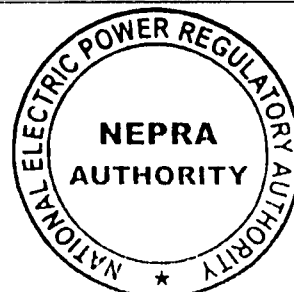




FINAL ORDER OF THE AUTHORITY
REGARING ORIENT POWER COMPANY (Pvt.) LIMITED
TO BE NOTIFIED IN THE OFFICIAL GAZETTE

Pursuant to Rule 6 of the NEPRA Licensing Generation Rules 2000, Orient Power Company (Pvt) Ltd is allowed to charge the following specified tariff for sale of electricity to Central Power Purchase Agency of NTDC on behalf of Ex-WAPDA Distribution Companies:

Description	First 10 years	Next 20 years	Indexation
Capacity Charges	Rs./kW/Month	Rs./kW/Month	
Fixed O&M	105.45	105.45	WPI / US CPI / US\$ to Rupee
Insurance	35.36	35.36	NIL
Return on Equity	172.63	172.63	NIL
Debt Service	456.82	-	KIBOR
Total Fixed Charges	770.26	313.44	
a) Variable Charge A For 9 months in a year (Mar to Nov)	Rs./kWh	Rs./kWh	
Fuel Cost	1.2699	1.2699	Fuel Price US\$ to Rupee & US CPI
Variable O&M	0.0990	0.0990	
Total Variable Charge A	1.3689	1.3689	
Dispatch Criterion will be the Variable Charge A for 9 months in a year (Mar to Nov)			
b) Variable Charge B For 3 months in a year (Jan, Feb & Dec)	Rs./kWh	Rs./kWh	
Fuel Cost	4.2962	4.2962	Fuel Price US\$ to Rupee & US CPI
Variable O&M	0.0990	0.0990	
Total Variable Charge B	4.3952	4.3952	
Dispatch Criterion will be the Variable Charge B for 3 months in a year (Jan, Feb & Dec)			
c) If gas is available for more than 9 months in a year, variable charge as well as dispatch			





criteria will be based on variable charge a for the energy generated on gas during Jan, Feb & Dec.			
--	--	--	--

- Note: i) Capacity Charge Rs./kW/month applicable to dependable capacity at the delivery point.
- ii) Dispatch criterion will be Energy Charge.
- iii) The above tariff is applicable for a period of 30 years commencing from the date of the Commercial Operation.
- iv) Component wise tariff for operation on Gas is indicated at Annex-I.

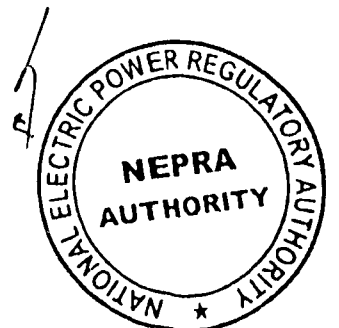
The following items on which costs have been based and which are expected to be varied during the tenure of the PPA are not in the control of the operator and therefore are considered pass-through item such that the sale purchase rate is varied to incorporate the variation in the relevant elements.

i) Indexation applicable to O&M

In future the 50% of Fixed O&M part of Capacity Charge will be adjusted on account of local Inflation (WPI) and 50% on account of US CPI and variation in dollar/Rupee exchange rate. Adjustment for local and foreign inflation will be made on quarterly basis, on the basis of WPI as notified by the Federal Bureau of Statistics (FBS) and US CPI issued by US Bureau of Labor Statistics for the month of August, November, February & May respectively. Indexation for variation in dollar/rupee exchange rate will be made on October 1, January 1, April 1 & July 1 on the basis of revised TT & OD selling rate of US Dollar as notified by the National Bank of Pakistan. The mode of indexation for escalable component will be as under:

(a) Fixed O&M

$$F O\&M_{(RWPI)} = Rs.105.45 * 50\% * WPI_{(REV)} / 111.37$$





$$F O\&M_{(RE)} = Rs.105.45 * 50\% * US CPI_{(REV)} / US CPI_{(REF)} * ER_{(REV)} / 60$$

Where:

$F O\&M_{(RWPI)}$ = The revised applicable Fixed O&M Component of the Capacity Charge indexed with WPI

$F O\&M_{(RE)}$ = The revised applicable Fixed O&M Component of the Capacity Charge indexed with Currency fluctuation

$WPI_{(REV)}$ = the Revised wholesale Price Index (manufactures)

Reference WPI = 111.37 wholesale price index (manufactures) of December 2004 notified by Federal Bureau of Statistics

$US CPI_{(REV)}$ = the revised US CPI

$US CPI_{(REF)}$ = 190.3 US CPI for the month of December 2004 as issued by the US Bureau of Labor Statistics

$ER_{(REV)}$ = the Revised TT & OD selling rate of US dollar as notified by the National Bank of Pakistan

Reference ER = the Revised Exchange Rate

(b) Variable O&M

The formula of indexation for variable O & M component will be as under:

$$V O\&M_{(REV)} = -Rs.0.0990 * US CPI_{(REV)} / US CPI_{(REF)} * ER_{(REV)} / Rs.60$$

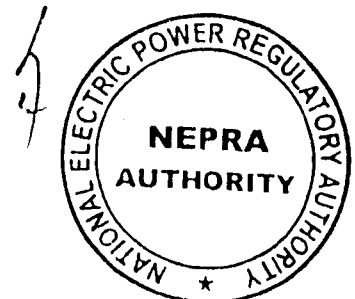
Where:

$V O\&M_{(REV)}$ = the revised applicable Variable O&M Component of Energy Charge

$US CPI_{(REV)}$ = the revised US CPI

$US CPI_{(REF)}$ = 190.3 US CPI for the month of December 2004 as issued by the US Bureau of Labor Statistics

$ER_{(REV)}$ = the Revised TT & OD selling rate of US dollar as notified by the National Bank of Pakistan





ii) Adjustment for KIBOR variation

The interest part of non-escalable fixed charge component will remain unchanged throughout the term except for the adjustment due to variations in interest rate as a result of variation in quarterly KIBOR according to the following formula;

$$\Delta I = P_{(REV)} * (KIBOR_{(REV)} - 4.4\%) / 4$$

Where:

ΔI = The variation in interest charges applicable corresponding to variation in KIBOR. ΔI can be positive or negative depending upon whether KIBOR REV > or < 4.4%. The interest payment obligation will be enhanced or reduced to the extent of ΔI for each quarter under adjustment applicable on quarterly

$P_{(REV)}$ = is the outstanding principal (as indicated in the attached debt service schedule to this order as Annex-II) on a quarterly basis on the relevant quarterly calculations date. Period 1 shall commence on the date on which the 1st installment is due after availing the grace period.

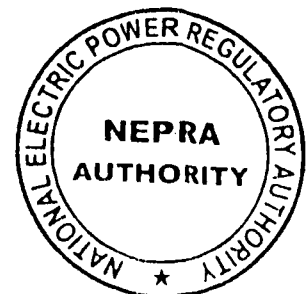
(iii) Fuel Price Variation

The Variable Charge part of the tariff relating to fuel cost shall be adjusted on account of the fuel price variations as and when notified by the relevant authority, which in the instant case is the Oil & Gas Regulatory Authority. In this regard, the variation in OPCL's allowed rate relating to fuel cost shall be revised according to the following formula:

$$FCg(Rev) = Rs.1.269 \text{ per kWh} * FP(Rev)/Rs.190.499 \text{ per MMBTUs}$$

Where:

$FCg(Rev)$ = Revised fuel cost component of Variable Charge on gas





FPg (Rev) = The new price of gas as notified by the relevant Authority per MMBTUs of fuel adjusted for LHV-HHV factor.

FCd(Rev) = Rs.4.296 per kWh * FP(Rev)/Rs.611 per MMBTUs

Where:

FCd (Rev) = Revised fuel cost component of Variable Charge on diesel

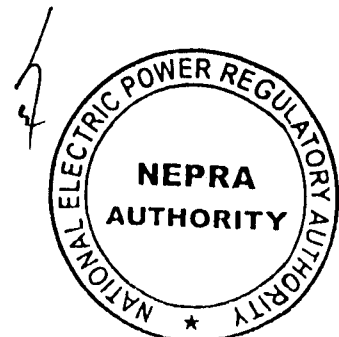
FPd(Rev) = The new price of diesel as notified by the relevant Authority per MMBTUs of fuel adjusted for LHV-HHV factor.

Adjustment on account of inflation, foreign exchange variation, KIBOR variation and fuel price variation will be approved and announced by the Authority within seven days of the applicable date. OPCL may submit a request prior to the applicable date indicating the level of indexation estimated to NTDC within 7 working days of the notification of fuel price variation.

Terms and Condition of Tariff:

- i) Gas usage will be considered the primary fuel subject to (iii)
- ii) All equipment installed will be new and the plant will be of standard configuration.
- iii) Dispatch will be based on the variable charge applicable at the time as under:
 - a) Variable Charge A:
Variable charge during nine months in a year for operation on gas. Dispatch criterion for nine months in a year (March to November) will be the variable charge A.

b) Variable Charge B:

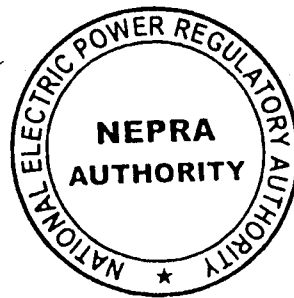




Variable charge for three months (January, February & December) in a year for operation on diesel. Dispatch criterion for three months in a year will be variable charge B.

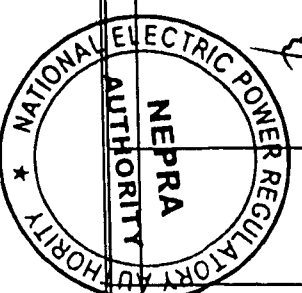
- c) If gas is available for more than nine months in a year the variable charge as well as dispatch criterion will be based on variable charge (a) for the energy generated on gas as fuel.
- iv) Diesel oil will be used only for startups and other contingent requirements save to the extent of usage allowed for variable charge application and dispatch criterion as per clause (iii) above. Use of Diesel oil as main fuel during the nine months in a year other than the months of January, February and December in case of non-availability of gas (except in Force Majeure conditions as declared by the Authority) dispatched on variable charge A during the period shall not entitle OPCL to claim a charge higher than variable charge A.

The above tariff and terms and conditions be incorporated as the specified tariff approved by the Authority pursuant to Rule 6 of the Generation Licencing Rules, in a Power Purchase Agreement between OPCL and NTDC.



**Orient Power Company Ltd.
Specified Tariff**

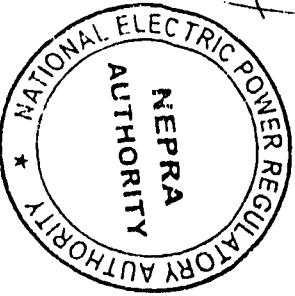
Year	Variable Charge (PKR/kWh)			Capacity Charge (PKR/kWh/Month)						Total	CPP/kWh at 60% PF	Total/kWh
	Fuel	Variable O&M	Total	Escalable (Fixed O&M)	Insurance	Return on Equity	Allowance for return on pre- operating equity	Loan Repayment	Interest Charges			
1	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	225.60	231.22	770.26	1.7586	3.1275
2	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	242.76	214.06	770.26	1.7586	3.1275
3	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	261.23	195.59	770.26	1.7586	3.1275
4	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	281.11	175.72	770.26	1.7586	3.1275
5	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	302.49	154.33	770.26	1.7586	3.1275
6	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	325.51	131.32	770.26	1.7586	3.1275
7	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	350.27	106.55	770.26	1.7586	3.1275
8	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	376.92	79.90	770.26	1.7586	3.1275
9	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	405.60	51.23	770.26	1.7586	3.1275
10	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	436.45	20.37	770.26	1.7586	3.1275
11	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0345
12	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0345
13	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0345
14	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0345
15	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0345
16	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0345
17	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0345
18	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0345
19	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0345
20	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0345
21	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0345
22	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0345
23	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0345
24	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0345
25	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0345
26	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0345
27	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0345
28	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0345
29	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0345
30	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	611.20	1.3954	2.7643
Levelized Tariff (1-30 Years)												



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Orient Power Company Ltd.
Debt Servicing Schedule

Period	KIBOR 4.40%		Mark-Up	Balance	Debt		Annual Principle Repayment	Annual Interest \$	Annual Principle Repayment Rs. Million	Annual Interest Rs. Million	Principal Repayment Rs./KW/ Month	Interest Rs./KW/ Month
	Million \$	Million \$			Service	Principle Repayment \$ Million						
1	134.09	2.29	2.48	131.80	\$4.77	\$4.77						
2	131.80	2.34	2.44	129.46	\$4.77	\$4.77						
3	129.46	2.38	2.40	127.09	\$4.77	\$4.77	9.43	9.67	565.81	579.91	225.60	231.22
4	127.09	2.42	2.35	124.66	\$4.77	\$4.77						
5	124.66	2.47	2.31	122.19	\$4.77	\$4.77						
6	122.19	2.51	2.26	119.68	\$4.77	\$4.77	10.15	8.95	608.85	536.86	242.76	214.06
7	119.68	2.56	2.21	117.12	\$4.77	\$4.77						
8	117.12	2.61	2.17	114.51	\$4.77	\$4.77						
9	114.51	2.66	2.12	111.86	\$4.77	\$4.77						
10	111.86	2.70	2.07	109.16	\$4.77	\$4.77						
11	109.16	2.75	2.02	106.40	\$4.77	\$4.77	10.92	8.18	655.17	490.54	261.23	195.59
12	106.40	2.81	1.97	103.60	\$4.77	\$4.77						
13	103.60	2.86	1.92	100.74	\$4.77	\$4.77						
14	100.74	2.91	1.86	97.83	\$4.77	\$4.77	11.75	7.34	705.02	440.70	281.11	175.72
15	97.83	2.96	1.81	94.86	\$4.77	\$4.77						
16	94.86	3.02	1.75	91.84	\$4.77	\$4.77						
17	91.84	3.07	1.70	88.77	\$4.77	\$4.77						
18	88.77	3.13	1.64	85.64	\$4.77	\$4.77	12.64	6.45	758.66	387.06	302.49	154.33
19	85.64	3.19	1.58	82.45	\$4.77	\$4.77						
20	82.45	3.25	1.53	79.20	\$4.77	\$4.77						
21	79.20	3.31	1.47	75.89	\$4.77	\$4.77						
22	75.89	3.37	1.40	72.52	\$4.77	\$4.77	13.61	5.49	816.37	329.34	325.51	131.32
23	72.52	3.43	1.34	69.09	\$4.77	\$4.77						
24	69.09	3.50	1.28	65.59	\$4.77	\$4.77						
25	65.59	3.56	1.21	62.03	\$4.77	\$4.77						
26	62.03	3.63	1.15	58.41	\$4.77	\$4.77						
27	58.41	3.69	1.08	54.71	\$4.77	\$4.77	14.64	4.45	878.48	267.23	350.27	106.55
28	54.71	3.76	1.01	50.95	\$4.77	\$4.77						
29	50.95	3.83	0.94	47.12	\$4.77	\$4.77						
30	47.12	3.90	0.87	43.22	\$4.77	\$4.77	15.76	3.34	945.32	200.40	376.92	79.90
31	43.22	3.97	0.80	39.25	\$4.77	\$4.77						
32	39.25	4.05	0.73	35.20	\$4.77	\$4.77						
33	35.20	4.12	0.65	31.08	\$4.77	\$4.77						
34	31.08	4.20	0.57	26.88	\$4.77	\$4.77	16.95	2.14	1,017.24	128.48	405.60	51.23
35	26.88	4.28	0.50	22.60	\$4.77	\$4.77						
36	22.60	4.36	0.42	18.24	\$4.77	\$4.77						
37	18.24	4.44	0.34	13.81	\$4.77	\$4.77						
38	13.81	4.52	0.26	9.29	\$4.77	\$4.77	18.24	0.85	1,094.63	51.09	436.45	20.37
39	9.29	4.60	0.17	4.69	\$4.77	\$4.77						
40	4.69	4.69	0.09	0.00	\$4.77	\$4.77						



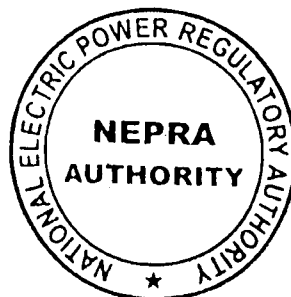
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**AUTHORITY'S DECISION ON ORIENT POWER COMPANY LIMITED'S
REQUEST FOR REVISION IN TARIFF DUE TO ADDITIONAL
CONCESSIONS/AMENDMENTS IN THE POLICY FOR POWER
GENERATION PROJECTS 2002**

1. Private Power & Infrastructure Board (hereinafter "PPIB") vide its letter # 7(708) PP-PPIB/06/FIN dated 27th September 2006, communicated to all intending independent power projects (hereinafter "IPPs"), the Additional Concessions/Amendments in the Policy for Power Generation Projects 2002 (hereinafter "the Policy").
2. These aforesaid Additional Concessions/Amendments were approved by the Economic Coordination Committee of the Cabinet (hereinafter "ECC") on 16th August 2006.
3. Pursuant to the above, Orient Power Company Limited (hereinafter "OPCL"), through its letter # OPCL2005/10NB8 dated 5th October 2006, submitted to National Electric Power Regulatory Authority (hereinafter "NEPRA"), its request for revision in its Tariff.
4. To determine the OPCL's Subject request without delay, NEPRA directed it to file a Tariff Petition in accordance with the provisions of NEPRA Tariff Rules; however, despite NEPRA's clear instructions, OPCL chose not to file a Tariff Petition.
5. Furthermore, to ascertain the merits of OPCL's Subject request, NEPRA made several attempts to procure PPIB's position on the matter but, unfortunately, its response remained evasive and failed to provide adequate,





comprehensive and definitive answers. PPIB's expert opinion was considered to be critical, in light of ECC's following decision:

"IPPs are expected to apply for tariff on the basis of reasonable assurance of fixed price EPC contract while taking into account all time lines and milestones up to financial close. Legitimate cost escalation between the date of application of NEPRA Tariff and Financial close should be accounts for in the tariff determined by NEPRA by taking into consideration the period in which prices of EPC contract are fixed, and the time lines and milestones up financial close which are known to both IPP & NEPRA at that time. These time lines and mile stones should be recorded in the determination. If any delay in meeting the mile stones can be legitimately attributed to the Government, then justifiable escalation in tariff should be allowed by NEPRA".

6. Pursuant to PM's directive vide communication No. PM's Sectt.u.o. No.2(50)DS(E-II-II)/06 dated 11-9-2007, the Authority has decided to proceed and to determine the matter on the basis of the items of correspondence available in its record (**Annex-III**), and to waive the requirement which, pursuant to the Authority Meeting RM 07-194 dated 12th June 2007, sought OPCL to submit a formal Tariff Petition.

7. NEPRA requested PPIB to provide the following pertinent information through its letter # NEPRA/R/LAG-72/Tariff/3372 dated 7th August 2007 which is reproduced herebelow:

"1. OPCL, pursuant to the ECC decision, has sought to obtain from NEPRA, a revision in its Tariff due to Additional Concession/Amendment in the Power Policy. Given its financial implications, OPCL has requested NEPRA to make a determination in the Subject matter, without further delay. NEPRA has made every effort to procure PPIB's position in the matter.

2. As the pertinent information including correspondences relied upon and referred to by the OPCL are exclusively a part of its record, only PPIB, can justify the merits of OPCL's Subject request. PPIB's expert opinion is, therefore, solicited wherein the scope and extent of the delay caused by the Government (PPIB) and resultant cost implications, at each step and under each head, is explained in reasonable detail.

2





3. This matter is now approximately ten (10) months old, having first been raised in October 2006. To avoid unnecessary delay, if no response is received within fifteen (15) days of the receipt of this letter, NEPRA shall proceed to determine the matter and, it shall be construed that Government (PPIB) unconditionally accepts the Subject request of OPCL to be legitimate and on account of delay caused by the Government (PPIB). Please note that the urgency of the situation cannot be over-emphasized and must not be underestimated."

8. PPIB through its letter # 1(102) PPIB/07/Fin dated 28th August 2007, replied that:

"The OPCL was the first IPP under the 2002 Policy which was issued Letter of Support on 1st November, 2005 wherein it was stated that it shall negotiate and sign within three months from the date on which standardized drafts of IA and PPA are provided by the PPIB to OPCL".

The letter further states that:

"... the drafts standardized versions of IA and PPA were provided to and duly acknowledged by the Company on 5th April 2005."

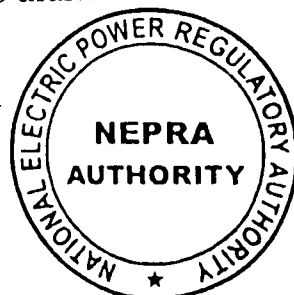
"The negotiations could not close however, without signing of GSA, alternate fuel options and guarantees thereof."

"The ECC of the Cabinet approved in principle the standardized documents (IA and the PPA) on 29th May 2006, with the issues pertaining to GOP Guarantee for availability of Gas or its alternative during non firm period and beyond June 2011 and payment of alternative fuel cost differentials square bracketed. These issues were resolved on 15th July 2006 through ECC decision ..."

"In light of the aforesaid ECC decisions negotiations of IA and PPA were concluded between PPIB, OPCL and the Power Purchaser and the project agreements were initialed on 5th September 2006."

Recognizing the aforementioned chain of events, PPIB Board in its 65th Board meeting held on 11 September 2006 allowed three month extension in the LOS of OPCL."

9. Apparently, conscious that PPIB had not finalized the security documents, the pertinent LOS provision was drafted such that the period of three (3) months



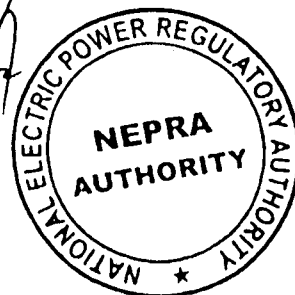


for negotiations and signing the security documents would begin from the date the documents were made available to OPCL. On the other hand, PPIB, in its letter has provided only the date of 'initialing' the security documents and not of their actual execution/signing.

10. PPIB's above-referenced letter states that the security documents were provided to and 'duly acknowledged' by OPCL on 5th April 2005. However, in its letter dated 5th October 2006, OPCL wrote that the standard security documents were provided six (6) months after issuance of the LOS. Apparently there is inconsistency in the dates on which the documents were provided to OPCL. Upon investigation, however, NEPRA found the statement made by PPIB to be accurate. It is not clear whether the security documents provided in advance were materially and substantially similar to the finalized versions in which the 'square-bracketed' issues relating to the GOP guarantee for gas availability were conclusively resolved.

11. In light of PPIB's aforesaid position, the three (3) months period stipulated in the LOS for negotiations and signing the security documents began when the standard security documents were provided to OPCL, i.e. 5th April 2006. If the foregoing facts are accurate then there is a delay of only two (2) months since NEPRA has been informed that OPCL 'initialed' the security documents on 5th September 2006.

12. To determine whether any delay has occurred in provision of the security documents, which had substantial and material effect on the project, Paragraph-73 (a) of the Policy (which was approved in 2003) is worth consideration. It states that:



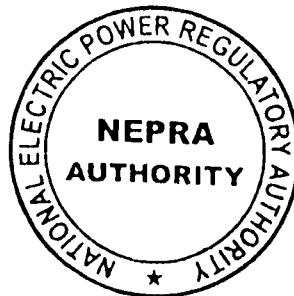


"Model IA, PPA, FSA, GSA, CSA and WUL (as applicable), have been prepared for private/public-private partnership power projects to eliminate the need for protracted negotiations."

13. As it has become apparent that the representation made by the GOP/PPIB in the Policy, which is of such a fundamental nature, is at variance and the security documents have been finalized in the year 2006 and not at the time of finalizing the Policy (i.e 2003), therefore, NEPRA is of the opinion that prospective investors should not be allowed to suffer. Consequently, justifiable escalation in the tariff shall be allowed by NEPRA where the project has suffered due to non availability of the standard security documents. NEPRA is of the view that this delay is exclusively attributable to the GOP.

14. To establish its claim for EPC cost escalation, OPCL has provided to NEPRA supporting documents together with copies of the Engineering and Procurement Contracts and the Construction Contracts (together hereinafter referred to as the "EPC contracts"), including the final EPC contract. The EPC contract is a security document (as it falls within the category of Project Agreements, as defined in the IA) and is approved by PPIB. On the assumption that the terms and scope of the EPC contracts are materially and substantially similar, if not identical, NEPRA accepts these EPC contracts at face value. If it is later identified by the power purchaser, or PPIB, that escalation in the costs of the EPC contract or any part thereof, is due to reasons other than those approved by the ECC, the IPP shall not be deemed entitled to such increase and the tariff shall accordingly be revised.

15. Interpreting the ECC decision, PPIB in its letter # 1(102) PPIB-1003/07/PRJ dated 26th May 2007, stated that "[t]he base line for any cost



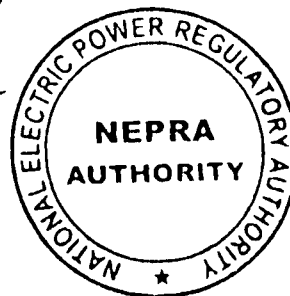


increase must be firm EPC cost, agreed between OPCL and EPC contractors, at the time of issuance of LOS i.e. 1st November 2005." NEPRA is of the view that where the cost increase is based on prudent and reasonable grounds, appropriate escalation can and should be awarded to the Sponsor(s). In the instant case, since NEPRA is of the view that the delay has occurred due to the GOP, the Sponsors cannot be penalized and must be compensated for losses in accordance with the principles of equity and natural justice.

16. Pursuant to PPIB's 65th Board Meeting held on 11th September 2006, OPCL's LOS was extended for a period of three (3) months since OPCL was unable to achieve Financial Close. However, during this extended period, OPCL successfully achieved Financial Closing, i.e. on 13th November 2006. As this delay in finalizing of the security documents (including the GSA) was the primary reason for extension of the LOS, NEPRA determines that OPCL is also entitled to its claim on this ground.

17. Furthermore, it was stated that the ECC decision allows the increase in EPC costs and not in the capital cost of the project. However, during the discussions with PPIB officials, it was agreed that the ECC decision is not limited to EPC costs. NEPRA is of the view that the phrase in the ECC decision, i.e. 'justifiable cost escalation in tariff', intends to, or has the effect of, including all costs including EPC costs.

18. Distinct and separate from the above, based on the aforesaid ECC decision on Additional Concessions/ Amendments in the Policy, OPCL has requested that its foreign component of variable and fixed O&M Costs should also be indexed with US CPI. Accordingly, NEPRA has decided to modify the tariff in order to make it consistent with the ECC decision.





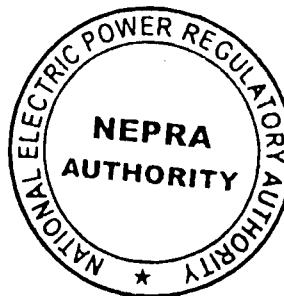
19. In light of the above, NEPRA determines that the request of OPCL for the revision of tariff is justified and, consequently, the EPC cost is revised from US\$ 139 to US\$ 147.79.

20. NEPRA hereby modifies its earlier order to the extent of above mentioned decisions. The modified order along with revised Reference Tariff Table to be sent for notification is as follows:

Final Order

Pursuant to Rule 6 of the NEPRA Licensing Generation Rules 2000, Orient Power Company (Pvt) Ltd is allowed to charge the following specified tariff for sale of electricity to Central Power Purchase Agency of NTDC on behalf of Ex-WAPDA Distribution Companies:

Description	First 10 years	Next 20 years	Indexation
Capacity Charges	Rs./kW/Month	Rs./kW/Month	
Fixed O&M	105.45	105.45	WPI / US CPI / US\$ to Rupee
Insurance	35.36	35.36	NIL
Return on Equity	172.63	172.63	NIL
Debt Service	456.82	-	KIBOR
Total Fixed Charges	770.26	313.44	
a) Variable Charge A For 9 months in a year (Mar to Nov)	Rs./kWh	Rs./kWh	
Fuel Cost	1.2699	1.2699	Fuel Price US\$ to Rupee & US CPI
Variable O&M	0.0990	0.0990	
Total Variable Charge A	1.3689	1.3689	





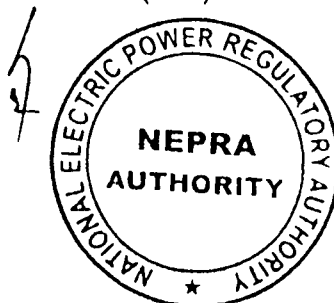
Dispatch Criterion will be the Variable Charge A for 9 months in a year (Mar to Nov)			
b) Variable Charge B For 3 months in a year (Jan, Feb & Dec)	Rs./kWh	Rs./kWh	
Fuel Cost	4.2962	4.2962	Fuel Price US\$ to Rupee & US CPI
Variable O&M	0.0990	0.0990	
Total Variable Charge B	4.3952	4.3952	
Dispatch Criterion will be the Variable Charge B for 3 months in a year (Jan, Feb & Dec)			
c) If gas is available for more than 9 months in a year, variable charge as well as dispatch criteria will be based on variable charge a for the energy generated on gas during Jan, Feb & Dec.			

- Note: i) Capacity Charge Rs./kW/month applicable to dependable capacity at the delivery point.
- ii) Dispatch criterion will be Energy Charge.
- iii) The above tariff is applicable for a period of 30 years commencing from the date of the Commercial Operation.
- iv) Component wise tariff for operation on Gas is indicated at Annex-I.

The following items on which costs have been based and which are expected to be varied during the tenure of the PPA are not in the control of the operator and therefore are considered pass-through item such that the sale purchase rate is varied to incorporate the variation in the relevant elements.

i) Indexation applicable to O&M

In future the 50% of Fixed O&M part of Capacity Charge will be adjusted on account of local Inflation (WPI) and 50% on account of US CPI and variation in dollar/Rupee exchange rate. Adjustment for local and foreign inflation will be made on quarterly basis, on the basis of WPI as notified by the Federal Bureau of Statistics (FBS) and US CPI issued by US Bureau





of Labor Statistics for the month of August, November, February & May respectively. Indexation for variation in dollar/rupee exchange rate will be made on October 1, January 1, April 1 & July 1 on the basis of revised TT & OD selling rate of US Dollar as notified by the National Bank of Pakistan. The mode of indexation for escalable component will be as under:

(a) Fixed O&M

$$F O\&M_{(RWPI)} = Rs.105.45 * 50\% * WPI_{(REV)} / 111.37$$

$$F O\&M_{(RE)} = Rs.105.45 * 50\% * US CPI_{(REV)} / US CPI_{(REF)} * ER_{(REV)} / 60$$

Where:

$F O\&M_{(RWPI)}$ = The revised applicable Fixed O&M Component of the Capacity Charge indexed with WPI

$F O\&M_{(RE)}$ = The revised applicable Fixed O&M Component of the Capacity Charge indexed with Currency fluctuation

$WPI_{(REV)}$ = the Revised wholesale Price Index (manufactures)

Reference WPI = 111.37 wholesale price index (manufactures) of December 2004 notified by Federal Bureau of Statistics

$US CPI_{(REV)}$ = the revised US CPI

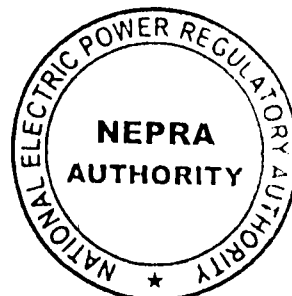
$US CPI_{(REF)}$ = 190.3 US CPI for the month of December 2004 as issued by the US Bureau of Labor Statistics

$ER_{(REV)}$ = the Revised TT & OD selling rate of US dollar as notified by the National Bank of Pakistan

Reference ER = the Revised Exchange Rate

(b) Variable O&M

The formula of indexation for variable O & M component will be as under:





$$V O\&M_{(REV)} = Rs.0.0990 * US CPI_{(REV)} / US CPI_{(REF)} * ER_{(REV)} / Rs.60$$

Where:

$V O\&M_{(REV)}$ = the revised applicable Variable O&M Component of Energy Charge

$US CPI_{(REV)}$ = the revised US CPI

$US CPI_{(REF)}$ = 190.3 US CPI for the month of December 2004 as issued by the US Bureau of Labor Statistics

$ER_{(REV)}$ = the Revised TT & OD selling rate of US dollar as notified by the National Bank of Pakistan

ii) Adjustment for KIBOR variation

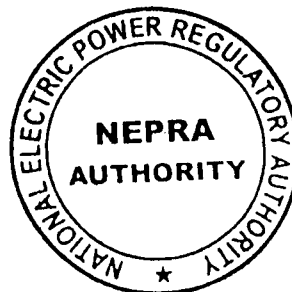
The interest part of non-escalable fixed charge component will remain unchanged throughout the term except for the adjustment due to variations in interest rate as a result of variation in quarterly KIBOR according to the following formula;

$$\Delta I = P_{(REV)} * (KIBOR_{(REV)} - 4.4\%) / 4$$

Where:

ΔI = The variation in interest charges applicable corresponding to variation in KIBOR. ΔI can be positive or negative depending upon whether $KIBOR_{REV} >$ or $< 4.4\%$. The interest payment obligation will be enhanced or reduced to the extent of ΔI for each quarter under adjustment applicable on quarterly

$P_{(REV)}$ = is the outstanding principal (as indicated in the attached debt service schedule to this order as Annex-II) on a quarterly basis on the relevant quarterly calculations date. Period 1 shall commence on the





date on which the 1st installment is due after availing the grace period.

(iii) Fuel Price Variation

The Variable Charge part of the tariff relating to fuel cost shall be adjusted on account of the fuel price variations as and when notified by the relevant authority, which in the instant case is the Oil & Gas Regulatory Authority. In this regard, the variation in OPCL's allowed rate relating to fuel cost shall be revised according to the following formula:

$$FCg(\text{Rev}) = \text{Rs.1.269 per kWh} * FP(\text{Rev})/\text{Rs.190.499 per MMBTUs}$$

Where:

$$FCg(\text{Rev}) = \text{Revised fuel cost component of Variable Charge on gas}$$

$$FPg(\text{Rev}) = \text{The new price of gas as notified by the relevant Authority per MMBTUs of fuel adjusted for LHV-HHV factor.}$$

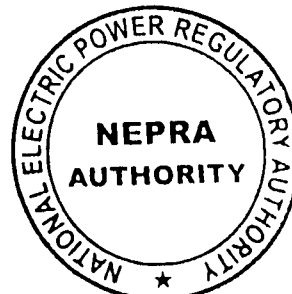
$$FCd(\text{Rev}) = \text{Rs.4.296 per kWh} * FP(\text{Rev})/\text{Rs.611 per MMBTUs}$$

Where:

$$FCd(\text{Rev}) = \text{Revised fuel cost component of Variable Charge on diesel}$$

$$FPd(\text{Rev}) = \text{The new price of diesel as notified by the relevant Authority per MMBTUs of fuel adjusted for LHV-HHV factor.}$$

Adjustment on account of inflation, foreign exchange variation, KIBOR variation and fuel price variation will be approved and announced by the Authority within seven days of the applicable date. OPCL may submit a request prior to the applicable date indicating the level of indexation

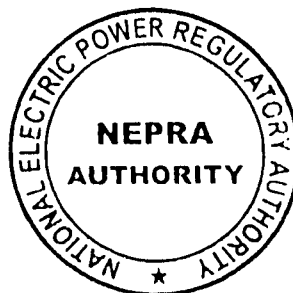




estimated to NTDC within 7 working days of the notification of fuel price variation.

Terms and Condition of Tariff:


- i) Gas usage will be considered the primary fuel subject to (iii)
- ii) All equipment installed will be new and the plant will be of standard configuration.
- iii) Dispatch will be based on the variable charge applicable at the time as under:
 - a) Variable Charge A:
Variable charge during nine months in a year for operation on gas. Dispatch criterion for nine months in a year (March to November) will be the variable charge A.
 - b) Variable Charge B:
Variable charge for three months (January, February & December) in a year for operation on diesel. Dispatch criterion for three months in a year will be variable charge B.
 - c) If gas is available for more than nine months in a year the variable charge as well as dispatch criterion will be based on variable charge (a) for the energy generated on gas as fuel.
- iv) Diesel oil will be used only for startups and other contingent requirements save to the extent of usage allowed for variable charge application and dispatch criterion as per clause (iii) above. Use of Diesel oil as main fuel during the nine months in a year other than the months of January, February and December in case of non-availability of gas (except in Force Majeure conditions as declared by the Authority) dispatched on variable charge A during the period shall not entitle OPCL to claim a charge higher than variable charge A.



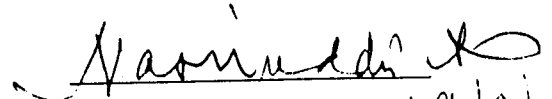


The above tariff and terms and conditions be incorporated as the specified tariff approved by the Authority pursuant to Rule 6 of the Generation Licencing Rules, in a Power Purchase Agreement between OPCL and NTDC.


Zafar Ali Khan
Member


18/9/07

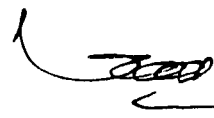
Nasiruddin Ahmed
Member


19/9/07

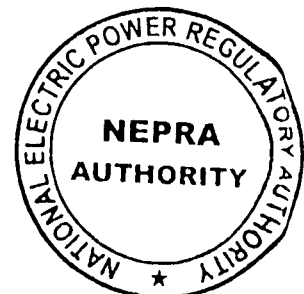
Abdul Rahim Khan
Member


On leave

Saeed uz Zafar
Chairman

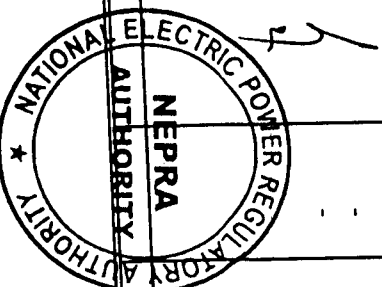






Orient Power Company Ltd.
Specified Tariff

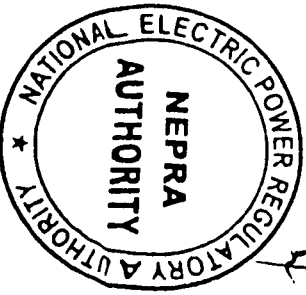
Year	Variable Charge (PKR/kWh)			Capacity Charge (PKR/kWh/Month)					CPP/kWh	Total/kWh		
	Fuel	Variable O&M	Total	Escalable (Fixed O&M)	Insurance	Return on Equity	Allowance for return on pre-operating equity	Loan Repayment			Interest Charges	Total
1	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	225.60	231.22	770.26	1.7586	3.1275
2	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	242.76	214.06	770.26	1.7586	3.1275
3	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	261.23	195.59	770.26	1.7586	3.1275
4	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	281.11	175.72	770.26	1.7586	3.1275
5	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	302.49	154.33	770.26	1.7586	3.1275
6	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	325.51	131.32	770.26	1.7586	3.1275
7	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	350.27	106.55	770.26	1.7586	3.1275
8	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	376.92	79.90	770.26	1.7586	3.1275
9	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	405.60	51.23	770.26	1.7586	3.1275
10	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	436.45	20.37	770.26	1.7586	3.1275
11	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0845
12	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0845
13	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0845
14	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0845
15	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0845
16	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0845
17	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0845
18	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0845
19	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0845
20	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0845
21	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0845
22	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0845
23	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0845
24	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0845
25	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0845
26	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0845
27	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0845
28	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0845
29	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	313.44	0.7156	2.0845
30	1.2699	0.0990	1.3689	105.4500	35.36	160.40	12.23	-	-	611.20	1.3954	2.7643
Levelized Tariff (1-30 Years)											1.3689	



Orient Power Company Ltd.
Debt Servicing Schedule

KIBOR 4.40%
Premium 3.00%

Period	Principle Million \$	Repayment Million \$	Mark-Up Million \$	Balance Million \$	Debt Service Million \$	Annual Principle Repayment \$ Million	Annual Interest \$ Million	Annual Principle Repayment Rs. Million	Annual Interest Rs. Million	Principal Repayment Rs./KW/ Month	Interest Rs./KW/ Month
1	134.09	2.29	2.48	131.80	\$4.77						
2	131.80	2.34	2.44	129.46	\$4.77						
3	129.46	2.38	2.40	127.09	\$4.77						
4	127.09	2.42	2.35	124.66	\$4.77	9.43	9.67	565.81	579.91	225.60	231.22
5	124.66	2.47	2.31	122.19	\$4.77						
6	122.19	2.51	2.26	119.68	\$4.77						
7	119.68	2.56	2.21	117.12	\$4.77						
8	117.12	2.61	2.17	114.51	\$4.77	10.15	8.95	608.85	536.86	242.76	214.06
9	114.51	2.66	2.12	111.86	\$4.77						
10	111.86	2.70	2.07	109.16	\$4.77						
11	109.16	2.75	2.02	106.40	\$4.77						
12	106.40	2.81	1.97	103.60	\$4.77	10.92	8.18	655.17	490.54	261.23	195.59
13	103.60	2.86	1.92	100.74	\$4.77						
14	100.74	2.91	1.86	97.83	\$4.77						
15	97.83	2.96	1.81	94.86	\$4.77						
16	94.86	3.02	1.75	91.84	\$4.77	11.75	7.34	705.02	440.70	281.11	175.72
17	91.84	3.07	1.70	88.77	\$4.77						
18	88.77	3.13	1.64	85.64	\$4.77						
19	85.64	3.19	1.58	82.45	\$4.77						
20	82.45	3.25	1.53	79.20	\$4.77	12.64	6.45	758.66	387.06	302.49	154.33
21	79.20	3.31	1.47	75.89	\$4.77						
22	75.89	3.37	1.40	72.52	\$4.77						
23	72.52	3.43	1.34	69.09	\$4.77	13.61	5.49	816.37	329.34	325.51	131.32
24	69.09	3.50	1.28	65.59	\$4.77						
25	65.59	3.56	1.21	62.03	\$4.77						
26	62.03	3.63	1.15	58.41	\$4.77						
27	58.41	3.69	1.08	54.71	\$4.77						
28	54.71	3.76	1.01	50.95	\$4.77	14.64	4.45	878.48	267.23	350.27	106.55
29	50.95	3.83	0.94	47.12	\$4.77						
30	47.12	3.90	0.87	43.22	\$4.77						
31	43.22	3.97	0.80	39.25	\$4.77	15.76	3.34	945.32	200.40	376.92	79.90
32	39.25	4.05	0.73	35.20	\$4.77						
33	35.20	4.12	0.65	31.08	\$4.77						
34	31.08	4.20	0.57	26.88	\$4.77						
35	26.88	4.28	0.50	22.60	\$4.77	16.95	2.14	1,017.24	128.48	405.60	51.23
36	22.60	4.36	0.42	18.24	\$4.77						
37	18.24	4.44	0.34	13.81	\$4.77						
38	13.81	4.52	0.26	9.29	\$4.77						
39	9.29	4.60	0.17	4.69	\$4.77						
40	4.69	4.69	0.09	0.00	\$4.77	18.24	0.85	1,094.63	51.09	436.45	20.37





ANNEX-III

1. OPCL Tariff Petitions and Tariff Determinations
2. OPCL's Engineering and Procurement Contracts and Construction Contracts.
3. OPCL's letter # OPCL2005/10NB8 dated 5th October 2006
4. OPCL's letter # OPCL-2006/12/NB23 dated 21st December 2006
5. NEPRA's letter # NEPRA/R/LAG-72/869 dated 9th February 2007
6. NEPRA's letter # NEPRA/R/LAG-72/Tariff/1533 dated 21st March 2007
7. PPIB letter # 1(102)PPIB-Orient/07/IT/A dated 22nd March 2007
8. PPIB letter # Z(Z99)PPIB/07/MD dated 3rd April 2007
9. OPCL's letter # OPCL/2007/4/NB12 dated 13th April 2007
10. NEPRA's letter # NEPRA/R/LAG-72/2018 dated 19th April 2007
11. PPIB letter # 6(611)PPIB/07/FIN dated 23rd April 2007
12. PPIB letter # 1(102)PPIB-1003/PRJ dated 26th May 2007
13. OPCL's letter # OPCL/2007/6/NB27 dated 27th June 2007
14. NEPRA's letter # NEPRA/R/LAG-72/Tariff/2986 dated 11th July 2007
15. PPIB letter # 1(102) PPIB/07/Fin dated 28th August 2007

