

BEFORE

THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)

IN THE MATTER OF

IN THE MATTER OF TARIFF DETERMINATION OF AUTHORITY MADE PURSUANT TO THE TARIFF
PETITION FILED BY QUAID-E-AZAM THERMAL POWER (PVT.) LIMITED FOR ITS 1180.13 MW
(GROSS) POWER PROJECT AT BHIKKI, DIST. SHEIKHUPURA

PETITION FOR MODIFICATION OF TARIFF DETERMINATION DATED 14 APRIL, 2016 UNDER
SECTION 7 AND 31 OF THE NEPRA ACT AND RULE 3 OF THE NEPRA (TARIFF STANDARDS
& PROCEDURE) RULES, 1998 AND ENABLING PROVISIONS OF LAW (REVIEW)

ON BEHALF OF

QUAID-E-AZAM THERMAL POWER (PRIVATE) LIMITED (QATPL)

DATED: SEPTEMBER 19, 2018



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PETITION FOR MODIFICATION OF TARIFF DETERMINATION UNDER SECTION 7 & 31 OF THE NEPRA ACT AND RULE 3 OF THE NEPRA (TARIFF STANDARDS & PROCEDURE) RULES, 1998, AND OTHER ENABLING PROVISIONS OF LAW

A. Petition for Modification of Tariff Determination

I. Summary and Background

1. Quaid-e-Azam Thermal Power (Private) Limited (hereinafter “QATPL” or the “Petitioner” or the “Company”) is a private limited company, wholly owned by the Government of Punjab (“GoPb”), incorporated under Companies Ordinance 1984.
2. QATPL filed the cost plus Reference Generation Tariff Petition, dated 15 February 2016, (hereinafter “Tariff Petition”) for its 1,180.13 MW (Gross) RLNG power plant located at Bhikki, Sheikhpura before National Electric Power Regulatory Authority (hereinafter “NEPRA” or the “Authority”). The Authority on 14 April 2016 has given its decision/determination (hereinafter “Determination”) on the request of the Petitioner. At the outset, the Petitioner would like to express its gratitude and thank the Authority for its decision/determination in respect of the aforementioned Tariff Petition.
3. The Petitioner respectfully believes that the Authority, in its Determination, has not given full consideration or equal treatment to the Petitioner with respect to its submissions for recovery of costs and return on investments vis-à-vis the established benchmarks. As a result, the viability of the Project may suffer materially jeopardizing the Project of national importance. Therefore, feeling aggrieved with certain parts of the Determination, as explained in detail herein, the Petitioner is filing this Petition for Modification (hereinafter “Instant Petition”) under Section 7 and 31 of the NEPRA Act and Rule 3 of the NEPRA Tariff (Standards and Procedures) Rules 1998 (hereinafter “Rules”) and other enabling provisions of the law. For ease of reference, the relevant provisions of the NEPRA Act and Tariff Rules are as under:

Rule 3 (1) of the Tariff Rules is as under:

“Filing of petitions and communications — (1) Any licensee, consumer or person interested in the tariff may file a petition with the Authority by filing it with the Registrar along with such fees as may be determined by the Authority from time to time. The Authority may also initiate proceeding suo moto.”

Further as per the definition of ‘Petition’ provided in Rule 2 (1) of the Rules of 1998, a petition means a petition made to the Authority for determination, modification or revision of tariff.

The afore stated power and mandate arises out of *inter alia* Section 7 (3) of the Rules of the NEPRA Act, 1997 which reads as follows:

T / J /

"....the Authority shall determine tariff, rates, charges and other terms and conditions for supply of electric power services by the generation, transmission and distribution companies..."

Neither the NEPRA Act nor the Rules bar a company, including the Petitioner, from applying for a new tariff or modification in its existing tariff.

It may also be noted that the Authority itself has also observed and determined previously that *"NEPRA has to take liberal view of genuine requests and such request should not be allowed to be defeated on the technical grounds of limitation."*

4. The Petitioner, with the approval of its Board of Director (attached as per **"Annexure A"**) through its authorized representative, is filing this Application for Modification on the basis of the grounds mentioned below. It is requested that Tariff Petition and Determination may kindly be read as an integral part of this Instant Petition.

The Instant Petition is being filed on basis of *inter alia* discovery of new and important matters as detailed in the grounds below.

II. Grounds

5. On the basis of its understanding of the Determination and challenges being faced by the Petitioner in the execution of the Project, the Petitioner urges the following grounds:

a. Increase in construction period

6. The Authority allowed the Petitioner a construction period of 27 months, whereas, typical time taken for completion of such large projects is 30 to 54 months. We would like to highlight that the Bhikki Power Project has already surpassed its allowed construction period and the aggressive timeline of 27 months under the EPC could not be demonstrated.
7. The aggressive construction timeline of 27 months agreed with EPC contractor even in case of other RLNG Projects could not be achieved due to various factors, including but not limited to, logistical, technical and environmental challenges and therefore needs to be duly considered.
8. QATPL has made extensive efforts for an even earlier completion by negotiating a very stringent timeline for completion with the EPC Contractor, however, the Petitioner should not be penalized for any delay in this regard.

Relief Sought

9. In view of the above and considering the anticipated delay in achieving COD, the Petitioner requests the authority to allow one-time adjustment in the tariff at the time of CoD based on the actual completion period.

b. Pass-through items

10. Through its Petition, the Petitioner requested the Authority to allow certain pass-through items including Workers Welfare Fund ("WWF"), Workers Profit Participation Fund ("WPPF"), Turnover Tax during construction among various other related items. The Petitioner requested that aforesaid components be treated as part of the project/operating cost as per actual basis and allowed as a pass-through to the power purchaser. However, the learned Authority in its Determination, did not provide any resolution regarding the ask relating to WWF, WPPF and Turnover Tax.
11. In line with the industry norm, Section 9.3 (a) of the PPA executed between QATPL and the Central Power Purchasing Agency (Guarantee) Limited ("CPPA-G"), dated 22 July 2016, entitles the Petitioner to recover WWF and WPPF as pass through items. These pass through items are being reimbursed to the IPPs within 30 days of actual payment by the Power Purchaser. However, there still exists lack of clarity with respect to allowance of contributions, if any, the Petitioner may be required to make on account of WWF and WPPF during the construction period.

Relief Sought

12. In view of the aforesaid discussion, the Petitioner hereby requests the learned Authority to explicitly allow the WPPF, WWF contributions (if made by the Company) and turnover tax as a pass-through item (reimbursable within a month of the actual payment / invoice date instead of being included as a part of Project cost spending) under the Instant Petition, thereby enabling the Petitioner to claim this cost from the Power Purchaser without any undue hassle and delay or alternatively, it can be allowed to adjust / net off against the interest income on which such WPPF / WWF and turnover tax were arise during construction period.
13. Moreover, since the Petitioner is a Public-Sector Entity (wholly owned company of the Government of Punjab), it is not entitled to claim income tax exemption on its income from power generation under the Income Tax Ordinance (ITO). Therefore, we understand that payment of income tax is a pass through item under PPA which shall also be reimbursed like other pass through items i.e. within 30 days of payments. Given the materiality of income tax obligations and the underlying financing required to fund the same, it is imperative to obtain clarity to avoid any ambiguity during operations, hence, the Petitioner hereby requests the Authority to kindly provide the clarity so that this pass through item can also be reimbursed within 30 days of payments by the Power Purchaser without any undue hassle and delay.

c. Facility arrangement and related fees and charges

14. The Petitioner requested and the Authority allowed / Determined the following costs under the working capital component of tariff:
- a. Cost of Stand-By Letter of Credit ("SBLC") to gas supplier under the Gas Supply Agreement ("GSA") at 1.5% per annum;
 - b. Cost of 60 days receivables (for fuel) at 3mKIBOR + 2%; and
 - c. Cost of High Speed Diesel ("HSD") inventory for 7 days (60% load factor) at 3mKIBOR + 2%
15. However, lacking visibility on the commercial terms and arrangement fees associated with working capital and SBLC facilities at tariff petition stage, the Petitioner was not able to assess the materiality of arrangement fees for the aforesaid facilities.

Relief Sought

16. We hereby request the learned Authority to allow arrangement fees and other charges associated with SBLC and working capital facilities during the tariff control period.

d. Free start-ups and other costs

17. The PPA executed with CPPA-G requires the Company to provide a total of 33 free start-ups i.e. 15 hot, 15 warm and 3 cold. Since significant costs are incurred in these start-ups in terms of fuel, back feed electricity and variable operations and maintenance costs, in the absence of any reimbursement mechanism for these material costs, the Petitioner is likely to face continuing losses during the tariff control period. Lacking any firm PPA in place, the number of free start-ups and its material cost impact was not known at the time of tariff petition filing and determination. Accordingly, the same was not included /requested in the Tariff Petition.

Relief Sought

18. As shown in the table presented below, the implied cost of these start-ups and other costs, to be borne by the Petitioner, has been assumed at PKR **330,047,156** i.e. USD **3,143,306** (at PKR to USD exchange rate of 105, in line with the Determination) per annum, and we request the Authority to further index them to the fuel price and import electricity price variation, with the base price being prevailing fuel price.

A brief description of the line items is given below:

- i. Free Start-Up Cost; This is the cost incurred in fuel and back-feed from startup till synchronization with the grid,

- ii. Part Load Impact During Start-Up; This is to cater impact of part-load operation on the heat rate/efficiency and payment of variable fee under LTSA from synchronization till base-load;
- iii.

Cost item	Annual cost (PKR)	Annual cost (USD)
Free start-up cost	241,603,145	2,300,982
Part load impact during start-up	88,444,011	842,324
Total	330,047,156	3,143,306

e. Administration expenses

19. Learned Authority, in its Determination has allowed administrative cost during construction as per actual, subject to a maximum cap of USD 10.508 million. The Petitioner would like to submit before the Authority that the administrative expenses submitted under Schedule K of the Tariff Petition mistakenly did not cover fees, subscription and charges payable to regulators, such as, Private Power and Infrastructure Board ("PPIB"), SECP and NEPRA. Given the materiality of these expenses particularly in view of recent revision in the fee structure of PPIB, the Petitioner hereby requests the Authority to kindly consider and allow the fees, subscription and charges amounting PKR 230.107487 million as presented in the table below:

Cost item	Cost already incurred (PKR)	Expected additional cost*	Total (PKR)
Credit rating fee	812,000	426,300	1,238,300
Authorized capital fee	46,210,870	-	46,210,870
Sub-total	47,022,870	426,300	47,449,170
NEPRA fees	37,821,524		37,821,524
PPIB fees for LOI, LOS, Financial close and COD	10,436,400	134,400,000	144,836,400
Sub-total	48,257,924	134,400,000	182,657,924
Total	95,280,794	134,826,300	230,107,094

* To be incurred at the time of COD.

Relief Sought

20. The Authority is also requested to kindly allow the regulatory fees and charges including those highlighted above as an additional line item in addition to annual administrative costs allowed under the Determination.
21. In addition, the learned Authority also did not take into account that QATPL incurred administrative costs during Pre-NTP period of approximately 5 – 6 months and simply pro-rated the majority of administrative cost line items over a period of 27 months instead of 32 months which may not be the true reflection of the actual cost incurrence pattern. Additionally, the request submitted above also requires due consideration and reflection in the modified determination.

f. Operations and maintenance costs

O&M mobilization

22. Since the O&M contractor selection process was initiated at the time of filing Petition, the Petitioner, in the absence of specific comparable benchmarks, requested the Authority to allow a budgeted amount of USD 6 million in relation to the O&M contractor mobilization and the same request was duly entertained / determined by the learned Authority as such. Subsequent to Determination, the Company has executed O&M Agreement with the Joint Venture of Harbin Electric International Company Limited and Habib Rafiq (Private) Limited (hereinafter "O&M contractor"). As per the executed O&M Agreement, the Petitioner is required to make a total payment of USD 11.76 million to the O&M contractor (including the cost of single point failure spare parts required to be maintained for the Project for 12 years).

Relief Sought

23. Thereby, we request the learned Authority to allow and approve the O&M mobilization of USD 11.76 million as such.

Variable and Fixed O&M

24. In continuation to the previous ask, it is submitted before the Authority that the public sector RLNG based power projects at Bhikki, Balloki and Haveli Bahadur Shah were able to create aggressive competitive environment for the appointment of EPC as well as the LTSA and O&M contractors wherein every bidder participated with their best competitive bid in terms of the professional solution and the price to enter into the Pakistani market.
25. However, the Petitioner would like to highlight here that the O&M and LTSA Agreements are for a period of 12 years only, possibility cannot be ruled out that the prices contracted for variable and fixed O&M components at present, may significantly increase after completion of 12 years on account of performance profile of the units in actual as well as the overall business environment / competition prevailing in the market

by then. This exposes the Petitioner to possible losses that may result due to the fact that the tariff for variable and fixed O&M components has been locked in for a period of 30 years and is subject to actualization on account of inflation adjustment only, based on the prices negotiated as of today.

Relief Sought

In the light of the aforesaid, we request the Authority to safeguard the Petitioner from possible future adverse fluctuations in the variable and fixed O&M prices by considering the present tariff determined for the variable and fixed O&M components may be allowed as such (i.e. without any actualizations to be made on part of the actual contracted costs). This Authority has allowed similar treatment in case of other IPPs whereby the IPPs are expected to take care of the cost overrun risks on their own throughout the life of project. In general, tariff orders and subsequently the PPAs do not go into micro cost centers and / or risk areas where costs may or may not occur, hence, in pre-determined tariff base lines such contingencies are taken care, whereas in our case such eventualities are not covered for the subsequent time of 30 years. Some of the cost centers / risk areas are as follows:

- i. Software Upgrading
- ii. IE Services
- iii. SPF Spare Parts
- iv. Professional Training and Refreshers for O&M (Employer and Contactor)
- v. Startup Charges (Free)
- vi. Partial Load LTSA Variable Cost Impact
- vii. Normally instrumentation & control system has to be replaced after 10 to 15 years as they become less reliable due to electronic components failures
- viii. Electrical systems including generators will normally last 15 to 20 years
- ix. Underground piping and wiring deteriorates over time due to corrosion and needs to be replaced after approx. 10-15 years
- x. Insurance Deductibles Variation (Upward) witnessed these days
- xi. Due to population settlement / concentration around the plant location, revamping of the access road and boundary wall shall become due.
- xii. Intake structure due to settlement and different inflow outlets may require additional costs not foreseeable at this stage.

g. Testing and commissioning cost

26. Through its Petition, the Petitioner requested the Authority to approve USD 29.634 million on account of testing and commissioning cost, based on the technical assessment carried out by its advisors. However, the Authority, in its Determination, allowed a substantially reduced amount on account of testing and commissioning cost i.e. USD 10.87 million, based on the following grounds:

"The details of the testing & commissioning costs have been examined and following observations have been recorded:

- *Duplication of US\$ 4.58 million for RLNG testing cost on combined cycle.*
- *Simple cycle testing on HSD has been inflated by US\$ 3.36 million on account of inclusion of GST in HSD price.*
- *The Petitioner requested 1 month LTSA mobilization cost of US\$ 696,000 whereas draft LTSA contract do not provide any such provision. Even if it is required, it should be covered in the mobilization cost requested separately.*
- *The Petitioner requested O&M mobilization 4 months prior to COD of US\$ 2,320,000 seems duplication of O&M mobilization cost as separate cost of US\$ 6,000,000 has been requested by the Petitioner under the O&M mobilization prior to COD.*
- *The maximum shutdown period allowed to EPC contractor is 5 weeks as per the Employer's Requirements against the 2 months requested by the Petitioner. The requested fixed LTSA & O&M costs during the shutdown period are over estimated by US\$ 1.06 million.*

Apart from the above observations, the Authority considers that the supply of electricity falls within the scope of work of the EPC contractor, therefore, cannot be allowed. Similarly, the Authority considers that pre & post synchronization tests of 8 days on HSD shall not be required. After adjusting for the guaranteed efficiencies, the cost of RLNG fuel during testing works out US\$ 9.38 million. On the basis of maximum shutdown period allowed to EPC contractor of 5 weeks for conversion of simple cycle to combined cycle, US\$ 1.49 million for fixed LTSA and Fixed O&M cost seem justified. Accordingly total testing & commissioning cost of US\$ 10.87 million is being approved.

(Page 20-21 – Paragraph - 12.16 – 12.17 of the Determination)

27. Authority has approved the tariff of Company on dual fuel but restricts the same from conducting *test of 8 days on HSD* as mentioned in previous paragraph. Considering this it is requested to allow much necessary pre and post synchronization tests of the Gas Turbines on HSD to assess reliability and efficiency of the complex.
28. In the post Determination scenario, as the Petitioner has achieved the COD of the plant, the Company cannot manage the testing and commissioning costs within the NEPRA Determined cost due to the following reasons:
 - HSD testing on H-Class machines is being conducted first time and no precedence and or profile for estimate was available and actual cost are exceeding estimates.
 - Initially, software adjustments took a lot of time and caused increased fuel cost.
 - Testing and commissioning efficiencies are based on combined cycle plant operation whereas in actual testing is being conducted sometime in simple cycle and sometime in combine cycle mode on part loads without having any reference to the fuel consumed to the ramp up of the unit up to the optimal output/efficiency. Hence the differential in the recovery of fuel cost has increased.

Relief Sought

In the light of the above, we request the learned Authority to allow testing and commissioning cost as per actual.

h. CPP component at HSD fuel

29. The Petitioner would like to submit before the Authority that the Capacity Purchase Price ("CPP") component of the Tariff on HSD fuel was mistakenly petitioned and accordingly determined based on the Net Output of RLNG fuel i.e. 1,156.675 MW instead the Net Output of HSD fuel i.e. 1,039.980 MW. Given the materiality of the outcome of this error, the Petitioner hereby requests the Authority to kindly consider and allow the CPP component for HSD fuel tariff based on the computations utilizing Net HSD Output of 1,039.980 MW.
30. The Petitioner remains available to provide further information / explanations regarding the above mentioned matters, if required.

Relief Sought

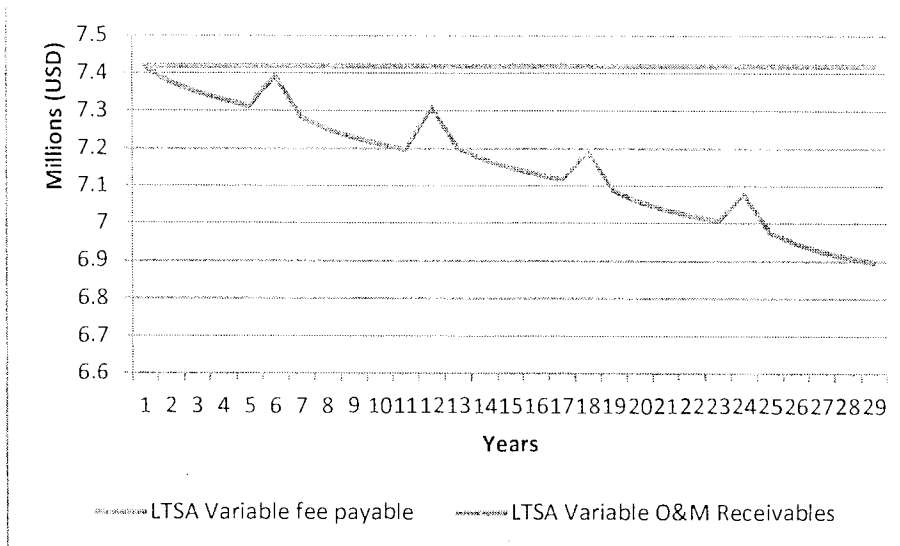
31. The Authority is requested to positively consider and incorporate the information submitted through this Instant Petition (attached as per "Annexure B") as an integral part of the tariff petition and determine the tariff components accordingly.

	Determined	Based on revised capacity of 1039.98 MW
Fixed O&M local	0.0647	0.0720
Fixed O&M foreign	0.1453	0.1616
Cost of W/C	0.0970	0.1079
Insurance	0.0574	0.0638
ROE	0.4481	0.4984
Debt repayment	0.3629	0.4036
Interest charges	0.2420	0.2692
Total CPP	1.4174	1.5765
Capacity charge @ 92%	1.5407	1.7135

i. Output degradation and part load adjustment on Variable O&M Component

32. The Variable O&M cost comprises LTSA and O&M operator fees denominated in foreign currency. The Variable O&M cost component in the tariff petition has been computed based on net output of 1,156.675 MW as a static number. However, annual output degradation is expected to gradually reduce the net output of the plant over the

tariff control period. As a natural consequence, the actual variable costs are bound to be higher than the respective Variable O&M amounts to be recovered under the tariff, thus exposing the Petitioner to a continuing loss. The estimated loss over the Control Period is USD 7.4 million. *In view of this submission, the Authority is requested to allow output degradation factor application to the Variable O&M Cost components.*

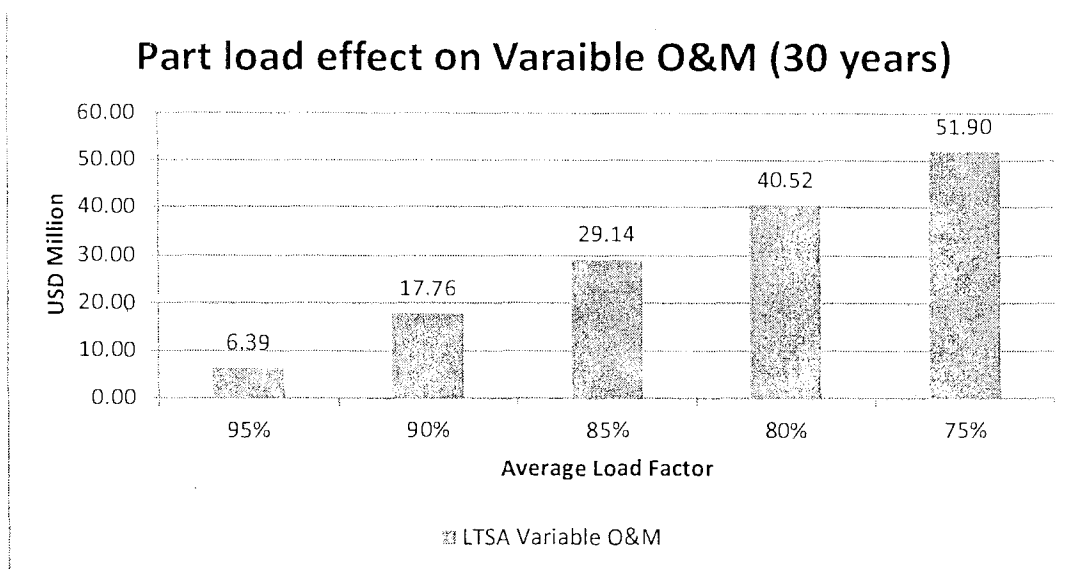


33. As per Tariff determination of QATPL, part load correction factor on Variable O&M Component is not allowed by Authority and O&M cost is subject to actualization based on the signed agreements. The Petitioner has entered into the LTSA with GT OEM i.e. General Electric (GE) wherein the variable fee to the LTSA Contractor is based on the Factored Fired Hours (FFH) of the Gas Turbines and the recovery under tariff against the same is through kWh generation. In case, the Power Plant is despatched on the part load operation during operational phase by Power Purchaser, Company will incur losses under the LTSA payments payable to the LTSA Contractor as FFH of Gas Turbines remains same even when Gas Turbines are operated on the part load.

Relief Sought

34. *Therefore, the Petitioner requests the Authority to reconsider the part load effect to be applied on the Variable O&M Component.* The estimated part load effect on LTSA variable O&M Component at different plant load factors is presented below:

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j. Engineering & Consultancy Cost

35. Authority allowed US\$ 10 million under the head of Engineering & Consultancy Cost. It is, however, submitted that the Engineering and Consultancy costs were allowed without considering the escalation of 12% per annum (local) and 4% per annum (Foreign), and also the exchange rate devaluations during the construction period as envisaged in the Consultancy Contract that impacted the foreign sub-consultancy costs substantially. Moreover, the consultancy cost is also expected to rise due to additional / continued services of the consultants due to extension in the construction period.

Relief Sought


Accordingly, the Authority is requested to consider and allow the engineering & consultancy costs at actual.

k. Insurance Cost During Operations

36. The Authority has allowed 1% of the EPC cost as Insurance cost to QATPL in the Tariff Petition. Previously, Authority allowed 1.35% of the EPC cost to other Power Projects i.e. Halmore Power, SECL etc.
37. QATPL opted for an advanced technology in the procurement of the Plant and with aggressive negotiations achieved lowest per MW EPC cost which is USD 0.456 Million per MW as compared to other Power Projects where EPC cost was around USD 1 Million per MW.

38. Insurance premium is charged on the insured amount by the Insurance Companies rather than EPC cost paid by the Company. The insured amount is the project cost which, in addition to the EPC Cost, includes many non-EPC costs such as taxes & duties, freight charges, item not covered under EPC (BOP spares, flood protection work and Training center etc.
39. The company being a government owned entity is legally bound to obtain operational phase insurance quotes through National Insurance Company Limited ("NICL") through competitive bidding process carried out by NICL. The best insurance premium secured by NICL for Bhikki project after two rounds of bidding which was much higher than 1% of the EPC Cost exclusive of Federal Excise Duty and Federal Insurance Fee. Despite serious and repeated efforts of the Company and NICL, the premium could not be brought down any further.
40. The Authority will appreciate that the EPC Cost of Bhikki project is unprecedentedly low as compared to other likewise projects already installed in Pakistan. However, the insurance underwriters do not give any concession to the Insured party because of the lower EPC cost or the Capex as the premium quoted is a function of the operational risks of the power plants. Hence the maximum insurance premium allowed to Bhikki Project i.e. 1% of the EPC cost has rendered the Bhikki plant incapable of obtaining insurance cover. On the contrary, such a low cost of insurance premium allowed to Bhikki Project has in-fact amounted to undue penalizing of Bhikki project for setting up the most efficient power project with lowest ever EPC cost in the country.
41. Hence in view of the above submissions and the fact that the insurance market at present is a Seller's market with relatively lesser risk appetite of the Reinsurers / underwriters, it is impossible for QATPL to procure operational phase Insurance with the limitation of 1% premium cost of total EPC cost.

Relief Sought

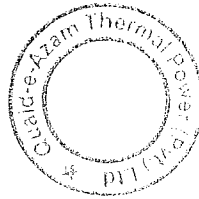
42. Accordingly, it is requested that the Petitioner may be allowed the actual cost of insurance premium paid during operational period to be supported by the documentary evidence.
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B. Prayer / Request

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In view of the above submissions, it is respectfully prayed that while accepting this Petition for Modification of Tariff Determination, the learned Authority may kindly review its Determination in the manner and to the extent detailed in this Instant Petition above. Any other relief may also kindly be granted.

QATPL shall be please to provide any additional documents and information, clarification or explanation that may be required by the Authority in order to reach a just and equitable decision.



A handwritten signature in black ink, appearing to read "Akhtar Hussain".

Petitioner
Quaid-e-Azam Thermal Power (Private) Limited
Through its Chief Executive Officer
Mr. Akhtar Hussain



QUAID-E-AZAM THERMAL POWER (PVT.) LTD.

7-C1, Gulberg-III, Lahore

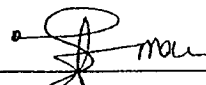
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CERTIFIED TRUE COPY OF THE EXTRACT FROM THE RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS OF QUAID-E-AZAM THERMAL POWER (PRIVATE) LIMITED IN ITS 41st MEETING HELD ON 30.05.2018

RESOLUTIONS:

- (i) **RESOLVED THAT**, "approval of the Board of Directors be and is hereby accorded to file the Tariff Review / Modification Petition to NEPRA for revision of certain cost heads under Tariff Determination dated April 14, 2016 and in relation thereto enter into and execute any and all required documents, make all filings/ necessary changes / amendments as may be required in the subject petition, do any act and pay all applicable fees, whatever it may be in each case, of any nature whatsoever as may be required."
- (ii) **FURTHER RESOLVED THAT**, "in respect of tariff review / modification petition, applications and any other documentation etc. to be submitted to NEPRA, Mr. Asad Rehman Gilani, Chief Executive Officer or Mr. Akhtar Hussain Mayo, Chief Operating Officer, is the duly authorized representative on behalf of the Company for the purpose of filing the said petition and is hereby empowered and authorized for and on behalf of the Company to:
- a) Review, execute, submit and deliver the tariff review/ modification petition, applications and any other documentation (including modifications thereto) and related documentation required by NEPRA, inter alia, any consents, contract, document, power of attorney, affidavits, statements, letters, forms, applications, deeds, undertakings, approvals, memoranda, amendments, communications, notices, certificates, request and any other instruments of any nature whatsoever
 - b) Sign and execute necessary documentation, pay necessary fees, appear before NEPRA as needed and do all necessary things for the aforementioned purpose;
 - c) Represent and respond on behalf of the Company, in the public hearings, to all of NEPRA's queries, case officers, stakeholders and to attend pre- and post-hearing meetings;
 - d) Do all such acts, matters and things as may be necessary for carrying out the purposes aforesaid and give full effect to the above-said; and
 - e) Delegate all or any of the above powers in respect of the foregoing to any other officials of the Company as deemed appropriate."

CERTIFIED TO BE TRUE COPY



Company Secretary

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Bhikki 1,039.980 MW

Revised Tariff Table (HSD) Computations for Instant Tariff Petition

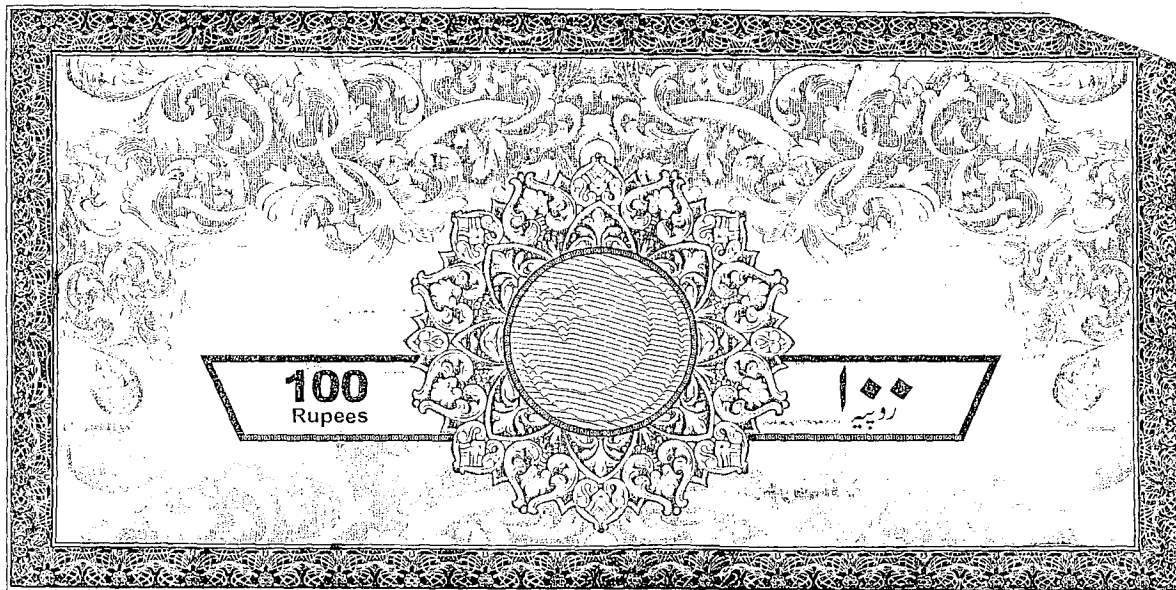
Year	Energy Purchase Price (Rs./kWh)			Capacity Purchase Price (PKR/kW/Hour)									Total Tariff	
	Fuel component	Var. O&M	Total EPP	Fixed O&M local	Fixed O&M foreign	Cost of W/C	Insurance	ROE	Debt Repayment	Interest Charges	Total CPP	Capacity charge@ 92%	Rs. / kWh	Cents / kWh
1	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	0.4238	0.6084	1.9359	2.1042	11.0141	10.4896
2	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	0.4649	0.5673	1.9359	2.1042	11.0141	10.4896
3	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	0.5099	0.5222	1.9359	2.1042	11.0141	10.4896
4	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	0.5594	0.4728	1.9359	2.1042	11.0141	10.4896
5	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	0.6136	0.4186	1.9359	2.1042	11.0141	10.4896
6	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	0.6731	0.3591	1.9359	2.1042	11.0141	10.4896
7	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	0.7383	0.2939	1.9359	2.1042	11.0141	10.4896
8	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	0.8099	0.2223	1.9359	2.1042	11.0141	10.4896
9	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	0.8884	0.1438	1.9359	2.1042	11.0141	10.4896
10	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	0.9745	0.0577	1.9359	2.1042	11.0141	10.4896
11	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
12	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
13	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
14	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
15	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
16	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
17	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
18	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
19	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
20	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
21	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
22	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
23	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
24	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
25	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
26	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
27	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
28	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
29	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
30	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	-	-	0.9037	0.9822	9.8921	9.4211
Average														
1-10	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	0.6656	0.3666	1.9359	2.1042	11.0141	10.4896
11-30	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	0.0000	0.0000	0.9037	0.9822	9.8921	9.4211
1-30	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	0.2219	0.1222	1.2477	1.3562	10.2661	9.7773
Levelized														
1-30	8.4527	0.4572	8.9099	0.0720	0.1616	0.1079	0.0638	0.4984	0.4036	0.2692	1.5765	1.7135	10.6234	10.1176

Levelized Tariff =

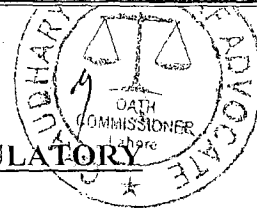
10.6234 Rs./kWh

10.1176 US Cents/kWh

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**BEFORE THE NATIONAL ELECTRIC POWER REGULATORY
AUTHORITY (NEPRA)**



**PETITION FOR MODIFICATION OF DETERMINATION OF TARIFF BY
NATIONAL ELECTRIC AND POWER REGULATORY AUTHORITY
("AUTHORITY") DATED APRIL 14, 2016 IN THE MATTER OF
REFERENCE GENERATION TARIFF OF QUAID-E-AZAM THERMAL
POWER (PRIVATE) LIMITED**

**AFFIDAVIT OF MR. AKHTAR HUSSAIN, CHIEF EXECUTIVE OFFICER
M/S. OF QUAID-E-AZAM THERMAL POWER (PRIVATE) LIMITED, 7-
C-I, GULBERG III, LAHORE.**

I, the above deponent, do hereby solemnly affirm and declare as under: -

1. That the above-named Deponent has filed the accompanying Petition for Modification of Tariff before the learned Authority and the contents of the same may kindly be read as an integral part of this affidavit.
2. That the contents of the accompanying Petition for Modification of Tariff are true and correct to the best of my knowledge and belief and nothing has been concealed therein.

Akhtar Hussain
Deponent

VERIFICATION

Verified on oath at Lahore on 19th day of September, 2018 that the contents of the above affidavit are true and correct to the best of my knowledge and belief.

Akhtar Hussain
Deponent
ATTESTED
Chaudhary Z. Ashraf Advocate
Oath Commissioner Lahore