



SAIF GROUP

# SAIF POWER LIMITED

3rd Floor, Kulsum Plaza, 2020-Blue Area, Islamabad, Pakistan. Tel: +92-51-2823924, 2829415  
Fax: +92-51-2278537, E-mail: saif@saifgroup.com

Date: July 6, 2007

Ref: SG/SPL/ Corp: Off/2007/ 140

The Registrar  
National Electric Power Regulatory Authority  
OPF Building  
Shahra-e-Jamhuriyat  
G-5/2, Islamabad

Dear Sir,

**Re: Petition under Sections 12(b) and 31 of the National Electric Power Regulatory Authority Act, 1997 read with Rule 3 of the NEPRA Tariff Standards and Procedures Rules, 1998 (the "Rules") for Revision/Modification of the Generation Tariff Determination dated 15 June 2006 of Saif Power Limited (the "Company")**

This refers to (1) the National Electric Power Regulatory Authority's letter No.NEPA/TRF-53/SPL-2006/5171 dated June 15, 2006 conveying the Authority's decision in respect of the Company's generation tariff (the "Tariff Determination") pursuant to the NEPRA Tariff Standards and Procedure Rules, 1998 (the "Rules") and (2) the Authority's decision dated August 11, 2006 on the Company's Motion for Recalculation dated June 26, 2006 under Rule 16(5) of the Rules.

The Company has executed EPC contract in respect of its Sahiwal Power Project and hereby submits this Petition under Rule 3 of the Rules for the revision/modification of the Tariff Determination on the facts, information and grounds as set out in detail in the Petition. Also, the relevant sources of information in respect of the factual submissions have been disclosed in the Petition. In total six (6) copies of the Petition are being submitted.

In accordance with Rule 3(9) of the Rules, the factual assertions in the petition are supported by an affidavit attached to the Petition.

The Company is pleased to submit this Petition for the kind consideration of and favourable approval by the Authority, and shall be pleased to assist the Authority in clarifying any aspect of the petition or its basis and provide any further information or evidence in support of the submissions in the petition as may be required. Before the finalization of Tariff, the Company would like to meet and discuss all aspects of the revised costs with the Panel of Experts of NEPRA.

Thanking you.

Yours sincerely,

Sohail H. Hydari  
Chief Financial Officer

Enclosures:

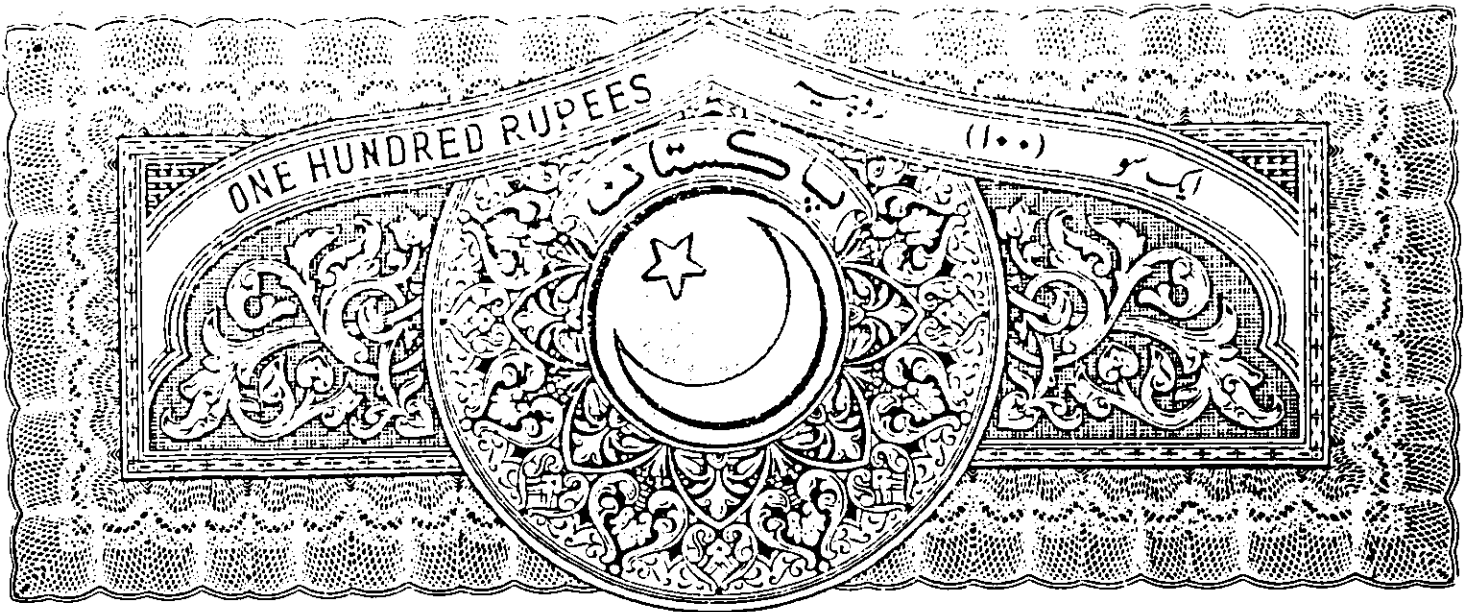
- (1) Petition
- (2) Summary of Evidence
- (3) Affidavit

AD(RS)

08.09.07

Registrar 1920  
Dy. No. 1920  
Dated 09.07.07

Recd. of spw New  
Munir / Jang



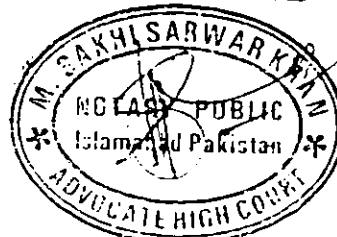
**BEFORE THE NATIONAL ELECTRIC POWER**  
**REGULATORY AUTHORITY**

I, Sohail H. Hydari, Chief Financial Officer, Saif Power Limited, being duly authorized representative / attorney of Saif Power Limited, hereby solemnly affirm and declare that the contents of the accompanying Revised Tariff 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 documentation and information to be provided by me in connection with the accompanying petition shall be true to the best of my knowledge and belief.

Islamabad  
July 4, 2007

DEPONENT

**ATTESTED**



04 JUL 2007



SAIF GROUP

## SAIF POWER LIMITED

3rd Floor, Kulsum Plaza, 2020-Blue Area, Islamabad, Pakistan. Tel: +92-51-2823924, 2829415  
Fax: +92-51-2278537, E-mail: saif@saifgroup.com

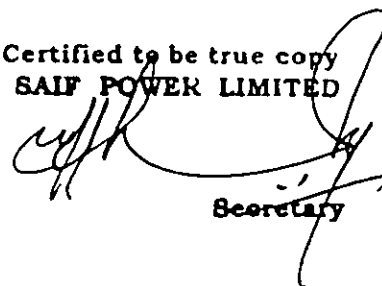
**COPY OF RESOLUTION PASSED BY CIRCULATION BY THE BOARD OF  
DIRECTORS OF THE COMPANY UNDER ARTICLE 83 OF THE ARTICLES OF  
ASSOCIATION OF THE COMPANY**

**RESOLVED THAT** the Company be and is hereby authorized to file revised Tariff Petition Under Rule 3(1) of Tariff Standard and Procedure Rules, 1998 with National Electric Power Regulatory Authority (NEPRA).

**FURTHER RESOLVED THAT** Mr. Sohail H. Hydari, Chief Financial Officer of the Company be and is hereby authorized for and on behalf of the Company to sign all necessary documents, pay necessary fee, appear before the Authority as needed and to do all such acts necessary for processing and completion of this Revise Petition.

Dated: July 02, 2007

Certified to be true copy  
For SAIF POWER LIMITED



Secretary

Chapter 1: FORMAT OF PETITION

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90  
91  
92  
93  
94  
95  
96  
97  
98  
99  
100  
101  
102  
103  
104  
105  
106  
107  
108  
109  
110  
111  
112  
113  
114  
115  
116  
117  
118  
119  
120  
121  
122  
123  
124  
125  
126  
127  
128  
129  
130  
131  
132  
133  
134  
135  
136  
137  
138  
139  
140  
141  
142  
143  
144  
145  
146  
147  
148  
149  
150  
151  
152  
153  
154  
155  
156  
157  
158  
159  
160  
161  
162  
163  
164  
165  
166  
167  
168  
169  
170  
171  
172  
173  
174  
175  
176  
177  
178  
179  
180  
181  
182  
183  
184  
185  
186  
187  
188  
189  
190  
191  
192  
193  
194  
195  
196  
197  
198  
199  
200  
201  
202  
203  
204  
205  
206  
207  
208  
209  
210  
211  
212  
213  
214  
215  
216  
217  
218  
219  
220  
221  
222  
223  
224  
225  
226  
227  
228  
229  
230  
231  
232  
233  
234  
235  
236  
237  
238  
239  
240  
241  
242  
243  
244  
245  
246  
247  
248  
249  
250  
251  
252  
253  
254  
255  
256  
257  
258  
259  
260  
261  
262  
263  
264  
265  
266  
267  
268  
269  
270  
271  
272  
273  
274  
275  
276  
277  
278  
279  
280  
281  
282  
283  
284  
285  
286  
287  
288  
289  
290  
291  
292  
293  
294  
295  
296  
297  
298  
299  
300  
301  
302  
303  
304  
305  
306  
307  
308  
309  
310  
311  
312  
313  
314  
315  
316  
317  
318  
319  
320  
321  
322  
323  
324  
325  
326  
327  
328  
329  
330  
331  
332  
333  
334  
335  
336  
337  
338  
339  
340  
341  
342  
343  
344  
345  
346  
347  
348  
349  
350  
351  
352  
353  
354  
355  
356  
357  
358  
359  
360  
361  
362  
363  
364  
365  
366  
367  
368  
369  
370  
371  
372  
373  
374  
375  
376  
377  
378  
379  
380  
381  
382  
383  
384  
385  
386  
387  
388  
389  
390  
391  
392  
393  
394  
395  
396  
397  
398  
399  
400  
401  
402  
403  
404  
405  
406  
407  
408  
409  
410  
411  
412  
413  
414  
415  
416  
417  
418  
419  
420  
421  
422  
423  
424  
425  
426  
427  
428  
429  
430  
431  
432  
433  
434  
435  
436  
437  
438  
439  
440  
441  
442  
443  
444  
445  
446  
447  
448  
449  
450  
451  
452  
453  
454  
455  
456  
457  
458  
459  
460  
461  
462  
463  
464  
465  
466  
467  
468  
469  
470  
471  
472  
473  
474  
475  
476  
477  
478  
479  
480  
481  
482  
483  
484  
485  
486  
487  
488  
489  
490  
491  
492  
493  
494  
495  
496  
497  
498  
499  
500  
501  
502  
503  
504  
505  
506  
507  
508  
509  
510  
511  
512  
513  
514  
515  
516  
517  
518  
519  
520  
521  
522  
523  
524  
525  
526  
527  
528  
529  
530  
531  
532  
533  
534  
535  
536  
537  
538  
539  
540  
541  
542  
543  
544  
545  
546  
547  
548  
549  
550  
551  
552  
553  
554  
555  
556  
557  
558  
559  
560  
561  
562  
563  
564  
565  
566  
567  
568  
569  
570  
571  
572  
573  
574  
575  
576  
577  
578  
579  
580  
581  
582  
583  
584  
585  
586  
587  
588  
589  
590  
591  
592  
593  
594  
595  
596  
597  
598  
599  
600  
601  
602  
603  
604  
605  
606  
607  
608  
609  
610  
611  
612  
613  
614  
615  
616  
617  
618  
619  
620  
621  
622  
623  
624  
625  
626  
627  
628  
629  
630  
631  
632  
633  
634  
635  
636  
637  
638  
639  
640  
641  
642  
643  
644  
645  
646  
647  
648  
649  
650  
651  
652  
653  
654  
655  
656  
657  
658  
659  
660  
661  
662  
663  
664  
665  
666  
667  
668  
669  
670  
671  
672  
673  
674  
675  
676  
677  
678  
679  
680  
681  
682  
683  
684  
685  
686  
687  
688  
689  
690  
691  
692  
693  
694  
695  
696  
697  
698  
699  
700  
701  
702  
703  
704  
705  
706  
707  
708  
709  
710  
711  
712  
713  
714  
715  
716  
717  
718  
719  
720  
721  
722  
723  
724  
725  
726  
727  
728  
729  
730  
731  
732  
733  
734  
735  
736  
737  
738  
739  
740  
741  
742  
743  
744  
745  
746  
747  
748  
749  
750  
751  
752  
753  
754  
755  
756  
757  
758  
759  
760  
761  
762  
763  
764  
765  
766  
767  
768  
769  
770  
771  
772  
773  
774  
775  
776  
777  
778  
779  
780  
781  
782  
783  
784  
785  
786  
787  
788  
789  
790  
791  
792  
793  
794  
795  
796  
797  
798  
799  
800  
801  
802  
803  
804  
805  
806  
807  
808  
809  
810  
811  
812  
813  
814  
815  
816  
817  
818  
819  
820  
821  
822  
823  
824  
825  
826  
827  
828  
829  
830  
831  
832  
833  
834  
835  
836  
837  
838  
839  
840  
84

1. **Introduction**

2. **Background**

3. **Method**

4. **Results**

5. **Conclusion**

6. **References**

7. **Appendix**

8. **Table 1**

9. **Table 2**

10. **Table 3**

11. **Table 4**

12. **Table 5**

13. **Table 6**

14. **Table 7**

15. **Table 8**

16. **Table 9**

17. **Table 10**

18. **Table 11**

19. **Table 12**

20. **Table 13**

21. **Table 14**

22. **Table 15**

23. **Table 16**

24. **Table 17**

25. **Table 18**

26. **Table 19**

27. **Table 20**

28. **Table 21**

29. **Table 22**

30. **Table 23**

31. **Table 24**

32. **Table 25**

33. **Table 26**

34. **Table 27**

35. **Table 28**

36. **Table 29**

37. **Table 30**

38. **Table 31**

39. **Table 32**

40. **Table 33**

41. **Table 34**

42. **Table 35**

43. **Table 36**

44. **Table 37**

45. **Table 38**

46. **Table 39**

47. **Table 40**

48. **Table 41**

49. **Table 42**

50. **Table 43**

51. **Table 44**

52. **Table 45**

53. **Table 46**

54. **Table 47**

55. **Table 48**

56. **Table 49**

57. **Table 50**

58. **Table 51**

59. **Table 52**

60. **Table 53**

61. **Table 54**

62. **Table 55**

63. **Table 56**

64. **Table 57**

65. **Table 58**

66. **Table 59**

67. **Table 60**

68. **Table 61**

69. **Table 62**

70. **Table 63**

71. **Table 64**

72. **Table 65**

73. **Table 66**

74. **Table 67**

75. **Table 68**

76. **Table 69**

77. **Table 70**

78. **Table 71**

79. **Table 72**

80. **Table 73**

81. **Table 74**

82. **Table 75**

83. **Table 76**

84. **Table 77**

85. **Table 78**

86. **Table 79**

87. **Table 80**

88. **Table 81**

89. **Table 82**

90. **Table 83**

91. **Table 84**

92. **Table 85**

93. **Table 86**

94. **Table 87**

95. **Table 88**

96. **Table 89**

97. **Table 90**

98. **Table 91**

99. **Table 92**

100. **Table 93**

101. **Table 94**

102. **Table 95**

103. **Table 96**

104. **Table 97**

105. **Table 98**

106. **Table 99**

107. **Table 100**

108. **Table 101**

109. **Table 102**

110. **Table 103**

111. **Table 104**

112. **Table 105**

113. **Table 106**

114. **Table 107**

115. **Table 108**

116. **Table 109**

117. **Table 110**

118. **Table 111**

119. **Table 112**

120. **Table 113**

121. **Table 114**

122. **Table 115**

123. **Table 116**

124. **Table 117**

125. **Table 118**

126. **Table 119**

127. **Table 120**

128. **Table 121**

129. **Table 122**

130. **Table 123**

131. **Table 124**

132. **Table 125**

133. **Table 126**

134. **Table 127**

135. **Table 128**

136. **Table 129**

137. **Table 130**

138. **Table 131**

139. **Table 132**

140. **Table 133**

141. **Table 134**

142. **Table 135**

143. **Table 136**

144. **Table 137**

145. **Table 138**

146. **Table 139**

147. **Table 140**

148. **Table 141**

149. **Table 142**

150. **Table 143**

151. **Table 144**

152. **Table 145**

153. **Table 146**

154. **Table 147**

155. **Table 148**

156. **Table 149**

157. **Table 150**

158. **Table 151**

159. **Table 152**

160. **Table 153**

161. **Table 154**

162. **Table 155**

163. **Table 156**

164. **Table 157**

165. **Table 158**

166. **Table 159**

167. **Table 160**

168. **Table 161**

169. **Table 162**

170. **Table 163**

171. **Table 164**

172. **Table 165**

173. **Table 166**

174. **Table 167**

175. **Table 168**

176. **Table 169**

177. **Table 170**

178. **Table 171**

179. **Table 172**

180. **Table 173**

181. **Table 174**

182. **Table 175**

183. **Table 176**

184. **Table 177**

185. **Table 178**

186. **Table 179**

187. **Table 180**

188. **Table 181**

189. **Table 182**

190. **Table 183**

191. **Table 184**

192. **Table 185**

193. **Table 186**

194. **Table 187**

195. **Table 188**

196. **Table 189**

197. **Table 190**

198. **Table 191**

199. **Table 192**

200. **Table 193**

201. **Table 194**

202. **Table 195**

203. **Table 196**

204. **Table 197**

205. **Table 198**

206. **Table 199**

207. **Table 200**

208. **Table 201**

209. **Table 202**

210. **Table 203**

211. **Table 204**

212. **Table 205**

213. **Table 206**

214. **Table 207**

215. **Table 208**

216. **Table 209**

217. **Table 210**

218. **Table 211**

219. **Table 212**

220. **Table 213**

221. **Table 214**

222. **Table 215**

223. **Table 216**

224. **Table 217**

225. **Table 218**

226. **Table 219**

227. **Table 220**

228. **Table 221**

229. <

## 1

1

## 1

1

- 1

1

**Rule 3(2)(c) RELIEF SOUGHT**

Relief sought is mentioned in the section 3 of this Revised  
Tariff Petition

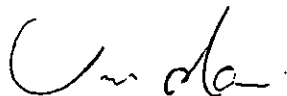
**Rule 3(2)(e) COMPARATIVE SCHEDULE OF EXISTING TARIFF AND  
PROPOSED TARIFF:**

Tariff tables are attached herewith in section 4 to the  
Tariff Petition

**Rule 3(2)(f) Summary of Evidence (brief particulars of data, facts,  
evidence in support of Petition):**

Attached herewith as ANNEXURES of the Tariff Petitions

Signed by or on behalf of the Petitioner



**Attached:**

- (1) Affidavit in accordance with Rule 3(8)
- (2) Evidence in support of the submissions made in the Petition (sources of  
information to be disclosed).
- (3) Evidence of Fee
- (4) Board Resolution

260



ISLAMABAD BRANCH  
RAZIA SHARIF PLAZA, BLOCK-92,  
BLUE AREA, ISLAMABAD-PAKISTAN

NOT OVER RS. 2,627,500 ONLY

DATE 04-JUL-2007

P.O. NO. 0601 818174

AMOUNT PRS\*\*\*\*\*2,627,500.00

PAY TO THE ORDER OF M/S NATIONAL ELECTRIC POWER  
REGULATION AUTHORITY  
ISB

AMOUNT PAKISTANI RUPEES TWO MILLION SIX HUNDRED TWENTY SEVEN THOUSAND FIVE  
HUNDRED ONLY

For PICIC Commercial Bank Limited

PICIC COMMERCIAL BANK LIMITED  
ISLAMABAD

AA 0818174

ATTORNEY

ATTORNEY

⑈0818174⑈0750601⑈

⑈000⑈

PICIC Commercial Bank Limited

SAIF POWER LTD CUSTOMER

P.O. NO. 0601 818174 DATE 04-JUL-2007

BENEFICIARY  
M/S NATIONAL ELECTRIC POWER  
REGULATION AUTHORITY  
ISB

0010601  
By Debit To  
A/C 0601-0053481-0010

P.O. AMOUNT PRS\*\*\*\*\*2,627,500.00 COUNTER VALUE PRS\*\*\*\*\*2,627,500.00 CHARGES PRS\*\*\*\*\*0.00 TOTAL PRS\*\*\*\*\*2,627,500.00

CUSTOMER COPY

Chapter 2: GROUNDS



## CONTENTS

- I. EPC PRICE
  1. GENERAL BACKGROUND TO MARKET SITUATION
  2. THE CONCEPT OF DOWN PAYMENT, LETTER OF CREDIT VIS A VIZ SLOT BOOKING AND PRICE FINALIZATION
  3. REASONS FOR PRICE INCREASE
  4. REASONS FOR APPLYING FOR TARIFF DETERMINATION IN APRIL 2006
  5. BRIEF BACKGROUND TO SPL'S EPC NEGOTIATION HISTORY
  6. CONTRACT FINALIZATION AND CURRENT PRICE
- II. OWNERS' ENGINEER COST
- III. TARIFF PETITION AND GENERATION LICENSE COST
- IV. INITIAL SPARE PARTS
- V. FINANCIAL ADVISORY COST
- VI. CURRENCY VARIATION DURING CONSTRUCTION PERIOD
- VII. ALL OTHER ASSUMPTIONS NOT ADDRESSED IN THIS MODIFIED/REVISED PETITION

## I: EPC PRICE

### 1. BACKGROUND

#### (A) TRANSITION PHASE OF 2002 POWER POLICY, DEVELOPMENTS IN POWER GENERATION INDUSTRY AND CYCLICAL DEMAND

- i. The power generation industry world wide experiences cycles which range from static to highly intensive activities. There are a few years when generation capacity is added all around the world and then there are other years where very few such additions are made. The highly intensive cycle is based on world wide industrial development and power shortages accumulated during the period and, somehow, there is a uniformity in this cycle with respect to its timing all around the world.
- ii. For example, the existing cycle of addition in power generation initiated around the year 2002. From there onwards, many countries in all parts of the world started planning and acquiring addition to their existing generation capabilities.
- iii. Resultantly, the prices started to move up from the year 2005.
- iv. Unfortunately, Pakistan did not enter the market at the right time when both manufacturing capacity and EPC capacity was more easily available around the beginning to the end of 2004. Pakistan could have managed to obtain better prices and better times had the agreements with EPC contractors been concluded at that stage.

#### (B) SUPPLIERS' MARKET; EXTRA ORDINARY HIGH DEMAND AGAINST LIMITED SUPPLY

- v. The last 18 months or so have witnessed a serious boom in the Power generation industry in general and, the Suppliers, manufacturers/Vendors, the EPC contractors have all become extremely busy. The demand is far more than available supply of equipments and services all around the world.
- vi. Reputed manufacturers of turbines like General Electric, Siemens, Alstom, Ansaldo are sold out at least for the next 2 years (please see Annexure 1).
- vii. Lead times continue to increase substantially and manufacturers and EPC contractors are increasing their prices on monthly basis (charging demand premium) in order to give affordable timelines to their customers.
- viii. In fact, it has become very difficult to find a good EPC contractor in the last few months as all good contractors are already booked with plenty of projects on their plates.

## 2. THE CONCEPT OF DOWN PAYMENT, LETTER OF CREDIT VIS A VIZ SLOT BOOKING AND PRICE FINALIZATION

The understanding to this issue is the most vital part of this petition for the increase in EPC price

- i.) In a booming suppliers' market, the validity period of the terms/prices given to the Customers is very short. For example, in today's market, reputed manufacturers are giving around 45 days validity period to the EPC contractors who in turn keep a 10 day margin with them and give a 35 days validity period to their own customers.
- ii. By way of illustration, if a manufacturer quotes a price of \$100/- on June 1<sup>st</sup> 2007 and a delivery time of 18 months for the turbine, that price and delivery time will only remain valid till July 15<sup>th</sup> and if the contract is not executed, down payment is not paid and L/C is not opened by that time, the price and delivery time will be subject to change and to further increase.
- iii. The important thing to note here is that a down payment only ensures booking of time slot for the delivery but it does not ensure fixing of the price.
- iv. For example, if the customer makes a down payment of \$3m to its EPC Contractor who in turn transfers this amount to the turbine manufacturer, such down payment will ensure that the manufacturer has booked a slot number for that customer in its production line and which would mean that it would make actual delivery of the turbine after a certain period from the down payment date made for slot reservation. In case, the customer does not wish to pay this amount, this time slot would be lost by that customer. The manufacturer/supplier would then allocate this slot to another customer. The next slot may come 6 months later which would subsequently increase the time frame of the overall Project Schedule and such delay may or not be acceptable to the Power Purchaser and/or to the Government of Pakistan.
- v. However, until the L/C for the full amount is opened in favour of the manufacturer/supplier on or before the validity expiry date of the proposal, both the price and the delivery time remain exposed to change. The booking for time slot can be maintained by making another payment not so significant in value terms but the price unfortunately cannot be fixed. The price is open to changes in material rates, labour inflation, and currencies parity (e.g Euro/Dollar Parity).

259

**Chapter 2: GROUNDS**

- vi. The most important point to note here is that L/C for 100% amount can only be opened after Financial Close as the Project is on 80:20 debt equity ratio and the Sponsors do not have the financial muscle to open 100% L/C for EPC out of their own resources. This 75:25 or 80:20 scenario is general to all IPPs and not just specific to the Company.
- vii. Saif Power Limited is at this stage very near to its Financial Close and the Company is confident that it will be able to open its L/C by July 31, 2007 which is the validity expiry date currently for SPL.

### 3. REASONS FOR PRICE INCREASE

- i. **DEMAND PUSH AND SUPPLIERS' MARKET:** The Power Generation industry in itself and the suppliers in general are enjoying a boom market for the last 18 months. The demand is tremendous and much higher as compared to available supply all around the world. This is creating a huge gap and disequilibrium in the demand/supply scenario (please see Annexure 1); lead times are increasing substantially and manufacturers and EPC contractors all around the world are raising their prices each month (commanding demand premium) in order to give affordable timelines to purchasers/customers.
- ii. **METALS PRICE - STEEL AND COPPER PRICE INCREASE:** The prices of both Steel and Copper have significantly increased significantly last year by around 40%. The effect of this increase has been reflected into the EPC Prices since August 2006 before the Company officially received the first draft of the Security Documents (please see Annexure 2). The Company had applied to NEPRA for tariff determination in April 2006.
- iii. **CURRENCY PARITY:** Another important issue to understand is that although the EPC Contractor is giving a Dollar based price, his vendors/suppliers/manufacturers are giving prices in respective currencies of their country on benchmark parity basis. For example, when General Electric France gives a quotation to the EPC Contractor, they make a statement saying that "this price is based on a Euro/Dollar rate of X. This price will be adjusted at the time of contract execution and L/C opening by taking into account the change in the Euro/Dollar parity." To make an illustration, if GE quoted \$100 with Euro/Dollar parity as 1.25, and, if at the time of contract execution, the Euro/Dollar Parity is 1.30, this means that there is an increase of 4%, GE's quotation will now be revised to \$104. The reason is that when GE Europe receives its payment in Dollars, it has to pay to the banks 1.30 Dollars against each Euro instead of 1.25 Dollars in order to get its payment in Euro which is the base currency for GE France and all their accounting and cash flows are based in Euro terms.

The Euro Dollar Parity has changed substantially since April of last year when the IPPs had applied for their Tariff. Since that time, the movement in Euro/Dollar parity has been significant. In April 2006, the Euro/Dollar parity was 1.20 and as of this date such parity is 1.3450 which means an increase of 12.08%. This is to say (by way of illustration) that if the price of GE and Siemens in April 2006 was around 65m in equivalent US Dollars, today this price would be around

\$72.85m just due to the difference of Euro/Dollar Parity (the other escalation is separate). In the case of the Company, the other currency is Chinese Yuan and the Dollar/Yuan parity is also affecting the price as the appreciation of the Chinese Yuan against US Dollars is around 5% for this period (please see Annexure 3).

As a result of the above 3 situations, the EPC cost applied for and determined by Authority for the Company has become totally irrelevant and redundant.

4. WHY DID SAIF POWER LIMITED APPLY TO NEPRA FOR TARIFF DETERMINATION IN APRIL 2006?

- i. Generally speaking, the correct and appropriate route for an IPP is as follows: (a) Finalize the Feasibility Report of the Project and get approval from the Government; (b) Negotiate and initial the Security Documentation like PPA, IA, GSA to understand its risks, exposures and cut off points; (c) Finalize its EPC and O&M Contracts according to the Security Documentation; (d) Apply for Tariff to NEPRA. This is the normal sequence of the landmarks recommended for all IPPs universally.
- ii. The reason that the Company was forced into applying prematurely for its Tariff was for its Gas Allocation purposes. It is general knowledge in the Government Circles as also evidenced by the newspaper reports that natural gas for IPPs was and is scarce. At that particular time, no gas had actually been allocated to the Company. During our talks with various officials, it was indicated that there were other projects in the pipeline as well and that a final decision had not been taken at that stage. The Company was seriously concerned with this issue as without allocation of gas, the follow up on other aspects of the Project did not carry any meaning. As per our talks with the Government and relevant agencies, we were advised that final decision and formal gas allocation would only happen once the Company applied for its Tariff Determination and the same was actually determined by the Authority and accepted by the Sponsors. The Company was also advised that whoever followed this procedure would be allocated gas on first come first served basis. Based on this advice, and out of the apprehension that gas may eventually not be allocated to the Company if it got late in this procedure, the Company decided to take the route of applying for its Tariff to be determined by NEPRA. In relation to our various discussions with the GOP in this respect (before and after applying for Tariff Determination), such document is on record through a letter from PPIB dated June 10<sup>th</sup> 2006, where PPIB has categorically stated that it will issue the gas allocation letter for the Project subsequent to tariff determination, acceptance thereof by the Project Sponsors and, issuance of LOS by PPIB and acceptance thereof by the Project Sponsors (please see Annexure 4). In this same annexure, kindly also read GOP's list of power plants and expected gas allocation wherein gas allocation for Saif Power Limited has not been considered and it has been stated that gas is not available for the power plants in this particular list (the name of SPL is included in that list).

- iii. At the time of applying for tariff determination, the Company did not have a firm EPC Price in hand and, neither did it have a firm scope from an EPC contractor. The application was based on indications from consultants, market sources and it was a case of assumptions calculated to the maximum details as far as possible at that particular stage.



256

## 5. BRIEF BACKGROUND TO SPL'S EPC NEGOTIATING HISTORY

- i. In the first quarter of 2006, the Company invited potential EPC Contractors through newspaper advertisement and website advertisement to bid for the Project. Out of the pre-qualified contractors, only 4 parties bid for the Project. Two of them were Chinese, one was an Iranian Company and one was a Turkish Company. One of the Chinese Companies did not meet the requisite criteria in their bid documents. The Iranian Company's Technical offer was better than that of the Chinese company but due to the political environment surrounding the region with respect to USA-Iran conflict at that time and the possibility of bans/embargoes being put on Iranian companies, there was a serious question mark as to whether business should be done with the Iranians. The Company's Board of Directors convened a special meeting to discuss this issue and after a lot of deliberations the Board felt that although the Iranians were good on merit, such risk should not be taken and therefore decided against working with them. The Company was now only left with the Turkish party, GAMA, and the other Chinese Company, CMEC, with whom the negotiations were initiated. As the Company realized that it would be difficult to run parallel negotiations, it was decided to first negotiate with GAMA, which was considered comparatively more experienced.
- ii. Serious discussions with GAMA started in late June 2006. During the course of such discussions and as the time got consumed GAMA became aggressive (it must be realized that each EPC Contractor has his own way of performance and of meeting obligations with its vendors and customers and, no two deals can exactly be the same in terms of costs or other conditions of the Contract). In late August, GAMA advised the Company of the changed market environment where prices and conditions had both changed (at that time the Company had not officially received the Security Documents from the Government).
- iii. Secondly, in September 2006, GAMA demanded a payment of \$8m from the Company to book the time slots with their vendors. The Contractor was categorical in stating that this \$8m was non-refundable in case the Financial Close was not achieved and NTP notice was not issued in 75 days time. The Contractor also stated that in case Financial Close could not be achieved on the require date and if NTP was not issued, then another option was that the Company would have to pay \$20m on the next day out of its pocket to get another 30 days grace period. There was obviously no way that the Company could have accepted these conditions because the Company had no idea when the Financial

Close would take place and to accept such conditions was a very high risk from any corporate point of view.

- iv. Subsequently, the Board of Directors decided to start negotiations with the Chinese company, CMEC, as well as with Ansaldo, the Italian company, who showed their interest in our Project.
- v. In the meantime, SPL also contacted a significant number of EPC contractors to explore their interest in the Project but every one was already booked. The Company's shareholders and partners in this Project - M/S Fauji Foundation Ltd., recommended the name of Doosan, Korea as EPC contractors for our Project. The Fauji Project at Dharki is also being executed by Doosan. Doosan gave the Company an EPC Cost of \$200m (please see Annexure 5). Doosan advised that market price at the moment is more or less near to this cost. M/S Harbin of China was another Contractor who showed interest and quoted a price of \$168m based on GE's old price. With the new price, this cost would be around \$178m (please see Annexure 6). Siemens Pakistan in venture with Siemens Sweden also showed interest in the Project and quoted a price of \$175m with a net capacity of 190MW. Although, this was advised verbally and the Company has no record for this quotation, but if the Authority so pleases, it may ask Mr. Safdar Ibrahim of Siemens Pakistan to appear and testify to this statement.
- vi. The first quotation received from CMEC, China was of \$156m wherein the GE price for total scope was considered as \$40m (which is the price they had received 2006) and any increase in GE's price was to be a pass through. This \$40m amount included both the equipment scope and the technical services scope for installation and erection (please see Annexure 7).
- viii. As of today, the Company has signed the EPC contract with CMEC China at a value of \$93,068,800 + Euro 47,501,000 (Total equivalent Dollars = \$157m). The Euro portion relates to GE and Siemens who have this time refused to quote in US Dollars due to the extreme volatility and fluctuation in Euro/\$ Parity. In this particular EPC Contract, the scope of soil investigation, soil replacement and piling works is on the Company as CMEC China at the time of signing the EPC Contract were not aware of the soil conditions and were not ready to accept this work under their scope of contract (please see section 2.1 of page 30/101 of the Construction

Contract. Subsequently, the Company invited quotations from local companies for this particular work. The cost of such works is around \$2m. The total EPC price is now as follows:

- (a) Supply Contract with CMEC China = \$73,068,800 + Euro 47,501,000 (please see Annexure 9);
- (b) Construction Contract with China East Resource Import & Export Corporation = \$20,000,000 (please see Annexure 10);
- (c) Piling works = \$2,000,000/- (please see Annexure 11); and
- (d) Soil Investigation Report = \$120,000/- (please see Annexure 12).

Therefore, the total price of EPC Contract is \$73,068,800 + \$20,000,000 + 2,000,000 + 120,000 = \$95,188,000/- + Euro 47,501,000/-

The validity of this offer from CMEC is upto July 31, 2007 (based on GE's back to back quotation for their equipment and services).

- ix. The Authority will appreciate that considering the market situation and considering the quotations of Doosan Korea (\$207m), Harbin China (\$178m), and Siemens (\$175m with net 190MW), the Company has done a tremendous job in negotiating down the final price to around \$159m (total equivalent dollars) with CMEC.

The Authority would also appreciate that the Company has broken the monopoly of one single EPC Contractor for the combined cycle thermal plants and have brought in a new contractor who is the biggest EPC Contractor in China and is presently doing 40 Projects world wide. A copy of CMEC's brochure is also attached for reference purposes.

## 6. CONTRACT FINALIZATION AND CURRENT PRICE

- i. As of today, the Company has signed the EPC contract with CMEC China at a value of:

\$	93,068,800
Euro	47,501,000
Total \$	<u>157,000,000</u> (approx.)

The Euro portion relates to GE and Siemens who have this time refused to quote in US Dollars due to the extreme volatility and fluctuation in Euro/\$ Parity.

- ii. In this particular EPC Contract, the scope of soil investigation, soil replacement and piling works is on the Company as CMEC China at the time of signing the contract were not aware of the soil conditions and were not ready to accept this work under their scope of contract (please see section 2.1 of page 30/101 of Construction Contract). Subsequently, the Company invited quotations from local companies for this particular work. The cost of such works is around \$2m. The total EPC price is now as follows

- (a) Supply Contract with CMEC China = \$73,068,800 + Euro 47,501,000 (please see Annexure 9).
- (b) Construction Contract with China East Resource Import & Export Corporation = \$20,000,000 (please see Annexure 10).
- (c) Piling works = \$2,000,000/- (please see Annexure 11).
- (d) Soil Investigation Report = \$120,000/- (please see Annexure 12).

Therefore, the total price of EPC Contract is:

I.	\$	73,068,800
	\$	20,000,000
	\$	2,000,000
	\$	120,000
	Total \$	<u>95,188,000</u>
II.	Euro	<u>47,501,000</u>

## II: OWNERS' ENGINEER COST

Three Engineering/Consultancy companies would be involved in the Project as follows:

- i. **Lenders' Engineer:** The Lenders to the Project appoint an engineering company which is involved from the documentation stage of PPA, IA, GSA, EPC, O&M, HSD up to the COD date and is responsible for analyzing the designs and works of the Project and for giving approval for each and every payment subsequent to which the lenders release the payment to the Contractors. In this particular case, Lenders have appointed Stone & Webster as their Technical Advisor and Consultants, the cost of which is being paid by the Company.
- ii. **Independent Engineer:** The Power Purchaser will appoint an Independent Engineer 270 days before COD which will look after the interests of the Power Purchaser up to Reliability Tests and COD. Again, such appointment is at the Company's cost.
- iii. **Owners' Engineer:** It is the Lenders' condition as per their term sheet (please see page 12) that the Company should also appoint a third party consultant company who will supervise the work beginning from Notice to Commence to the Contractor up to the COD stage. Such appointment is given the title of Owner's Engineer. Please see Annexure 13 relating to condition in the Lenders' Term Sheet.

While the Company in its original Petition to the Authority had applied for costs in relation to Lenders Engineer and Independent Engineer (please see Annexure 13(a)) details given to NEPRA through Company's letter dated May 30, 2006), it had erroneously not covered its cost for the Owners' Engineer, until the Company was reminded recently by the lenders that appointment of Owners' Engineer is a condition precedent to this transaction. The Owner's Engineer cost is \$1.65m including traveling, boarding and lodging expenses (please see Annexure 14).

### III: TARIFF PETITION COST, GENERATION LICENSE COST

- i. In its Non EPC development cost, the Company erroneously omitted the Annual Generation License Fee payable under Part I to the Schedule of the National Electric Power Regulatory Authority (Fees) Rules, 2002 @ Rs. 6,200 per MW (Rs.1.432 million) subject to indexation for four years from 2006 to 2009 before COD.

We have already paid Rs.1,837,215 (please see Annexure 15) for first year. For remaining three years 2007, 2008 and 2009 estimated amount is Rs.6 million.

- ii. The Authority may also consider allowing the fee for Revised Petition being paid herewith to NEPRA the amount of which is Rs.2,627,500 million (please see Annexure 16). It is equivalent to \$0.043 million.

Total cost Rs. Rs.2,627,500 + Rs.7,837,215 = Rs.10,464,715 and equivalent dollar amount is \$0.174 million.

#### IV: INITIAL SPARE PARTS

In its Tariff Application to NEPRA dated April 19, 2006, the Company had requested for a working capital component for the purchase of Initial spare parts, which are not a part of the standard scope of EPC contract (please see Annexure 17). Similarly, such spare parts are also not covered in the standard scope of O&M Contract and the Company is required to pay a substantial amount of \$4.7m to acquire these parts. Whether these spare parts are brought through the EPC Contractor or through the O&M Contractor, in any event the Company has to pay for it. These are the emergency spare parts that the Company is required to keep at the Plant in case of machinery breakdown in phase of the operations after COD. Presently, General Electric has quoted a final figure (after negotiations) of \$4.7m for these spare parts (please see Annexure 18). This cost is not covered in the Tariff determination by the Authority previously.

## V: FINANCIAL ADVISORY COST

Revision in costs of EPC Contract, insurance, Owners' Engineer, spare parts, licencing and petitions, custom duties and IDC have taken up the project cost to US\$ 222.160 Million. This increase in project cost has eventually increased the size of the debt financing to US\$ 177.728 Million. As per the mandate given to three major banks for debt financing, 1.20% of the entire debt amount is payable as advisory and arrangement fee to these lenders. Due to increase in debt amount, the cost of advisory has also been increased to US\$ 2.133 Million. In the earlier tariff determination dated August 11, 2007, the Authority has allowed US\$ 1.760 Million to the company as financial advisory cost. Revision is hereby requested in the financial advisory cost payable to the Lenders. Please see page 4 of the term sheet providing terms and conditions for debt financing attached as Annexure 19.



VI: CURRENCY VARIATION DURING CONSTRUCTION PERIOD

The Supply Contract signed with CMEC, China has both US Dollar Portion and Euro Portion. As per recent ECC decision, any variation in the Project cost during the construction phase on account of variation Dollar/Rupee parity and Euro/Rupee parity should be allowed through adjustment in the Project Cost. The Company will provide particulars of transaction/payments along with evidence of applicable rate for the purpose of such adjustment.

**VII: ALL OTHER ASSUMPTIONS NOT ADDRESSED IN THIS  
MODIFIED/REVISED PETITION**

- i. COMPANY IS LOOKING AT THE POSSIBILITY OF INDUCTION OF BOTH FOREIGN EQUITY AND FOREIGN DEBT IN THIS PROJECT IN FUTURE TO LOWER COSTS. IN CASE, THIS IS MATERIALIZED, THE COMPANY WILL SUBMIT ITS STRUCTURE ACCORDINGLY. THE AUTHORITY MAY ALLOW THIS PROVISION IN ITS DETERMINATION.
- ii. All other original determination by the Authority for which no change has been requested in this particular revised Tariff may remain the same as per original determination.

Chapter 3: RELIEF SOUGHT

## APPEAL TO AUTHORITY

The Company would like to inform the Authority that due to the increase in the Project cost as set forth in the preceding chapter, the Company is facing the following direct negative impacts:

- (a) The Company's IRR is being reduced to around 10.5% which from the Company's perspective is in no way feasible for the implementation of this Project. The Company can only pursue the Project if a minimum 15% IRR is expected which again is on the minimum side as the IPPs in general have been asking for 18% IRR due to the interest rates prevalent in the market and due to the risks being undertaken in the PPA.
- (b) The Company's Consortium of Lenders has refused to structure the debt in case the Company is unable to get relief from the Authority; firstly, the Lenders' requirements of certain benchmark financial ratios is not being met with the existing cost structure in the financial model, and secondly, according to the Lenders' interpretation, in case of termination of the PPA on the Company's event of default, the GOP (as per the JA) will only reimburse the debt portion actually allowed and approved by the Authority.

Therefore, In view of the facts and evidences provided in this Petition, the Company appeals to the Authority to:

1. Determine the Company's EPC Cost as \$95.188 million and Euro 47.501 million.
2. The Custom duty amount may be changed accordingly by using the mechanism provided in earlier tariff determination by the Authority (5% of 70% of total EPC cost), while any increase on such amount should be a pass through to the Power Purchaser.
3. Determine the cost of services of owner's engineers to \$1.65 million.
4. Determine the cost of annual fee of generation license amounting to \$0.130 million and fee for revised tariff petition amounting \$0.043 million.
5. Determine the cost of initial spare parts at \$4.7 million.
6. The reference prices, reference exchange rate, reference KIBOR rate, reference WPI index, reference Calorific values for HSD may remain same as per earlier Tariff Determination by the Authority.

Parity between Euro and US Dollar may be determined as Euro 1 = \$ 1.3450 (June 25, 2007) and as such parity between Euro and Pak Rupee may be determined as Euro 1 = Rs.80.7.

7. All other original determination by the Authority for which no change has been requested in this particular revised Tariff may remain the same as per original determination.
8. Lastly, but not the least, due to the extraordinary circumstances in which the Company finds itself, the Company appeals to the Authority to make its determination within 15 days of receipt of this petition. The financing documents by the Lenders can only be processed when the prayed relief has been obtained from the Authority. Any delay in this regard would make the target date of opening the L/C in favour of the EPC Contractor (i.e., 31 July 2007) slip, thus opening up the prices of main equipments. Delay of every passing day will delay the whole process resulting in the overall delay in the Financial Close and in achieving the COD which our country cannot afford.

At the end we would like to state that the Company's administrative costs have increased significantly due to the extension in time period to Financial Close as against the expected / anticipated period. Secondly, the Company's construction phase period has increased from 24 months to 28 months where again administrative costs are increasing. However, the Company is not claiming this increase from the Authority.

The Company's insurance cost during the construction period has also increased due to increase in EPC cost but again the Company is not claiming such increase from Authority.

Chapter 4: Comparative Schedule of Existing Tariff  
and Proposed Tariff

## CONTENTS

- I. COMPARATIVE SCHEDULE OF RELEVANT EXISTING TARIFF COSTS AND PROPOSED TARIFF COSTS
- II. COMPARATIVE SCHEDULE OF EXISTING INDEXATION AND PROPOSED INDEXATION
- III. COMPARISON OF LOAN PAYMENT SCHEDULE
- IV. COMPARATIVE SCHEDULE OF EXISTING TARIFF TABLE AND PROPOSED TARIFF TABLE

# I: COMPARATIVE SCHEDULE OF RELEVANT EXISTING TARIFF COSTS AND PROPOSED TARIFF COSTS

EXISTING		PROPOSED	
1. EPC Cost	\$143.900M	EPC COST	\$95.188M
		Euro	47.501M
2. Non-EPC Cost	\$16.525M	NON EPC COST	\$23.544M
		(Addition Of Owners' Engineer Cost; Tariff Petition Fee And Generation License Cost, Initial Spare Parts Cost, Additional Financial Advisory Cost)	
3. Development Cost	\$5.732M	Development Cost	\$5.732M
4. Custom Duties	\$5.040M	Custom Duties	\$5.570M
Cost Before IDC	<u>\$171.197M</u>	Cost Before IDC	<u>\$193.966M</u>
5. IDC	\$16.840M	IDC	\$27.941M
7. Cost Including IDC	<u>\$188.037M</u>	Cost Including IDC	<u>\$221.907M</u>



II: COMPARATIVE SCHEDULE OF EXISTING INDEXATION AND PROPOSED INDEXATION

	<u>Existing Indexation</u>	<u>Proposed Indexation</u>
1. O&M Foreign	US\$/PKR	US\$/PKR + US CPI
2. O&M Local	WPI	WPI + US\$/PKR (Local portion also Priced in US Dollars In O&M Agreement)
3. Cost of Working Capital	KIBOR Adjustment	KIBOR Adjustment
4. Insurance	US\$/PKR	US\$/PKR
5. Debt Servicing	KIBOR Adjustment	KIBOR Adjustment
6. Return on Equity	Nil	US\$/PKR
7. ROE During Construction	Nil	US\$/PKR
8. Fuel Cost Component	Fuel Price	Fuel Price
9. Variable O&M	US\$/PKR	US\$/PKR + US CPI

✓ The effective date for start of O&M Indexation should be April 7, 2006 (original Petition filing date).

✓ The Reference fuel prices, Reference exchange rate, Reference KIBOR rate, Reference WPI index, Reference Calorific values for HSD may remain same as per earlier Tariff Determination by the Authority.

✓ Parity between Euro and US Dollar may be determined as Euro 1 = \$ 1.3450 (June 25, 2007) and as such parity between Euro and Pak Rupee may be determined as Euro 1 = Rs.80.7.

III: COMPARISON OF LOAN PAYMENT SCHEDULE

Debt Equity Ratio

80:20

	EXISTING	PROPOSED
Equity	\$ 37.607 M	\$ 44.382 M
Debt	\$ 150.430 M	\$ 177.525 M
	<u>\$ 188.037M</u>	<u>\$ 221.907M</u>

(Please see next pages)

226

**SAIF POWER LIMITED**  
**LOAN REPAYMENT SCHEDULE**

Period	Local Debt					Annual Principal Repayment Rs. / Kw / Hour	Annual Interest Repayment Rs. / Kw / Hour	Annual Debt Repayment Rs. / Kw / Hour
	Principal Million US\$	Repayment Million US\$	Mark up Million US\$	Balance Million US\$	Debt Service Million US\$			
1st Quarter	150.43	1.99	4.53	148.44	6.52			
2nd Quarter	148.44	2.05	4.47	146.39	6.52			
3rd Quarter	146.39	2.11	4.41	144.28	6.52			
4th Quarter	144.28	2.17	4.35	142.11	6.52			
Year 1	150.43	8.32	17.76	142.11	26.08	0.2729	0.5821	0.8550
1st Quarter	142.11	2.24	4.28	139.87	6.52			
2nd Quarter	139.87	2.31	4.21	137.56	6.52			
3rd Quarter	137.56	2.38	4.14	135.18	6.52			
4th Quarter	135.18	2.45	4.07	132.73	6.52			
Year 2	142.11	9.38	16.70	132.73	26.08	0.3072	0.5477	0.8550
1st Quarter	132.73	2.52	4.00	130.21	6.52			
2nd Quarter	130.21	2.60	3.92	127.61	6.52			
3rd Quarter	127.61	2.68	3.84	124.93	6.52			
4th Quarter	124.93	2.76	3.76	122.17	6.52			
Year 3	132.73	10.58	15.52	122.17	26.08	0.3460	0.6090	0.8550
1st Quarter	122.17	2.84	3.68	119.33	6.52			
2nd Quarter	119.33	2.93	3.59	116.40	6.52			
3rd Quarter	116.40	3.01	3.51	113.39	6.52			
4th Quarter	113.39	3.11	3.42	110.29	6.52			
Year 4	122.17	11.89	14.19	110.29	26.08	0.3896	0.4654	0.8550
1st Quarter	110.29	3.20	3.32	107.09	6.52			
2nd Quarter	107.09	3.29	3.23	103.80	6.52			
3rd Quarter	103.80	3.39	3.13	100.41	6.52			
4th Quarter	100.41	3.50	3.02	96.90	6.52			
Year 5	110.29	13.38	12.70	96.90	26.08	0.4387	0.4163	0.8550
1st Quarter	96.90	3.60	2.92	93.30	6.52			
2nd Quarter	93.30	3.71	2.81	89.60	6.52			
3rd Quarter	89.60	3.82	2.70	85.78	6.52			
4th Quarter	85.78	3.94	2.58	81.84	6.52			
Year 6	96.90	15.07	11.01	81.84	26.08	0.4940	0.3610	0.8550
1st Quarter	81.84	4.06	2.47	77.78	6.52			
2nd Quarter	77.78	4.18	2.34	73.60	6.52			
3rd Quarter	73.60	4.30	2.22	69.30	6.52			
4th Quarter	69.30	4.43	2.09	64.87	6.52			
Year 7	81.84	16.97	9.12	64.87	26.08	0.5563	0.2987	0.8550
1st Quarter	64.87	4.57	1.95	60.30	6.52			
2nd Quarter	60.30	4.70	1.82	55.60	6.52			
3rd Quarter	55.60	4.85	1.67	50.75	6.52			
4th Quarter	50.75	4.99	1.53	45.76	6.52			
Year 8	64.87	19.11	6.97	45.76	26.08	0.6264	0.2286	0.8550
1st Quarter	45.76	5.14	1.38	40.62	6.52			
2nd Quarter	40.62	5.30	1.22	35.32	6.52			
3rd Quarter	35.32	5.46	1.06	29.86	6.52			
4th Quarter	29.86	5.62	0.90	24.24	6.52			
Year 9	45.76	21.52	4.56	24.24	26.08	0.7054	0.1496	0.8550
1st Quarter	24.24	5.79	0.73	18.45	6.52			
2nd Quarter	18.45	5.97	0.56	12.48	6.52			
3rd Quarter	12.48	6.15	0.38	6.33	6.52			
4th Quarter	6.33	6.33	0.19	(0.00)	6.52			
Year 10	24.24	24.23	1.85	(0.00)	26.08	0.7943	0.0607	0.8550

235

SAIF POWER LIMITED  
LOAN REPAYMENT SCHEDULE

Period	Local Debt					Annual Principal Repayment Rs. / kW / Hour	Annual Interest Repayment Rs. / kW / Hour	Annual Debt Repayment Rs. / kW / Hour
	Principal Million US\$	Repayment Million US\$	Mark up Million US\$	Balance Million US\$	Debt Service Million US\$			
1st Quarter	177.53	2.35	5.35	175.18	7.70			
2nd Quarter	175.18	2.42	5.28	172.76	7.70			
3rd Quarter	172.76	2.49	5.20	170.27	7.69			
4th Quarter	170.27	2.57	5.13	167.70	7.70			
Year 1	177.53	9.83	20.96	167.70	30.79	0.3220	0.6870	1.0090
1st Quarter	167.70	2.64	5.05	165.06	7.69			
2nd Quarter	165.06	2.72	4.97	162.34	7.69			
3rd Quarter	162.34	2.81	4.89	159.53	7.70			
4th Quarter	159.53	2.89	4.81	156.64	7.70			
Year 2	167.70	11.06	19.72	156.64	30.78	0.3626	0.6464	1.0090
1st Quarter	156.64	2.98	4.72	153.66	7.70			
2nd Quarter	153.66	3.07	4.63	150.59	7.70			
3rd Quarter	150.59	3.16	4.54	147.43	7.70			
4th Quarter	147.43	3.25	4.44	144.18	7.69			
Year 3	156.64	12.46	18.33	144.18	30.79	0.4083	0.6007	1.0090
1st Quarter	144.18	3.35	4.34	140.83	7.69			
2nd Quarter	140.83	3.45	4.24	137.38	7.69			
3rd Quarter	137.38	3.56	4.14	133.82	7.70			
4th Quarter	133.82	3.66	4.03	130.16	7.70			
Year 4	144.18	14.02	16.75	130.16	30.77	0.4598	0.5492	1.0090
1st Quarter	130.16	3.77	3.92	126.39	7.69			
2nd Quarter	126.39	3.89	3.81	122.50	7.70			
3rd Quarter	122.50	4.01	3.69	118.49	7.70			
4th Quarter	118.49	4.13	3.57	114.36	7.70			
Year 5	130.16	15.80	14.99	114.36	30.79	0.5177	0.4913	1.0090
1st Quarter	114.36	4.25	3.45	110.11	7.70			
2nd Quarter	110.11	4.38	3.32	105.73	7.70			
3rd Quarter	105.73	4.51	3.19	101.22	7.70			
4th Quarter	101.22	4.65	3.05	96.57	7.70			
Year 6	114.36	17.79	13.01	96.57	30.80	0.5830	0.4260	1.0090
1st Quarter	96.57	4.79	2.91	91.78	7.70			
2nd Quarter	91.78	4.93	2.77	86.85	7.70			
3rd Quarter	86.85	5.08	2.62	81.77	7.70			
4th Quarter	81.77	5.23	2.46	76.54	7.69			
Year 7	96.57	20.03	10.76	76.54	30.79	0.6565	0.3525	1.0090
1st Quarter	76.54	5.39	2.31	71.15	7.70			
2nd Quarter	71.15	5.55	2.14	65.60	7.69			
3rd Quarter	65.60	5.72	1.98	59.88	7.70			
4th Quarter	59.88	5.89	1.80	53.99	7.69			
Year 8	76.54	22.55	8.23	53.99	30.78	0.7392	0.2698	1.0090
1st Quarter	53.99	6.07	1.63	47.92	7.70			
2nd Quarter	47.92	6.25	1.44	41.67	7.69			
3rd Quarter	41.67	6.44	1.26	35.23	7.70			
4th Quarter	35.23	6.63	1.06	28.60	7.69			
Year 9	53.99	25.39	5.39	28.60	30.78	0.8324	0.1766	1.0090
1st Quarter	28.60	6.83	0.86	21.77	7.69			
2nd Quarter	21.77	7.04	0.66	14.73	7.70			
3rd Quarter	14.73	7.25	0.44	7.48	7.70			
4th Quarter	7.48	7.47	0.23	0.01	7.70			
Year 10	28.60	28.59	2.19	0.01	30.78	0.9373	0.0716	1.0090

IV: COMPARATIVE SCHEDULE OF EXISTING TARIFF  
TABLE AND PROPOSED TARIFF TABLE

(Please see next pages)

# SAIF Power Limited

Tariff Computation Based on Revised Costs  
TARIFF TABLE

## PLANT OPERATIONS ON GAS

Year	Energy Charge (Rs. / kWh)			Capacity Charge (Rs. / kWh)										Total	
	Fuel	Variable (O & M)	Total	Escalable (Fixed O & M) Foreign	Escalable (Fixed O & M) Local	Financing Cost on Working Capital	Escalable (Insurance)	Return on Equity	Return on Equity for Construction Period	Withholding Tax @ 7.5%	Loan Repayment	Interest Charge	Total	Fixed Cost at 60% Plant Factor Rs. / kWh	¢/kW
1	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	0.3220	0.6670	1.4662	4.3969	7.3282
2	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	0.3626	0.6464	1.4662	4.3969	7.3282
3	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	0.4083	0.6007	1.4662	4.3969	7.3282
4	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	0.4590	0.5492	1.4662	4.3969	7.3282
5	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	0.5177	0.4913	1.4662	4.3969	7.3282
6	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	0.5830	0.4260	1.4662	4.3969	7.3282
7	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	0.6565	0.3525	1.4662	4.3969	7.3282
8	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	0.7392	0.2698	1.4662	4.3969	7.3282
9	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	0.8324	0.1766	1.4662	4.3969	7.3282
10	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	0.9373	0.0716	1.4662	4.3969	7.3282
11	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
12	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
13	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
14	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
15	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
16	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
17	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
18	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
19	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
20	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
21	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
22	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
23	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
24	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
25	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
26	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
27	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
28	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
29	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
30	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	-	-	0.4572	2.7163	4.5255
Levelized	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0639	0.2182	0.0287	0.0185	0.3468	0.3119	1.1149	3.8114	4.5255

AVERAGE TARIFF	EPP		CPP		Total	
	Rs. / kWh	Cents / kWh	Rs. / kWh	Cents / kWh	Rs. / kWh	Cents / kWh
1-30 Years	1.9533	3.2554	0.7936	1.3226	3.2758	5.4697
1-10 Years	1.9533	3.2554	1.4662	2.4437	4.3969	7.3282
11-30 Years	1.9533	3.2554	0.4572	0.7620	2.7153	4.5255

LEVELIZED TARIFF	EPP		CPP		Total	
	Rs. / kWh	Cents / kWh	Rs. / kWh	Cents / kWh	Rs. / kWh	Cents / kWh
1-30 Years	1.9533	3.2554	1.1149	1.8583	3.0114	5.3623
1-10 Years	1.9533	3.2554	1.4662	2.4437	4.3969	7.3282
11-30 Years	1.9533	3.2554	0.4572	0.7620	2.7153	4.5255

203

# SAIF Power Limited

Tariff Computation Based on Revised Costs  
TARIFF TABLE

## PLANT OPERATIONS ON HSD

Year	Energy Charge (Rs. / kWh)			Capacity Charge (Rs. / kWh)										Total	
	Fuel	Variable (O & M)	Total	Escalable (Fixed O & M) Foreign	Escalable (Fixed O & M) Local	Financing Cost on Working Capital	Escalable (Insurance)	Return on Equity	Return on Equity for Construction Period	Withholding Tax @ 7.5%	Loan Repayment	Interest Charge	Total	Fixed Cost at 50% Plant Factor Rs. / kWh	Rs. / kWh
1	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	0.3220	0.6870	1.4849	9.4421	15.7368
2	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	0.3626	0.6464	1.4849	9.4421	15.7368
3	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	0.4083	0.6007	1.4849	9.4421	15.7368
4	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	0.4598	0.5492	1.4849	9.4421	15.7368
5	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	0.5177	0.4913	1.4849	9.4421	15.7368
6	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	0.5830	0.4260	1.4849	9.4421	15.7368
7	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	0.6565	0.3525	1.4849	9.4421	15.7368
8	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	0.7392	0.2698	1.4849	9.4421	15.7368
9	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	0.8324	0.1766	1.4849	9.4421	15.7368
10	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	0.9373	0.0716	1.4849	9.4421	15.7368
11	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
12	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
13	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
14	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
15	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
16	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
17	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
18	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
19	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
20	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
21	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
22	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
23	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
24	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
25	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
26	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
27	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
28	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
29	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
30	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	-	-	0.4759	7.7605	12.9341
Levelized	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0639	0.2182	0.0287	0.0185	0.3468	0.3118	1.1336	8.8566	14.7609

AVERAGE TARIFF	EPP		CPP		Total	
	Rs. / kWh	Cents / kWh	Rs. / kWh	Cents / kWh	Rs. / kWh	Cents / kWh
1-30 Years	6.9673	11.6121	8.8123	1.3638	8.3210	13.8683
1-10 Years	6.9673	11.6121	1.4849	2.4748	9.4421	15.7368
11-30 Years	6.9673	11.6121	0.4759	0.7932	7.7605	12.9341

LEVELIZED TARIFF	EPP		CPP		Total	
	Rs. / kWh	Cents / kWh	Rs. / kWh	Cents / kWh	Rs. / kWh	Cents / kWh
1-30 Years	6.9673	11.6121	1.1336	1.8893	8.8566	14.7609
1-10 Years	6.9673	11.6121	1.4849	2.4748	9.4421	15.7368
11-30 Years	6.9673	11.6121	0.4759	0.7932	7.7605	12.9341

202

SAIF Power Limited  
Tariff Determined by NEPA  
TARIFF TABLE

PLANT OPERATIONS ON GAS

Year	Energy Charge (Rs. / kWh)			Capacity Charge (Rs. / kWh)										Total	
	Fuel	Variable (O & M)	Total	Escalable (Fixed O & M) Foreign	Escalable (Fixed O & M) Local	Financing Cost on Working Capital	Escalable (Insurance)	Return on Equity	Return on Equity for Construction Period	Withholding Tax @ 7.6%	Loan Repayment	Interest Charge	Total	Fixed Cost at 80% Plant Factor Rs. / kWh	Rs. / kWh
1	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	0.2729	0.5821	1.2647	4.0611	4.7629
2	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	0.3072	0.5477	1.2647	4.0611	4.7629
3	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	0.3460	0.5090	1.2647	4.0611	4.7629
4	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	0.3896	0.4654	1.2647	4.0611	4.7629
5	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	0.4387	0.4163	1.2647	4.0611	4.7629
6	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	0.4940	0.3610	1.2647	4.0611	4.7629
7	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	0.5563	0.2987	1.2647	4.0611	4.7629
8	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	0.6264	0.2286	1.2647	4.0611	4.7629
9	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	0.7054	0.1496	1.2647	4.0611	4.7629
10	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	0.7943	0.0607	1.2647	4.0611	4.7629
11	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
12	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
13	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
14	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
15	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
16	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
17	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
18	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
19	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
20	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
21	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
22	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
23	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
24	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
25	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
26	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
27	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
28	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
29	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
30	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	-	-	0.4097	2.6361	4.3936
Levelized -	1.7787	0.1746	1.9533	0.0669	0.0446	0.0164	0.0637	0.1877	0.0152	0.0152	0.2830	0.2843	0.9678	2.6361	4.3936

AVERAGE TARIFF	EPP		CPP		Total	
	Rs. / kWh	Cents / kWh	Rs. / kWh	Cents / kWh	Rs. / kWh	Cents / kWh
1-30 Years	1.9533	3.2555	0.6947	1.1878	3.1111	5.1452
1-10 Years	1.9533	3.2555	1.2647	2.1078	4.0611	6.7685
11-30 Years	1.9533	3.2555	0.4097	0.6828	2.6361	4.3936

LEVELIZED TARIFF	EPP		CPP		Total	
	Rs. / kWh	Cents / kWh	Rs. / kWh	Cents / kWh	Rs. / kWh	Cents / kWh
1-30 Years	1.9533	3.2555	0.9678	1.6116	3.5649	5.9416
1-10 Years	1.9533	3.2555	1.2647	2.1078	4.0611	6.7685
11-30 Years	1.9533	3.2555	0.4097	0.6828	2.6361	4.3936



SAIF Power Limited  
Tariff Determined by NEPRA  
TARIFF TABLE

PLANT OPERATIONS ON HSD

Year	Energy Charge (Rs. / kWh)			Capacity Charge (Rs. / kWh)										Total	
	Fuel	Variable (O & M)	Total	Escalable (Fixed O & M) Foreign	Escalable (Fixed O & M) Local	Financing Cost on Working Capital	Escalable (Insurance)	Return on Equity	Return on Equity for Construction Period	Withholding Tax @ 7.5%	Loan Repayment	Interest Charge	Total	Fixed Cost at 50% Plant Factor Rs. / kWh	Rs. / kWh
1	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	0.2729	0.5821	1.2834	9.1063	18.1771
2	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	0.3072	0.5477	1.2834	9.1063	18.1771
3	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	0.3460	0.5090	1.2834	9.1063	18.1771
4	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	0.3896	0.4654	1.2834	9.1063	18.1771
5	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	0.4387	0.4183	1.2834	9.1063	18.1771
6	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	0.4940	0.3610	1.2834	9.1063	18.1771
7	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	0.5563	0.2987	1.2834	9.1063	18.1771
8	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	0.6264	0.2286	1.2834	9.1063	18.1771
9	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	0.7054	0.1496	1.2834	9.1063	18.1771
10	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	0.7943	0.0807	1.2834	9.1063	18.1771
11	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
12	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
13	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
14	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
15	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
16	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
17	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
18	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
19	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
20	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
21	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
22	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
23	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
24	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
25	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
26	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
27	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
28	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
29	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
30	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	-	-	0.4284	7.8813	12.8022
Levelized	6.7153	0.2520	6.9673	0.0669	0.0446	0.0351	0.0637	0.1877	0.0152	0.0152	0.2930	0.2643	0.9857	8.6101	14.3502

AVERAGE TARIFF	EPP		CPP		Total	
	Rs. / kWh	Cents / kWh	Rs. / kWh	Cents / kWh	Rs. / kWh	Cents / kWh
1-30 Years	6.9673	11.6122	8.7134	1.1890	8.1663	13.5938
1-10 Years	6.9673	11.6122	1.2834	2.1390	9.1063	15.1771
11-30 Years	6.9673	11.6122	0.4284	0.7140	7.8813	12.8022

LEVELIZED TARIFF	EPP		CPP		Total	
	Rs. / kWh	Cents / kWh	Rs. / kWh	Cents / kWh	Rs. / kWh	Cents / kWh
1-30 Years	6.9673	11.6122	8.9857	1.6428	8.6101	14.3502
1-10 Years	6.9673	11.6122	1.2834	2.1390	9.1063	15.1771
11-30 Years	6.9673	11.6122	0.4284	0.7140	7.8813	12.8022

Handwritten notes and signatures at the bottom right corner.