



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/TRF-122/UCH-II-2008/10154-10156

October 16, 2009

Subject: **Decision of the Authority pertaining to the Reconsideration Request filed by the Ministry of Water & Power (GoP) Pursuant to the Section 31(4) of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 against the Authority Decision dated 26th June, 2009 in the matter of Motion for Leave for Review of Uch-II Power (Pvt.) Ltd. [Case No. NEPRA/TRF-122/UCH-II-2008 (3)]**

Reference: *Ministry of Water & Power P-II-7(08)/1990 dated 25.08.2009.*

Dear Sir,

In continuation of this office letter No. NEPRA/TRF-122/UCH-II-2008/6601-6603 dated 26.06.2009 whereby decision of the Authority on Motion for Leave for Review filed by Uch-II Power (Pvt.) Ltd. was sent. Please find enclosed herewith modified decision of the Authority (20 pages) in the matter of reconsideration request filed by Ministry of Water & Power (GoP) against the Authority Decision dated 26.06.2009 in the case of Uch-II Power (Pvt.) Ltd. [Case No. NEPRA/TRF-122/UCH-II-2008] for information and further necessary action.

2. The decision of the Authority is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997) read with Rule 16(11) of the National Electric Power Regulatory Authority Tariff (Standards and Procedure) Rules, 1998.

3. Please be informed that the Reference Tariff earlier intimated vide para 13 of the Authority's decision dated June 26, 2009, stands revised to the extent as detailed in para 3 of the decision of the Authority on the reconsideration of Ministry of Water & Power (GoP) along with Annexes-I & II needs to be notified in the official Gazette.

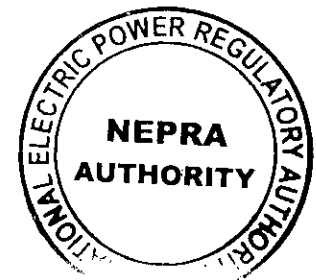
Enclosure: As above


(Arshad Mehmood)

The Secretary
Cabinet Division
Government of Pakistan
Cabinet Secretariat
Islamabad

CC:

1. Secretary, Ministry of Water & Power, Islamabad.
2. Secretary, Ministry of Finance, Islamabad.





DECISION OF THE AUTHORITY PERTAINING TO THE RECONSIDERATION REQUEST FILED BY THE MINISTRY OF WATER & POWER (GOP) PURSUANT TO THE SECTION 31(4) OF REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION ACT, 1997, AGAINST THE AUTHORITY'S DECISION DATED 26TH JUNE, 2009, IN THE MATTER OF MOTION FOR LEAVE FOR REVIEW OF UCH-II POWER (PVT.) LTD. (CASE NO. NEPRA/TRF-122/UCH-II-2008)

1. Background

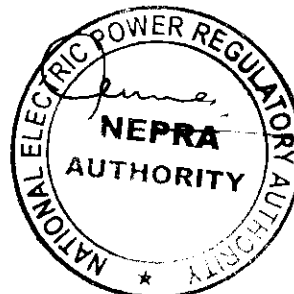
Uch-II Power (Pvt.) Ltd (hereinafter referred as the Company) filed a motion for leave for review on May 6, 2009, against the Authority's determination dated April 24, 2009 regarding the determination of its generation tariff. Hearing in the matter was held on May 19, 2009 and the Authority's decision was issued on June 26, 2009. In pursuance of Section 31(4) of Regulation of Generation, Transmission and Distribution of Electricity Power Act, 1997, Ministry of Water & Power vide letter No. P-II-7(08)/1990 dated August 25 2009, filed a reconsideration request of the Authority's decision dated June 26, 2009 in the matter of motion for leave for review of the Company. The Authority admitted the request for reconsideration on August 31, 2009 and the hearing was held on September 15, 2009.

2. Issues Requested for Reconsideration

2.1 According to Ministry of Water & Power (GOP) , Uch-II is a very important project from national perspective due to the reasons that (a) the 404 MW project will help to eliminate load shedding from the country and strengthen the supply network and stabilize voltage in the province of Baluchistan (b) the project is based on low BTU gas from Uch Gas field which has no use other than power generation; (c) its substantially lower tariff, compared to oil fired power projects will support GOP's efforts to keep the electricity tariff in affordable limits and save millions of dollars spent on import of oil (d) bring in much needed foreign investment of around USD 500 Million in Pakistan which is particularly important in the wake of international financial meltdown and difficult conditions (e) the project will create revenue opportunities for the state run oil and gas company (OGDCL) and last but not the least, it is located in a remote and economically deprived area of Baluchistan where it will create job opportunities for the local people during construction and operational phase of the project and support socio-economic uplift of the local area.

In view of the above cited reasons, GOP has requested the Authority to reconsider the following four issues:

1. Heat Rate
2. O&M Costs
3. Lender's Fee
4. Cost of Working Capital



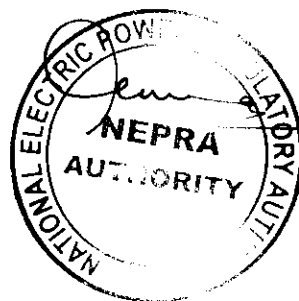


2.2 Heat Rate

2.2.1 The Authority in its determination of April 24, 2009 allowed the guaranteed thermal efficiency of 50.258% against the requested thermal efficiency of 48.91%. The assessment was based on the Appendix 5 of the EPC Term Sheet signed between the Company and its EPC contractor, which sets out the Guaranteed Performance Levels. The Company, during the hearing for Review Motion, presented the reasons for the difference in commercially offered net thermal efficiency of 48.91% (net heat rate of 7360.71 kJ/kWh) as compared to the NEPRA determined thermal efficiency of 50.258% (net heat rate of 7163 kJ/kWh). CPPA presented its own justifications regarding recoverable & non-recoverable degradation, effect of temperature, blow down and miscellaneous adjustments. The Authority after considering all the relevant information provided by the petitioner and on the analysis, assessment and recommendation of CPPA allowed the thermal efficiency of 49.551%. Considering the fact that both CPPA and the Company were not seeking clarifications from GE on certain technical issues, it was advised by the Authority that the Company and the Power Purchaser should mutually discuss all the technical aspects and agree to the base thermal efficiency and net heat rate for the first year of operation and the degradation allowance for subsequent years. The issues of efficiency (heat rate) of the new plant at COD and adjustments/corrections applicable for the first year of operation were discussed in detail between CPPA and the Company on 8th July 2009 at Islamabad and on 10th and 17th July 2009 at Lahore. After seeking opinion of the gas turbine manufacturer (General Electric) regarding interpretation of the correction/adjustment curves, the parties (CPPA & the Company) agreed on a net thermal efficiency of 49.360% for the 1st year of plant operation, instead of 49.551% earlier communicated by CPPA to NEPRA.

2.2.2 Following adjustments to the efficiency guaranteed by the EPC Contractor has been agreed between CPPA and the Company:

a)	Efficiency Guaranteed by EPC Contractor	50.258%
b)	Recoverable & Non-Recoverable Adjustment as per GE Curve (513HA773)	0.508%
c)	Blow Down Adjustment	0.18%
d)	Miscellaneous Adjustment	0.10%
e)	Temperature Adjustment	0.11%
f)	Total Adjustments (b+c+d+e)	0.898%
g)	Net Thermal Efficiency (a-f)	49.360%



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2.2.3 On the same grounds, Ministry of Water & Power (GOP) has requested that NEPRA may revise its determination based on the net thermal efficiency of 49.360% for the 1st year of plant operation, as mutually agreed between the Power Purchaser and the Company.

2.2.4 The Authority based its decision dated June 26, 2009 pertaining to the issue of heat rate (thermal efficiency), on the analysis and recommendations put forth by the CPPA. Since, both parties have reached a consensus in consultation with GE; the Authority has decided to revise its determination of net thermal efficiency from 49.551% to 49.360% for the 1st year of plant operation. However, in case net minimum thermal efficiency of the Company is proved to be higher than 49.360% at COD, then the reference fuel component shall be adjusted accordingly.

2.2.5 The adjustment shall be made according the following formula.

$$FC_{(Adj)} = \text{Rs. } 3.0900 \text{ per kWh} / 6913 \times \text{Hr}(T)$$

Where :

$FC_{(Adj)}$ = Adjusted Fuel cost component at the time of heat rate test at COD.

$HR(T)$ = Net Efficiency in Btu per kWh established after Heat Rate Test at the time of COD.

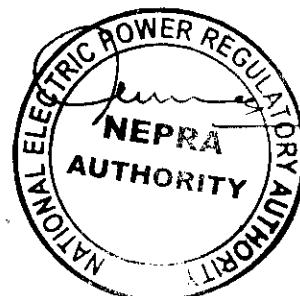
2.3. O&M Costs

2.3.1 According to GOP, the Company has accepted the fixed O&M cost determined by NEPRA, however, it has shown concern on Variable O&M determined by NEPRA on two accounts:

- (i) Non-inclusion of rental charges for a mobile crane to be used for the maintenance of gas turbines.
- (ii) Plant factor to be used for calculating variable O&M.

2.3.2 On the first point, GOP is of the view that a mobile Crane will be required to carryout gas turbine inspections/repairs. In case, the cost or lease rentals are not already covered under the EPC Cost or head of costs, NEPRA should consider permitting the crane rental charges to the Company.

2.3.3 The Authority in its decision dated June 26, 2009 excluded the cost on the basis of provided evidence (proposals of EPC and O&M contractors). Considering the request of GOP , the Authority has decided the following on the issue of mobile crane:



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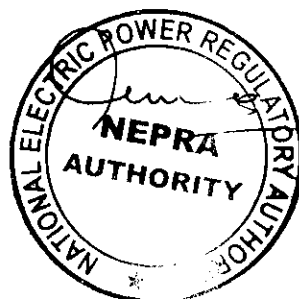


- In view of the arguments put forth by the GOP and the Company, the Authority in principle agrees to the need of a mobile crane.
- Since, the provided evidence is not conclusive for establishing that the provision of crane would be on the Company's part, therefore the Authority maintains its earlier decision in this regard. However, considering the request of GOP, if the Company manages to provide verifiable documentary evidence, which would clearly establish that the provision of crane would be the Company's sole responsibility, then the cheapest option for the aforementioned cost may be allowed at COD. The options include :
 - crane rentals , incorporating the fact that crane would be required only for the periods of scheduled maintenances and not for the whole year.
 - Purchase of new crane
 - Purchase of used crane from the EPC contractor or some other source.

If the purchase of new crane is opted, then the Company would be required to ensure that proper and transparent tendering and bidding procedures are adopted. The Company would also be liable to submit exact specifications and make of the said crane for verification purposes well in advance of exercising one of the aforementioned options.

2.3.4 On the second point of variable O&M, according to GOP, NEPRA has shifted certain costs from fixed to variable O&M and has applied 91.32% plant factor (instead of 60%) to determine the variable O&M Cost per unit (Rs/kWh). According to the Company, transferring the fixed O&M to variable O&M and calculating the variable O&M component of tariff by assuming 8,000 running hours (91.32% plant factor) as opposed to the Company's submitted tariff on 60% plant factor has resulted in a significant difference in the cost recovery.

2.3.5 The Authority in its decision dated June 26, 2009 has thoroughly re-examined details pertaining to the variable and fixed O&M. The decision was based on the evidence provided and the costs were regrouped according to the very nature of the costs. As per the proposal of GE Energy, the variable FFH monthly payment of USD 437.02 per FFH, was reallocated as variable cost (foreign) from the fixed cost (foreign) as submitted by the Company. The reallocation was purely based on the nature of the cost and on the grounds of evidence provided. Further, the proposal from GE Energy, under the head of "Operating Assumptions" states that the quoted prices assumed base load operations from 5000 to 8000 FFH hours per year including operations at partial loads. The evidence clearly establishes that the Company's per unit variable O&M cost working remains the same from 5000 to 8000 FFH.





Here it is pertinent to mention that the Company vide its letter No. 1.16.15/NEPRA/ar, dated July 3, 2009 has submitted a revised working of variable O&M cost based on 8000 FFH, whereby it has requested an increase of USD 0.351 million in absolute terms. When compared with the Company's earlier submission, it was observed that it has added a net incremental cost amounting to USD 0.155 million under the head of Inspections & Overhauls – Including LTSA, as a part of foreign variable O&M. Costs under this head were assessed already by the Authority in its decision dated June 26, 2009, by taking the effect of 8000 FFH. Further, the Company has not justified the remaining amount of USD 0.196 million in absolute terms, with any working or evidence. Considering the materiality of the difference between the Company's own submissions, it could be inferred that the Company's latest submission also second the provided evidence which establishes that its variable O&M cost working remains the same from 5000 to 8000 FFH

2.3.6 In the light of above argument, the Authority has decided to maintain its earlier decision in this regard.

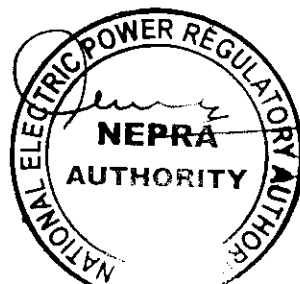
2.4 Lender's Fees

2.4.1 According to GOP, as per the information provided by the Company, International lenders require the Company to maintain Cash in Debt Service Reserve Account or place an LC equal to the half yearly or quarterly debt servicing installment (principal payment and interest/mark-up). The Company has provided documentary evidence from the financing documents of the Uch-I Project (Uch Power Limited). GOP has requested NEPRA to allow the same to the Company subject to documentary evidence at the time of its Financial Close. In addition to this, since the project is proposed to be financed by Export Credit Agencies (ECAs), multilaterals and other international lenders (such as IFC, US EXIM Bank etc) through foreign currency loans, it is a standard practice of the international lenders to recover the fees of their advisors (technical legal, insurance, gas, etc.) trustees, inter-creditor agents, administrators, supervisors etc from the borrowers. GOP has further requested that NEPRA may consider allowing the same to the Company at actual, subject to the documentary evidence, with a maximum cap of USD 500,000/- per annum, as requested by the Company.

2.4.2 The Authority has not allowed this facility to any IPP whose financing arrangements are with local or foreign commercial banks on the grounds that the IPPs should use their respective bargaining power and negotiate their facility more effectively. The same rationale was used in the Authority's decision dated June 26, 2009, when the Company's request was disallowed.

2.4.3 Considering the reconsideration request by the GOP and the fact that the Company's financing arrangements are from accredited *IFIs* like IFC , US EXIM Bank and not from

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normal commercial banks, the Authority has decided to allow Letter of Credit cost with respect to Debt Service Reserve Account during the operational period subject to verifiable documentary evidence at the time of COD. As, the lender's advisors fees during the operational period cannot be established at this point of time. Although, the Company has provided a comparable documentary evidence of some fees from the financing documents of the Uch-I Project (Uch Power Limited), yet the major professional fees remains estimated. Hence, the Authority has decided to allow the same to the Company at actual, subject to verifiable documentary evidence, with a maximum cap of USD 500,000/- per annum, at the time of COD.

2.5 Cost of Working Capital

2.5.1 GOP has proposed that the Company's request for working capital on account of Insurance, HSD inventory for startup/shutdown and Fixed/Variable O&M may be considered favorably by NEPRA, However, NEPRA may determine the amounts of working capital required for the Company in view of cash payment cycle and net of interest earnings, if any. The working capital requirements for debt payment (in addition to Debt Service Reserve Letter of Credit) should be reviewed by NEPRA on merit with supporting documents presented by the Company.

2.5.2 The Authority in its decision dated April 24, 2009 based its judgment on CPPA's recommendation that all the payments for EPP & CPP will be made on 30th day from the date of invoice received by the power purchaser and for any delay in payment, interest charges (KIBOR + 450 basis points) shall be paid by the CPPA. Accordingly, there is no need of financing cost of working capital to be allowed to the Company. As far as HSD inventory cost for startup/shutdown is concerned, they are already covered as production costs under the head of variable O&M costs. Further, upfront payments of Insurance and O&M expenses are made by all IPPs, which are arranged out of their own operational cash flows. Moreover, neither the Company nor the GOP has provided any projected Cash flow statement to substantiate the Company's claim; therefore the Authority has decided to maintain its earlier decision in this regard.

3. The Authority's earlier determination dated June 26, 2009 has been modified to the extent of the aforementioned decisions and the revised tariff of the Company in the instant case has been set out in the following order;

REVISED FINAL ORDER

Pursuant to Rule 16(11) of the NEPRA Licensing (Generation) Rules, the Company (Uch-II Power (Pvt.) Limited) is allowed to charge, subject to adjustment of Capacity Purchase Price



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on account of net dependable capacity and net thermal efficiency as determined by test jointly carried out by the Central Power Purchasing Agency (CPPA) of the National Transmission and Dispatch Company (NTDC) and the Petitioner in the presence of NEPRA representative, the following is approved as specified tariff for the Company for delivery of electricity to the CPPA of the NTDC for procurement on behalf of Ex-WAPDA Distribution Companies:

REFERENCE SPECIFIED TARIFF

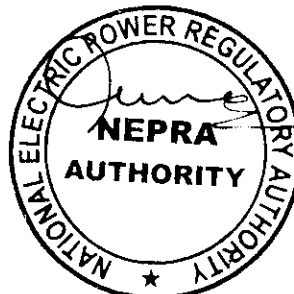
Tariff Components	Year 1 to 10	Year 11 to 14	Year 15 to 25	Indexation
Capacity Charge PKR/kW/Hour				
O&M Foreign	0.1285	0.1285	0.1285	US\$ /PKR & US CPI
O&M Local	0.0621	0.0621	0.0621	WPI
Insurance	0.0852	0.0852	0.0852	US\$ /PKR
Debt Service	1.3187	0.1191	-	LIBOR/EURIBOR/KIBOR
Return on Equity	0.4533	0.4533	0.4533	US\$/PKR
ROE during Construction	0.0929	0.0929	0.0929	US\$ /PKR
Total Capacity Charge	2.1407	0.9411	0.8220	
Energy Charge on Operation on Gas Rs./kWh				
Fuel Cost Component	3.0900	3.0900	3.0900	Fuel Price
Variable O&M - Foreign	0.1173	0.1173	0.1173	US\$ /PKR & US CPI
Local	0.0221	0.0221	0.0221	WPI

Note:

- i) The levelized tariff over the life of 25 years at a notional 60% plant factor and 10% discount rate has been determined as Rs. 6.1822/kWh.
- ii) The applicable component wise tariff is indicated at Annex-I.
- iii) Debt Servicing Schedule is attached as Annex-II.
- iv) The Annex I&II are the inherent part of this Order.
- v) Debt Service component will be adjusted for exchange rate variation for currencies in which the borrowing is taken permissible GOP policy.

The following adjustments /indexations shall be applicable to reference tariff;

- I. One Time Adjustments
- I.(i) Adjustment in EPC Cost





The Authority has assessed EPC cost as USD 370.253 million out of which USD 318.753 million (Offshore-I USD 235.938 million and Offshore-II USD 82.815 million) is Off-shore and USD 51.5 million is as onshore. Since the exact timing of payment to EPC contractor is not known at this point of time, therefore, an adjustment for foreign currency fluctuation for the portion paid in the relevant foreign currency will be made. In this regard, the sponsor will be required to provide all the necessary relevant details along with documentary evidence. Based upon such information the relevant currency of EPC cost components shall be established and applied to the corresponding EPC cost components. The relevant tariff components i.e. Insurance, ROE, ROEDC, Principal Repayment and Interest Charges shall be adjusted only for currency fluctuation against the reference parity values.

I.(ii) Adjustment due to Variation in Net Capacity

The reference tariff has been determined on the basis of minimum net capacity of 375.20 MW at delivery point, at following reference site conditions;

- Ambient temperature 27.3° C
- Relative humidity 48.5%
- Atmospheric pressure 1006 mbar

All the relevant tariff components shall be adjusted at the time of COD based upon the Initial Dependable Capacity (IDC) to be carried out for determination of contracted capacity. Adjustments shall be made according to the following formula:

$$CC_{(Adj)} = CC_{(Ref)} \times 375.20 \text{ MW} / NC_{(IDC)}$$

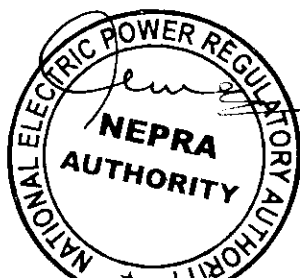
No Adjustment shall be made if IDC is established at less than the net capacity of 375.20 MW at reference site conditions.

Note: Above formula shall be applicable to all the individual relevant components of Capacity Charges.

Where;

- CC_(Adj) = Adjusted relevant Capacity Charge components of tariff
CC_(Ref) = Reference relevant Capacity Charge components of tariff
NC_(IDC) = Net Capacity at reference site conditions established at the time of IDC test

Note:- Reference capacity charge components of Tariff i.e. Revised O&M Foreign, Revised O&M Local, Insurance, Debt Servicing, Return on Equity and ROEDC to be adjusted as per



IDC test.

I.(iii) Adjustment due to variation in Net Efficiency

The reference tariff has been determined on the basis of minimum net efficiency of 49.360%. However the fuel cost component shall not be adjusted if the net thermal efficiency is established less than efficiency of 49.360%. Based upon the heat rate test of the complex to be carried out jointly by the CPPA and the Company at the time of COD, the reference fuel cost component of tariff shall be adjusted in case the net efficiency is established at higher than 49.360%. The adjustment shall be made according to the following formula;

$$FC_{(Adj)} = \text{Rs. } 3.0900 \text{ per kWh} / 6913 \times HR_{(T)}$$

Where;

$FC_{(Adj)}$ = Adjusted fuel cost component at the time of Heat Rate Test at COD

$HR_{(T)}$ = Net Efficiency in Btu per kWh established after Heat Rate Test at the time of COD

I.(iv) Adjustment Based on Actual Interest During Construction & Financing Fees

Debt Service, ROE and ROEDC shall be adjusted on account of actual variation in drawdown and Interest During Construction & Financing Fees with reference to the estimated figure of USD 40.09 million and USD 22.05 million respectively.

I. (v) Adjustment due to Custom Duties & Taxes

Debt Service, Return on Equity and ROE during construction shall be adjusted on account of actual variation in custom duties and withholding taxes with reference to the estimated figure of USD 18.600 million.

I.(vi) Adjustment for variation in Dollar/Rupee parity

Relevant reference tariff components shall be adjusted at COD on account of variation in Dollar/Rupee parity.

II. Adjustment in Insurance as per actual

The actual insurance cost for the minimum cover required under contractual obligations with the Power Purchaser, not exceeding 1.35% of the EPC cost, will be treated as pass-through. Insurance component of reference tariff shall be adjusted as per actual on yearly basis upon



the production of authentic documentary evidence by the Company according to the following formula;

$$\text{Insurance}_{(Adj.)} = AIC / P_{(Ref)} * P_{(Act)} / 80.45 * ER_{(Rev)}$$

Where;

- AIC = Adjusted Insurance Component (Rs. /kW/hr) as per IDC Test
P_(Ref) = Reference Premium USD 3.4801 million
P_(Act) = Actual Premium or 1.35% of the adjusted EPC whichever is lower
ER_(Rev) = The revised TT & OD selling rate of US dollar as notified by the National Bank of Pakistan at Invoice date

III. Adjustment in Return on Equity (ROE)

The Company also requested to allow quarterly adjustment on account of USD/PKR exchange rate based on the revised TT & OD selling rate of US dollar notified by the National Bank of Pakistan (NBP). The Petitioner request is inline with the decision of the Economic Coordination Committee (ECC) and is, therefore, being allowed subject to adjustment on account of exchange rate variation according to the following formula;

$$ROE_{(Rev)} = ROE_{(Ref)} * ER_{(Rev)} / ER_{(Ref)}$$

Where:

- ROE_(Rev) = The revised ROE component of the Capacity Purchase Price
ROE_(Ref) = The reference ROE component of the Capacity Purchase Price determined at the time of COD
ER_(Rev) = The revised TT & OD selling rate of USD as notified by the National Bank of Pakistan
ER_(Ref) = The reference exchanges rate of PKR 80.45 – 1 USD.

IV. Adjustment on Return on Equity During Construction (ROEDC)

ROEDC component of tariff will be adjusted subject to exchange rate variation according to the following formula;

$$ROEDC_{(Rev)} = ROEDC_{(Ref)} * ER_{(Rev)} / ER_{(Ref)}$$

Where:



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- ROEDC_(Rev) = The revised ROEDC component of the Capacity Purchase Price
- ROEDC_(Ref) = The reference ROEDC component of the Capacity Purchase Price determined at the time of COD
- ER_(Rev) = The revised TT & OD selling rate of USD as notified by the National Bank of Pakistan
- ER_(Ref) = The reference exchanges rate of PKR 80.45 = 1 USD.

V. Adjustment of Withholding Tax

Withholding tax will be adjusted on account of exchange rate variation according to the following formula:

$$WT_{(Rev)} = WT_{(Ref)} * ER_{(Rev)}/80.45$$

Where;

- WT_(Rev) = Revised Withholding tax
- WT_(Ref) = Reference Withholding tax
- ER_(Rev) = The revised TT&OD selling rate of US dollar as notified by the National Bank of Pakistan

VI. Pass-Through Items

No provision for income tax, workers' profit participation fund and workers' welfare fund, any other tax, excise duty or other duty, levy, charge, surcharge or other governmental impositions, payable on the generation sales, has been accounted for in the tariff. If the Company is obligated to pay any tax on the income purely generated from its operation i.e. Electricity Generation of power producer, the exact amount should be reimbursed by CPPA on production of original receipts. This payment may be considered as pass-through (Rs./kW/hr) payment spread over a 12 months period in addition to the capacity purchase price in the Reference Tariff. Furthermore, in such a scenario, the Company may also submit to the CPPA details of any tax shield savings and the CPPA will deduct the amount of these savings from its payment to the Company on account of taxation.

Withholding tax on dividend is a pass-through item, which is allowed in accordance with the "Government Guidelines for determination of tariff for new IPPs". In a reference tariff table, withholding tax number is indicated as reference and CPPA (NTDC) shall make payment on



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account of withholding tax at the time of actual payment of dividend subject to maximum of 7.5% of 15% equity at the time of hourly payment (Rs./kW/hour) spread over a 12 months period according to the following formula:

$$\text{Withholding Tax Payable} = \{[15\% * (E_{(Ref)} - E_{(Red)}) + ROEDC_{(Ref)}] * 7.5\% * ER_{(Rev)}\} / 80.45$$

Where:

- $E_{(Ref)}$ = Adjusted Reference Equity at COD
 $E_{(Red)}$ = Equity Redeemed
 $ROEDC_{(Ref)}$ = Reference Return on Equity During Construction
 $ER_{(Rev)}$ = The revised IT & OD selling rate of US dollar as notified by the National Bank of Pakistan

In case the Company does not declare a dividend in a particular year or only declares a partial dividend, then the difference in the withholding tax amount (between what is paid in that year and the total entitlement as per the Net Return on Equity) would be carried forward and accumulated so that the Company is able to recover the same in hourly payments spread over 12 months period as a pass through from the Power Purchaser in future on the basis of the total dividend payout.

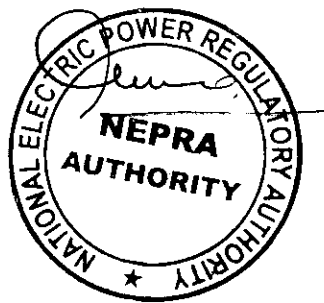
VII. Indexations:

The following indexation shall be applicable to the reference tariff as follows;

a) Indexation applicable to O&M

The Fixed O&M local component of Capacity Charge will be adjusted on account of Inflation (WPI) and Fixed O&M foreign component on account of variation in US CPI and dollar/Rupee exchange rate. Quarterly adjustment for local inflation, foreign inflation and exchange rate variation will be made on 1st July, 1st October, 1st January and 1st April based on the latest available information with respect to WPI notified by the Federal Bureau of Statistics (FBS), US CPI issued by US Bureau of Labor Statistics and revised TT & OD selling rate of US Dollar notified by the National Bank of Pakistan. The mode of indexation will be as under:

i) Fixed O&M



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$$F O\&M_{(FREV)} = Rs. 0.1285 / kW / Hour * US CPI_{(REV)} / 212.193 * ER_{(REV)} / 80.45$$

$$F O\&M_{(LREV)} = Rs. 0.0621 / kW / Hour * WPI_{(REV)} / 138.38$$

Where:

- $F O\&M_{(FREV)}$ = the revised foreign Fixed O&M Component of tariff
 $F O\&M_{(LREV)}$ = the revised local Fixed O&M Component of tariff
 $WPI_{(REV)}$ = the revised Wholesale Price Index (Manufactures)
 $WPI_{(REF)}$ = The reference WPI (Manufactures) of 138.38 of February 2009
 $US CPI_{(REV)}$ = the revised US CPI (All Urban Consumers)
 $US CPI_{(REF)}$ = Reference US CPI of 212.193 for February 2009
 $ER_{(REV)}$ = the Revised TT & OD selling rate of US dollar as notified by the National Bank of Pakistan

Note: The reference numbers indicated above shall be replaced by the revised numbers after incorporating the required adjustments at COD.

ii) Variable O&M

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

$$V O\&M_{(FREV)} = Rs. 0.1173/kWh * US CPI_{(REV)} / 212.193 * ER_{(REV)} / 80.45$$

$$V O\&M_{(LREV)} = Rs. 0.0221/kWh * WPI_{(REV)} / 138.38$$

Where:

- $V O\&M_{(FREV)}$ = the revised foreign Variable O&M Component of tariff
 $V O\&M_{(LREV)}$ = the revised local variable O&M Component of tariff
 $WPI_{(REV)}$ = the revised Wholesale Price Index (Manufactures)
 $WPI_{(REF)}$ = Reference WPI (Manufactures) of 138.38 of February 2009
 $US CPI_{(REV)}$ = the revised US CPI (All Urban Consumers)
 $US CPI_{(REF)}$ = Reference US CPI of 212.193 for February 2009
 $ER_{(REV)}$ = the Revised TT & OD selling rate of US dollar as notified by the National Bank of Pakistan

Note: The reference Variable O&M indicated above shall be replaced with the revised number at COD after incorporating the required adjustment based upon the IDC Test.



iii) **Adjustment for KIBOR and LIBOR variation**

The interest part of 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 and LIBOR according to the following formula:

$$\Delta I(L) = P_{(LREV)} * (KIBOR_{(REV)} - 12.81\%) / 4$$

$$\Delta II(\text{Foreign Debt-US\$}) = P_{(FREV)} * (LIBOR_{(REV)} - 4\%) / 4$$

$$\Delta III(\text{Foreign Debt-Euro}) = P_{(FREV)} * (EURIBOR_{(REV)} - 4\%) / 4$$

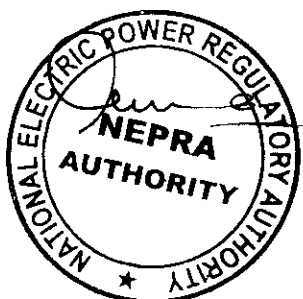
Where:

$\Delta I(\text{local debt}) =$ the variation in interest charges applicable corresponding to variation in quarterly KIBOR. ΔI can be positive or negative depending upon whether $KIBOR_{(REV)} >$ or $< 12.81\%$. The interest payment obligation will be enhanced or reduced to the extent of ΔI for each quarter under adjustment applicable on quarterly basis.

$\Delta II(\text{US\$ debt}) =$ the variation in interest charges applicable corresponding to variation in quarterly LIBOR. ΔII can be positive or negative depending upon whether $LIBOR_{(REV)} >$ or $< 4\%$. The interest payment obligation will be enhanced or reduced to the extent of ΔII for each quarter under adjustment applicable on quarterly basis.

$\Delta III(\text{Euro debt}) =$ the variation in interest charges applicable corresponding to variation in quarterly EURIBOR. ΔIII can be positive or negative depending upon whether $EURIBOR_{(REV)} >$ or $< 4\%$. The interest payment obligation will be enhanced or reduced to the extent of ΔIII for each quarter under adjustment applicable on quarterly basis.

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



✓



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

iv) **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 agreed between OGDCL and the Company. In this regard, the fuel cost component of tariff shall be revised according to the following formula:

$$FC_{(Rev)} = FC_{(Adj)} \text{ per kWh} * FP_{(Rev)} / FP_{(Ref)}$$

Where:

- $FC_{(Rev)}$ = The revised fuel cost component of Variable Charge on low BTU gas.
 $FP_{(Rev)}$ = The new price of gas as agreed between OGDCL and the petitioner and approved by the competent Authority
 $FP_{(Ref)}$ = The reference price of gas as indicated by the petitioner of US\$ 5.0102 / MMBTU adjusted for HHV-LHV factor of 1.109 and exchange rate of Rs. 80.45/US\$.
 $FC_{(Adj)}$ = Adjusted fuel cost component subsequent to Heat Rate Test at COD

Adjustment on account of local inflation, foreign inflation, foreign exchange variation, KIBOR, LIBOR and EURIBOR variation and fuel price variation will be approved and announced by the Authority for immediate application within seven working days after receipt of the Company request for adjustment in accordance with the requisite indexation mechanism stipulated herein.

For one time adjustment of relevant tariff components at COD according to the mechanism laid down in this order, the Company shall submit the relevant documents to NEPRA within 30 days of COD for adjustment.

VIII. **Terms and Conditions of Tariff:**

- i) Capacity Charge (Rs./kW/hour) applicable to dependable capacity at the delivery point.
- ii) The tariff is applicable for a period of 25 years commencing from the date of the Commercial Operation.
- iii) Use of Low BTU Gas is allowed as single fuel for operation of the plant.



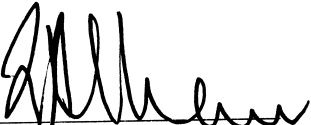



- iv) All new equipment will be installed and the plant will be of standard configuration.
- v) The plant availability shall be 90%.
- vi) Dispatch criterion will be based on the Energy Charge.
- vii) Scheduled Outage periods per annum shall be in accordance with the 2006 standardized PPA.
- viii) NTDC/CPPA will be responsible for constructing the interconnection to the grid.
- ix) All invoicing and payment terms are assumed to be in accordance with the 2006 standardized PPA.
- x) Tolerance in Dispatch shall be in accordance with the 2006 standardized PPA.
- xi) If there is any change in any assumption that may lead to change in the tariff shall be referred to NEPRA for approval.
- xii) No corporate income tax and no minimum turnover tax have been assumed.



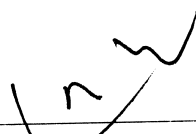
The above tariff and terms and conditions are to be incorporated in the PPA between the Company and CPPA.

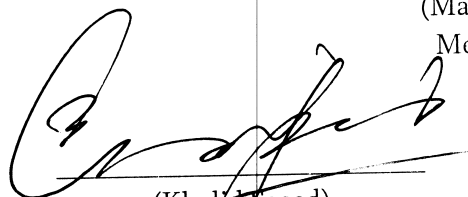
AUTHORITY


(Zafar Ali Khan)
Member
12/10/09


(Ghafussuddin Ahmed)
Member

*
(Shaukat Ali Kundi)
Member


(Maqbool Ahmed Khawaja)
Member/Vice Chairman


(Khalid Saeed)
Chairman

* Section 31(4A) of Nepra Act provides that, "The Federal Govt may, as soon as possible but not later than 15 days of receipt of the Authority's intimation, require the Authority to reconsider its determination of Tariff, rates, charges, & other terms & conditions made under SubSection (1), & the Authority shall reconsider & determine the same a new within a period of 15 days from the date of the reference by the Federal Government."

2. In my judgement sub Section (4A) of section 31 of the Nepra Act provides an explicit period of 15 days to the Federal Government to file a ~~review~~ reference for reconsideration with the Authority. The said provision of the Act neither provides any exception (on Reverse

no power to the Authority to condone the delay, no such power has been provided in any Rules & Regulations enforced as of to date. The Federal Government should have filed the reference for reconsideration within a period of 15 days as provided in the Act. Hence, the condonation of delay is in violation of the explicit provisions of Law, therefore the reference merits no ~~re~~ reconsideration.

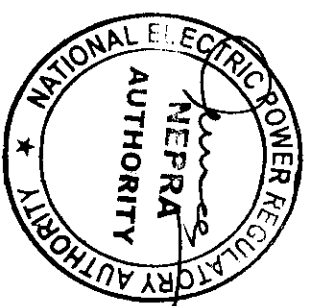
Shankar Ah Kundi
(Member) 14.10.2009

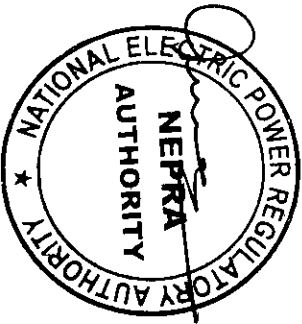
UCH II Power (Private) Limited
Reference Tariff Schedule
(Loc & TUGAS)

Year	Energy Charge (PKR/kWh)			Fixed O&M- Fixed O&M-		Insurance	Capacity Charge (PKR/kWh/Hr)		Loan	Interest	Total	CPP	60% Plant Factor	PKR P/kWh	
	Fuel	Variable O&M	Variable Foreign O&M	Local	Foreign		Equity	Return on Equity during Construction							Withholding Tax @7.5%
1	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	0.5748	0.7440	2.1817	3.6362	6.86	
2	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	0.6243	0.6944	2.1817	3.6362	6.86	
3	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	0.6784	0.6404	2.1817	3.6362	6.86	
4	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	0.7375	0.5813	2.1817	3.6362	6.86	
5	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	0.8021	0.5166	2.1817	3.6362	6.86	
6	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	0.8728	0.4459	2.1817	3.6362	6.86	
7	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	0.9486	0.3684	2.1817	3.6362	6.86	
8	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	1.0243	0.2836	2.1817	3.6362	6.86	
9	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	1.1000	0.1905	2.1817	3.6362	6.86	
10	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	1.1757	0.0884	2.1817	3.6362	6.86	
11	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	1.2514	0.0182	0.9820	1.6367	4.86	
12	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	1.3271	0.0135	0.9820	1.6367	4.86	
13	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	1.4028	0.0085	0.9820	1.6367	4.86	
14	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	1.4785	0.0033	0.9820	1.6367	4.86	
15	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	1.5542	-	0.8630	1.4383	4.66	
16	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	1.6299	-	0.8630	1.4383	4.66	
17	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	1.7056	-	0.8630	1.4383	4.66	
18	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	1.7813	-	0.8630	1.4383	4.66	
19	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	1.8570	-	0.8630	1.4383	4.66	
20	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	1.9327	-	0.8630	1.4383	4.66	
21	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	2.0084	-	0.8630	1.4383	4.66	
22	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	2.0841	-	0.8630	1.4383	4.66	
23	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	2.1598	-	0.8630	1.4383	4.66	
24	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	2.2355	-	0.8630	1.4383	4.66	
25	3.0900	0.0221	0.1173	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	2.3112	-	0.8630	1.4383	4.66	
Levelized Tariff (1-25 Years)				3.2293	0.0621	0.1285	0.0852	0.4533	0.0929	0.0410	0.5616	0.3471	1.7717	2.9528	6.18

Net Capacity
 Reference Exchange Rate
 Reference US CPI
 Reference WPI (Manufacturer)
 Efficiency
 Levelized Tariff

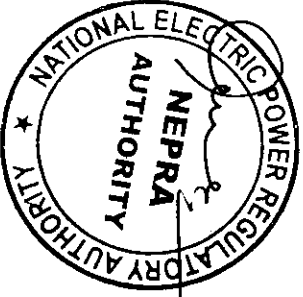
375.20 MW
 PKR 80.45 = 1 US\$
 212.193 for February 2009 as notified by the US Labour Bureau of Labor Statistics
 138.38 for February 2009 as notified by the Federal Bureau of Statistics
 49.360% (Minimum)
 Levelized tariff in US Cents translates into 7.6845 /kWh





**UCh II Power (Private) Limited
Debt Servicing Schedule**

Period	Foreign Debt-Dfl Euro					Local Debt					Annual Principal Repayment Rr./Kw/ Hr.	Annual Interest Rr./Kw/ Hr.	Annual Debt Servicing Rr./Kw/ Hr.
	Principal Million €	Repayment Million €	Mark-Up Million €	Balance Million €	Debt Service Million €	Principal Million Rs.	Repayment Million Rs.	Mark-Up Million Rs.	Balance Million Rs.	Debt Service Million Rs.			
1	92.62	1.53	1.85	91.09	3.39	1,964.73	20.91	77.66	1,943.82	98.56	0.2356	0.3313	0.5669
2	91.09	1.56	1.82	89.52	3.39	1,943.82	21.73	76.83	1,922.08	98.56			
3	89.52	1.60	1.79	87.93	3.39	1,922.08	22.59	75.97	1,899.49	98.56			
4	87.93	1.63	1.76	86.30	3.39	1,899.49	23.49	75.08	1,876.00	98.56			
5	86.30	6.32	7.22	86.30	3.39	1,876.00	24.42	74.15	1,851.59	98.56			
6	84.54	1.66	1.73	84.54	3.39	1,851.59	25.38	73.18	1,826.21	98.56			
7	82.95	1.69	1.69	82.95	3.39	1,826.21	26.38	72.18	1,799.82	98.56			
8	81.22	1.73	1.66	81.22	3.39	1,799.82	27.43	71.14	1,772.40	98.56			
9	79.46	1.76	1.62	79.46	3.39	1,772.40	28.51	70.05	1,743.89	98.56			
10	77.66	1.80	1.59	77.66	3.39	1,743.89	29.64	68.93	1,714.25	98.56			
11	75.83	1.83	1.55	75.83	3.39	1,714.25	30.81	67.76	1,683.44	98.56			
12	73.96	1.87	1.52	73.96	3.39	1,683.44	32.03	66.54	1,651.42	98.56			
13	72.05	1.91	1.48	72.05	3.39	1,772.40	120.98	273.27	1,651.42	394.26	0.2812	0.2857	0.5669
14	70.11	1.94	1.44	70.11	3.39	1,651.42	33.29	65.27	1,618.12	98.56			
15	68.13	1.98	1.40	68.13	3.39	1,618.12	34.61	63.96	1,583.52	98.56			
16	66.10	2.02	1.36	66.10	3.39	1,583.52	35.98	62.59	1,547.54	98.56			
17	64.04	2.06	1.32	64.04	3.39	1,547.54	37.40	61.17	1,510.14	98.56			
18	62.05	8.02	5.83	64.04	3.39	1,663.42	141.27	252.98	1,510.14	394.26	0.3075	0.2594	0.5669
19	60.04	2.11	1.28	61.93	3.39	1,510.14	40.41	58.15	1,430.85	98.56			
20	59.79	2.15	1.24	59.79	3.39	1,430.85	42.01	56.55	1,388.84	98.56			
21	57.60	2.23	1.15	57.60	3.39	1,388.84	43.67	54.89	1,345.17	98.56			
22	55.36	2.23	1.15	55.36	3.39	1,345.17	45.40	53.17	1,299.78	98.56			
23	53.08	2.32	1.06	53.08	3.39	1,299.78	47.19	51.37	1,252.59	98.56			
24	50.76	2.37	1.02	48.39	3.39	1,252.59	49.06	49.51	1,203.53	98.56			
25	48.39	2.42	0.97	45.97	3.39	1,203.53	50.99	47.57	1,152.54	98.56			
26	45.97	2.47	0.92	43.50	3.39	1,152.54	53.01	45.55	1,099.53	98.56			
27	43.50	2.52	0.87	40.99	3.39	1,099.53	55.11	43.46	1,044.42	98.56			
28	40.99	2.57	0.82	38.42	3.39	1,044.42	57.28	41.28	987.14	98.56			
29	38.42	2.62	0.77	35.81	3.39	987.14	59.55	39.02	927.59	98.56			
30	35.81	2.67	0.72	33.14	3.39	1,152.54	224.95	169.31	927.59	394.26	0.4039	0.1630	0.5669
31	33.14	2.72	0.66	30.41	3.39	927.59	61.90	36.66	865.69	98.56			
32	30.41	2.78	0.61	27.64	3.39	865.69	64.35	34.22	801.34	98.56			
33	27.64	2.83	0.55	24.80	3.39	801.34	66.89	31.67	734.45	98.56			
34	24.80	2.88	0.50	21.91	3.39	734.45	69.54	29.03	664.91	98.56			
35	21.91	2.95	0.44	18.97	3.39	664.91	72.28	26.28	592.63	98.56			
36	18.97	3.01	0.38	15.96	3.39	592.63	75.14	23.42	517.49	98.56			
37	15.96	3.07	0.32	12.89	3.39	517.49	78.11	20.45	439.38	98.56			
38	12.89	3.13	0.26	9.76	3.39	439.38	81.20	17.37	358.18	98.56			
39	9.76	3.19	0.20	6.57	3.39	358.18	84.41	14.16	273.77	98.56			
40	6.57	3.25	0.13	3.32	3.39	273.77	87.74	10.82	186.03	98.56			
41	3.32	3.32	0.07	0.00	3.39	186.03	91.21	7.35	94.82	98.56			
42	12.89	12.89	0.65	0.00	13.54	358.18	358.18	36.08	0.00	394.26	0.5344	0.0325	0.5669



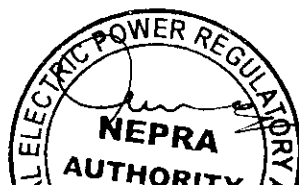
**UCh II Power (Private) Limited
Debt Servicing Schedule**

Period	Foreign Debt-USD Commercial Facility						Foreign Debt-DFI USD						Annual Principal Repayment R./KW/ hr.	Annual Interest R./KW/ hr.	Annual Debt Servicing R./KW/ hr.
	Principal \$ Million	Repayment \$ Million	Mark-Up \$ Million	Balance \$ Million	Debt Service \$ Million		Principal \$ Million	Repayment \$ Million	Mark-Up \$ Million	Balance \$ Million	Debt Service \$ Million				
1	84,900	1,29	2,02	83,61	\$3,31		86,21	1,43	1,72	84,78	3,15		0.3272	0.3056	0.6328
	83,61	1,33	1,99	82,28	3,31		84,78	1,46	1,70	83,33	3,15				
	82,28	1,36	1,95	80,93	3,31		83,43	1,48	1,67	81,84	3,15				
	80,93	1,39	1,92	79,54	3,31		81,84	1,51	1,64	80,33	3,15				
	84,900	5,37	7,88	79,54	13,25		86,21	5,88	6,72	80,33	12,61		0.2754	0.3574	0.6328
	79,54	1,42	1,89	78,11	3,31		80,33	1,54	1,61	78,78	3,15				
	78,11	1,46	1,86	76,66	3,31		78,78	1,58	1,58	77,21	3,15				
	76,66	1,49	1,82	75,17	3,31		77,21	1,61	1,54	75,60	3,15				
	75,17	1,53	1,79	73,64	3,31		75,60	1,64	1,51	73,96	3,15				
2	79,54	5,90	7,35	73,64	13,25		80,33	6,37	6,24	73,96	12,61		0.3002	0.3326	0.6328
	73,64	1,56	1,75	72,08	3,31		73,96	1,67	1,48	72,29	3,15				
	72,08	1,60	1,71	70,48	3,31		72,29	1,71	1,45	70,58	3,15				
	70,48	1,64	1,67	68,84	3,31		70,58	1,74	1,41	68,84	3,15				
	68,84	1,68	1,63	67,16	3,31		68,84	1,77	1,38	67,07	3,15				
	73,64	6,48	6,77	67,16	13,25		73,96	6,89	5,71	67,07	12,61		0.3272	0.3056	0.6328
	67,16	1,72	1,60	65,45	3,31		67,07	1,81	1,34	65,26	3,15				
	65,45	1,76	1,55	63,69	3,31		65,26	1,85	1,31	63,41	3,15				
	63,69	1,80	1,51	61,89	3,31		63,41	1,88	1,27	61,53	3,15				
	61,89	1,84	1,47	60,05	3,31		61,53	1,92	1,23	59,61	3,15				
4	67,16	7,11	6,13	60,05	13,25		67,07	7,46	5,15	59,61	12,61		0.3567	0.2760	0.6328
	60,05	1,89	1,43	58,17	3,31		59,61	1,96	1,19	57,65	3,15				
	58,17	1,93	1,34	54,26	3,31		55,65	2,00	1,15	53,61	3,15				
	54,26	1,98	1,29	52,24	3,31		53,61	2,08	1,07	51,53	3,15				
	54,26	7,81	6,43	52,24	13,25		59,61	8,08	4,53	51,53	12,61		0.3889	0.2438	0.6328
	52,24	2,07	1,24	50,17	3,31		50,17	2,16	0,99	47,25	3,15				
	48,05	2,12	1,19	45,88	3,31		47,25	2,21	0,94	45,04	3,15				
	45,88	2,22	1,09	43,65	3,31		45,04	2,25	0,90	42,79	3,15				
	43,65	8,58	4,66	43,65	13,25		51,53	8,74	3,86	42,79	12,61		0.4241	0.2087	0.6328
	43,65	2,27	1,04	41,38	3,31		41,38	2,30	0,86	40,49	3,15				
	41,38	2,33	0,98	39,05	3,31		39,05	2,34	0,81	38,15	3,15				
	39,05	2,38	0,93	36,67	3,31		36,67	2,39	0,76	35,76	3,15				
	36,67	2,44	0,87	34,23	3,31		35,76	2,44	0,72	33,33	3,15				
	34,23	9,43	3,82	34,23	13,25		42,79	9,46	3,14	33,33	12,61		0.4624	0.1704	0.6328
	34,23	2,50	0,81	31,73	3,31		33,33	2,48	0,67	30,84	3,15				
	31,73	2,56	0,75	29,17	3,31		30,84	2,53	0,62	28,31	3,15				
	29,17	2,62	0,69	26,55	3,31		28,31	2,59	0,57	25,72	3,15				
	26,55	2,68	0,63	23,87	3,31		25,72	2,64	0,51	23,09	3,15				
	23,87	10,36	2,89	23,87	13,25		33,33	10,24	2,36	23,09	12,61		0.5042	0.1286	0.6328
	23,87	2,74	0,57	21,13	3,31		23,09	2,74	0,46	20,40	3,15				
	21,13	2,81	0,50	18,32	3,31		20,40	2,77	0,41	17,65	3,15				
	18,32	2,88	0,44	15,44	3,31		17,65	2,80	0,35	14,85	3,15				
	15,44	2,94	0,37	12,50	3,31		14,85	2,85	0,30	12,00	3,15				
	12,50	11,38	1,87	12,50	13,25		23,09	11,09	1,52	12,00	12,61		0.5498	0.0830	0.6328
	12,50	3,01	0,30	9,48	3,31		12,00	2,91	0,24	9,09	3,15				
	9,48	3,09	0,23	6,39	3,31		9,09	2,97	0,18	6,12	3,15				
	6,39	3,16	0,15	3,23	3,31		6,12	3,03	0,12	3,09	3,15				
	3,23	3,23	0,08	0,00	10,00		3,09	3,09	0,06	0,00	3,15				
10	12,50	12,50	0,75	0,00	13,25		12,00	12,00	0,61	0,00	12,61		0.5896	0.0332	0.6328

**UCH II Power (Private) Limited
Debt Servicing Schedule**

Annex-III(6)

Period	Foreign Debt-ECA Facility USD					Annual Principal Repayment Rs./kW/ hr.	Annual Interest Rs./kW/ hr.	Annual Debt Servicing Rs./kW/ hr.	Total for 5 Loan Facilities		
	Principal Million \$	Repayment Million \$	Mark-Up Million \$	Balance Million \$	Debt Service Millin \$				Annual Principal Repayment Rs./kW/hr.	Annual Interest Rs./kW/hr.	Annual Debt Servicing Rs./kW/hr.
1	50.00	0.64	0.58	49.36	1.22	0.0638	0.0552	0.1191	0.5748	0.7440	1.3187
	49.36	0.65	0.57	48.71	1.22						
	48.71	0.66	0.56	48.05	1.22						
	48.05	0.66	0.55	47.39	1.22						
	50.00	2.61	2.26	47.39	4.86						
2	47.39	0.67	0.55	46.72	1.22	0.0668	0.0522	0.1191	0.6243	0.6944	1.3187
	46.72	0.68	0.54	46.04	1.22						
	46.04	0.69	0.53	45.36	1.22						
	45.36	0.69	0.52	44.66	1.22						
	47.39	2.73	2.13	44.66	4.86						
3	44.66	0.70	0.51	43.96	1.22	0.0700	0.0491	0.1191	0.6784	0.6404	1.3187
	43.96	0.71	0.51	43.25	1.22						
	43.25	0.72	0.50	42.53	1.22						
	42.53	0.73	0.49	41.80	1.22						
	44.66	2.86	2.01	41.80	4.86						
4	41.80	0.74	0.48	41.07	1.22	0.0732	0.0458	0.1191	0.7375	0.5813	1.3187
	41.07	0.74	0.47	40.32	1.22						
	40.32	0.75	0.46	39.57	1.22						
	39.57	0.76	0.46	38.81	1.22						
	41.80	2.99	1.87	38.81	4.86						
5	38.81	0.77	0.45	38.04	1.22	0.0767	0.0424	0.1191	0.8021	0.5166	1.3187
	38.04	0.78	0.44	37.26	1.22						
	37.26	0.79	0.43	36.48	1.22						
	36.48	0.80	0.42	35.68	1.22						
	38.81	3.13	1.73	35.68	4.86						
6	35.68	0.81	0.41	34.87	1.22	0.0803	0.0388	0.1191	0.8728	0.4459	1.3187
	34.87	0.81	0.40	34.06	1.22						
	34.06	0.82	0.39	33.23	1.22						
	33.23	0.83	0.38	32.40	1.22						
	35.68	3.28	1.59	32.40	4.86						
7	32.40	0.84	0.37	31.56	1.22	0.0840	0.0350	0.1191	0.9503	0.3684	1.3187
	31.56	0.85	0.36	30.70	1.22						
	30.70	0.86	0.35	29.84	1.22						
	29.84	0.87	0.34	28.97	1.22						
	32.40	3.43	1.43	28.97	4.86						
8	28.97	0.88	0.33	28.09	1.22	0.0879	0.0311	0.1191	1.0352	0.2836	1.3187
	28.09	0.89	0.32	27.19	1.22						
	27.19	0.90	0.31	26.29	1.22						
	26.29	0.91	0.30	25.38	1.22						
	28.97	3.59	1.27	25.38	4.86						
9	25.38	0.92	0.29	24.45	1.22	0.0921	0.0270	0.1191	1.1282	0.1905	1.3187
	24.45	0.93	0.28	23.52	1.22						
	23.52	0.95	0.27	22.57	1.22						
	22.57	0.96	0.26	21.61	1.22						
	25.38	3.76	1.10	21.61	4.86						
10	21.61	0.97	0.25	20.65	1.22	0.0964	0.0227	0.1191	1.2304	0.0884	1.3187
	20.65	0.98	0.24	19.67	1.22						
	19.67	0.99	0.23	18.68	1.22						
	18.68	1.00	0.21	17.68	1.22						
	21.61	3.94	0.93	17.68	4.86						
11	17.68	1.01	0.20	16.67	1.22	0.1009	0.0182	0.1191	0.1009	0.0182	0.1191
	16.67	1.02	0.19	15.64	1.22						
	15.64	1.04	0.18	14.60	1.22						
	14.60	1.05	0.17	13.56	1.22						
	17.68	4.12	0.74	13.56	4.86						
12	13.56	1.06	0.16	12.50	1.22	0.1056	0.0135	0.1191	0.1056	0.0135	0.1191
	12.50	1.07	0.14	11.42	1.22						
	11.42	1.08	0.13	10.34	1.22						
	10.34	1.10	0.12	9.24	1.22						
	13.56	4.31	0.55	9.24	4.86						
13	9.24	1.11	0.11	8.13	1.22	0.1105	0.0085	0.1191	0.1105	0.0085	0.1191
	8.13	1.12	0.09	7.01	1.22						
	7.01	1.14	0.08	5.88	1.22						
	5.88	1.15	0.07	4.73	1.22						
	9.24	4.52	0.35	4.73	4.86						
14	4.73	1.16	0.05	3.57	1.22	0.1157	0.0033	0.1191	0.1157	0.0033	0.1191
	3.57	1.17	0.04	2.39	1.22						
	4.73	4.73	0.14	0.00	4.86						



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