



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

Registrar

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Direct Phone : (051) 9206500

No. RI 10-1-03.017/0352

December 08, 2001

Director,
D.S. Power Ltd.
20-K, Gulberg-II,
Lahore.
Tele: 042 - 875303, 5759621, 5714810
Fax: 042 - 5710312

Subject: **Grant of Generation Licence
Licence Application No. RI 10-1-03.017
M/s. D.S. Power Ltd.**


Please refer to your application dated May 27, 2000 to NEPRA for a Generation Licence.

Enclosed here is Generation Licence No. SGC/009/2001 granted by the Authority to M/s D.S. Power Ltd. The Licence is granted to you pursuant to Section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).

Also enclosed here is the 'Authorization' pursuant to Section 22 of the Act and Rule 7 of NEPRA Licensing (Generation) Rules - 2000 for sale to bulk power consumers.

Please quote above mentioned Generation Licence No. in your future correspondence with the Authority.



o/c  08.12.01
(Mahjoob Ahmad Mirza)

Copy for information to Director General, Pakistan Environmental Protection Agency, 44-E, Office Tower, Blue Area, Islamabad

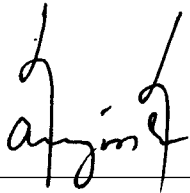
NATIONAL ELECTRICITY POWR REGULATORY AUTHORITY

GENERATION LICENCE NO. /SGC/ 009 /2001

In exercise of the powers conferred on the National Electric Power Regulatory Authority under Section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act , 1997 (XL of 1997), the Authority hereby grants a Licence to

D.S. Power Limited incorporated under the
Companies Ordinance, 1984
under Certificate of Incorporation No.L07703 dated February 2nd 1995


to engage in the generation business for delivery and sale to the consumers mentioned in schedule I subject to and in accordance with the terms and conditions of this Licence.
Issued under my hand at Islamabad 8th day of December two thousand and one.

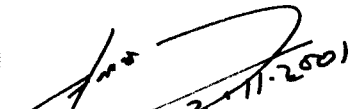


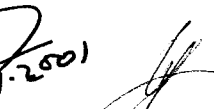
Signed



Date: 8.12.2001


23-11-01


23-11-2001


23.11.01

Article 1
Application of Rules

Save as expressly provided otherwise, the provisions of the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 as amended from time to time shall apply to this Licence.

Article 2
Definitions

Unless there is anything repugnant in the subject or context and save as expressly defined hereinafter, words and expressions used in this Licence bear the respective meanings given thereto in the Act or in the Rules.

Article 3
Grant of Licence



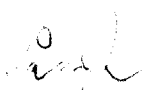
- 3.1 The location , size (capacity in MW) , technology, interconnection arrangements , technical limits, technical functional specifications and other details specific to the generation facilities of the licensee are set out in Schedule 1 to this Licence.
- 3.2 The net capacity of the licensee's generation facilities is set out in Schedule II hereto.

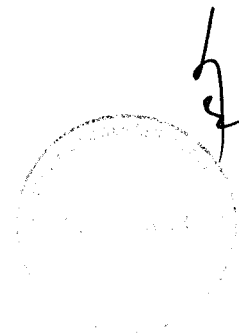
Article 4
Licence fee

After the grant of the generation licence, the licensee shall pay to the Authority the licence fee, in the amount and manner and at the time set out in Schedule III .

Article 5
Term and Renewal of Licence

This Licence is granted for a term of fifteen (15) years.

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**Article 6
Tariff**

The licensee shall charge from its consumers only such tariff which is either approved or specified by the Authority.

**Article 7
Distribution facilities of licensee.**

Not Applicable

**Article 8
Connection to Transmission System,
Compliance with Grid code,
Pooling and Settlement arrangement**

Rule 10 of the Rules shall apply only to those SPPs whose generation facilities are connected directly or indirectly at voltage of 132 kV or above

**Article 9
Generating Capacity Reserve Requirements**

The installed generating capacity of the licensee shall not fall below 85% of the connected load and generating capacity of the largest installed unit at the time of application for generation licence.

**Article 10
Compliance with Performance Standards**

The licensee shall conform to the relevant NEPRA rules on Performance Standards as may be prescribed by the Authority from time to time.

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Article 11
Compliance with Environmental Standards

The licensee shall conform to the environmental standards as may be prescribed by the relevant competent authority.

Article 12
Maintenance of Record

- 12.1 The licensee shall keep complete and accurate record and the data in respect of all aspects of the generation business and the second-tier supply business, in their original as well as in electronic form.
- 12.2 Without prejudice to the provisions of sub-rule 15(3) of the Rules, unless provided otherwise under the law or the applicable documents, all record and data shall be maintained for a period of five years after the creation of such record or data. The licensee shall not destroy or dispose of any such record or data after the aforesaid period without thirty days prior written notice to the Authority. The licensee shall also not dispose of or destroy any record or data which the Authority directs the licensee to preserve.
- 12.3 All record and data maintained in an electronic form shall, subject to just claims of confidentiality, be accessible to the staff authorized by the Authority.

Article 13
Provision of Information

- 13.1 The obligation of the licensee to provide information to the Authority shall be in accordance with Section 44 of the Act.
- 13.2 The licensee shall be subject to such penalties as may be specified in the relevant rules made by the Authority for failure to furnish such information as may be required from time to time by the Authority and which is or ought to be or have been in the control or possession of the licensee.

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SCHEDULE - I

- The location, size (capacity in MW), technology, interconnection arrangements, technical limits technical functional specifications and other details specific to the generation facilities of the licensee

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PLANT DETAILS

- | | | |
|----|-------------------|--|
| 1. | Name of Applicant | D.S Power Limited |
| 2. | Registered Office | 20-K, Gulberg-II, Lahore |
| 3. | Plant Location | 11 KM Faisalabad Road, Bhikki, Sheikhpura. |
| 4. | Type of Facility | Thermal Generation |

Plant Configuration

- | | | |
|-----|--|--|
| 5.a | Plant size | 1.98 MW |
| 5.b | Type of Technology | Diesel Engines (SSAGYONG MAN B & W 9L28/32H) |
| 5.c | Number of Units | One |
| 5.d | Unit Size | 1.98 MW |
| 5.e | Unit Make and Model, Date of Manufacture | SSAGYONG MAN B & W
July 1996 |
| 5.f | Date of Commissioning | 1997 |

Fuel Use

- | | | |
|------|-----------------------------|---------------------------------|
| 6.a. | Fuel Type | HFO |
| 6.b | Fuel (imported/ indigenous) | Both, depending on availability |
| 6.c | Fuel Supplier | PSO |
| 6.d | Supply Agreement | Road/Tankers |
| 6.e | No. of Tanks | Two |
| 6.f | Storage Capacity/Tank | 300 Tons/Tank |
| 6.g | Gross Storage | 600 Tons |



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23-11-2001
P. Qureshi

Emission Values

7.a	SO2	727 ppm
7.b	Nox	Not Applicable
7.c	CO2	Not Applicable
7.d	Particulate	Not Applicable
8.	Cooling Water Source	Tube Well
9.	Installed Capacity	1.98 MW
10.	Derated Capacity	1.80 MW
11.	Expected Remaining Life of the Facility	Twenty-Two years
12.	Operational Record	Included in Section 16 of the Licence Application

Project Cost

13.a	Equity (Thousand Rupees)	Rs. 25,000.00
13.b	Debt (Thousand Rupees)	Rs. 36,000.00 (Al-Faysal Investment Bank)
13.c	Total Project Cost (Thousand Rupees)	Rs, 61,000.00

W 25-11
23-11-2001
Rough

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Plant Characteristics

14.a	Generation Voltage (Volts)	11 kV
14.b	Frequency	50 Hz
14.c	Power Factor	0.80 lagging
14.d	Automatic Generation Control	Provided
14.e	Ramping Rate	0.6% per second
14.f	Alternative Fuel	LFO/HSD
14.g	Auxiliary Consumption (1999)	590,784 kWh during 1999
14.h	Time Required to Synchronize to Grid	Not Applicable since unit is not connected to LESCO Grid.

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23-11-2011
[Signature]



SPP I licenses-Performa for Information regarding Distribution issues

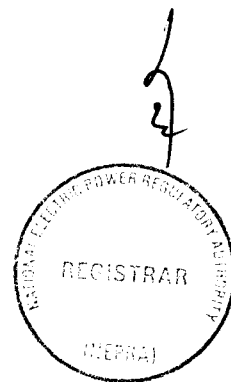
PART A

- Network Facts*
- A. No. of Feeders One
- B. Length of Each Feeder 356 Meters (Approx)
- C. Length of Each Feeder to Each Consumer 356 Meters (Approx)
- D. In respect of all the feeders, describe the property (streets, farms, agri land, etc.) through, under or over which they pass right up to the consumer's premises, whether they cross-over or pass near the DISCO lines
SPP & Consumer Located adjacently therefore private property (within premises)
- E. Whether owned by SPP, consumer or DISCO (deal with each Feeder Separately) Owned by Consumer
- If owned by DISCO, please furnish particulars of contractual arrangement
- Operation and maintenance responsibility for each Feeder D.S.Power
- F. Whether connection with DISCO's network exists (whether active or not)- If yes, provide details of connection arrangements (both technical and contractual) No

Any other network information NA

deemed relevant for disclosure to or consideration by NEPRA

Includes all allied equipment (pylons, protective devices, transformer, etc)



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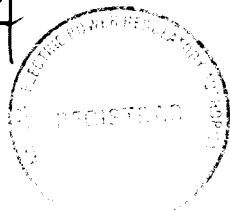
SPP Licenses-proforma for Information regarding Distribution issues

PART B

Consumption Facts

- A. No. of Consumer One
- B. Location of consumer
(distance and/or identity of premises) D.S Textiles Limited
11 K.M. Faisalabad Road, Bhikki,
Sheikhpura
- C. Contracted Capacity and Load Factor for each consumer 1750 KW (Load Factor-Variable)
- D. Specify Whether Yes.
D.S Textiles Limited percentage ownership of equity is 19.61%.
Share Capital Rs.3,500,000, Deposit for Share Rs.5,345,120, Advance from D.S Textiles Limited Rs.10,635,217
- i) the consumer is an associate under taking of the SPP* - if yes, specify percentage ownership of equity;
- ii) there are common directorship; Yes
- iii) either can exercise influence or control over the other Yes
- iv)
- E. Specify nature of contractual relationship I) b/w each consumer the SPP; and (II) each consumer and host DISCO Firm Supply of electricity on continuous basis.
B-3 Consumer
- F. Capacity originally sanctioned by Provincial Government - If subsequently enhanced, evidence of permissions for enhancement 1750 KW
- G. Tariff arrangement and particulars with WAPDA/Provincial Government As per Provincial Government approval & same from WAPDA

* as defined in the Companies Ordinance, 1984.



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SCHEDULE - II

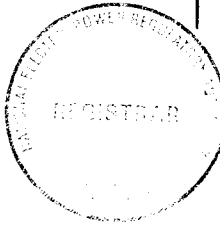
- The net capacity of the licensee's generation facilities

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SCHEDULE II

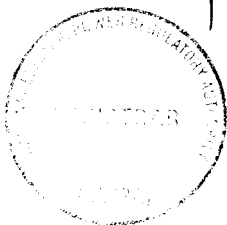
- GROSS CAPACITY (MW) =1x1.98 MW (One Unit)
- DERATED CAPACITY (MW)=1.80 MW
- NET CAPACITY =1.70 MW

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SCHEDULE - III

- LICENCE FEE (Annual)

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SCHEDULE-III

PART I

Licence Fees (Annual)

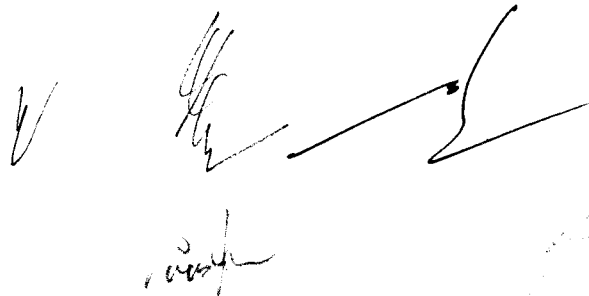
1. Generation Licence

Fee will be calculated at the rate of Rs.6200 per MW on the basis of Gross (ISO) MW capacity of the licensed generation facility.

PART II

**Terms of payment of fee by the Generation,
Transmission and Distribution Licensees**

- I) The fee for the generation licences specified in this schedule shall be paid on a recurring basis in respect of each financial year by the licensee for the term of the Licence (hereinafter referred to as the "annual licence fee")
- II) The annual licence fee in respect of any financial year shall be paid in advance within thirty days of the expiry of the preceding financial year, provided that, the annual licence fee for the first financial year shall be paid within thirty days of the date of grant of this Licence and shall be prorated for the number of months remaining before the expiry of the financial year in which the Licence is granted.
- III) In case of generation licences, the Gross (ISO) MW capacity for which the generation licence is granted shall form the basis for the calculation of the annual licence fee.





PART III

Indexation of Fees

- I) Any and all fees payable pursuant to the relevant rules shall be indexed to the Consumer Price Index ("CPI") published from time to time by the Federal Bureau of Statistics.
- II) The indexation shall be done on the basis of the most recent CPI prevailing on the date of payment of the fees and shall be increased or decreased, as the case may be, in accordance with the following formula:

$$F_{pd} = F_t [CPI_{pd} / CPI_{rd}]$$

Where

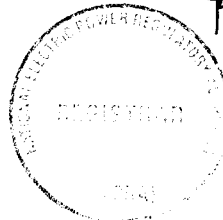
F_{pd} = The actual fee payable on the date of payment

F_t = The respective fee set out in Part I of this schedule.

CPI_{pd} = The most recent CPI prevalent on the last day of the month immediately preceding the month in which the payment is due.

CPI_{rd} = The reference or base CPI, prevalent on the last day of the month in which these rules are notified in the official gazette.

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**Authorization by National Electric Power Regulatory Authority
To
M/s D.S Power Limited**

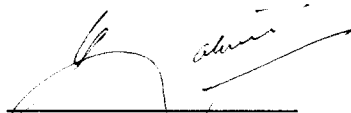
incorporated under the Companies Ordinance, 1984
under Certificate of Incorporation No. **L.07703**

NEPRA GENERATION LICENCE NO.SGC/09/2001
For
Sale to Bulk Power Consumers


Pursuant to Section 22 of the Act and Rule 7 of the NEPRA Licensing (Generation) Rules-2000, the Authority hereby authorizes M/s D.S Power Limited (Licensee) to engage in second-tier supply business, limited to the following consumers also mentioned in schedule-I of Generation Licence No.SGC/ 009 /2001

11 Km Faisalabad Road, Bhikki, District, Sheikhpura

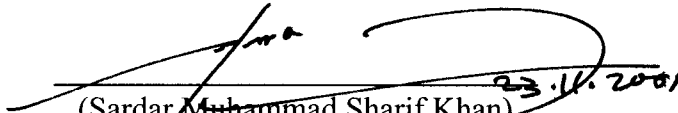
01. D.S Textile Mills Limited, 356-meters away, 11 KM Faisalabad Road, Bhikki, Sheikhpura (same location as power plant).




(Abdul Rahim Khan)
Member (T)



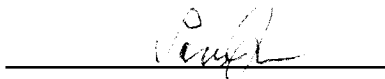
(Mansoor Elahi)
Member (P)



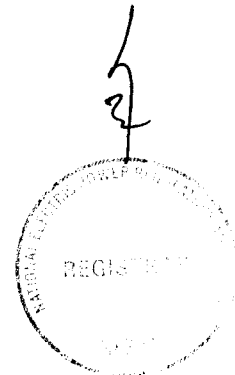
(Sardar Muhammad Sharif Khan)
Member (S)



(Fazlullah Qureshi)
Vice Chairman



(Justice (R) Saad Saood Jan)
Chairman



**Term of the Licence
(Article 5 of the Licence)
D.S. Power Limited**

The rule 5 of the Licensing (Generation) Rules - 2000 stipulates that the term of Licence shall be commensurate with the maximum expected useful life of the units comprised in a generation facility demonstrated to the satisfaction of the Authority unless the applicant consents to a shorter period.

D.S. Power Limited, has shown in its application Ref. No DSP/786/817 dated May 27, 2000 to NEPRA for a generation licence, remaining life of its facility as 22 years.

The Licensing Group considers that the Diesel Electric Generators normally have useful life of around 20 years. Since the plants of D.S. Power Limited were manufactured in 1996 and commissioned in 1997, therefore, the Group recommends that the Licence be issued to D.S. Power Limited by the Authority for 15 years from the date of grant of Licence by the Authority.

AUTHORITY DECISION

The Authority agrees with the Licensing Group recommendations about the term of Licence. The Licence is granted for a term of 15 years.

Authority

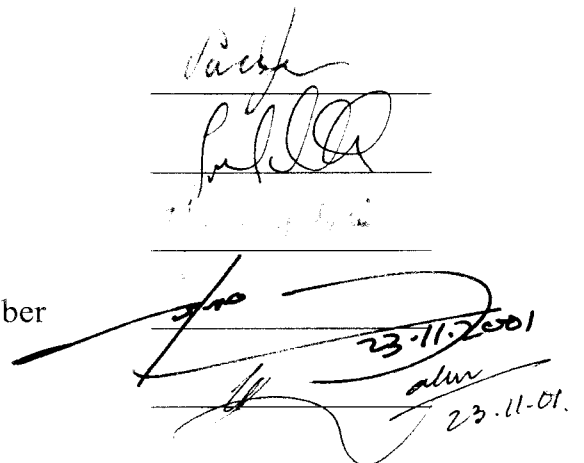
Justice ® Saad Saood Jan, Chairman

Mr. Fazlullah Qureshi Vice Chairman

Mr. Mansoor Elahi, Member

Sardar Muhammad Sharif Khan T. St., Member

Mr. Abdul Rahim Khan, Member

The image shows handwritten signatures and dates for the Authority members. The signatures are written over horizontal lines. The dates are 23.11.2001 and 23.11.01.

**Term of the Licence
(Article 5 of the Licence)
D.S. Power Limited**

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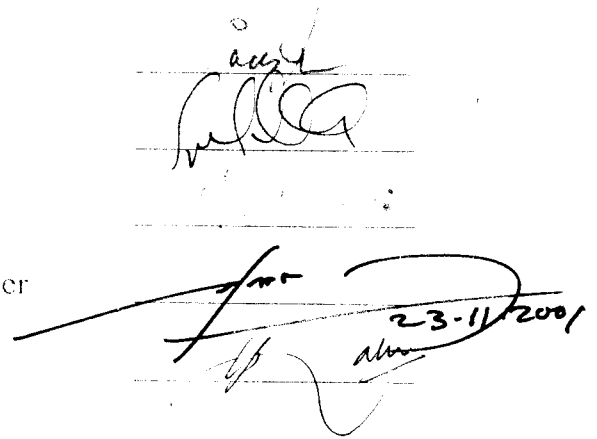
Justice (R) Saad Saood Jan, Chairman

Mr. Fazlullah Qureshi Vice Chairman

Mr. Mansoor Elahi, Member

Sardar Muhammad Sharif Khan T. St., Member

Mr. Abdul Rahim Khan, Member


23-11/2001

BRIEF FOR THE AUTHORITY

D.S Power Limited

1.	Type & Plant Location	Diesel Engines 11 KM Faisalabad Road, Bhikki, Sheikhupura
2.	Plant Capacity	1.980 MW
	No. of Units	One
	[(Size (MW))]	1.980 MW
3.	Emission Values	Provided
4.	Consumer Statistics	One Consumer
5.	Capacity Requirements	Meets the Criteria of Article 9 of the Licence.
6.	Whether Distribution Licence required	Not Required.(The consumer is located adjacent to the power plant (within premises) through a 356 meter feeder on a private property owned by the SPP/consumer).
7.	Licence Period	Group recommends 15 years period.

ANNEX-I

(1).	Gross Capacity	1.98 MW
(2)	Derated Capacity	1.80 MW
(3).	Auxiliary Consumption	590,784 kWh during 1999
(4).	Net Capacity	1.70 MW
(5).	(i) Total Consumer Contracted Load	1.750 MW
	(ii) Diversified Load [95% for one consumer]	1.66 MW
(6).	Least Possible Available Generation [(4)- Largest Unit]	NIL
(7)	Capacity Reserve Short Fall [(6) - (5 ii)]	1.66 MW
(8)	Consumer Back-up Generation	None, However B-3 Connection with LESCO exists.
(9)	Meets the Criteria Under Article 9	Yes