/Kg

- ii). In case of adjustment in HSD fuel component, SPL shall submit request for adjustment duly supported with the supplier's certificate indicating flash point, specific gravity and calorific value duly verified by the power purchaser. The Power Purchaser shall make all necessary arrangements to satisfy it regarding the Authenticity and validity of the information provided by SPL. In case of any dispute or discrepancy the power purchaser shall seek third party verification which for technical issues shall be HDIP and for price issues shall be OGRA. SPL shall be allowed immediate adjustment by the Authority within 7 days of such request with requisite certificates and verifications.
- iii). Adjustment on account of inflation, foreign exchange variation, KIBOR variation and fuel price variation will be approved and announced by the Authority within seven working days after receipt of SPL's request for adjustment in accordance with the requisite indexation mechanism stipulated herein.
- iv). Any change or modification regarding application of US CPI on foreign component of O&M cost and application of local CPI instead of WPI on local component of O&M cost made through GOP Policy shall also be applicable to SPL. However the change or modification shall be applicable from the date of issue of such Policy and shall not be applicable retrospectively.

**Terms and Conditions of Tariff:**

- i) Use of Gas will be considered as primary fuel.
- ii) All new equipment will be installed and the plant will be of standard configuration.
- iii) Dispatch criterion will be based on the Energy Charge.
- iv) Diesel oil will be used only for startups and other contingent requirements. Use of Diesel oil shall be allowed in accordance with the GOP's fuel policy announced from time to time.

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- v) General assumptions of SPL which are not covered in this determination may be dealt with in the PPA according to its standard terms.

The above tariff and terms and conditions be incorporated as the specified tariff approved by the Authority pursuant to Rule 6 of the Licencing (Generation) Rules, in a Power Purchase Agreement between SPL and CPPA.

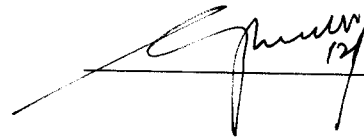
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**Authority**

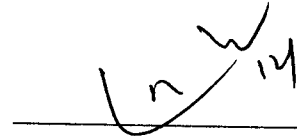
Zafar Ali Khan  
Member

  
12/1/09

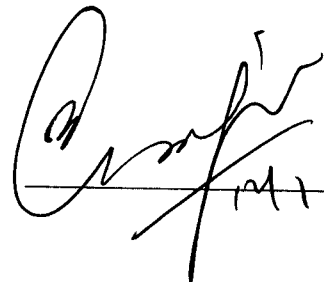
Ghiasuddin Ahmed  
Member

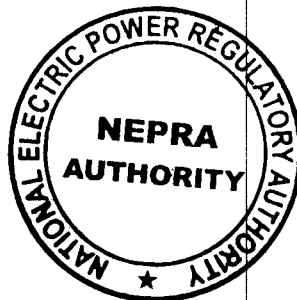
  
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Maqbool Ahmad Khawaja  
Member

  
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Khalid Saeed  
Chairman

  
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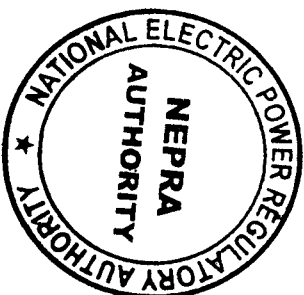


**SAIF POWER LIMITED**  
PLANT OPERATION ON GAS

Annexure I

Year	Energy Charge (Rs./kWh)			Capacity Charge (Rs./kWh/Hour)										Capacity Charge	Tariff	
	Fuel	Variable O&M	Total	Escalable (Fixed O&M) Foreign	Escalable (Fixed O&M) Local	Financing Cost on Working Capital	Escalable (Insurance)	Return on Equity	Return on Equity for Construction Period	Withholding Tax @ 7.5%	Loan Repayment	Interest Charges	Total	Rs. / kWh at 60% PF	Rs. / kWh	¢ / kWh
1	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	0.3087	1.3394	2.2741	3.7902	5.9022	7.2005
2	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	0.3674	1.2807	2.2741	3.7902	5.9022	7.2005
3	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	0.4373	1.2108	2.2741	3.7902	5.9022	7.2005
4	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	0.5205	1.1276	2.2741	3.7902	5.9022	7.2005
5	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	0.6195	1.0286	2.2741	3.7902	5.9022	7.2005
6	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	0.7374	0.9107	2.2741	3.7902	5.9022	7.2005
7	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	0.8777	0.7705	2.2741	3.7902	5.9022	7.2005
8	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	1.0446	0.6035	2.2741	3.7902	5.9022	7.2005
9	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	1.2434	0.4048	2.2741	3.7902	5.9022	7.2005
10	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	1.4799	0.1682	2.2741	3.7902	5.9022	7.2005
11	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
12	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
13	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
14	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
15	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
16	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
17	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
18	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
19	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
20	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
21	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
22	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
23	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
24	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
25	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
26	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
27	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
28	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
29	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
30	1.8573	0.2547	2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	-	-	0.6260	1.0434	3.1553	3.8494
Levelized Tariff (1-30 Years)			2.1119	0.0976	0.0502	0.0455	0.0949	0.2908	0.0236	0.0236	0.4354	0.6388	1.7003	2.8338	4.9457	6.0337

Reference Exchange Rate      PKR 81.9683 = 1 US\$, PKR 110.428 = 1 Euro  
Reference US CPI                213.528 for March 2008 as notified by the US Labour Bureau of Labor Statistics  
Reference WPI (Manufacture)    132.1 for March 2008 as notified by the Federal Bureau of Statistics



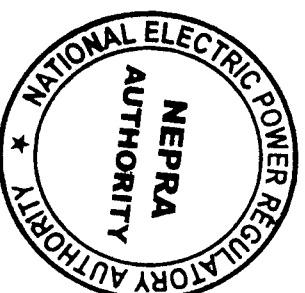
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**SAIF POWER LIMITED  
PLANT OPERATION ON HSD**

**Annexure II**

Variable Charge (Rs./Kwh)			Capacity Change (Rs./Kwh/Hour)										Capacity Charges		Total	
Year	Fuel	Variable O&M	Total	Escalable (Fixed O&M) Foreign	Escalable (Fixed O&M) Local	Financing Cost on Working Capital	Escalable (Insurance)	Return on Equity	Return on Equity for Construction Period	Withholding Tax @7.5%	Loan Repayment	Interest Charges	Total	Rs. / Kwh at 60% PF	Rs. / Kwh	¢ / Kwh
1	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	0.3087	1.3394	2.3261	3.8768	16.4094	20.0192
2	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	0.3674	1.2807	2.3261	3.8768	16.4094	20.0192
3	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	0.4373	1.2108	2.3261	3.8768	16.4094	20.0192
4	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	0.5205	1.1276	2.3261	3.8768	16.4094	20.0192
5	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	0.6195	1.0286	2.3261	3.8768	16.4094	20.0192
6	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	0.7374	0.9107	2.3261	3.8768	16.4094	20.0192
7	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	0.8777	0.7705	2.3261	3.8768	16.4094	20.0192
8	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	1.0446	0.6035	2.3261	3.8768	16.4094	20.0192
9	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	1.2434	0.4048	2.3261	3.8768	16.4094	20.0192
10	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	1.4799	0.1682	2.3261	3.8768	16.4094	20.0192
11	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
12	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
13	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
14	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
15	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
16	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
17	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
18	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
19	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
20	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
21	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
22	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
23	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
24	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
25	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
26	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
27	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
28	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
29	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
30	12.1651	0.3676	12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	-	-	0.6780	1.1299	13.6626	16.6681
Levelized Tariff (1-30 Years)			12.5326	0.0976	0.0502	0.0974	0.0949	0.2908	0.0236	0.0236	0.4354	0.6388	1.7522	2.9204	15.4530	18.8524

Reference Exchange Rate      PKR 81.9683 = 1 US\$, PKR 110.428 = 1 Euro  
Reference US CPI                213.528 for March 2008 as notified by the US Labour Bureau of Labor Statistics  
Reference WPI (Manufacturer)    132.1 for March 2008 as notified by the Federal Bureau of Statistics



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**SAIF POWER LIMITED**  
**Debt Servicing Schedule**

Period	Local Debt					Annual Principal Repayment Rs./kW/ Month	Annual Interest Rs./kW/ Month	Annual Debt Servicing Rs./kW/ Month
	Principal	Repayment	Mark-Up	Balance	Debt Service			
	Million \$	Million \$	Million \$	Million \$	Millin \$			
	170.54	1.61	7.59	168.93	9.20			
	168.93	1.68	7.52	167.24	9.20			
	167.24	1.76	7.44	165.48	9.20			
	165.48	1.84	7.36	163.64	9.20			
1	170.54	6.89	29.91	163.64	36.81	225.35	977.78	1,203.13
	163.64	1.92	7.28	161.73	9.20			
	161.73	2.00	7.20	159.72	9.20			
	159.72	2.09	7.11	157.63	9.20			
	157.63	2.19	7.01	155.44	9.20			
2	155.44	8.21	28.60	155.44	36.81	268.22	934.91	1,203.13
	155.44	2.28	6.92	153.15	9.20			
	153.15	2.39	6.82	150.77	9.20			
	150.77	2.49	6.71	148.28	9.20			
	148.28	2.60	6.60	145.67	9.20			
3	145.67	9.77	27.04	145.67	36.81	319.24	883.89	1,203.13
	145.67	2.72	6.48	142.95	9.20			
	142.95	2.84	6.36	140.11	9.20			
	140.11	2.97	6.24	137.15	9.20			
	137.15	3.10	6.10	134.05	9.20			
4	134.05	11.62	25.18	134.05	36.81	379.97	823.15	1,203.13
	134.05	3.24	5.97	130.81	9.20			
	130.81	3.38	5.82	127.43	9.20			
	127.43	3.53	5.67	123.90	9.20			
	123.90	3.69	5.51	120.21	9.20			
5	120.21	13.84	22.97	120.21	36.81	452.26	750.87	1,203.13
	120.21	3.85	5.35	116.36	9.20			
	116.36	4.02	5.18	112.34	9.20			
	112.34	4.20	5.00	108.14	9.20			
	108.14	4.39	4.81	103.75	9.20			
6	103.75	16.47	20.34	103.75	36.81	538.29	664.83	1,203.13
	103.75	4.58	4.62	99.16	9.20			
	99.16	4.79	4.41	94.37	9.20			
	94.37	5.00	4.20	89.37	9.20			
	89.37	5.22	3.98	84.15	9.20			
7	84.15	19.60	17.21	84.15	36.81	640.70	562.43	1,203.13
	84.15	5.46	3.74	78.69	9.20			
	78.69	5.70	3.50	72.99	9.20			
	72.99	5.95	3.25	67.03	9.20			
	67.03	6.22	2.98	60.82	9.20			
8	60.82	23.33	13.48	60.82	36.81	762.58	440.54	1,203.13
	60.82	6.50	2.71	54.32	9.20			
	54.32	6.78	2.42	47.54	9.20			
	47.54	7.09	2.12	40.45	9.20			
	40.45	7.40	1.80	33.05	9.20			
9	33.05	27.77	9.04	33.05	36.81	907.65	295.47	1,203.13
	33.05	7.73	1.47	25.32	9.20			
	25.32	8.07	1.13	17.24	9.20			
	17.24	8.43	0.77	8.81	9.20			
	8.81	8.81	0.39	(0.00)	9.20			
10	(0.00)	33.05	3.76	(0.00)	36.81	1,080.33	122.80	1,203.13

