

No. NEPRA/R/IPT-100/34492/70350 A

October 5, 2020

Subject: Application for Modification of Rates Approved by the Authority through Decision bearing Reference No. NEPRA/PA-142/15660-15662 dated 28.10.2015 (the Decision)-
Mira Power Limited (MPL)

Please find enclosed herewith the subject application of Mira Power Ltd (MPL), forwarded by CPPA-G vide its letter dated 01.10.2020 (received on 02.10.2020), for modification of rates approved by the Authority through Decision dated 28.10.2015 in the matter of approval of negotiated/signed Power Purchase Agreement regarding procurement of power by CPPA-G from 102 MW Gulpur Hydropower project of MPL in AJ&K.

2. CPPA-G has forwarded the subject modification application of MPL while referring to Import of Electric Power Regulations 2017 (IEPR-2017). The Regulation 3(2) of IEPR-2017 pertaining to submission of application for modification of rates is reproduced as below:

Regulation 3(2):

The Buyer shall, within one month of receipt of documents specified in subregulation (2A) from the Seller, make an Application, duly signed by the authorized person, to the Registrar for modification of Rates, which shall be accompanied with the information and documents mentioned in sub regulation 2A—

3. In the instant case, CPP-AG (Buyer) has forwarded the application of MPL which, inter alia, includes the BOD Resolution of MPL for submission of the subject application. However, the authorization of CPPA-G for submission of the subject application has not been submitted.

4. Senior Advisor (Technical), Senior Advisor (Tariff), and Legal Advisor (KIP) are requested to go through the enclosed Modification Petition and offer their comments that whether this Modification Petition merits for admission or otherwise. Further, LA(KIP) is requested to specifically advise whether the subject application is maintainable without the authorization of CPPA-G's Board for submission of the subject application or it warrants return under Regulation 3(4) of IEPR-2017.

5. Being time bound case, the comments shall reach by 07.10.2020, please.

Encl: As above

(Iftikhar Ali Khan)
 Director (RO)

1. Senior Advisor (Tech)
2. Senior Advisor (Tariff-II)
3. Legal Advisor (KIP)

For Information:

1. Registrar
2. Assistant Registrar [to pursue]
3. Master File

Senior Advisor (Tariff)
 Dy. No: 6796
 Date: 6-10-20

A/C/L/T

5/10/20

Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



OFFICE OF CHIEF FINANCIAL OFFICER

No. CPPA-G/CFO/

19992-94

Date: 01/10/2020

→ Director (Registrar Office),
National Electric Power Regulatory Authority,
NEPRA Tower, G-5/1, Islamabad.

Subject: Application for Modification of Rates Approved by the Authority through Decision bearing Reference No. NEPRA/PAF-142/15660-15662 dated 28.10.2018

Ref: M/s. Mira Power Limited letter No. NEPRA/Interim Relief/15695/2020 dated September 18, 2020.

Kindly find enclosed subject application for modification of rates approved by the Authority through its decision dated August 28, 2020 from M/s. Mira Power Limited for further necessary action.

Since the project is located in AJ&K territory (outside the jurisdiction of NEPRA), therefore the subject motion for leave is being forwarded to NEPRA, in pursuance to NEPRA Import of Power Regulation, 2017.

(Chief Financial Officer)
CPPA-G Islamabad

Copy to:

1. Chief Executive Officer (CPPA-G) Islamabad.
2. Master File.
- 3- Mira Power Limited. Islamabad.

For information

- DA-I/KK
- ME

Copy to.

SAT-1

a: chairman

- vcmci

- mcca

- mclig

- mcmfe

No. NEPRA/Interim Relief/15695/2020

Dated: 19th September, 2020

The Chief Executive Officer,
Central Power Purchasing Agency (Guarantee) Limited,
Shaheen Plaza, Plot No. 73-West,
Fazal-e-Haq Road, Blue Area, Islamabad

Subject: Application for Modification of Rates Approved by the Authority through Decision bearing Reference No. NEPRA/PAR-142//15660-15662 dated 28.10.2015 (the "Decision")

We refer to the Power Purchase Agreement dated 3 September 2015 (the "PPA") between Mira Power Limited (the "Company") and the Central Power Purchasing Agency (Guarantee) Limited (the "Power Purchaser").

The National Electric Power Regulatory Authority ("NEPRA" or "Authority") issued the Decision against the Power Purchaser's request for approval of the PPA, regarding the Company's (approximately) 102 MW Gulpur Hydropower Project. The Decision was published for notification in the official gazette on 28 October, 2015.

Pursuant to Regulations 3(2) and 3(2A) of the NEPRA (Import Of Electric Power) Regulations, 2017 as amended through, *inter alia*, S.R.O 634(I)/2020 dated 21.07.2020 (the "Import Regulations") read with the NEPRA (Tariff Standards and Procedures) Rules, 1998, and all other enabling and applicable provisions of the NEPRA laws, we, the Company, hereby submit the enclosed 'Application for Modification of Rates' with respect to the Authority's Decision on the basis of the grounds, facts and information provided therein (the "Application").


We hereby request your good offices to submit the enclosed Application to the Authority in compliance with Regulation 3(2) of the Import Regulations for an early determination. The Company will be pleased to provide any assistance that your good offices or the Authority may require and seeks an opportunity of being heard in arriving at an informed decision. This Application is submitted in triplicate together with:

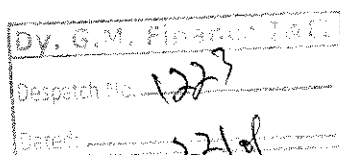
- (a) Certified extracts of the board resolutions of the Company, authorizing Mr. Dong Woong Kim, Chief Executive Officer of the Company to file the Application;
- (b) A pay order # 23593143 in favour of National Electric Power Regulatory Authority amounting to PKR 1,869,440/- (Pakistani Rupees One Million Eight Hundred Sixty-Nine Thousand Four Hundred Forty only) as the fee for the Application; and
- (c) the Affidavit of Mr. Dong Woong Kim, Chief Executive Officer of the Company.

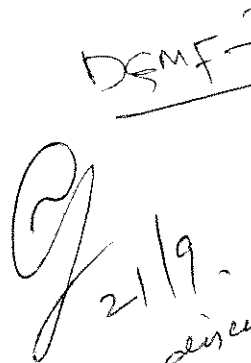
Thank you and with kind regards,

Yours sincerely,

For and on behalf of Mira Power Limited


Dong Woong Kim
Chief Executive Officer




21/9
22/9/20
23/9

VAKALATNAMA

We, Mira Power Limited (the "**Company**"), hereby appoint and constitute all partners and associates working with RIAA Barker Gillette (formerly RIAALAW), including **Mr. Wasee-ul-Hasnain Naqvee, Mr. Nadir Altaf and Mr. Haseeb Rao** (each, an "**Authorized Person**") to appear and act for and on behalf of the Company as our advocates in connection with the processing and presentation of the Company's Application for Modification of Rates dated [•], and any documents in support thereof (the "**Application**") before the National Electric Power Regulatory Authority ("**NEPRA**"), through the Central Power Purchasing Agency (Guarantee) Limited ("**CPPAGL**").

We also authorize the said Authorized Persons or any one of them to sign the necessary documentation, pay the necessary filing fees, appear and/or make any oral and/or written representations on behalf of the Company before NEPRA or CPPAGL and undertake or do all acts and things necessary, incidental to or deemed appropriate for the filing, submission, processing, completion and finalization of the Application with NEPRA or CPPAGL.

For and on behalf of
Mira Power Limited

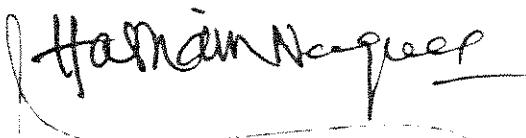



Dong Woong Kim
Chief Executive Officer
Mira Power Limited

Date: 13th September, 2020

ACCEPTED

RIAA BARKER GILLETTE

EXTRACTS OF THE RESOLUTIONS
PASSED BY THE BOARD OF DIRECTORS OF MIRA POWER LIMITED ("COMPANY")
THROUGH CIRCULATION AS ON 15TH SEPTEMBER 2020

"RESOLVED THAT the Company be and is hereby authorized to file an Application for Modification of Rates before the National Electric Power Regulatory Authority ("NEPRA") through the Central Power Purchasing Agency (Guarantee) Limited ("CPPAGL"), in respect of NEPRA's decision bearing reference no. NEPRA/PAR-142//15660-15662 dated 28.10.2015 under the relevant NEPRA laws.

FURTHER RESOLVED THAT Mr. Dong Woong Kim, Chief Executive Officer of the Company be and is hereby authorized for and on behalf of the Company to sign and file the Application for Modification of Rates and all necessary documents in support thereof to NEPRA or CPPAGL, pay necessary fee, appear and/or make any oral/written representations on behalf of the Company before NEPRA or CPPAGL as needed and to do all such acts necessary, incidental to or deemed appropriate for processing and completion of the Application for Modification of Rates.

FURTHER RESOLVED THAT in addition to Mr. Dong Woong Kim, the associates and partners of RIAA Barker Gillette (formerly RIAALAW), including Mr. Hasnain Naqvee and Mr. Nadir Altaf, shall also have the afore stated powers."

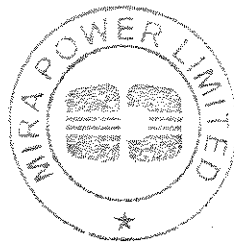
CERTIFICATION

CERTIFIED, that, the above resolutions were duly passed at a meeting of the Board of Directors of the Company at which the quorum of directors was present, and was held on 14th September, 2020 at 11a.m. at the registered office of the Company situated at Eleventh Square Plaza, 1st Floor, E-11/1, Islamabad, Pakistan.

FURTHER CERTIFIED, that the said resolutions have not been rescinded and are in operation and that this is a true and correct extract and copy thereof.

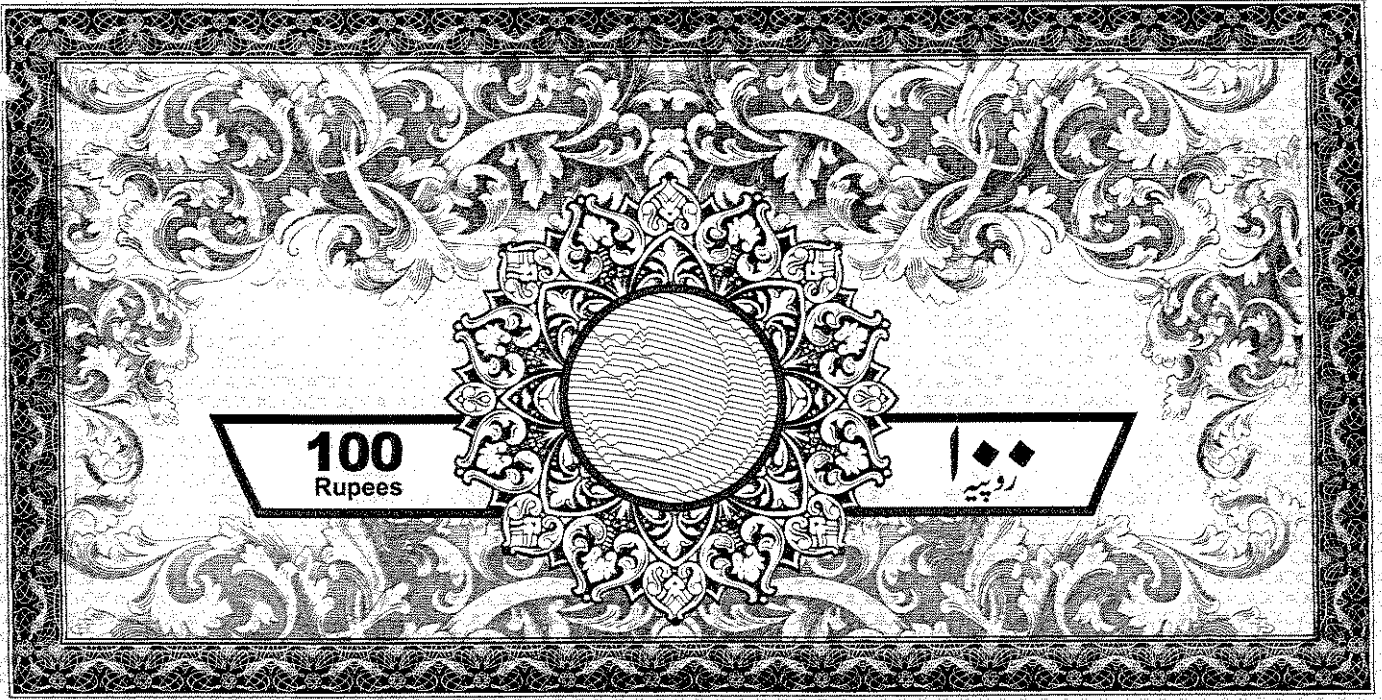
On behalf of the Board


TARIQ MAHMOOD
Company Secretary




KIM, DONGWOONG
Chief Executive Officer

Dated: 15th September 2020
Place: Registered Office, Islamabad



AFFIDAVIT

BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

I, Dong Woong Kim, Chief Executive Officer, Mira Power Limited, hereby solemnly affirm and declare that the contents of the accompanying Application for Modification of Rates, including all supporting documents, filed in respect of NEPRA's Decision bearing reference no. NEPRA/PAR-142/15660 – 15662 dated 28 October, 2015 are true and correct to the best of my knowledge and belief and that nothing material has been concealed therefrom.

I also affirm that all further documentation and information to be provided by me in connection with the accompanying Application for Modification of Rates will also be true and correct to the best of my knowledge and belief.

Islamabad
9th September, 2020

Deponent

Dong Woong Kim
Chief Executive Officer
CNIC / Passport No. 14001157

A. BASIS OF APPLICATION FOR MODIFICATION OF RATES

1. This Application for Modification of Rates (the "**Application**") is filed by Mira Power Limited (the "**Company**", "**MPL**" or "**Petitioner**") in respect of the Decision bearing reference no. NEPRA/PAR-142//15660-15662 dated 28.10.2015 and Case # NEPRA/PAR-142 (the "**Decision**") issued by the National Electric Power Regulatory Authority ("**NEPRA**" or "**Authority**") regarding the Company's (approximately) 102 MW Gulpur Hydropower Project (the "**Project**") located in Azad Jammu & Kashmir.
2. Since the Project is located in Azad Jammu & Kashmir, therefore, the tariffs / rates (and subsequent modifications thereof) would be dealt with and pursuant to, *inter alia*, the NEPRA (Import Of Electric Power) Regulations, 2017 as amended through, *inter alia*, S.R.O 634(I)/2020 dated 21.07.2020 (the "**Import Regulations**"). This understanding has already been confirmed by the Authority through its letter dated 31.12.2019 (bearing reference number NEPRA/R/IPT-100/28971) issued to MPL.
3. The Import Regulations require the Company to submit the Application through the Central Power Purchasing Agency (Guarantee) Limited ("**CPPAGL**" or "**Power Purchaser**"). This Application has been prepared in light of Regulations 3(2A) and 3(2) of the Import Regulation, which provide as follows:

*"(2A) The **Seller intending to seek modification of Rates** approved by the Authority for Import of Power **shall submit to the Buyer**:*

- (a) *the grounds and facts giving rise to the modification of Rates;*
- (b) *the modification or revision of Rates being sought, including comparative schedules of charges, costs, units, price and other items;*
- (c) *a summary of evidence giving brief particulars of the data, facts and evidence in support of the claim;*
- (d) *a non-refundable application fee, equivalent to the fee for filing of tariff petition under National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 and other rules and regulations on the subject; and*
- (e) *any other information and documents as may be required by the Authority.*

*(2) **The Buyer shall, within one month** of receipt of documents specified in sub-regulation (2A) from the Seller, **make an Application, duly signed by the authorized person, to the Registrar for modification of Rates**, which shall be accompanied with the information and documents mentioned in sub regulation 2A." (emphasis added)*

4. The term 'Seller' has been defined in Regulation 2(1)(k) of the Import Regulations as "*a person or entity desirous of entering into a PPA with a Buyer to export electric power from its **generation facility located in a territory where the applicability of the Act is not extended**." (emphasis added)*
5. The Company, being a 'Seller' under the Import Regulations, hereby files this Application under Regulations 3(2A) and 3(2) of Import Regulations read with the NEPRA (Tariff

BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

APPLICATION FOR MODIFICATION OF RATES

IN RESPECT OF THE DECISION OF THE NATIONAL ELECTRIC POWER REGULATORY
AUTHORITY IN THE MATTER OF REQUEST FILED BY CENTRAL POWER PURCHASING AGENCY
(GUARANTEE) LIMITED FOR APPROVAL OF NEGOTIATED/SIGNED POWER PURCHASE
AGREEMENT REGARDING PROCUREMENT OF POWER FROM 102 MW GULPUR HYDROPOWER
PROJECT OF MIRA POWER LIMITED [CASE # NEPRA/PAR-142] DATED 28.10.2015 **BEARING
REFERENCE NO. NEPRA/PAR-142//15660-15662**

[CASE # NEPRA/PAR-142]

Filed by:

**MIRA POWER LIMITED
(THROUGH THE CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED)**

IN RESPECT OF
APPROXIMATELY 102 MW HYDROPOWER PROJECT

DATED: 18th September, 2020

Legal and Regulatory Consultants

RIAA Barker Gillette
191-A, Cavalry Ground
Shami Road, Lahore Cantt. Pakistan
T +92 42 111 LAWYER (529-937)
Email: hasnain.naqvee@riaabg.com
Web: www.riaabarkergillette.com

Standards and Procedures) Rules, 1998 and all other enabling and applicable provisions of the NEPRA laws, for the kind consideration and review of the learned Authority for the matters contained herein.

6. Furthermore, NEPRA, per Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the "**NEPRA Act**"), has been empowered to determine and modify or revise its earlier tariff determinations and decisions, and per Section 7(g), the Authority is also empowered to "review its orders, decisions or determinations".
7. We understand that the Application may be the first of its kind, given that the recent amendments to the Import Regulations were approved and notified merely a few months ago. The Company will be pleased to provide any assistance that CPPAGL or the Authority may require in arriving at an informed decision. In relation thereto, it is humbly submitted that the Petitioner should be provided a reasonable opportunity to lay before the Authority the facts and circumstances leading to the Application. If the Authority does not allow the Petitioner a reasonable opportunity to be heard, the Authority would be acting in contravention of the principles of natural justice that *inter alia* are:
 - (a) That every such person must have a reasonable opportunity of being heard in his / her defence; and
 - (b) That the Authority must act in good faith, and not arbitrarily, capriciously or maliciously.
8. The Company is of the view that certain cost components need to be modified so as to arrive at a just, fair and informed determination pursuant to one-time adjustment of Reference Tariff and accordingly, this Application is being filed before the Authority for its consideration.
9. In view of the foregoing, the Authority is humbly requested to kindly: (i) admit the Application under the Import Regulations and other applicable laws; (ii) decide the instant Application of the Company on merits; and (iii) entertain the request of the Petitioner to consider the grounds, fresh facts and evidence mentioned herein.

B. THE GROUNDS AND FACTS GIVING RISE TO THE MODIFICATION OF THE RATES

10. We refer to the Power Purchase Agreement (the "**PPA**") dated 3 September 2015 between MPL and the Power Purchaser, as approved by the Authority, *vide* its Decision (defined above). Unless defined herein, all capitalized terms shall have the meanings ascribed to them in the PPA.
11. At the outset, the Company would like to take this opportunity to extend its gratitude to the Power Purchaser and Authority for its cooperation and support in achieving a land mark milestone of Commercial Operations Date ("**COD**") of the Project on 10 March 2020.
12. Annex - I (*Reference Tariff Table*) of Schedule 1 of the PPA, as approved by NEPRA, provides the Reference Tariff Table with a levelized tariff of PKR 9.4612 at a Reference exchange rate of USD 1 = PKR 104.85 (attached herewith as Annex-A).

13. The Company is entitled to various adjustments (including adjustments due to variation in the USD/PKR exchange rate) pursuant to the PPA, including a one-time adjustment in the Reference Tariff components at the Commercial Operations Date pursuant to Section 1.1(d) of Schedule 1 of the PPA which provides as follows:

*"The methods for calculating adjustments for price index changes and foreign exchange rate variations against the reference values, key assumptions of the Reference Tariff **and adjustments of Reference Tariff at Commercial Operations Date** are set forth in Part V."*

[Emphasis Added.]

14. Adjustments on Commercial Operations Date is covered in Annex – V (*Adjustments on Commercial Operation Date*) of Schedule 1 (*Tariff, Indexation and Adjustment*) of the PPA. Section 6 of Annex – V (*Adjustments on Commercial Operation Date*) of Schedule 1 (*Tariff, Indexation And Adjustment*) of the PPA provides as follows:

"6. Adjustments due to variation in US\$/Rupee parity

*Actual variation in US\$/Rupee parity for payments made in foreign currency will be allowed through an adjustment in total Reference Project Cost and Reference Tariff; **The relevant component of the Reference Tariff set out in Annex I shall be revised on the Commercial Operations Date to incorporate the variation related to changes in the US\$/Rupee rate during construction period.**"*

[Emphasis Added.]

15. The one-time adjustment in the Reference Tariff at Commercial Operations Date typically involves thorough scrutiny by NEPRA and completion of numerous legal and procedural formalities under the relevant NEPRA laws. It is processed by NEPRA after the Commercial Operations Date according to the verified Project Cost. It has been observed that this process of scrutiny and verification takes a lot of time (sometimes even more than a year) and has unfortunately negatively impacted and resulted in major cash flow issue for a number of IPPs. In particular reference to the Company's application, the Power Purchaser's prior review, due diligence and following internal procedures would also require some time.
16. The Petitioner has made claims to the Power Purchaser for extensions of time under the PPA due to various Force Majeure Events that occurred during the construction phase of the Project. Such claims are currently being evaluated and under discussion between the parties. Subject to finalization of the said claims regarding the extension of time, it is expected that the currently declared COD (i.e. 10 March 2020) shall be revised by the Power Purchaser. Owing to such pending claim, the Company is currently unable to prepare / process the consolidated application for a one- time adjustment in the Reference Tariff at COD.

Tariff Components	Reference Tariff	Revised Tariff
Variable Charge (Rs/kWh)		
Variable O&M-Local	0.0441	0.0441
Water Use Charge	0.1500	0.1500
Fixed Charge (Rs/kW/M)		
Fixed O&M- Local	155.7488	155.7488
Fixed O&M – Foreign	190.3595	298.7325
Insurance	132.6762	208.2097
Debt Service	2,349.8036	3,552.1588
Return on Equity	1,168.0420	1,765.7097
Return on equity during construction (ROEDC)	267.1510	403.8477

Levelized Tariff = US cents 8.778 at revised exchange rate of USD 1 = PKR 158.5 for foreign components.

D. A SUMMARY OF EVIDENCE GIVING BRIEF PARTICULARS OF THE DATA, FACTS AND EVIDENCE IN SUPPORT OF THE CLAIM

24. The following table shows an analysis of cashflow during the period from March to December 2020:

Tariff components	Expected Inflows USD	Expected Outflows USD
Water Use Charges	346,980	346,980
Variable O&M Costs – Local	102,012	102,012
Energy Payments	448,992	448,992
Fixed O&M Costs - Foreign	1,123,348	1,654,076
Fixed O&M Costs - Local	919,103	2,612,798
Insurance	782,948	2,662,359
ROE	6,892,841	10,419,794
ROEDC	1,576,510	2,383,183
Debt - Principal	7,457,418	18,318,029
Debt - Interest	6,409,226	14,991,652
Capacity Payment	25,161,394	53,041,891
Total Cashflows	25,610,386	53,490,883

Notes:

- Cash flow based on amounts falling due by December 31, 2020.
- Exchange rate USD 1 = PKR 166.15 (NBP exchange rate of Wednesday 2 September 2020)
- Accrual of ROE and ROEDC is assumed at revised exchange rate for outflows.
- Current Libor rate plus Margin (0.3661%+5%) is assumed for outflows.
- Indexation of Pak CPI and US CPI has been accounted for outflows.
- Company expenses are more than allowed tariff and payments are assumed on the basis of contracts and agreements.

17. MPL is facing a huge gap between its cash inflows and outflows due to the drastic devaluation of Pakistani Rupee against US Dollars. **As you are already aware, PKR has already shed circa 51% of its value since the EPC-stage tariff approval by NEPRA. The exchange rate prevailing on first Wednesday immediately after COD is PKR 158.5 per USD 1 (Wednesday 11th March 2020).**
18. The Project is financed by foreign sponsors and foreign lenders with 100% funding in US Dollar denomination, to be repaid in the same currency. The aforementioned gap in the exchange rate seriously affects MPL's ability to pay its liabilities (including payments to our lenders). Furthermore, it is pertinent to point out that the repayment schedule under the Financing Documents was laid out on the assumption that timely adjustments for variations in, *inter alia*, exchange rates will be granted as provided in the PPA. Such timely adjustments were to enable the Company in having adequate cashflows available for repayment under the Financing Documents.
19. Due to such gap, MPL could not pay its first two repayments of approx. USD 17.3 million and the same were arranged through sponsors' loan which needs to be repaid. Now the third repayment is due on January 4, 2021 and MPL expects to face the shortfall of approx. USD 28.5 million by the time of third repayment. If the situation continues, the Company would not only be unable to continue with its operations but also would be exposed to the risk of default under the Financing Documents. Hence, this Application for modification to the Decision.
20. The Petitioner also like to highlight that the Policy for Power Generation, 2002 emphasizes the need to allow foreign exchange adjustment on even a monthly basis if devaluation of more than 5% occurs in any month. This shows the intention of the policy / government to provide immediate relief to investors by adjusting the exchange rate in case of unexpected devaluations in the local currency. The modification/revision of the Rates sought herein would help MPL in avoiding its imminent and anticipated cashflow problems.

C. THE MODIFICATION OR REVISION OF RATES BEING SOUGHT, INCLUDING COMPARATIVE SCHEDULES OF CHARGES, COSTS, UNITS, PRICE AND OTHER ITEMS

21. In light of the foregoing, to avoid significant injustice, MPL respectfully prays to NEPRA to allow to modify or revise the **Reference Exchange Rate** as provided for in para 9 of the Annex-IV (*Key Assumptions of Reference Tariff*) of the Power Purchase Agreement as follows:

For: Rs. 104.85 and Rs. 101
Read: Rs. 158.5 (Wednesday 11 March 2020)
22. The timely modification in the Reference Exchange Rate will give the Company margin to manage its liabilities under its Financing Documents until the tariff is fully adjusted, and will help reduce the gap of its default thereunder. Essentially, this would enable MPL avoid default under its Financing Documents.
23. Subsequent to the adjustment, the revised tariff components shall be as follows:

25. It is apparent from the above that MPL shall be facing circa USD 27.9 million funding shortfall by December 2020 end and that the Company even cannot pay debt servicing cost of USD 33.31 million as the total expected revenue at the reference tariff would be only USD 25.6 million. Please note that sponsors have already contributed/exhausted their cost overrun support of USD 25 million and also extended a loan of USD 16.82 million over and above to their equity contributions, and it would be unfair, impossible and unviable for the sponsors to extend any further support. With the additional contribution of USD 43.82 million against the originally anticipated equity of USD 90 million, the IRR of the sponsors has already reduced drastically and MPL is at the verge of default, which is a serious concern.
26. If the adjustment of tariff at COD takes approximately the same time as precedent projects, the Project shall be totally unviable for Lenders as MPL shall continue to be in default for two (2) years or more. Failure to make repayments to lenders is a serious event of default under our Financing Documents and entitles the Lenders to exercise their rights therein, including enforcement of the security, taking over the Company's assets and Project or making the whole debt payable. Our Lenders, including ADB, IFC and KEXIM, have multiple investments in Pakistan and the serious nature of a default in making principle and interest payments to these Lenders, especially at such an early phase, will not only cause them to review other investments in Pakistan but will also send negative signals about the investment climate of the country and may affect the credit rating of the country. Late payments from the Power Purchaser further deteriorate the financial position and MPL cannot manage the project cashflows.
27. However, the timely modification by NEPRA in the Reference Exchange Rate shall enable MPL to avoid such a disastrous event. Based on the revised calculation of modified tariff, the expected revenues are as follows:

Tariff components	Expected Inflows USD
Water Use Charges	346,980
Variable O&M Costs - Local	102,012
Energy Payments	448,992
Fixed O&M Costs - Foreign	1,762,878
Fixed O&M Costs - Local	919,103
Insurance	1,228,686
ROE	10,419,794
ROEDC	2,383,183
Debt - Principal	11,273,255
Debt - Interest	9,688,721
Capacity Payment	37,675,619
Total Cashflows	38,124,611

28. As can be seen from the above, the timely modification of the foreign exchange can give MPL margin to manage its liabilities. MPL with such revised cashflow along with its sponsors loan will be in a position to manage payments to its Lenders and avoid an event of default situation.

29. As explained above that the Policy for Power Generation, 2002 emphasizes the need to allow foreign exchange adjustment on even a monthly basis if devaluation of more than 5% occurs in any month. This shows the intention of the policy / government to provide immediate relief to investors by adjusting the exchange rate in case of unexpected devaluations in the local currency. The modification/revision of the Rates sought herein would help MPL in avoiding its imminent and anticipated cashflow problems.. It is respectfully pointed out that our request is justifiable and in line with the intention of the government under the aforementioned policy. Therefore, we request for the same to be considered in that spirit.
30. In addition, under the Proposed Indicative Generation Capacity Plan, the government is committed to promote and give priority to hydropower generation for long term energy security. This support to the hydropower sector will boost the confidence of the international investors and will lay the groundworks for further investment in the hydropower sector.
31. Lastly, MPL would like to refer to the NEPRA decision dated 04 March 2015 in the "*Matter of request of Interim Relief for Larai Energy Limited*". Though legal form was different however similar support was granted by NEPRA, pursuant to its wide powers under the provisions of the NEPRA Act, to overcome their financial crises. We also refer to various other similar decisions given by NEPRA from time to time in support of MPL's Application.

MPL hereby undertakes that it will refund any excess amount that is determined to be refundable by MPL after final tariff adjustment by NEPRA at COD following verification of the entire project cost and all other factors.

The Petitioner reserves the right to take additional grounds at the time of hearing, for which the Petitioner requests for the opportunity to present its case with supporting documents, justification and related evidence.

Respectfully submitted on behalf of the Company.

Kind regards,

For and on behalf of
Mira Power Limited



Dong Woong Kim
Chief Executive Officer

Account Payee Only



HBL
HABIB BANK
ISLAMABAD CORPORATE
HABIB BANK TOWER BLUEAREA ISLAMABAD

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY O/A OF MIRA P
OMER LIMITE

Pay to

or Order

Rupees One Million Eight Hundred Sixty Nine Thousand Four Hundred

Forty Only.

Payable at any HBL Branch in Pakistan
Centralised Cheque Payable Account
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Stationary No: 23593143

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PKR *****1,869,440.00

Signature
PA No. 81991

Signature
PA No. 10932

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