



**CENTRAL POWER PURCHASING AGENCY GUARANTEE LIMITED**  
(A Company of Government of Pakistan)

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www.cppa.gov.pk

No. CPPA-G/2020/CEO/8093

Dated: November 24<sup>th</sup>, 2020

The Registrar NEPA  
NEPA Tower,  
Islamabad.

For information & u/c  
- Bilal Idris  
- ME  
copy to:  
- ADR (T/F)  
- SLA  
26/11/20  
acknowledgment  
- KUMAR - MCAI  
- MLCI - MEMSE

**SUBJECT: PETITION FOR THE DETERMINATION OF MARKET OPERATION FEE  
FOR THE FINANCIAL YEAR 2020-21.**


Central Power Purchasing Agency (Guarantee) Limited is company functioning as the market operator to carry out market operation in accordance with the National Electric Power Regulatory Authority (Market Operator Registration, Standards and Procedure) Rule, 2015 (the "Market Rules"), since June 2015. Under the Rule-3 of the National Electric Power Regulatory Authority (Market Operator Registration, Standards and Procedure) Rules, 2015, the National Electric Power Regulatory Authority has granted a certificate of registration to Central Power Purchasing Agency (Guarantee) Limited. The registration number of the Market Operator is MOR/01/2018.

As per Clause 11.1.1 of the Commercial Code, CPPA-G requires to file the petition of Market Operation Fee to Authority for the Determination. In this connection please find the documents as follows;

- Affidavit
- Market Operation Fee 2020-21.
- Certified True Copy of Board Resolution.

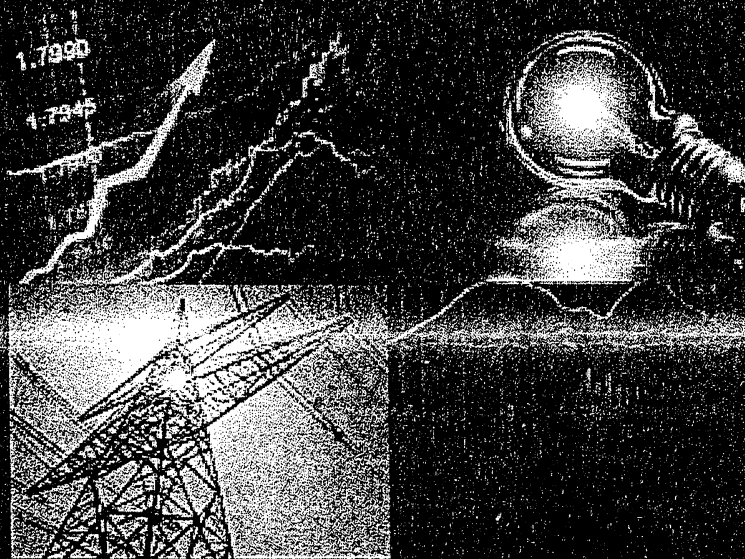
It is further submitted that the Authority has not yet finalized the mechanism for determination of petition filing fee. The instant petition being filed without the fee and the same would be paid once it is decided by the Authority.

REGISTRAR  
Dy. No: 173/2  
Dated: 26/11/20

  
(Waseem Mukhtar)  
Chief Executive Officer



**PETITION FOR DETERMINATION OF  
MARKET OPERATION FEE  
FINANCIAL YEAR 2020-21**




PETITION FOR MARKET OPERATION FEE  
UNDER RULE 3 AND SUB-RULE 7 OF RULE 4 OF NEPRA  
(TARIFF STANDARDS AND PROCEDURES) RULES, 1998

Before

THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)  
FOR DETERMINATION OF MARKET OPERATION FEE  
FOR FINANCIAL YEAR 2020-21

CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED (CPPA-G)  
ADDRESS: Shaheen Plaza, Plot No. 73-West, Fazal-e-Haq Road, Blue Area, Islamabad.  
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## **I. Petitioner Information**

### **I.1. NAME**

Central Power Purchasing Agency (Guarantee) Limited ("CPPA-G").

### **I.2. ADDRESS**

Shaheen Plaza, Plot No. 73-West, Fazal-e-Haq Road, Blue Area, Islamabad.

### **I.3. COMPANY DETAILS**

Central Power Purchasing Agency (Guarantee) Limited CPPA-G (the "Petitioner" or the "Company") is a company incorporated under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and granted a Corporate Universal Identification No. 0068608 by the Security Exchange Commission of Pakistan in the year 2009.

In exercise of the powers conferred by Rule-3 of the National Electric Power Regulatory Authority (Market Operator Registration, Standards and Procedure) Rules, 2015, the National Electric Power Regulatory Authority has granted a certificate of registration to Central Power Purchasing Agency (Guarantee) Limited. The registration number of the Market Operator is MOR/01/2018.

### **I.4. THE BOARD'S AUTHORIZATION**

Board of Directors (BoD) authorized the Chief Executive Officer and other senior officers to sign, file and represent this petition and to submit any additional document/information to the Authority (Annex-A).

### **I.5. COMPANY REPRESENTATIVES**

The following officers of CPPA-G have been authorized by the Board of CPPA-G to sign, file and represent this petition and to submit any additional documents/information to the Authority:

- Mr. Waseem Mukhtar, Chief Executive Officer
- Mr. Rihan Akhtar, Chief Financial Officer
- Mr. Majid Khan, Chief Legal Officer
- Mr. Mubasher Ahmad, Chief Technical Officer
- Mr. Arshad Minhas, Chief Information Officer

## **2. GROUNDS AND FACTS FORMING BASIS OF THIS PETITION**

- i. In order to meet with the expenses for discharging the functions and plans mentioned, the petitioner requires revenue to be approved by the Authority in terms of clause (e) of subsection 2 of Section 7 read with clause (j) of subsection 2 of Section 7 of the NEPRA Act and chapter 11 of the Commercial Code.
- ii. Chapter 11 of the Commercial Code deals with the Market Operation Fee and clause 11.1.1 provides that the existing cost associated with CPPA of NTDC shall be separated from the Use of System Charge (the "UoSC") of NTDC. In this manner, the UoSC of NTDC, already being paid by the ex-WAPDA DISCOs, shall be reduced by the amount corresponding to the expenses of CPPA-G.
- iii. As per the broad guidelines laid down in Chapter 11 of the Commercial Code, the general heads of costs associated with the operations of the petitioner have been provided in clause 11.1.2.
- iv. In terms of these broad guidelines the petitioner is also permitted to include any cost estimate for future capital expenditure required for compliance with current and future provisions contained in the Commercial Code.
- v. As such the total revenue requirement of the petitioner shall comprise of the existing cost separated from the UoSC of NTDC, additional operating cost in view of present operations independent of NTDC and the Capital cost required for effective operations of CPPA-G for compliance with present and future requirements of the Market Rules and Commercial Code shall form the Market Operation Fee of the petitioner.
- vi. These guidelines also provide that the formula for calculating the Market Operation Fee shall be similar to the formula of calculating the UoSC i.e. dividing total determined cost by peak demand of ex-WAPDA DISCOs.
- vii. Rule-9 (1) (d) of the NEPRA Market Operator (Registration, Standards and Procedure) Rules, 2015 (the 'Market Rules') state that "In addition to the obligations in the applicable documents, each market participant shall have the obligation to pay the market operation fee as per Commercial Code and such other charges as specified by the Authority."
- viii. Rule 7 (4) of the NEPRA (Tariff Standards and Procedures) Rules, 1998 state that "The Authority may, while admitting a petition, allow the immediate application of the proposed tariff subject to an order for refund for the protection of consumers, or for satisfactory security to be provided for refund, while the proceedings are pending before the Authority"

In accordance with the revenue requirement of the company, CPPA-G is hereby submitting a petition for Market Operation Fee for FY 2020-21. This petition is filed in line with Rule 3 and Sub-Rule 7 of the Tariff Standards & Procedure Rules-1998 (Rules) and in line with the Chapter 11 of the approved Commercial Code by Authority vide letter no. CPPA-G/2016/CEO/1963.

### 3. REVENUE REQUIREMENTS FOR CPPA-G:

CPPA-G revenue requirement includes General Establishment Cost (Pay & Allowances, Training & Capacity Building, Outsource Services & Consultancy), Administration Cost (Rent, Rate & Taxes, power light & water, office supplies, Telephone fax & postage telegram, travelling expenses, representation & entertainment, professional fee & BoD fee, outside service employed and general miscellaneous expenses), Insurance, Finance Charges, Repair & Maintenance and Capital Expenditure (Capex) etc.

The head wise breakup of the revenue requirement for FY 2020-21 along with comparison of Authority requested revenue requirement for FY 2019-20 is given below;

Description	Mln. Rs.	
	FY 2019-20 Requested	FY 2020-21 Requested
General Establishment Costs	679	695
Administrative Costs	166	184
Office Operations, Services & Maintenance	33	69
Insurance	2	3
Finance Charges	2	3
Total O&M Cost	884	954
CAPEX	53	61
Grand-total	937	1,016

The requested revenue requirements for FY 2020-21 is discussed in detail in the following paragraphs;

#### 3.1. GENERAL ESTABLISHMENT COST

This head mainly includes cost associated with pay & allowances and other benefits of the employees, Training and Capacity Building cost and cost regarding consultancy services.

The pay and allowances for FY 2020-21 are proposed at Rs. 484.01 million against the last year requested figure of Rs. 453.86 million for FY 2019-20. Pay & Allowances for FY 2020-21 are projected after applying

10% increase over "Actual Basis pay" of each employee for the period of May 2020 and keeping in view "pay scales structure" already approved by the BoD.

The employees benefits head consist of provident fund, gratuity, earned leaves, EOBI, GLI, medical benefits and overtime. The employees' benefits are projected around Rs. 88.39 million for FY 2020-21 keeping in view the "pay scales structure" already approved by the Authority. The Authority is requested to approve the same in the head of Pay & Allowance of the Employees for FY 2020-21.

HR department planned to fill vacant positions in various departments. The HR department is of the view that the proposed hiring would be completed by the end of December 2020, therefore the projected pay and allowance are based on 6-month salaries.

In this regard the Authority is requested to allow an amount of 43.39 million for new hiring.

*Training and Capacity Building.* - This head includes cost associated with training courses / workshops planned for the employees of CPPA-G in FY 2020-21. The training expenses are comprising of local and foreign training and capacity building employees. The BoD has already approved the policy of capacity building of human resources by induction of management trainees and as per the policy the management trainee will be inducted to move with future timeline mentioned in the market rules. The Authority directed management of CPPA-G to continue to conduct workshops / training programs like EMP for power sector stakeholders. Keeping in view the previous trend and direction of Authority an amount of Rs. 24.98 million is proposed in the head of training and capacity building for FY 2020-21. The required budget would be utilized mainly on the following training programs;

- ✓ IT department training regarding CISSP, CGEIT (Governance of Enterprise IT), CPTP (Ethical Hacking & Penetration Testing), Oracle App DBA12c, Oracle Linux 7.3, Oracle OAF 10g, Oracle ADF 12c, Oracle SOA Suite 12c, Oracle Performance Management, COBIT Foundation, ITIL Foundation, & PMP Trainings.
- ✓ SMD department training consists of training regarding Electricity Market Professional (EMP) Program 2020-For Operational Level Staff of Power Sector Entities, Electricity Market Professional (EMP) Program 2020-For IPPs and GENCOs & Local Workshops on Power Market Development for Power Sector Entities.
- ✓ Other miscellaneous trainings / workshops of PG & CP, Technical, Finance, Legal, Internal Audit and HR department would also be part of proposed trainings programs for FY 2020-21.



**Consultancy Services:** - This head includes cost relevant to the various HR consultancy services which are proposed to be outsourced in FY 2020-21. These services mostly include outsourcing of Demand Forecast Consultant, Consultant Generation and Expansion Planning, Consultant System Operator Strengthening, Recruitment Firm, Consultant for Implementation of COBIT Framework (Phase-I Preparation) & Tax Consultants.

The Authority in this regard is requested to allow an amount of Rs. 32.10 million for FY 2020-21.

### 3.2. ADMINISTRATIVE COST

The sub heads of administrative expenses are rent, rate & taxes, power light & water, telephone fax & Postage telegram, office supplies and other expenses, subscription of periodicals, representation entertainment, travelling expenses, BOD and auditor fees and advertisement & publication expenses.

The head wise breakup of the cost proposed for FY 2020-21 is as follows;

Description	Mln. Rs.
	FY 2020-21
	Requested
Rent Rate Taxes, Power Light, Communication & etc	115.90
Office Running Exp.(outsourced services)	8.41
Other Expenses	60.13
<b>Total</b>	<b>184.44</b>

For FY 2020-21 the administrative expenses are proposed at Rs. 184.44 million. The proposed administrative cost along with justifications is discussed in detail in the following paragraphs;

**Rent, Rate & Taxes.** - These expenses are mainly related to the building rent, being paid for occupying office space to carry out CPPA-G operations. Increase of 5% as per contract over the last year rent an increase of Rs. 4.09 million is requested over the last year approved budget. The CPPA-G also hold around 2,325 and 1,589 square feet space in WAPDA house and sunny view Lahore respectively. The estimated rent of these offices is around 4.7 million. The total amount required in this head is Rs. 90.71 million for FY 2020-21.

**Power light and Water.** - In order to estimate expense in this head the electricity bill of new building is assumed @ 1 million p/m keeping in view the average historical bill of almost of same size NEPRA building.

Water expenditure are assumed around 0.2 million and after consolidating the above figures an amount of Rs. 12.24 million is proposed in the head of power, light and water for FY 2020-21.

*Communication* - This head includes mainly the expenses relevant to telephone charges, employees cell phone charges, internet charges, courier services charges for external communication through letters. Keeping in view the historical trend of these expenses and cell phone charges limits allowed to each employee an amount of Rs. 12.94 million is proposed for FY 2020-21.

*Office Running Expenses (Outsourcing Services)* - This head includes services relevant to Security services, Mineral water, Photocopier services, Newspaper Generator fueling cost, CCTV room operator, Cleaning & Pest control services, Office record relocation expenses, Elevator operator & etc. The budget in this regard is proposed to be Rs. 8.41 million for FY 2020-21.

*Other Administrative Expenses* - The remaining head of administrative expense consists of office supplies, entertainment, travelling, advertisement and publications, BOD and auditor fee and other expenses.

For FY 2020-21 an increase of Rs. 8.87 million over the last year requested in the similar head has been assumed. Authority is requested to allow an amount of Rs. 60.13 million in other administrative heads.

It is further submitted to the Authority that the administrative cost may be allowed to actualize (upward /downward) based on the audited financial statements of FY 2020-21. Keeping in view of the above the Authority is requested to allow an amount of Rs. 184 million in the head of administrative cost.

### **3.3. INSURANCE, FINANCIAL CHARGES**

The insurance expenses of Rs. 2.5 million are proposed @ 3% (as allowed by the NEPRA) of various I.T equipment's i.e Laptops/Desktops, Data Center Hardware, Printers, Equipment for Networking, Video Conferencing Solution & etc. Financial charges are normal bank charges, charged by banks against total transactions / projected payments of over Rs. 1.5 trillion. Finance charges of Rs. 3 million are proposed for FY 2020-21.

### **3.4. REPAIR MAINTENANCE**

The office operations, services & maintenance expenses consist of repair and maintenance of furniture, office equipment, vehicle, repair and maintenance of IT equipment's, I.T services and running cost of vehicle inclusive of fuel oil, oil and lubricants and annual fee and token taxes. For FY 2020-21 the Authority is requested to allow an amount of Rs. 68.97 million in the head of repair and maintenance.

The head wise breakup of the cost proposed for FY 2020-21 is as follows;

Description	Mln. Rs.	
	FY 2019-20	FY 2020-21
	Requested	Requested
R&M General	3	5
I.T Services (Email Sevices, Internet Expansion, Software Renewals, Toners & etc)	19	53
Vehicle Expenses Repair	4	4
Vehicle Expenses-Fuel & Oil (Running Cost)	7	7
Vehicle Expenses-License	1	1
Grand-total	33.34	68.97

### 3.5. CAPITAL EXPENSES

The requirement of capital expenditure for FY 2020-21 have been estimated in the following categories.

- ✓ IT Equipment & Software
- ✓ New Vehicle
- ✓ Other Capex

The summary of CAPEX required for FY 2020-21 is given as below;

Description	Mln. Rs.	
	FY 2019-20	FY 2020-21
	Requested	Requested
IT Equipment & Software	18	24
New Vehicle		29
Other Capex	35	9
Total	53	61

**IT Equipment and Software's:** - It is important to delineated that the ERP Financial including utility specific solutions to deal with billing, settlement and payment mechanism will tremendously improve CPPA-G capability to operate more effectively and also bring more transparency to market operation and provide timely information to all market participants. The proposed expenses in the head of IT equipment are mainly include Data Institutionalization and Publishing, IT Infrastructure Transformation, Operational Software's, ERP Implementation (Extension), IT Management Solutions, record management, video conference solution, Inhouse

Application Development Environment and data center. The Authority is requested to approve an amount of Rs. 24 million in the head of IT software's and equipment.

**New Vehicles :-** It is important to delineated that 16 vehicles have exhausted their useful life rather more than 10 years have passed and the said vehicles require a lot of repair (minor / major) / maintenance many times, otherwise it has become very much difficult to get the vehicles roadworthy all the times. The fleet has become unable to suffice the travelling needs and requirements of the CPPAG staff particularly intra-city tours. The Authority is requested to approve an amount of 29 million in the head of New Vehicles.

**Other Capex :-** In other capex procurement of remaining office equipment i.e furniture & fixtures, steel racks, internal sound systems, walk through gate, Telephone exchange, luggage scanner and hand metal detector & misc items. The Authority is requested to approve an amount of Rs.9 million in the head of other capex.

#### **4. REQUIREMENT FOR MARKET OPERATOR (MO)**

CPPA is centrally facilitating the transition of Pakistan's power market from single buyer model to Competitive Trading Bilateral Contract Market (CTBCM) in consultation with stakeholders as mandated by ECC of the cabinet in its decision ECC-78/9/2015 (April 30, 2015) and same is reflected in Market Rules 2015. In compliance of the ECC decision, CTBCM high-level design and associated Plan were prepared through consultative process. The high-level design and the plan were reviewed by Special Committee of CPPA Board and after review was submitted to NEPRA in March 2018, for regulatory approval. The CTBCM high-level design has been approved by NEPRA vide Determination No. NEPRA/DG(Lic)/LAM-0 1/26389-98 dated Dec 05, 2019.

##### **Restructuring of CPPA-G for Creation of Market Operator:**

One of the key group of actions assigned to CPPA-G is the restructuring of the CPPA-G for the functional and later legal bifurcation of CPPA-G into two separate entities i.e. Market Operator (MO) and Special Purpose Trader (SPT).

The restructuring activity is divided into five phases: (i) High-Level Organizational Design (ii) Detailed Organizational Design and Documentation (iii) Implementation (iv) Functional Separation, and (v) Legal Separation.

In the MISC 3<sup>rd</sup> Meeting dated Sep 3, 2019, the Restructuring Project Management Office (RPMO) of CPPA presented the restructuring plan before the MISC and apprised the committee about the scope, timelines and the phased approach devised to complete the restructuring activity before the targeted commencement of the competitive wholesale market (CTBCM). The MISC reviewed the restructuring plan and eventually endorsed the plan for bifurcation of CPPA in to two separate legal entities i.e. Market Operator (MO) and Special Purpose Trader (SPT).

With this reference, it is apprised that the 1<sup>st</sup> phase of the project "High Level Organizational Design" has been completed and its deliverables have been finalized. The output of Phase-I is the **Restructuring Report** which entails:

- High-level Detailing of MO Market and Corporate Functions
- Organization Chart
- MO HR Requirements
- MO ICT Requirements
- MO Indicative Budget

The effort that has been invested to prepare and complete Phase-I entails several meetings with the MRC Consultants and the Steering Committee<sup>1</sup> (SC) of RPMO CPPA wherein the Restructuring Report for MO creation along with the plan and budget were internally deliberated by the SC.

The **Restructuring Report** approved by the **Steering Committee of RPMO** (includes CEO and all functional heads of CPPA) was presented before the Market Implementation Support Committee (MISC) of CPPA Board meeting 9th on September 30, 2020 and again in MISC 10 meeting dated October 22, 2020.

The following was presented before the committee on October 22, 2020:

**Market Operator Organization Chart:** It was presented that the total strength envisaged for the MO market function is 60 whereas the strength of the corporate functions is 109 totalling to 169 number of personnel required for the MO organization.

**Market Operator Budget:** It was apprised that the budget for creation of MO is segregated in **Pre-Market** (i.e. the money required to be spent on or before January 31, 2022) and **Post-Market** (i.e. the money required to be spent after start of market Feb 2022 onwards).

It was further apprised that for Pre-Market Phase (Nov 2020 to Jan 2022) the budget (Capex and Opex) has been further subdivided into:

1. The amount of spending required in current FY2021 (i.e. Nov 2020 to June 2021) and;
2. The spending required in 07 months of FY2022 (i.e. July 2021 to Jan 2022).

**Pre Market Requirements:** During FY2020-21, in order to implement the restructuring project including the detailed design of the MO functions, IT implementation and business processes automation, hiring of Market and Corporate staff etc. there is an earnest need to allocate the necessary budget in the following heads and initiate the

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<sup>1</sup> Steering Committee of the RPMO includes CEO and all functional heads of CPPA

hiring of the essential staff immediately and procurement of necessary IT infrastructure required for the seamless execution and timely completion of the restructuring project:

#	Expense Head	Requirement (2020-21) Mln.Rs
1	Hiring of MO Functions Dedicated Staff (10 Positions)	15.719
2	Hiring of Communications Staff (2 Positions)	3.676
3	Hiring of IT Staff (11 Positions)	10.868
4	Procurement of IT Hardware and Software	71.200
Grand Total		101.464

Moreover, it was apprised to MISC, HR and Finance Committees of CPPA Board in separate meetings that for spending in FY2022 (July 2021 to Jan 2022) the Opex and Capex requirement for hiring additional staff, IT requirements and other operational requirements will be assessed and firmed up in April/May 2021. The firmed-up Budget requirements for FY2022 (July 2021 to Jan 2022) will be presented before the Board around that time for approval as per the plan.

**Post Market Requirements:** Moreover, it was apprised that an analysis has also been carried out to project total requirement of annual budget in the **Post Market Phase**, once the Market Operator will become operational i.e. Feb 2022 onwards. This analysis is indicative but is useful for getting sense of overall budget requirements of MO once it gets operational.

Therefore, based on the business requirements an overall 540.3 million of IT budget has been estimated to be spent in 5 years as per MO ICT Plan. About 17% of this total amount i.e. Rs 91.3 Million will be spent in Pre-Market Phase and remaining in Post Market Phase. Further, of the Rs 91.3 Million, Rs 71.2 Million is budgeted for FY 2021 and remaining Rs. 20.1 Million in FY 2022 (July 2021 to Jan 2022).

Moreover, it was apprised that for Post Market Phase, once Market Operator becomes operational as separate legal company, the total Opex of Market Operator will reach up to Rs. 881 Million per year.

Moreover, it was apprised that the Phase-2 of the project "Detail Level Organization Design" is already started and currently in-progress. Under this phase the detailed SOPs/Manuals of the generic MO functions are being prepared followed by the development of Commercial Code Operating Procedures (CCoP) for the Market Operator. Moreover, under this phase the detailed IT Strategy and Plan, HR Strategy and Staffing Plan along with JDs and KPIs and Detailed Budget will be prepared.

It was discussed and highlighted that in the process of adding further details to different components of restructuring (MO functions, org chart, staffing, IT requirements and budget etc.) under Phase-2 of the Restructuring Plan as discussed above, the high level estimated presented above may change to some extent.

Based on the recommendation/approval of the Restructuring Report by the Steering Committee RPMO of CPPA, the MISC, HR and Finance Committees of the CPPA BoD recommended to the Board the approval for hiring of 23 professionals and the Budget for FY2021 amounting to Rs. 101.464 Million. Committees also recommended that after the approval of the Board, the same will be claimed from NEPRA through Market Operator Fee for FY2021.

## 5. PROPOSED MARKET OPERATORS FEE

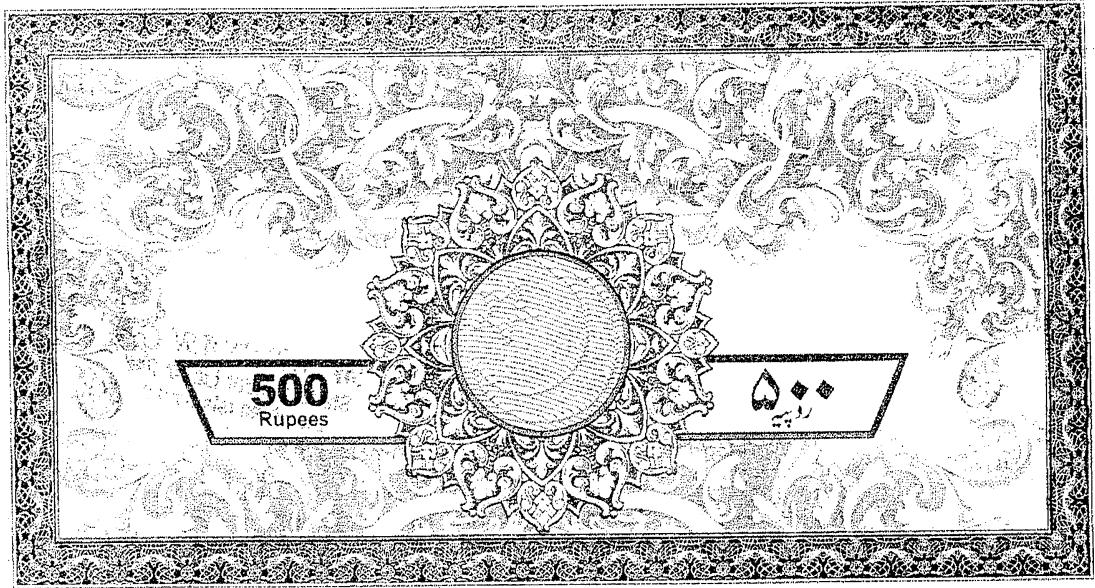
In view of the above discussion the summary of the revenue requirement is produced hereunder;

Description	Mln. Rs.	
	FY 2019-20	FY 2020-21
	Requested	Requested
General Establishment Costs	684.16	695.46
Administrative Costs	161.11	184.44
Office Operations, Services & Maintenance	33.34	68.97
Insurance	2.50	2.56
Finance Charges	2.40	3.00
Less: other income	(281.31)	(334.09)
Total Revenue Requirement	602.21	620.34
CAPEX	53.17	61.01
Requirement of Market Operator (MO)	-	101.46
Tax	-	70.80
PYA	(53.56)	-
Revenue Requirement + CAPEX	601.81	853.61
	Avg. MDI	25,867
	Rs. /kW/M	1.9388
		23,693
		3.002

## 6. PRAYERS:

- In view of above submissions, it is respectfully prayed that the Authority may very graciously approve the Market Operation Fee @ Rs.3.002 per kW / Month for the FY 2020-21.
- Authority may allow immediate application of above mentioned Market Operations Fee under Sub-Rule 7 of Rule 4 of the NEPRA (Tariff Standards and Procedures) Rules, 1998.
- Any other relief which the Authority deems fit in the circumstances may also be granted.

(Waseem Mukhtar)  
Chief Executive Officer CPPA-G



The Affidavit of the Chief Executive Officer of the Petitioner, in Support of the Application

### AFFIDAVIT

I, Waseem Mukhtar, Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Limited being duly authorized representative / attorney of Central Power Purchasing Agency (Guarantee) Limited, hereby solemnly affirm and declare that the contents of the accompanying petition including all supporting documents are true and correct to the best of my knowledge and belief and that nothing has been concealed. I also affirm that all further documentations to be provided by me in connection with the accompanying petition shall be true to the best of my knowledge and belief.

DEPONENT

*W*

Waseem Mukhtar  
Chief Executive Officer

ATTESTED



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Central Power Purchasing Agency Guarantee Limited  
A Company of Government of Pakistan



No. CPPA-G/2020/CS/ 8990-992

10<sup>th</sup> November, 2020

BOARD RESOLUTION III / 64 - CORRIGENDUM

APPROVAL OF CPPA-G BUDGET AND MARKET OPERATIONS FEE (MOF) FOR FY 2020-21

In supersession to Board Resolution No. CPPA-G/2020/CS/8820-822 III / 64 Issued on 31<sup>st</sup> August, 2020, on subject matter, passed by the Board of Directors of CPPA-G in meeting held on 24<sup>th</sup> August 2020 at CPPA-G office, may please be read as under;

The Board of Directors of Central Power Purchasing Agency Guarantee Limited (CPPA-G) has resolved that;

- I. Resolved that "CPPA-G Corporate Budget Rs. 987 million for FY 2020-21 and utilization of the same as per Book of Financial Powers, be and is hereby approved."
- II. Further resolved that "Additional Budget of Rs. 29 million for FY 2020-21 for purchase of Eight vehicles is hereby approved subject to seeking necessary clarification / approval from Finance Division."
- III. Further resolved that "After seeking clarification / approval from Finance Division for the applicability of the Austerity Measures for the procurement of Vehicle;
  - i. CPPA-G management be and is hereby authorized to purchase the new vehicles i.e Three Toyota Corolla (1600 cc Petrol), One Hilux REVO (2755 cc Diesel), Two Hyundai Grand Starex (2400 cc Petrol) and Two Suzuki Wagon-R (1000 cc Petrol).
  - ii. CEO CPPA-G be and is hereby authorized to approve the fluctuation in price if there is any increase or decrease in price at the time of order or payment to vendors.
  - iii. CPPA-G management be and is hereby authorized to initiate the process of auction of 16 existing vehicles as per Disposal of Fixed Assets Policy already approved by CPPA-G Board."



IV. Further resolved that "Chief Executive Officer be and is hereby authorized for re-appropriation of O&M and Capital expenditure budget among their respective sub-heads on the recommendations of CFO CPPA-G, as per allowed limit of Book of Financial Powers."

V. Further resolved that "CPPA-G management be and is hereby allowed to file approved Corporate Budget of Rs. 987 million and Additional Budget of Rs. 29 million (Total Rs. 1,015 million), after incorporating impact of Prior Year Adjustment, as CPPA-G's Market Operation Fee (MOF) for FY 2020-21 before National Electric Power Regulatory Authority (NEPRA)."

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**Central Power Purchasing Agency Guarantee Limited**  
A Company of Government of Pakistan



- VI. Further resolved that "Chief Executive Officer CPPA-G be and is hereby authorized to;
- sign individually or jointly the necessary documents for filing of Market Operations Fee (MOF) application for FY 2020-21.
  - file subsequent review motion petition after determination on the said application of FY 2020-21 (if any).
  - pay the necessary Market Operations Fee (MOF) petition filing fees."

**CERTIFIED TO BE TRUE COPY**

Certified that the above resolution was passed by the Board of Directors of Central Power Purchasing Agency (Guarantee) Limited in its 64<sup>th</sup> meeting held on 24<sup>th</sup> August 2020 and has been duly recorded in the minutes book of the Company.



  
Noman Rafiq  
Company Secretary

**Distribution:**

- Chief Financial Officer, CPPA (G) Ltd.
- Chief (HR&A) Officer, CPPA (G) Ltd.

**CC for Information:**

- Chief Executive Officer, CPPA (G) Ltd.



Central Power Purchasing Agency Guarantee Limited  
A Company of Government of Pakistan



No. CPPA-G/2020/CS/

16<sup>th</sup> November, 2020

**BOARD RESOLUTION EX-II / 65**

**RESTRUCTURING FOR CREATION OF MARKET OPERATOR (MO)**

A meeting of Board of Directors of Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) was held on 04<sup>th</sup> November 2020 at CPPA-G office, Shaheen Plaza, 73-west, Fazal-e-Haq Road, Blue Area Islamabad.

The Board of Directors of Central Power Purchasing Agency Guarantee Limited (CPPA-G) has;

- I. Resolved that "Hiring of 23 Professional Staff in FY 2020-21 under CPPA-G for creation of Market Operator, be and is hereby approved as follows;

Position	Grade	No.
<b>Market Development Positions</b>		
Market Operations Head	G-10	1
Lead (Market Design & Simulations)	G-09	1
Senior Specialist (Credit Cover Administration)	G-08	1
Senior Specialist (Product Design & Market Evolution)	G-08	1
Specialist (Credit Cover Administration)	G-06	1
Specialists in Product Design, Simulation & Regulation	G-06	4
Business Process Restructuring Expert (Local Consultant)	-	1
<b>TOTAL</b>		<b>10</b>
<b>Communication Department Positions</b>		
Manager Communication	G-9	1
Office Associate (Communication)	G-5	1
<b>TOTAL</b>		<b>2</b>
<b>IT Department Positions</b>		
Principal Database Administrator	G-8	1
Senior Software Engineer	G-6	1
Functional Analyst	G-6	2
Software Engineer	G-6	3
Quality Assurance Analyst	G-6	1
Power Engineer	G-6	1
Information Security Officer	G-6	1
Project Coordinator	G-6	1
<b>TOTAL</b>		<b>11</b>
<b>GRAND TOTAL (Positions)</b>		<b>23</b>



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**Central Power Purchasing Agency Guarantee Limited**  
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- II. Further Resolved that "Additional Budget of Rs. 101.464 million for FY 2020-21 under CPPA-G for creation of Market Operator, be and is hereby approved as follows;

#	Expense Head	Est. Budget in PKR (2020-21)
1	Hiring of MO Functions Dedicated Staff (10 Positions)	15,719,100
2	Hiring of Communications Staff (2 Positions)	3,676,920
3	Hiring of IT Staff (11 Positions)	10,868,574
3	Procurement of IT Hardware and Software	71,200,000
Grand Total		101,464,594

- III. Further Resolved that "CPPA-G management be and is hereby authorized for sending claim of additional Budget of Rs. 101.464 million to NEPRA through Market Operation Fee for FY 2020-21."

**CERTIFIED TO BE TRUE COPY**

Certified that the above resolution was passed by the Board of Directors of Central Power Purchasing Agency (Guarantee) Limited in its 65<sup>th</sup> meeting held on 04<sup>th</sup> November 2020 and has been duly recorded in the minutes book of the Company.

  
Noman Rafiq  
Company Secretary

**Distribution:**

- Chief Financial Officer, CPPA (G) Ltd.
- Chief (HR&A) Officer, CPPA (G) Ltd.
- Chief Information Technology, CPPA (G) Ltd.
- DGM SMD, CPPA (G) Ltd.



**CC for Information:**

- Chief Executive Officer, CPPA (G) Ltd.