



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

Registrar

2nd Floor, OPF Building, G-5/2, Islamabad.
Ph : 9207200 Ext : 330 — Fax : 9210215
E-mail : office@nepra.isb.sdnpk.org
Direct Phone : (051) 9206500

No. RI 10-1-03.012/333

December 8, 2001

General Manager,
Monnoo Energy Ltd.
Monnoo House, 3-Montgomery Road,
Lahore
Tele: 042 – 6314690, 6361632, 6364412-16
Fax: 042 - 6364431

Subject: **Grant of Generation Licence**
Licence Application No. RI 10-1-03.012
M/s. Monnoo Energy Ltd.

Please refer to your application dated May 26, 2000 to NEPRA for a Generation Licence.

Enclosed here is Generation Licence No. SGC/010/2001 granted by the Authority to M/s Monnoo Energy 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.



(Handwritten signature)
8.12.2001
(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

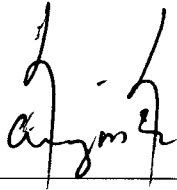
GENERATION LICENCE NO. SGC/ 010/2001

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

Monnoo Energy Limited incorporated under the
Companies Ordinance, 1984
under Certificate of Incorporation No. L-07125 dated 25.05.94

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 the Licence

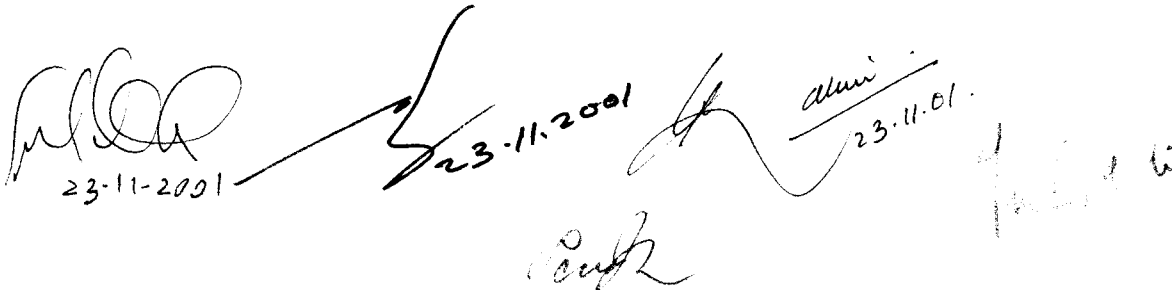
Issued under my hand at Islamabad this 8th day of December two thousand and one.



Signed



Date: 08.12.2001



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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

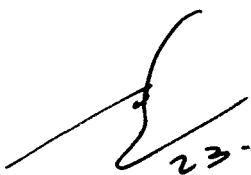

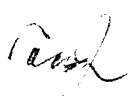
- 3.1 The location , size (capacity in MW) , technology, interconnection arrangements , technical limits, technical functional specifications and other details specific to the generation facilities of the licensee are set out in Schedule I of this Licence.
- 3.2 The net capacity of the licensee's generation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

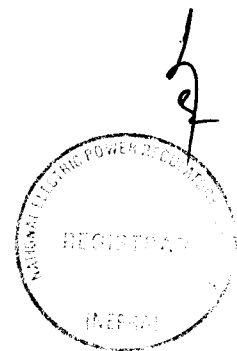
Article 4
Licence fee

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.**

The licensee may hand over ownership and control of its distribution facilities to the DISCO in whose service territory the licensee is operating on terms and conditions as approved by NEPRA; in the event, it wishes to retain ownership and control of its distribution facilities, it shall apply for a distribution licence within one month from the grant of this generation licence, in accordance with the relevant NEPRA rules.

**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



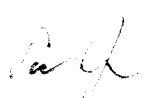
**Article 9
Generating Capacity Reserve Requirements**

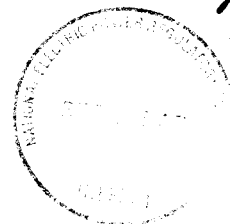
The installed generating capacity of the licensee shall not fall below 85% of the connected load and generating capacity of the largest installed unit at the time of application for generation licence.

**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.



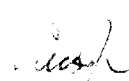
Article 12
Maintenance of Record

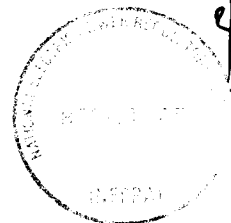
- 12.1 The licensee shall keep complete and accurate record and data in respect of all aspects of the generation business and the second-tier supply business, in their original as well as in electronic form.
- 12.2 Without prejudice to the provisions of sub-rule 15(3) of the Rules, unless provided otherwise under the law or the applicable documents, all record and data shall be maintained for a period of five (5) years after the creation of such record or data. The licensee shall not destroy or dispose off any such record or data after the aforesaid period without thirty days prior written notice to the Authority. The licensee shall also not dispose off 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.

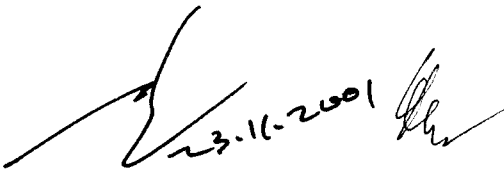

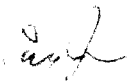
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SCHEDULE - I

- 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 | MONNOO Energy Limited |
| 2. | Registered Office | Monnoo House, 3-Montgomery Road Lahore, Pakistan. |
| 3. | Plant Location | Monnoo Energy Limited, Monnoipur, Chichookimalian, Distt. Sheikhpura |
| 4. | Type of Facility | Thermal Generation |

Plant Configuration

- | | | |
|-----|--|------------------------|
| 5.a | Plant size | 4.6 MW |
| 5.b | Type of Technology | Diesel Electric |
| 5.c | Number of Units | Two |
| 5.d | Unit Size | 2.3 MW |
| 5.e | Unit Make and Model, Date of Manufacture | Niigata 6 L 34 HX 1997 |
| 5.f | Date of Commissioning | Unit 1-2 in 1998 |

Fuel Use

- | | | |
|------|-----------------------------|---------------------------------|
| 6.a. | Fuel Type | HFO |
| 6.b | Fuel (imported/ indigenous) | Both, depending on availability |
| 6.c | Fuel Supplier | Caltex |
| 6.d | Supply Agreement | Road/Tankers |
| 6.e | No. of Tanks | Two |
| 6.f | Storage Capacity/Tank | 980 Tons/Tank |
| 6.g | Gross Storage | 1960 Tons |



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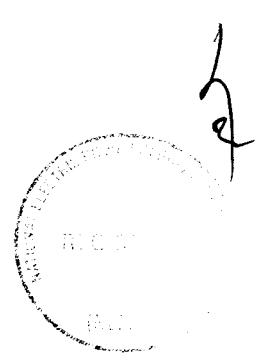
SPP Licenses-Perforama for Information regarding Distribution issues

PART A

- | | | |
|----|--|--|
| A. | Network Facts*
No. of Feeders | Two |
| B. | Length of Each Feeder | Feeder # 1 400-meters
Feeder # 2 331-meters |
| C. | Length of Each Feeder to Each Consumer | Feeder # 1 400-meters
Feeder # 2
(a) 331meters
(b) 244-meters |
| D. | In respect of all the feders, 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 | (a) SPP and consumers are 70-meters apart and feeders cross over the road.
(b) Consumer-owned lines run parallel to DISCO line 66-meters apart. |
| E. | Whether owned by SPP, consumer or DISCO (deal with each Feeder Separately)
- If owned by DISCO, please furnish particulars of contractual arrangement
- Operation and maintenance responsibility for each Feeder | All feeders owned by consumers.

O & M of feeders is responsibility of consumers. |
| F. | Whether connection with DISCO's network exists (whether active or not)- If yes, provide details of connection arrangements (both technical and contractual) | No connection with LESCO |

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Plant Characteristics

14.a	Generation Voltage (Volts)	11000 V
14.b	Frequency	50 Hz
14.c	Power Factor	0.80 lagging
14.d	Automatic Generation Control	Provided
14.e	Ramping Rate	1.0% per second
14.f	Alternative Fuel	HSD
14.g	Auxiliary Consumption (1999)	1,560,000 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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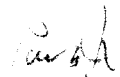


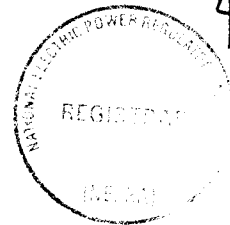
Emission Values

7.a	SO2	1.54 Tonnes/day, less than 500 ppm
7.b	Nox	Less than 1200 ppm
7.c	CO2	Not Applicable
7.d	Particulate	Not Applicable
8.	Cooling Water Source	Tube Well
9.	Installed Capacity	4.6 MW
10.	Derated Capacity	4.14 MW
11.	Expected Remaining Life of the Facility	Twenty-Three years
12.	Operational Record	Included in Section 16 of the Licence Application

Project Cost

13.a	Equity (Thousand Rupees)	Rs. 69,057.00
13.b	Debt (Thousand Rupees)	Rs.103,585.00
13.c	Total Project Cost (Thousand Rupees)	Rs.172,642.00

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Any other network information
deemed relevant for disclosure to or
consideration by NEPRA

Monnoo Energy Ltd. is supplying electrical
power to its sister concerns only through
consumers-owned lines.

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SPP Licenses-proforma for Information regarding Distribution issues

PART B

Consumption Facts


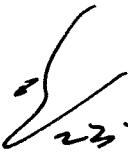

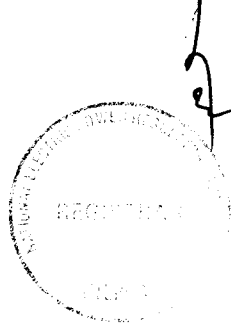
- A. No. of Consumers Three
- B. Location of consumer (distance and/or identity of premises) Consumers are located 70-meters apart from SPP and these are as under:
(a) Rawal Textile Mills #1, 400-meters away.
(b) Olympia Blended Fibre Mills # 1, 331-meters away.
(c) Olympia Blended Fibre Mills # 2, 244-meters away
- C. Contracted Capacity and Load Factor for each consumer (a) Rawal Textile Mills # 1 = 1760 KW
(b) Olympia Blended Fibre Mills # 1 = 1200 KW
(c) Olympia Blended Fibre Mills # 2 = 1280 KW.
- D. Specify Whether Common Directorship.
- i) the consumer is an associate under taking of the SPP* - if yes, specify percentage ownership of equity;
- ii) there are common directorship;
- iii) either can exercise influence or control over the other
- E. Specify nature of contractual relationship I) b/w each consumer the SPP; and (II) each consumer and host DISCO Mutually-agreed contract renewable on yearly basis for uninterrupted and un-fluctuated electrical supply during the contract period. No contract with DISCO.
- F. Capacity originally sanctioned by Provincial Government - If subsequently enhanced, evidence of permissions for enhancement Capacity = 4.6 MW
Not enhanced
- G. Tariff arrangement and particulars with WAPDA/Provincial Government B-3 Tariff between SPP and consumer, equivalent to WAPDA Tariff.
* 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


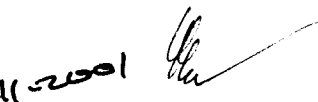


GROSS CAPACITY (MW)	2x2.3=4.6 MW (2 Units)
DERATED CAPACITY (MW)	=4.14 MW
NET CAPACITY (MW)	= 3.92 MW

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SCHEDULE - III

- LICENCE FEE (Annual)

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SCHEDULE-III

PART I

Licence Fees (Annual)

1. Generation Licence

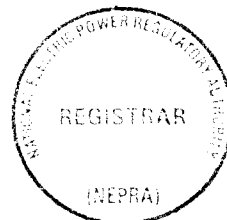
Fee will be calculated at the rate of Rs.6200 per MW on the basis of gross (ISO) MW capacity of the licensed generation facility.

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 the 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.

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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:

$$Fpd = Ft [CPI_{pd} / CPI_{rd}]$$

Where

Fpd = The actual fee payable on the date of payment

Ft = 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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REGISTRAR
(NEPRA)

**Authorization by National Electric Power Regulatory Authority
To
M/s Monnoo Energy Limited**

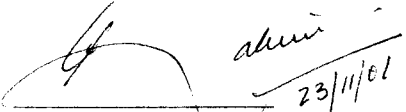
incorporated under the Companies Ordinance, 1984
under Certificate of Incorporation No. L.07125

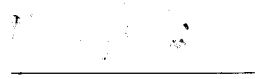
**NEPRA GENERATION LICENCE NO.SGC10/2001
For
Sale to Bulk Power Consumers**

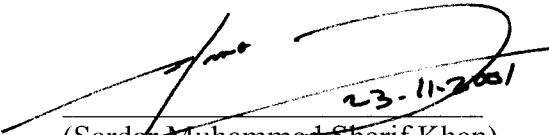
Pursuant to Section 22 of the Act and Rule 7 of the NEPRA Licensing (Generation) Rules-2000, the Authority hereby authorizes M/s Monnoo Energy Limited (Licensee) to engage in second-tier supply business, limited to the following consumers also mentioned in Schedule-I of Generation Licence No.SGC/ 010 /2001.

4.5 KM Lahore Sheikhpura Road, Chichokimalian, District, Sheikhpura

01. Rawal Textile Mills # 1, 400-meters away, 4.5 KM Lahore-Sheikhpura Road, Chichokimalian, District, Sheikhpura.
02. Olympia Blended Fibre Mills # 1, 331-meters away, 4.5 KM Lahore-Sheikhpura Road, Chichokimalian, District, Sheikhpura.
03. Olympia Blended Mills # 2, 244-meters away, 4.5 KM Lahore-Sheikhpura Road, Chichokimalian, District, Sheikhpura.

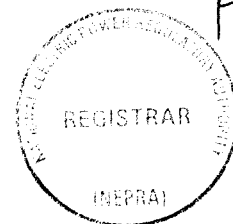

(Abdul Rahim Khan)
Member (T)


(Mansoor Elahi)
Member (P)


(Sardar Muhammad Sharif Khan)
Member (S)


(Fazlullah Qureshi)
Vice Chairman


(Justice ® Saad Saood Jan)
Chairman



**Term of the Licence
(Article 5 of the Licence)
Monnoo Energy 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.

Monnoo Energy Limited, has shown in its application No.MEI/II.0/2000/799 dated 26.05.2000 to NEPRA for a generation licence, remaining life of its facility as 23 years.

The Licensing Group considers that the Diesel Electric Generators normally have useful life of around 20 years. Since the plants of Monnoo Energy Limited, were manufactured in 1997 and commissioned in 1998 therefore the Group recommends that the Licence be issued to Monnoo Energy Limited, by the Authority for fifteen (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

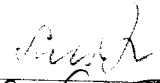
Justice (R) Saad Saood Jan, Chairman

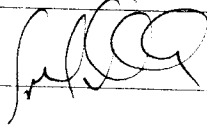
Mr. Fazlullah Qureshi, Vice Chairman

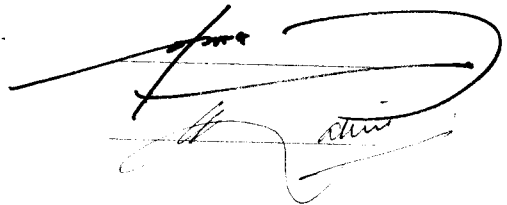
Mr. Mansoor Elahi, Member

Sardar Muhammad Sharif Khan T. St., Member

Mr. Abdul Rahim Khan, Member







**Term of the Licence
(Article 5 of the Licence)
Monnoo Energy 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.

Monnoo Energy Limited, has shown in its application No.MEL/H.0/2000/799 dated 26.05.2000 to NEPRA for a generation licence, remaining life of its facility as 23 years.

The Licensing Group considers that the Diesel Electric Generators normally have useful life of around 20 years. Since the plants of Monnoo Energy Limited, were manufactured in 1997 and commissioned in 1998 therefore the Group recommends that the Licence be issued to Monnoo Energy Limited, by the Authority for fifteen (15) years from the date of grant of Licence by the Authority.

AUTHORITY DECISION

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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 three handwritten signatures on horizontal lines. The first signature is for Justice Saad Saood Jan, dated 23-11-01. The second signature is for Mr. Fazlullah Qureshi, dated 23/11/01. The third signature is for Mr. Mansoor Elahi, dated 23/11/01. The fourth signature is for Sardar Muhammad Sharif Khan T. St., dated 23/11/01. The fifth signature is for Mr. Abdul Rahim Khan, dated 23/11/01.

BRIEF FOR THE AUTHORITY

MONNOO ENERGY LIMITED.

1. Type & Plant Location Diesel Engines
Monnoo Energy Limited, Monnopur, Chichokimalian,
District Sheikhpura.

2. Plant Capacity Plant #1 Manufactured and
Commissioned

No. of Units Two 1997 and 1998 respectively

Size of each unit 2.3 MW

Installed Capacity 4.6 MW

3. Emission Values Provided

4. Consumer Statistics Three Consumers

Load of Three Consumers 4.24 MW
Feeder # 1 (400 Meters Long)
Rawal Textile Mills # 1 = 400 Meters (1760 KW)
Feeder # 2 (331 Meters Long)
a. Olympia Blended Fiber Mills # 1 = 331 Meters (1200 KW)
b. Olympia Blended Fiber Mills # 2 = 244 Meters (1280 KW)

5. Capacity Requirements Meets the Criteria of Article 9 of the Licence.

6. Whether Distribution Licence
required Distribution licence may be required
Second Tier-Supply authorization required by
Consumers.

7. Licence Period Group recommends fifteen (15) years period.

ANNEX-I

(1).	Gross Capacity	Plant # 1	2 X 2.30 =	4.60 MW
		Total		4.60 MW
(2)	Derated Capacity			4.14 MW
(3).	Auxiliary Consumption			0.22 MW
(4).	Net Capacity			3.92 MW
(5).	(i)	Total Consumer Contracted Load		4.24 MW
	(ii)	Diversified Load (Ref Articled 9 of the Licence) [85% for more than one consumer]		3.60 MW
(6).	Least Possible Available Generation [(4)- Largest Unit]		[3.92-2.3] =	1.62 MW
(7)	Capacity Reserve Short Fall [(6) - (5)ii]			1.98 MW
(8)	Consumer Back-up Generation	Rawal Textile Ltd-1	1.20	MW
		Olympia Blended Fiber Ltd # 1	1.01	MW
		Olympia Blended Fiber Ltd # 2	1.01	MW
(9)	Meets the Criteria Under Article 9		Yes	