



# Faisalabad Electric Supply Company Limited

Tel # 041-9220576

Tel # 041-9220229/153

Fax # 041-9220233

No. 2772 /CSD

OFFICE OF THE

CHIEF EXECUTIVE OFFICER

FESCO FAISALABAD

Dated: - 25-6-2012

Registrar	4730
Dy. No.	28-26-12
Date	25-6-2012

For information & copy to

- AD (Z)
- DG (Gen. Mgr.)
- DD (Lic.)

28/6

The Registrar, NEPRA,  
2nd Floor, OPF Building,  
G-5/2, Islamabad.

Subject: POWER PROCUREMENT REQUEST FROM SHAKRGAJ MILLS LTD TOBA ROAD JHANG UNDER NEPRA'S INTERIM POWER PROCUREMENT REGULATION-2005

Reference: S.R.O 265(I)/2005 Notification dated 16.03.2005.

FESCO is purchasing 07 MW Bio Gas based Power from M/S Shakar Ganj Mills Toba Road Jhang. In compliance of NEPRA's instructions vide letter No.NEPRATRF 100/696-705 dated 27-01-2012 FESCO hereby requests for acquisition of Power under IPPR-2005 (interim power procurement regulation-2005) of NEPRA.

The information as per part-II of Power acquisition permission clause-3(3) is as under please:

1. a. The firm's capacity is 8.512 MW Gross.
  - b. Type of fuel is Bio Gas.
  - c. 7 MW Power is being purchased for dispersal into the FESCO system being the redundant/surplus Power available with M/S Shakar Ganj Mills (Ltd) Jhang.
  - d. The FESCO demand of 07 MW is being met through proposed procurement of power.
  - e. The interconnectivity setup of 11KV Voltage is through existing 11KV Sugar Mills Feeder meant for supplying power to sugar mills during non crushing / non power generation period. Cost of synchronization arrangement has borne by the power producer.
2. Information as per Clause-3(4) of IPPR-2005 is attached on the forms under **Schedule -I**.
  3. Copy of agreement between FESCO and M/S Shakar Ganj Mills Ltd signed on 23-02-2008 is attached as per clause-5(1) (power acquisition contract) is attached.

*Not needed*

4. **Tariff**

The Tariff was introduced by CPPA as per NEPRA memo No: NEPRA/R/LAG-60/7320 dated 28.04.2008 in which NEPRA allowed DISCOs to directly purchase power less than 50MW from captive Power producers (CPPs) on mutually agreed Tariff. The mutually agreed Tariff consists of fixed cost component at Rs.1.26/Kwh (revised to Rs.1.53/KWh by CPPA on 31.12.2008) and reference fuel cost component at Rs.3.88/Kwh delivered by the Company based on reference Gas price of pipeline quality gas i.e Rs.238.38/MMBTU (HHV) excluding, GST and as adjusted from time to time for Gas price movement only. The fuel cost component is considered as pass through item and it is being adjusted in Gas price during the billing cycle according to the formula:

$$\text{FCC rev} = \text{GP (rev)/GP (ref)*FCC (ref)}$$

Where

FCC rev= revised Fuel Cost Component applicable for the billing cycle.

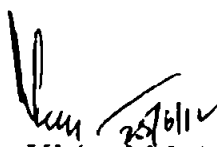
GP (rev)= revised Gas priced Excluding general sales tax applicable for the billing cycle as notified by OGRA for WAPDA Power Stations.

GP (ref)= Reference fuel Price of Rs.238.38/MMBTU (HHV).

FCC (ref)= 3.88/Kwh

5. FESCO is of the view that Tariff determination is the prerogative of NEPRA in this case, however if NEPRA has no objection on the Tariff, approved by CPPA for captive Power Producers (CPPs) as mentioned above, FESCO can adopt and own the Tariff. FESCO will appreciate if permission for power acquisition is allowed along with endorsement of Tariff adopted by CPPA/DISCOs or Tariff determination be made by NEPRA as the case may be.
6. BOD FESCO in its 96th BOD meeting dated 20-06-2012 as per agenda point 7, presented by CE/Chief Commercial Officer, has allowed FESCO to submit PAR with NEPRA.

DA as above:

  
(Engr: Khurshid Alam)  
Chief Commercial Officer  
FESCO Faisalabad.

C.C TO:

- PA to CEO FESCO Faisalabad.
- CE (P&D) FESCO Faisalabad.
- Finance Director FESCO Faisalabad.
- Manager (CS) FESCO Faisalabad.

} For information please.

**FESCO WISE PEAK DEMAND AND DEMAND AT INTERCONNECTION POINT (MW)**

DESCRIPTION		FESCO (MW)
System Demand (Peak) 2006-2007	Demand at interconnection points	1686
	Load Shedding	313
	Peak Demand	1999
System Demand (Peak) 2007-2008	Demand at interconnection points	1652
	Load Shedding	551
	Peak Demand	2203
System Demand (Peak) 2008-2009	Demand at interconnection points	1437
	Load Shedding	828
	Peak Demand	2265
System Demand (Peak) 2009-2010	Demand at interconnection points	1442
	Load Shedding	856
	Peak Demand	2298
System Demand (Peak) 2010-2011	Demand at interconnection points	1839
	Load Shedding	699
	Peak Demand	2538
System Demand (Peak) 2011-2012 (upto January 2012)	Demand at interconnection points	1581
	Load Shedding	931
	Peak Demand	2512

Note: Load shedding (MW) figures constitute of "schedule load Management + Forced shedding".

**Form-II****Peak Load****FESCO**

Description	January 2011	January 2012	January 2013	January 2014	January 2015
Demand (MW)	1651	2512			
Area Generation (MW)	702.9	962.3			
<b>Balance (MW)</b>	<b>948.1</b>	<b>1549.7</b>			

*Balance = Area Generation – Demand*

**Note:** *Expected area Generation in future does not fall in the preview of FESCO, however FESCO demands increases to 5% each year in normal circumstances.*

**Peak Load****(GENERATION DESPATCH)****FESCO**

S#	Generation Plant	Generation Dispatch (MW) in the area of FESCO				
		January 2011	January 2012	January 2013	January 2014	January 2015
1.	Chashma-I	325	325			
2.	Chashma-II		325			
3.	Chashma Hydrel	50.4	76.3			
4.	SPS Faisalabad	90	-			
5.	G.T.P.S Faisalabad	-	-			
6.	Liberty Power House	196	196			
7.	Sitara Energy Ltd.	30	30			
8.	Koh-i-Noor Power Company	7	3			
9.	Shakarganj Energy Jhang	3	5			
10.	Ramzan Sugar Mills Jhang	1.5	2.0			
	<b>Total</b>	<b>702.9</b>	<b>962.3</b>			

**MAXIMUM MDI RECORDED FOR THE PERIOD FROM 07-2010 TO 06-2011 IN RESPECT OF  
GSO CIRCLE FESCO FAISALABAD**

**1. CDPs BETWEEN NTDC & FESCO**

NAME OF GRID STATION	CDPs Code	P/TF	KW	
			Import	Export
220 KV NISHATABAD	070081	T-1(60/63.5)MVA	60,090	56,790
	070082	T-2(60/63.5)MVA	58,460	52,240
	070083	T-3(60/63.5)MVA	59,460	55,290
	070084	T-4(60/63.5)MVA	58,770	55,000
	070085	T-5 (100)MVA	138,450	0
220 KV JARANWALA ROAD	042081	T-1(160)MVA	141,120	6,560
	042082	T-2(160)MVA	125,180	60,430
	042083	T-3(160)MVA	143,000	0
220 KV SAMUNDRI ROAD	079081	T-1(160)MVA	149,900	0
	079082	T-2(160)MVA	146,000	200
	079083	T-3(160)MVA	155,000	0
220 KV DAUD KHEL MIANWALI	045881	T-1(160)MVA	155,900	26,600
	045882	T-2(160)MVA	149,300	26,300
	045883	New CNPP	173,100	0
220 KV LUDEWALA	087381	T-1(160)MVA	147,300	53,300
	087382	T-2(160)MVA	146,580	53,130
	087383	T-3 (160) MVA	162,500	63,100
132 KV NISHATABAD NEW	085381	11kv FEEDER 500 KV GATTI	0	0
NTDC GRIDS	99381	Auxiliary	0	0
<b>Total</b>			<b>2,170,110</b>	<b>508,940</b>

**2. CDPs BETWEEN GENCO & FESCO**

NAME OF POWER HOUSE	CDPs Code	T/Line	KW	
			Import	Export
SPS FAISALABAD	099081	132 KV Nishatabad -1	39,090	160
	099082	132 KV Nishatabad -II	41,800	150
GTPS FAISALABAD	099181	132 KV Nishatabad (NBD-1)	93,924	40,250
	099182	132 KV Nishatabad (NBD-II)	98,524	72,824
	099183	132 KV Jaranwala Road (JDL-I)	79,024	0
	099184	132 KV Old Thermal (JDL-II)	35,674	2,650
CHASHMA HYDEL	070481	132 KV WAN Bachran L-1	64,000	9,000
	070482	132 KV WAN Bachran L-2	52,000	9,000
	070483	132 KV Left Bank Chashma L-3	0	0
	070484	132 KV Left Bank Chashma L-4	89,600	1,000
<b>Total</b>			<b>593,636</b>	<b>135,034</b>

### 3. CDPs BETWEEN FESCO AND MEPCO

NAME OF GRID STATION	CDPs Code	Circuit	KW	
			Import	Export
132 KV Grid station Tandlianwala	045981	132 KV Tandlianwala-Sahiwal	71,710	27,538
66 KV Grid station Mankera	032281	66 KV Mankera- Chowbara	6,088	706
66 KV Grid Station A.P Sial	022781	66 KV A.P Sial- Kot Addu	20,000	5,000
132 KV Grid station chowk Azam	073081	132 KV Chowk Azam- Bhakkar	0	0
132 KV Grid station Kabirwala	008781	132 KV Kabirwala- Shorkot City	0	0
132 KV Grid station Chichawatni	002781	132 KV Chichawatni- Muridwala	74,050	0
132 KV Grid station Chichawatni	002782	132 KV Chichawatni- Kamalia	48,774	0
132 KV Grid station Chichawatni	002791	66 KV Chichawatni- T.T Singh	0	0
66 KV Grid station Chowbara	002981	66 KV Chowbara- G.M Raja	0	0
220 KV Grid Station Jaranwala Road	042084	132KV Grid Station Jaranwala Road - Sahiwal	0	98,650
<b>Total</b>			<b>220,622</b>	<b>131,894</b>

### 4. CDPs BETWEEN FESCO AND LESCO

NAME OF GRID STATION	CDPs Code	Circuit	KW	
			Import	Export
132 KV Grid station Jaranwala	007381	132 KV Jaranwala-Bucheki	168,168	58,204
132 KV Grid station Bucheki	001981	132 KV Bucheki- Nishatabad	74,300	60,274
132 KV Grid station Shahkot	019291	132 KV Shahkot-Bandala	96,850	60,500
220 KV Grid station Nishatabad	070086	66 KV Nishatabad-Sangla Hill-I	0	24,810
	070087	66 KV Nishatabad-Sangla Hill-II	0	23,750
132 KV Shah Kot	019281	11 KV Mima Cotton Mill	0	0
	019282	11 KV Ibrahim Textile Mill	0	0
	019283	11 KV Bilal Textile Mill	0	0
	019284	11 KV Kohistan Textile Mill	0	0
	019285	11 KV Mari Textile Mill	0	0
	019286	11 KV Rafi Textile Mill	0	0
<b>Total</b>			<b>339,318</b>	<b>227,538</b>

### 5. CDPs BETWEEN FESCO AND IESCO

Location	CDPs Code	Circuit	KW	
Name of Grid Station			Import	Export
132-KV Grid Station Head Faqirian	058581	132 KV H.FAQIRIAN - DANDOOT	0	7,770
132-KV Grid Station Mianwali	013481	66 KV MIANWALI.- D.S. BLAWAL	6,054	11,633
66-KV Danda Shah Bhalwai	025981	11 KV SCACER	0	0
66-KV Noor Pur Sethi	059781	11 KV PADRAR	0	0
<b>TOTAL</b>			<b>6,054</b>	<b>19,403</b>

### 6. CDPs BETWEEN FESCO AND PESCO

Location	CDPs Code	Circuit	KW	
Name of Grid Station			Import	Export
132-KV Grid Station Daud Khel	045891	66 KV Daud Khel -Taja Zai	0	22,180
220-KV Grid Station Daud Khel (MARI)	045892	132 KV Mari- Kohat-1	0	84,740
	099581	132 KV Mari- Kohat-2	0	81,500
132-KV L.B Chashma	074481	11 KV Bilot	0	0
<b>TOTAL</b>			<b>0</b>	<b>188,420</b>

7. CDPs BETWEEN FESCO AND GEPSCO				
Location	CDPs Code	Circuit	KW	
Name of Grid Station			Import	Export
132-KV Grid Station Khutiala Sheikhan	008581	132 KV Bhalwal -K. Sheikhan	60,710	45,080
132-KV Grid Station Mandi Bahauddin	031881	132 KV H.FAQIRIAN - M. Baha-ud-din	40,620	73,990
66-KV Grid Station Malik Wal	032181	66 KV Malikwal - H.Faqirian	11,670	21,170
132-KV G/S Head Faqirian	058582	11-KV Daffar	0	0
	058583	11-KV Bar Musa	0	0
	058584	11-KV Sanda	0	0
	058585	11-KV Mona	0	0
66 KV Grid Station Bhabra	058586	11-KV Jassowal	0	0
	058587	11-KV Bherowal	0	0
TOTAL			113,000	140,240
8. CDPs BETWEEN FESCO AND SPP				
Location	CDPs Code	Circuit	KW	
Name of Grid Station			Import	Export
Sitara Energy	099681	FESCO -1 TO FESCO -6	0	0
Crestex Power House	099781	CTM-2	0	0
Kohinoor Power	099481	PC-1 , PC-2, Rafhan, Susan Road	0	0
Shakar Ganj Power House		Glaxy & Ujala	0	0
Nishat Power House		Rehmatabad	0	0
Techno E Power (PVT) Ltd		LINE NO. 1	0	0
		LINE NO. 2	0	0
TOTAL			0	0
9. CDPs BETWEEN FESCO AND IPP				
Liberty Power Tech Limited		LINE NO. 1	50,616	0
		LINE NO. 2	50,472	0
		LINE NO. 3	50,443	0
		LINE NO. 4	48,772	0
TOTAL			200,303	0

**MAXIMUM MDI RECORDED FOR THE PERIOD FROM 07-2011 TO 12-2011 IN RESPECT OF  
GSO CIRCLE FESCO FAISALABAD**

**1. CDPs BETWEEN NTDC & FESCO**

NAME OF GRID STATION	CDPs Code	P/TF	KW	
			Import	Export
220 KV NISHATABAD	070081	T-1(60/63.5)MVA	56,940	59,490
	070082	T-2(60/63.5)MVA	0	0
	070083	T-3(60/63.5)MVA	53,480	58,360
	070084	T-4(60/63.5)MVA	54,070	57,640
	070085	T-5 (100)MVA	134,490	0
220 KV JARANWALA ROAD	042081	T-1(160)MVA	140,120	180
	042082	T-2(160)MVA	123,250	0
	042083	T-3(160)MVA	138,120	0
220 KV SAMUNDRI ROAD	079081	T-1(160)MVA	148,000	0
	079082	T-2(160)MVA	147,600	0
	079083	T-3(160)MVA	154,350	0
220 KV DAUD KHEL MIANWALI	045881	T-1(160)MVA	121,110	10,060
	045882	T-2(160)MVA	121,600	10,200
	045883	New CNPP	98,750	0
220 KV LUDEWALA	087381	T-1(160)MVA	152,000	0
	087382	T-2(160)MVA	151,320	0
	087383	T-3 (160) MVA	150,000	0
132 KV NISHATABAD NEW	085381	11kv FEEDER 500 KV GATTI	0	0
NTDC GRIDS	99381	Auxiliary	0	0
<b>Total</b>			<b>1,945,200</b>	<b>195,930</b>

**2. CDPs BETWEEN GENCO & FESCO**

NAME OF POWER HOUSE	CDPs Code	T/Line	KW	
			Import	Export
SPS FAISALABAD	099081	132 KV Nishatabad -I	56,190	220
	099082	132 KV Nishatabad -II	61,830	90
GTPS FAISALABAD	099181	132 KV Nishatabad (NBD-1)	41,274	57,874
	099182	132 KV Nishatabad (NBD-II)	43,624	43,874
	099183	132 KV Jaranwala Road (JDL-I)	84,074	0
	099184	132 KV Old Thermal (JDL-II)	0	500
CHASHMA HYDEL	070481	132 KV WAN Bachran L-1	52,000	6,510
	070482	132 KV WAN Bachran L-2	52,000	6,500
	070483	132 KV Left Bank Chashma L-3	0	0
	070484	132 KV Left Bank Chashma L-4	90,900	1,100
<b>Total</b>			<b>481,892</b>	<b>116,668</b>



### 3. CDPs BETWEEN FESCO AND MEPCO

NAME OF GRID STATION	CDPs Code	Circuit	KW	
			Import	Export
132 KV Grid station Tandlianwala	045981	132 KV Tandlianwala-Sahawal	80,899	13,000
66 KV Grid station Mankera	032281	66 KV Mankera- Chowbara	0	9
66 KV Grid Station A.P Sial	022781	66 KV A.P Sial- Kot Addu	18,000	1,000
132 KV Grid station chowk Azam	073081	132 KV Chowk Azam- Bhakkar	45,820	0
132 KV Grid station Kabirwala	008781	132 KV Kabirwala- Shorkot City	0	0
132 KV Grid station Chichawatni	002781	132 KV Chichawatni- Muridwala	74,274	0
132 KV Grid station Chichawatni	002782	132 KV Chichawatni- Kamalia	51,000	0
132 KV Grid station Chichawatni	002791	66 KV Chichawatni- T.T Singh	3,020	0
66 KV Grid station Chowbara	002981	66 KV Chowbara- G.M Raja	25,170	0
220 KV Grid Station Jaranwala Road	042084	132KV Grid Station Jaranwala Road - Sahawal	0	81,300
<b>Total</b>			<b>298,183</b>	<b>95,309</b>

### 4. CDPs BETWEEN FESCO AND LESCO

NAME OF GRID STATION	CDPs Code	Circuit	KW	
			Import	Export
132 KV Grid station Jaranwala	007381	132 KV Jaranwala-Bucheki	86,000	38,000
132 KV Grid station Bucheki	001981	132 KV Bucheki- Nishatabad	68,424	63,300
132 KV Grid station Shahkot	019291	132 KV Shahkot-Bandala	71,100	42,574
220 KV Grid station Nishatabad	070086	66 KV Nishatabad-Sangla Hill-I	0	22,990
	070087	66 KV Nishatabad-Sangla Hill-II	0	24,380
132 KV Shah Kot	019281	11 KV Mima Cotton Mill	0	0
	019282	11 KV Ibrahim Textile Mill	0	0
	019283	11 KV Bilal Textile Mill	0	0
	019284	11 KV Kohistan Textile Mill	0	0
	019285	11 KV Mari Textile Mill	0	0
	019286	11 KV Rafi Textile Mill	0	0
<b>Total</b>			<b>225,524</b>	<b>191,244</b>

### 5. CDPs BETWEEN FESCO AND IESCO

Location	CDPs Code	Circuit	KW	
Name of Grid Station			Import	Export
132-KV Grid Station Head Faqirian	058581	132 KV H.FAQIRIAN - DANDOOT	0	7,750
132-KV Grid Station Mianwali	013481	66 KV MIANWALI.- D.S. BLAWAL	0	9,660
66-KV Danda Shah Bhalwal	025981	11 KV SCACER	0	0
66-KV Noor Pur Sethi	059781	11 KV PADRAR	0	0
<b>TOTAL</b>			<b>0</b>	<b>17,410</b>

### 6. CDPs BETWEEN FESCO AND PESCO

Location	CDPs Code	Circuit	KW	
Name of Grid Station			Import	Export
132-KV Grid Station Daud Khel	045891	66 KV Daud Khel -Taja Zai	0	20,650
220-KV Grid Station Daud Khel (MARI)	045892	132 KV Mari- Kohat-1	0	81,240
	099581	132 KV Mari- Kohat-2	0	82,240
132-KV L.B Chashma	074481	11 KV Bilot	0	0
<b>TOTAL</b>			<b>0</b>	<b>184,130</b>

7. CDPs BETWEEN FESCO AND GEPCO				
Location	CDPs Code	Circuit	KW	
Name of Grid Station			Import	Export
132-KV Grid Station Khutiala Sheikhan	008581	132 KV Bhalwal -K. Sheikhan	42,400	40,710
132-KV Grid Station Mandi Bahauddin	031881	132 KV H.FAQIRIAN - M. Baha-ud-din	46,970	68,540
66-KV Grid Station Malik Wal	032181	66 KV Malikwal - H.Faqirian	840	18,300
132-KV G/S Head Faqirian	058582	11-KV Daffar	0	0
	058583	11-KV Bar Musa	0	0
	058584	11-KV Sanda	0	0
	058585	11-KV Mona	0	0
66 KV Grid Station Bhabra	058586	11-KV Jassowal	0	0
	058587	11-KV Bherowal	0	0
TOTAL			90,210	127,550
8. CDPs BETWEEN FESCO AND SPP				
Location	CDPs Code	Circuit	KW	
Name of Grid Station			Import	Export
Sitara Energy	099681	FESCO -1 TO FESCO -6	0	0
Crestex Power House	099781	CTM-2	0	0
Kohinoor Power	099481	PC-1 , PC-2, Rafhan, Susan Road	0	0
Shakar Ganj Power House		Glaxy & Ujala	0	0
Nishat Power House		Rehmatabad	0	0
Techno E Power (PVT) Ltd		LINE NO. 1	0	0
		LINE NO. 2	0	0
TOTAL			0	0
9. CDPs BETWEEN FESCO AND IPP				
Liberty Power Tech Limited		LINE NO. 1	56,610	170
		LINE NO. 2	65,000	440
		LINE NO. 3	50,410	0
		LINE NO. 4	48,240	80
TOTAL			220,260	690

*Form II*

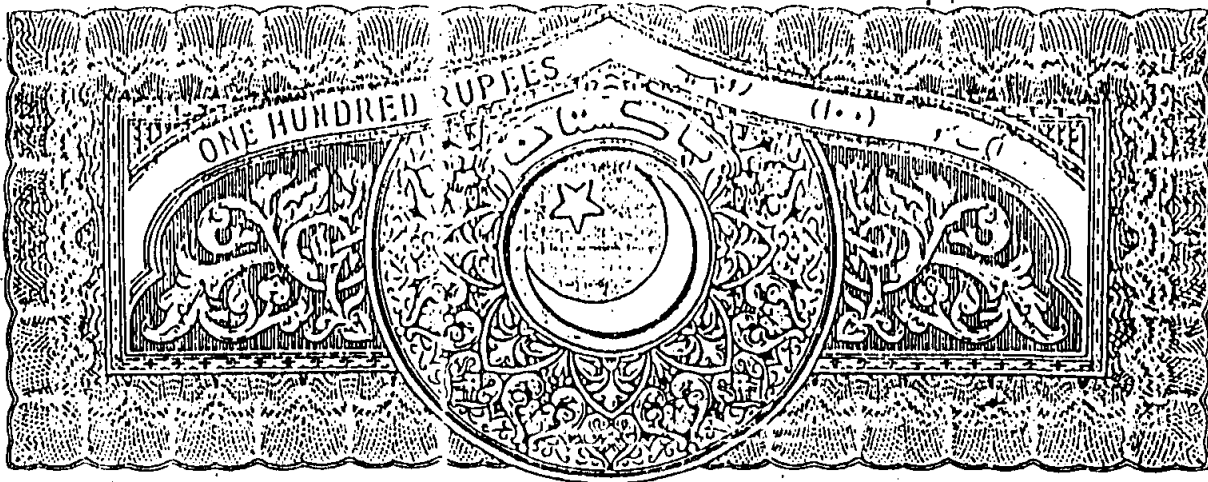
*Power is to be dispersed through 11KV Circuits synchronized with 11KV Bus bar of Grid station therefore demand and generation on 500KV and 220KV Transmission line, due to power generation of 7.0 MW will not be affected. Hence information required is not applicable in this power acquisition request.*

**INFORMATION ABOUT GENERATION CAPACITY UNDER PROPOSED PROCUREMENT REQUEST**

Description	Generator 1	Generator 2	Generator 3	Generator 4	Generator 5	Generator 6	Generator 7	Generator 8
Capacity MW	1.064	1.064	1.064	1.064	1.064	1.064	1.064	1.064
Technology	Ge Jenbacher JGS 320 GS-B.L	Ge Jenbacher JGS 320 GS-B.L	Ge Jenbacher JGS 320 GS-B.L	Ge Jenbacher JGS 320 GS-B.L	Ge Jenbacher JGS 320 GS-B.L	Ge Jenbacher JGS 320 GS-B.L	Ge Jenbacher JGS 320 GS-B.L	Ge Jenbacher JGS 320 GS-B.L
Fuel	Bio Gas	Bio Gas	Bio Gas	Bio Gas	Bio Gas	Bio Gas	Bio Gas	Bio Gas
Weather forms part of least cost plan	No	No	No	No	No	No	No	No
Availability of power/energy	0.88 MW	0.88 MW	0.88 MW	0.88 MW	0.88 MW	0.88 MW	0.88 MW	0.88 MW
Year of Commissioning	Nov 2007	Nov 2007	Nov 2007	Nov 2007	Jan 2008	Jan 2008	Jan 2008	Jan 2008
Location	3.6-KM, Toba Road, Jhang	3.6-KM, Toba Road, Jhang	3.6-KM, Toba Road, Jhang	3.6-KM, Toba Road, Jhang	3.6-KM, Toba Road, Jhang	3.6-KM, Toba Road, Jhang	3.6-KM, Toba Road, Jhang	3.6-KM, Toba Road, Jhang
Proposed Grid for interconnection Approximate Distance	132KV Jhang-1 G/Station Fsd,2KM	132KV Jhang-1 G/Station Fsd,2KM	132KV Jhang-1 G/Station Fsd,2KM	132KV Jhang-1 G/Station Fsd,2KM	132KV Jhang-1 G/Station Fsd,2KM	132KV Jhang-1 G/Station Fsd,2KM	132KV Jhang-1 G/Station Fsd,2KM	132KV Jhang-1 G/Station Fsd,2KM
Augmentation required in Grid	No	No	No	No	No	No	No	No
Augmentation required in transmission network	No	No	No	No	No	No	No	No
Estimated costs of augmentation required in the transmission network	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Steps taken or required for transmission augmentation	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Any other information	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

Summarize: Total capacity being procured 7.0 MW since 2008.

- *Gas Turbines.*
  - *Indigenous fuel*
  - *Power Procurement would be an economic one and would not adversely affect the transfer price/power purchase of FESCO.*
  - *Voltage level 132KVA capacity:   (i) 2x20/26MVA  
   (ii) 1x40MVA*
- Name of Grid: 132 KV Jhang-I*
- *Not applicable*



## POWER PURCHASE AGREEMENT

This Power Purchase Agreement is made and entered into as of 23<sup>rd</sup> February, 2008 at Lahore, Pakistan in pursuance of Notification No.GMCPA/F-16/2064-69 dated, 09.02.2008;

### BETWEEN

- 1) Faisalabad Electric Supply Company, a public limited Company established under the laws of Pakistan, with its principal office at Canal Road, Abdullahpur, Faisalabad, Punjab, Pakistan, and its successors and assigns of the one part, hereinafter called "Power Purchaser"

### AND

- 2) Shakarganj Mills Limited Jhang, a public limited Company incorporated under the laws of Pakistan, with its principal office at 10<sup>th</sup> Floor, 10-B, Block E-2, Main Boulevard, Gulberg-III, Lahore, Punjab, Pakistan, and its permitted successors and permitted assigns of the other part, hereinafter called "Company".

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

WHEREAS the Company will sell and the Power Purchaser will purchase from the Company electrical power on the terms and conditions set here-in forth

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

Wherever the following capitalized terms appear in this Agreement, they shall have the meanings stated below:

**"Back-Up Metering System"** - All meters and metering devices to be procured, installed and tested by the Power Purchaser. The accuracy class of meters shall be 0.5.

**"Billing Cycle"** - (i) The period starting from 12.00 hours of first day of each month up to 12.00 hours of sixteenth day of each month and (ii) The period starting from 12.00 hours of sixteenth day of each month up to 12.00 hours of 1st day of the following month.

**"Company"** - Shakarganj Mills Limited Jhang, a public limited Company incorporated under the laws of Pakistan, with its principal office at 10<sup>th</sup> Floor, 10-B, Block E-2, Main Boulevard, Gulberg-III, Lahore, Punjab, Pakistan, and its permitted successors and permitted assigns.

**"Fixed Cost Component"** - The tariff component payable @ Rupees 1.26 per kWh delivered by the Company which includes but not limited to O&M cost, tax on income of the Company, insurance cost, return on investment, duties, etc. This component will remain at par with Fixed Cost Component allowable to other Generation Facility(s), already supplying power to distribution companies through bilateral contracts.

**"Fuel Cost Component"** - The tariff component payable @ Pak Rupees 3.88 per kWh delivered by the Company based on the Reference Gas Price and as adjusted from time to time for pipeline quality gas price movements only.

**"FCC"** - Stands for Fuel Cost Component.

**"GP"** - Means the price of pipeline quality gas notified by OGRA from time to time.

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**"Generation Facility"** – Means the generation facility or part thereof, located on site having installed capacity upto 7 MW biogas based (biogas produced from molasses) and earmarked to deliver electrical power to the Power Purchaser under this Agreement.

**"Interconnection Point"** – The physical point(s) where the Generation Facility and the 11 kV system of the Power Purchaser is connected i.e. at the respective outgoing 11kV feeder breaker of the Generation Facility at which the transfer of net electrical output occurs, through independent radial feeder(s) isolated from any other 11 kV system of the Generation Facility.

**"Metering Point"** – The 11kV outgoing breaker panel/metering panel installed in the control room of the Generation Facility.

**"Metering System"** – All existing meters and metering devices available at the Metering Point of the Generation Facility of the Company shall be used for recording of energy to be supplied to Power Purchaser. The accuracy class of meters shall be 0.5. The Power Purchaser may check/recalibrate the Metering System at appropriate intervals, at its own cost.

**"OGRA"** – Means the Oil and Gas Regulatory Authority of Pakistan.

**"Power Purchaser"** – Faisalabad Electric Supply Company, a public limited Company established under the laws of Pakistan, with its principal office at Canal Road, Abdullahpur, Faisalabad, Punjab, Pakistan, and its successors and assigns.

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

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

**"Reference Gas Price"** - The price of the pipeline quality gas i.e. Rs.238.38 per MMBTU(HHV) excluding, general sales tax (GST).

→ **"Reference Price"** - The Reference Price for the purpose of this agreement is Pak. Rupees 5.14 per kWh delivered on 11kV, which consists of Fuel Cost Component i.e. Pak Rupees 3.88/kWh based upon Reference Gas Price, and Fixed Cost Component of Pak Rupees 1.26/kWh excluding general sales tax (GST). Fuel Cost Component is adjustable from time to time as per formula given in clause 'g' of the agreement.

**"Take-and-Pay-Basis"** - Means the basis on which Power Purchaser will pay to the Company, the Fuel Cost Component and the Fixed Cost Component against the delivered kWh only.

The Parties further agree that:

- a. The Company shall sell and the Power Purchaser shall purchase the electric power at the Reference Price.
- b. The term of this agreement will be 10 years, from the date of signing of the agreement.
- c. The cost of connectivity on 11 kV will be borne by the Power Purchaser.

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- d. The Company will provide upto 7 MW of power on Take-and-Pay-Basis at a voltage of 11 kV and at 50 Hz frequency with a tolerance of  $\pm 5\%$  in nominal voltage and  $\pm 1\%$  in nominal frequency. The quality of electric energy shall be ensured by the Company through installation of necessary equipment required as per Prudent Electrical Practices and Prudent Utility Practices.
- e. That the Generation Facility shall not supply electrical energy, produced on fuel other than that agreed between the Parties.
- f. The meter reading(s) will be recorded by Power Purchaser's authorized person(s) in the presence of the Company's representative as per Billing Cycle and the Company will submit its energy invoice accordingly.
- g. The Company will provide documentary evidence, for the rates of the pipeline quality gas as notified by OGRA for WAPDA power stations. The Fuel Cost Component will be adjusted for any increase or decrease in the Reference Gas Price during the Billing Cycle according to the formula:

$$FCC(\text{rev}) = [GP(\text{rev})/GP(\text{ref})] * FCC(\text{ref})$$

Where:

- FCC (rev) = Fuel Cost Component applicable for the Billing Cycle  
 GP (rev) = Revised Gas Price, excluding general sales tax applicable for the Billing Cycle as notified by OGRA for WAPDA power stations.  
 GP (ref) = Rs. 238.38/MMBTU (HHV)  
 FCC (ref) = Rs. 3.88/kWh

- h. The Fuel Cost Component will be indexed with the price variation of pipeline quality gas w.e.f. 31-12-2008.
- i. The Power Purchaser will make payment against each invoice submitted by the Company on or before 7<sup>th</sup> day from the date of receipt of the invoice by the Power Purchaser. If the Power Purchaser fails to make the payment by due date

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then the Power Purchaser will pay to the Company late payment surcharge @ of 1% (one percent), per month. In the event of non-payment by Power Purchaser for two (2) Billing Cycles, the Company reserves the right to discontinue the power supply. The Company will submit one (1) original invoice with three (3) copies to Power Purchaser along with OIRA notification of gas price of the Billing Cycle and meter reading.

- j. The Power Purchaser may install the Back-Up Metering System with meters of 0.5 accuracy class in the metering room at Company's premises. Parties agree that, in case of doubt by any Party about the accuracy of Metering System, the recording of the Back-Up Metering System or any other mutually agreed arrangement may be adopted. In the event of complete or partial damage to the Metering System the same shall be replaced. Such replacement shall be at the sole option of the Power Purchaser and at its expense. On the initial or any subsequent replacement(s) of the Metering System the Power Purchaser shall have the right to affix seals on the tested and calibrated meters but in the presence of Company's authorized representative.
- k. If either of the Metering Systems differ from the other by an amount greater than one-half of one percent (0.5%), the Power Purchaser shall test the accuracy of the Metering System and recalibrate the Metering System. If the Metering System is found to be in order, the Company shall be bound to test and calibrate the Back Up Metering System to the satisfaction of the Power Purchaser. Either Party shall give prior notice, not less than forty-eight (48) hours to conduct such tests.
- l. The Company shall provide access and facilitate the authorized representative(s) of the Power Purchaser to the Control Room of the Power Plant to monitor the Metering System and Interconnection Point relating to power dispatch.
- m. In case of a permanent fault on any feeder, the Company will inform the Power Purchaser immediately and the Company will switch on the feeder, only after obtaining the clearance certificate from an authorized person nominated by Power Purchaser.

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- u. Either Party shall be responsible to adopt all safety measures according to the Prudent Electrical Practices on respective sides of the Interconnection Point.
- v. The Company will provide its maintenance schedule to the Power Purchaser so as to ensure stable and reliable supply to Power Purchaser's network.
- ii. Company will serve at least a 48 hour notice to the Power Purchaser regarding any planned shut down. The Company has right to immediately disconnect the power supply to the Power Purchaser in the event of any electric load shedding of its affiliates, maintenance of engine of affiliate mills, break down of machineries in the Generation Facility and will intimate to Power Purchaser.
- q. The Company will immediately inform Power Purchaser about power supply failure due to defect/mal-operation of the Generation Facility.
- r. In the event that a dispute arises, the Parties shall attempt in good faith to settle such dispute through their Chief Executive Officers (CEOs) by mutual discussions within thirty (30) days after the date that the disputing Party delivers written notice of the dispute to the other Party.
- s. The Party reporting the existence of a dispute shall give to the other Party written notice setting out the material particulars of the dispute in the written notice. Chief Executive Officers (CEOs) of each Party shall meet in Faisalabad to attempt in good faith to resolve the dispute.
- t. In case the dispute is not resolved within thirty (30) days after the date of receipt of notice described in section (r) by the relevant Party (or within such longer period of time as the Parties may agree), any Party may initiate arbitration proceedings under the Arbitration Act 1940.
- u. The arbitration shall be conducted in Faisalabad, Punjab, Pakistan.
- v. Either Party can terminate this agreement by giving a three-month advance notice. There will be no liability on any Party except the payments due to either Party prior to termination of the Agreement.

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(a) All notices and other communications required or permitted to be given by a Party shall be in writing and either delivered personally or by courier or sent by facsimile to the address or number of the other Party specified below:

(i) If to the Power Purchaser:

Attention: Chief Executive (FESCO)

Facsimile: 041-9220177

with a copy to:

Attention: Chief Engineer / Technical Director

Facsimile: 041-9220177

(ii) If to the Company:

Attention: Mr. Muhammad Awais Qureshi,

Executive Vice President

Facsimile: 047-7620272

with a copy to:

Attention: Mr. Kashif Raza Kazmi

General Manager (Power Plant)

Facsimile: 047-7620272

provided that a Party may change the address to which notices are to be sent to it by giving not less than thirty (30) Days' prior written notice to the other Party.

(b) No notice or other communication shall be effective until received or deemed received. Notices or other communications shall be deemed to have been received by the receiving Party:

(i) When delivered if personally delivered;

(ii) one (1) business day after sending, if sent by courier; or

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(iii) Upon sending if sent by facsimile, subject to confirmation of an uninterrupted transmission report and provided that a hard copy is despatched not later than the following business day to the recipient by courier or personal delivery.

x. Except as specifically provided elsewhere in this Agreement, the Power Purchaser shall indemnify and defend the Company, for itself and as trustee for its officers, directors and employees against, and hold the Company, its officers, directors and employees harmless from, at all times after the date hereof, any and all losses incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, the Company.

y. Except as specifically provided elsewhere in this agreement, the Company shall indemnify and defend the Power Purchaser, for itself and as trustee for its officers, directors and employees against, and hold the Power Purchaser, its officers, directors and employees harmless from, at all times after the date hereof, any and all loss, incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, the Power Purchaser.

z. All permissions, consents required by the Company from different agencies such as NEPRA etc. will be arranged through joint efforts of the Company and Power Purchaser. The cost incurred in this regard will be borne by the Company.

aa. This Agreement may be executed in two (2) counterparts and each counterpart will be deemed an original instrument but both the counterparts together will constitute one Agreement.

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

ON BEHALF OF  
Faisalabad Electric Supply  
Company (FESCO)



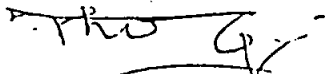
Ahmad Saeed Akhtar 23/4/08  
Chief Executive Officer

ON BEHALF OF  
Shakarganj Mills Limited



Ahsan M. Saleem  
Chief Executive Officer

WITNESS



S. Niaz Hussain Naqvi  
CE/Customer Services Director  
FESCO

WITNESS



Muhammad Awais Qureshi  
Executive Vice President