



NC
ELECTRIC COMPANY
L T D.

Registrar
National Electric Power Regulatory Authority
NEPRA Tower, Attaturk Avenue (East)
Sector G-5/1, Islamabad

Subject: NC Electric Company Limited ("the Company") – Application for Licensee Proposed Modification of the Generation License

Dear Sir:

The Company was granted the Generation License No. SGC/115/2016 on 14 April 2016 (the "**Generation License**") by NEPRA, under Section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 ("**NEPRA Act**"), for its 46 MW imported/local Coal based generation facility located at 49-KM Lahore-Multan Road, Mauza Gagga Phoolnagar, Tehsil Pattoki, District Kasur in the Province of Punjab (the "**Project**").

As you are already aware, the Project was set up primarily to meet the electric power requirements of the group companies of Nishat Chunian Group however some of the available surplus electricity was to be supplied to nearby located industrial units. In this regard, NCECL had informed NEPRA at the time of its generation licence application that it will be supplying electricity to two complexes of Nishat Chunian Limited ("**NCL**") housing different units. Furthermore, NEPRA was informed that surplus energy will also be supplied to Abu Bakar Textile Mills Private Limited, Marral Textile Mills Limited, Hussain Mills Limited, Azam Textile Mills Limited, Saaz Gold Industries (Private) Limited, Popular Food Industries (Private) Limited, Saritow Spinning Mills Limited, BBJ Pipe Industries (Private) Limited, Millat Industries Product Ltd., Sky Textile Mills Limited, Ghani Auto Industries Ltd., Liven Pharma (Pvt.) Ltd., Medi Gas Oxygen (Pvt.) Ltd (all together hereinafter referred to as "**Bulk Power Consumers**" or "**BPC**"). Being empowered pursuant to Section 21 of the NEPRA Act, the Authority allowed the Company to sell energy to the aforementioned Bulk Power Consumers.

After consuming energy for its personal use and supplying the remaining to the BPC, the Company still has some energy to spare which the Company wishes to supply to 1 more entity i.e. BBJ Steel Limited. The Company therefore desires to add BBJ Steel Limited to the list of the existing Bulk Power Consumers by way of modifying the list of BPC in Schedule 1 ("**Schedule 1**"), the authorisation for which is provided in Schedule II of the Generation Licence (the "**Authorisation**"). It is kindly submitted that at this stage, Schedule 1 and the Authorisation can be changed in order to disperse the surplus power generation of the Project to 1 more entity, as further explained in detail in the enclosed Annexures.

Therefore, pursuant to Regulation 10(2) of the NEPRA Licensing (Application and Modification Procedure) Regulations, 1999 (the "**Regulations**"), I, Babar Ali Khan, CFO, being the duly authorized representative of the Company by virtue of Board Resolution dated July 15, 2019, hereby apply to NEPRA on behalf of the Company for modification of the Generation License, specifically Schedule 1 and the Authorisation as produced therein, to



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cater for the addition of BBJ Steel Limited as power purchasers of the surplus power of the Project, amongst the already identified Bulk Power Consumers therein.

In relation hereto, I certify that the documents-in-support enclosed with this modification application are prepared and submitted in conformity with the provisions of the Regulations, and that the Company undertakes to abide by the terms and provisions of the Regulations. The Company further undertakes and confirms that the information provided in the enclosed documents-in-support is true and correct to the best of knowledge and belief.

A Pay Order in the sum of PKR 342,720, being the modification fee calculated in accordance with Schedule II to the Regulations (as amended), is also enclosed herewith.

In light of this application and its enclosures, you are kindly requested to proceed in accepting our application for the modification of the Generation License.

Sincerely,

Babar Ali Khan

CTO



Enclosures:

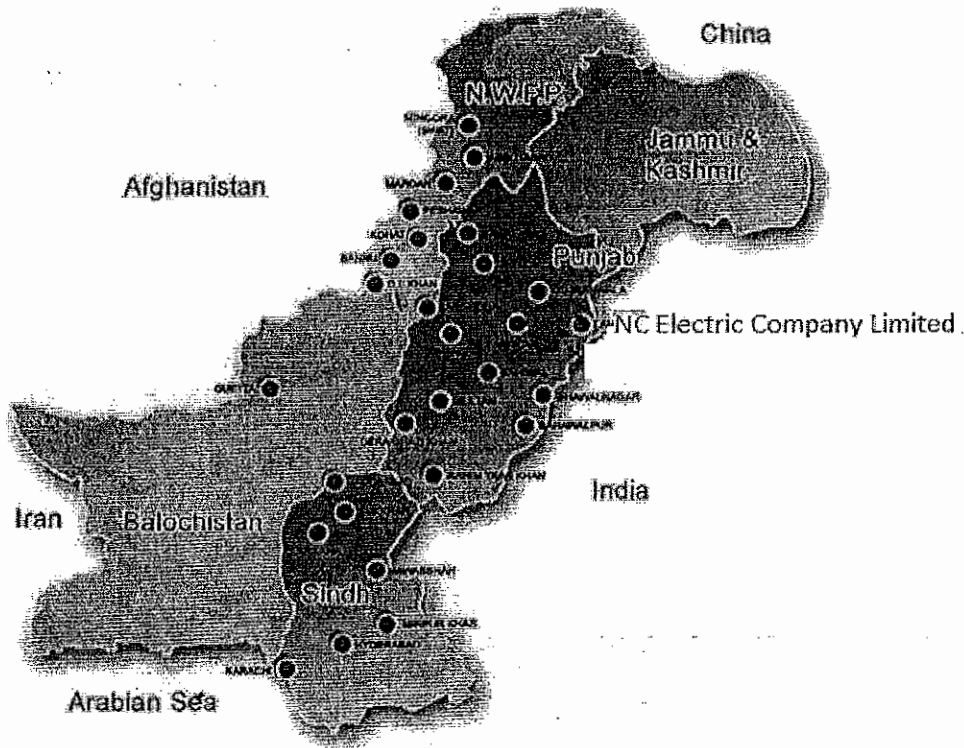
1. Pay Order of PKR 342,720.
2. Extract Of Resolution Passed By The Board Of Directors of NC Electric Company Limited dated July 15, 2019 (**Annex A**).
3. Affidavit dated July 16, 2019 (**Annex B**).
4. Text of the Proposed Modification (**Annex C**).
5. Statement of reasons in support of the proposed modification (**Annex D**).
6. Statement of the impact on the Tariff, Quality of Services and the Performance by the Licensee of its obligations under the Generation License (**Annex E**).

SCHEDULE-I

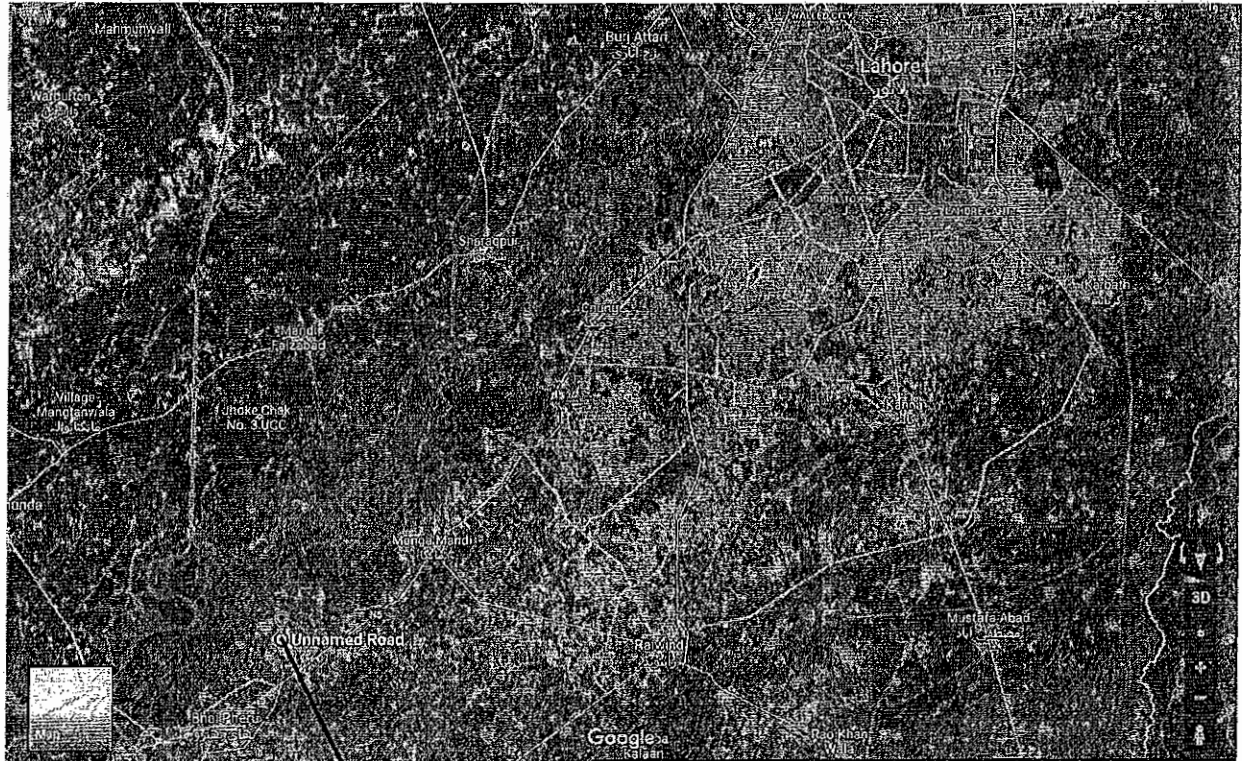
The Location, Size (i.e. Capacity in MW), Type of Technology, Interconnection Arrangements, Technical Limits, Technical/Functional Specifications and other details specific to the Generation Facility of the Licensee are described in this Schedule



Location of the Generation Facility/Power Plant of the Licensee/NCECL
on Map of Pakistan



**Location of the Generation Facility/Power Plant of the Licensee/NCECL
on the Map of Punjab**



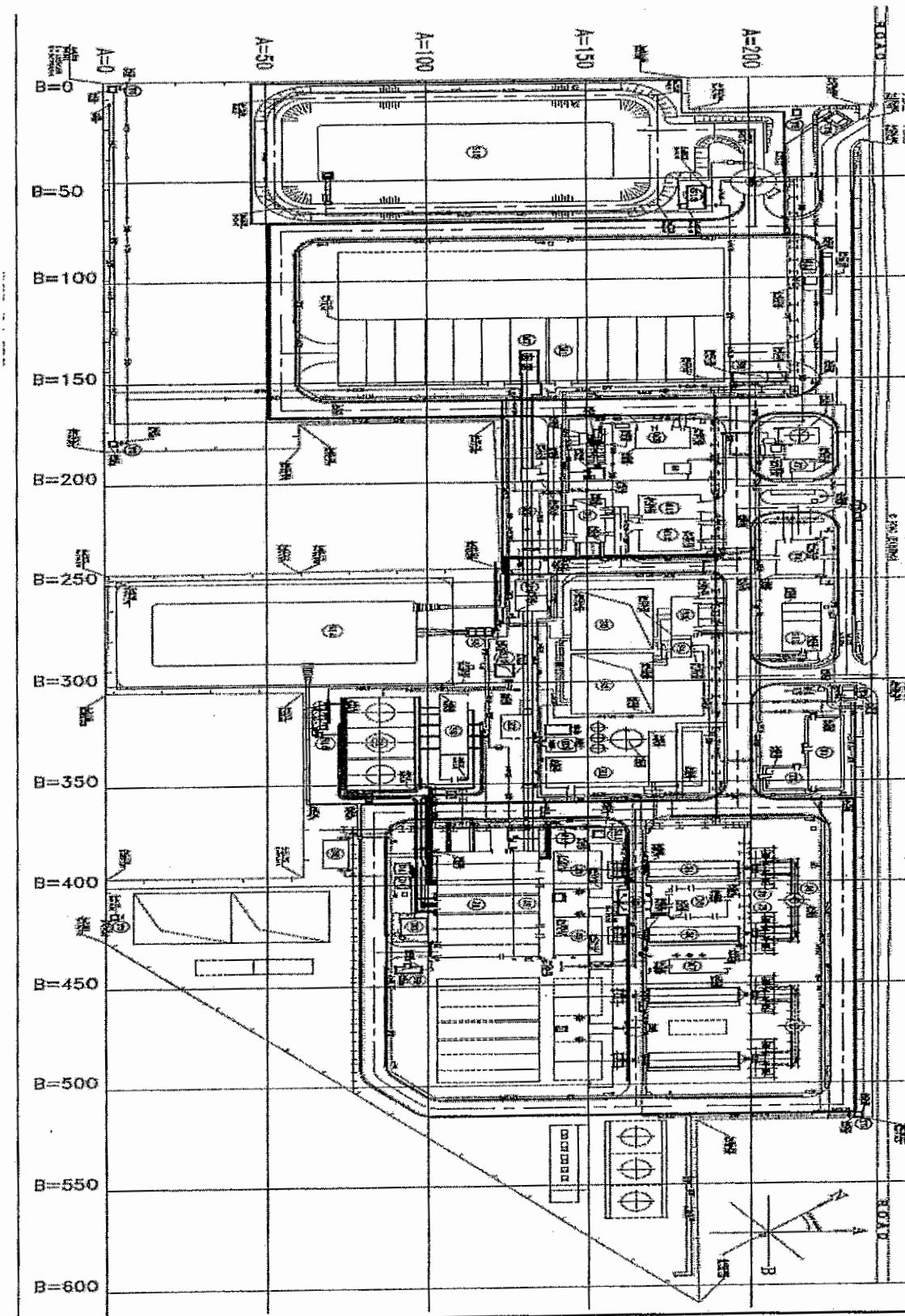
NC Electric Company Limited



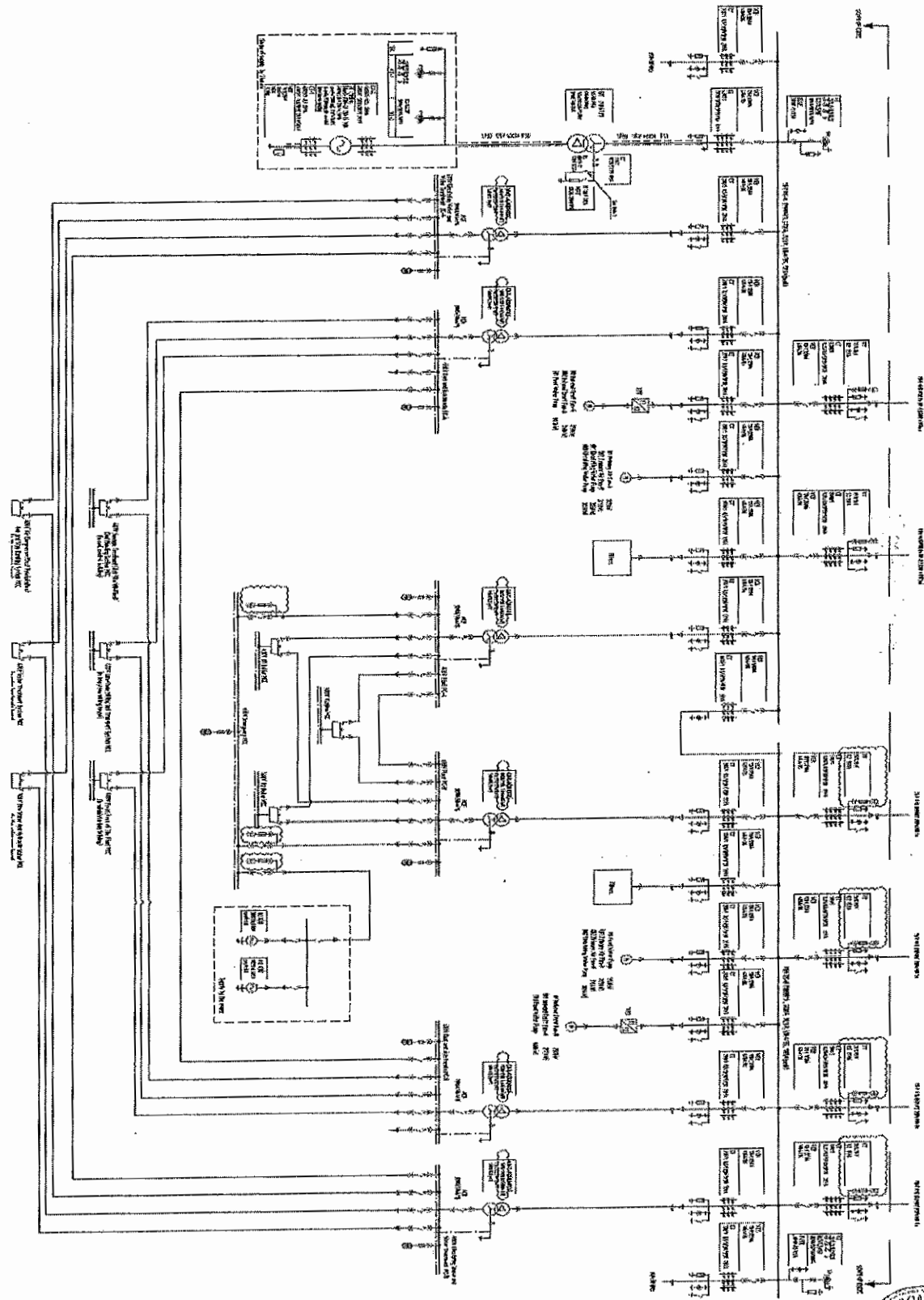
Location of the Generation Facility/Co-Generation Power Plant



Layout of the Generation Facility/Co-Generation Power Plant



Single line of the Generation Facility/Co-Generation Power Plant



**Interconnection Facilities/
Transmission Arrangements for Dispersal of Power from the
Generation Facility/Co-Generation Power Plant**

The electric power from the Imported/Indigenous Coal based generation facility/power plant of the Licensee/NC Electric Company Limited (NCECL) will be supplied to different Bulk Power Consumers (BPCs).

(2). The Interconnection Facilities (IF)/Transmission Arrangements (TA) for supplying to BPCs from the above mentioned generation facility shall be at 11 kV level as described in the subsequent details given in this Schedule.



Detail of Generation Facility/Co-Generation Power Plant

(A). General Information

(i).	Name of the Company/ Licensee	NC Electric Company Limited
(ii).	Registered /Business Office the Company/ Licensee	31-Q, Gulberg II, Lahore
(iii).	Location of the Generation Facility/ Co-Generation Power Plant	49-KM Lahore-Multan Road, Moza Gagga Phoolnagar, Tehsil Pattoki, District Kasur in the Province of Punjab
(iv).	Type of the Generation Facility/ Co-Generation Power Plant	Thermal Generation Facility

(B). Plant Configuration

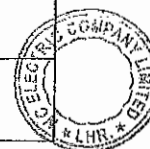
(i).	Installed Capacity/ Size of the Generation Facility/Co-Generation Power Plant	46.00 MW	
(ii).	Type of Technology of the Generation Facility/ Co-Generation Power Plant	Circulating Fluidized Bed Boiler (Subcritical parameters) and Steam Turbine Thermal Generation Facility	
(iii).	Number of Units/Size (MW)	1 x 46.00 MW	
(iv).	Unit Make/Model & Year of Manufacture	Steam Turbine	Condensing cum extraction Steam Turbine Manufactured in Germany of Siemens AG, Germany.
		Boiler	Circulating Fluidized Bed (CFB) Boiler , with subcritical steam parameters, of Hangzhou Boiler Group Co. China.
(v).	COD of the Generation Facility/ Co-Generation Power Plant	May 15, 2016	



(vi).	Expected Useful Life of the Generation Facility/ Co-Generation Power Plant from COD	30 Years (Minimum)
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(C). Fuel/Raw Material Details

(i).	Primary Fuel	Imported Coal from Indonesia/South Africa etc.		
(ii).	Alternative Fuel	Imported + Local coal from Baluchistan etc. (Upto a Max. of 30 %)		
(iii).	Start-Up Fuel	Light DIESEL Oil (LDO)		
(iv).	Fuel Source for each of the above (i.e. Imported/ Indigenous)	The main fuel source is imported coal from South Africa/Indonesia and will be supplied to the site by various suppliers.		
(v).	Fuel Supplier for each of the above	Primary Fuel	Alternative Fuel	Start-Up Fuel
		Imported from Indonesia/ South Africa	Local coal suppliers	Any Oil Marketing Company including PSO, Shell or Total Etc.
(vi).	Supply Arrangement for each of the above	Primary Fuel	Alternative Fuel	Start-Up Fuel
		Approx. 178,000 MT per annum Required capacity to be supplied via trucks from port	Required capacity to be supplied from local mines	Approx. 40 m ³ per annum to be supplied from local suppliers
(vii).	No of Storage Bunkers/Tanks/ Open Yard	Primary Fuel	Alternative Fuel	Start-Up Fuel
		One coal stockyards at Site of the Generation Facility	Power Plant stockyard will be used	one LDO tank
(viii).	Storage Capacity of each Bunkers/Tanks/ Open Yard	Primary Fuel	Alternative Fuel	Start-Up Fuel
		Approx. 15,000 Tons	Approx. 15,000 Tons	50m ³
(ix).	Gross Storage	Primary Fuel	Alternative Fuel	Start-Up Fuel



		Approx. 20,000 Tons	Approx. 20,000 Tons	50m ³
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(D). **Emission Values**

		Primary Fuel	Alternative Fuel	Start-Up Fuel
(i).	SO _x (mg/Nm ³)	<300	<850	<850
(ii).	NO _x (mg/Nm ³)	<510	<635	<510
(iii).	CO ₂ %	14%	14.1%	-

(E). **Cooling System**

(i).	Cooling Water Source/Cycle	Underground through Bore Well Water Cycle/Close Cycle cooling system
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(F). **Plant Characteristics**

(i).	Generation Voltage	11 KV		
(ii).	Frequency	50Hz		
(iii).	Power Factor	0.8 (lagging) /0.95(leading)		
(iv).	Automatic Generation Control (AGC) (MW control is the general practice)	Yes		
(v).	Ramping Rate (MW/min)	Cold Start	Warm Start	Hot Start
		0.30MW/Min	0.40MW/Min	1.35MW/Min
(vi).	Time required to Synchronize to Grid (Hrs.)	0.5 Hours		



Information Pertaining to the Bulk Power Consumer (BPC) in the Name of the Licensee/NCECL

(i)	Name of BPCs	BPC-I	Nishat Chunian Limited (Zone-I)		
		BPC-II	Nishat Chunian Limited (Zone-II)		
		BPC-III	Abu Bakar Textile Mills Private Limited		
		BPC-IV	Marral Textile Mills Limited		
		BPC-V	Hussain Mills Limited		
		BPC-VI	Azam Textile Mills Limited		
		BPC-VII	Saaz	Gold	Industries (Private) Limited
		BPC-VIII	Popular	Food	Industries (Private) Limited
		BPC-IX	Saritow	Spinning	Mills Limited
		BPC-X	BBJ Pipe Industries (Private) Limited		
		BPC-XI	Millat Industries Product Ltd.		
		BPC-XII	Sky Textile Mills Limited		
		BPC-XIII	Ghani Auto Industries Ltd.		
		BPC-XIV	Liven Pharma (Pvt.) Ltd.		
		BPC-XV	Medi Gas Oxygn (Pvt.) Ltd		
		BPC-XVI	BBJ Steel Limited		
(ii).	Location of the consumer (distance and/or identity of premises).	49 KM, Multan Road, Near Bhai Pheru, Kasur.			
(iii).	Contracted Capacity and Load Factor of the Consumer.	Identity	Sanctioned Load	Load Factor	
		BPC-I	13.00 MW	0.85%-0.90%	
		BPC-II	14.70 MW	0.85%-0.90%	





		BPC-III	1.80 MW	0.80%- 0.85%
		BPC-IV	2.00 MW	0.80%- 0.85%
		BPC-V	0.20 MW	0.70%- 0.80%
		BPC-VI	0.10 MW	0.85%- 0.90%
		BPC-VII	0.30 MW	0.75%- 0.85%
		BPC-VIII	0.30 MW	0.80%- 0.90%
		BPC-IX	2.50 MW	0.80%- 0.90%
		BPC-X	1.10 MW	0.80%- 0.85%
		BPC-XI	0.50 MW	0.80%- 0.85%
		BPC-XII	1.50 MW	0.80%- 0.85%
		BPC-XIII	0.50 MW	0.80%- 0.85%
		BPC-XIV	1.00 MW	0.80%- 0.85%
		BPC-XV	0.50 MW	0.80%- 0.85%
		BPC-XVI	1.00 MW	0.80%- 0.85%
(iv).	Specify Whether			
	(a).	The consumer is an associate undertaking of the NCECL-If yes, specify percentage ownership of equity;	No	
	(b).	There are common directorships;	No	
	(c).	Either can exercise influence or control over the other.	No	



(v).	Specify Nature of Contractual Relationship.		
	(a).	Between the consumer and NCECL;	Firm supply of electric power on "mutually agreed rates".
	(b).	Consumer and host DISCO.	Not a consumer of LESCO
(vi).	Any other Network Information deemed relevant to disclosure to or consideration by the Authority.		NIL




**Information Pertaining to Distribution Network for Supply of Power to
 BPCs of the Licensee/NCECL**

(i).	No. of Feeder(s).	10			
(ii).	Length of Feeder.		Identity	Feeder No.	Feeder Length
			BPC-I	F-I-a)	1.90 KM
			BPC-II	F-II	0.80 KM
			BPC-III	F-IV-a)	0.50 KM
			BPC-IV	F-IV-b)	1.00 KM
			BPC-V	F-IV-c)	1.20 KM
			BPC-VI	F-III-a)	2.00 KM
			BPC-VII	F-I-b)	1.6 KM
			BPC-VIII	F-III-b)	2.15 KM
			BPC-IX	F-III-d)	2.00 KM
			BPC-X	F-III-c)	4.60 KM
			BPC-XI	F-V-a)	1.20 KM
			BPC-XII	F-V-b)	1.80 KM
			BPC-XIII	F-V-c)	2.50 KM
			BPC-XIV	F-IV-d)	1.00 KM
			BPC-XV	F-V-d)	1.50 KM
			BPC-XVI	F-III-c)	4.60 KM
(iii).	In respect of the Feeder(s), describe the property (streets, farms, Agriculture land etc.) through under or over which it passes right up to the premises of customers.	F-I	The feeder is located mostly on the private property. However, the Feeder crosses a Public Property.		
		F-II	The feeder is located on the private property owned by BPC itself		



	whether it crosses over or passes near the DISCO lines.		F-III	The feeder is located mostly on the private property. However, the Feeder crosses a Public Property.
			F-IV	The feeder is located on the private property owned by BPC itself
			F-V	The feeder is located mostly on the private property. However, the Feeder crosses a Public Property.
(iv).	Whether owned by NCECL Consumer or DISCO.			
	(a).	If owned by DISCO, please furnish particulars of contractual arrangement.	F-I	The complete Feeder will be constructed by the BPC itself. The portion of the feeder crossing the public property (i.e. crossing of the Road) will be handed over to LESCO either through sale or lease as decided mutually by the parties (i.e. BPC, NCECL and LESCO)
			F-II	Owned by BPC itself
			F-III	The complete Feeder will be constructed by the BPC itself. The portion of the feeder crossing the public property (i.e. crossing of the Road) will be handed over to LESCO either through sale or lease as decided mutually by the parties (i.e. BPC, NCECL and LESCO)
			F-IV	Owned by BPC itself
			F-V	The complete Feeder will be constructed by the BPC itself. The portion of the feeder crossing the public property (i.e. crossing of the Road) will be handed over to LESCO either through sale or lease as decided mutually by the parties (i.e. BPC, NCECL and LESCO)
	(b).	Operation and Maintenance responsibility of the Feeder.	F-I	The O&M of the Feeder will be done by BPC itself except the portion of crossing of the public property (i.e. Saran Road), whose O&M will be done either by BPC, NCECL or LESCO on mutually agreed terms and conditions.
			F-II	BPC itself
			F-III	The O&M of the Feeder will be done by BPC itself except the portion of crossing of the public property (i.e. Saran Road), whose O&M will be done either by BPC, NCECL or



				LESCO on mutually agreed terms and conditions.		
			F-IV	BPC itself		
			F-V	The O&M of the Feeder will be done by BPC itself except the portion of crossing of the public property, whose O&M will be done either by BPC, NCECL or LESCO on mutually agreed terms and conditions.		
(v).	Whether connection with network of DISCO exists (whether active or not), if yes, provide details of connection arrangements (both technical and contractual).		BPC	Name of BPC	LESCO Tariff Category	
			BPC-I	Nishat Chunian Limited (Zone-I)	B-3	
			BPC-II	Nishat Chunian Limited (Zone-II)	B-4	
			BPC-III	Abu Bakar Textile Mills (Private) Limited	B-3	
			BPC-IV	Marral Textile Mills Limited	B-3	
			BPC-V	Hussain Mills Limited	B-3	
			BPC-VI	Azam Textile Mills Limited	B-3	
			BPC-VII	Saaz Gold Industries (Private) Limited	B-2(b)	

		BPC-VIII	Popular Food Industries (Private) Limited	B-2(b)
		BPC-IX	Saritow Spinning Mills Limited	B-3
		BPC-X	BBJ Pipe Industries (Private) Limited	B-2(b)
		BPC-XI	Millat Industries Product Ltd.	B-2(b)
		BPC-XII	Sky Textile Mills Limited	
		BPC-XIII	Ghani Auto Industries Ltd.	B-2(b)
		BPC-XIV	Liven Pharma (Pvt.) Ltd.	B-2
		BPC-XV	Medi Gas Oxygn (Pvt.) Ltd	B-3
		BPC-XVI	BBJ Steel Limited	Not a customer of LESCO



(vi).	Any other network information deemed relevant for disclosure to or consideration by the Authority.	N/A
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ANNEX "A"

**EXTRACT OF THE RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS
OF NC ELECTRIC COMPANY LIMITED IN THE MEETING HELD AT THE
REGISTERED OFFICE OF THE COMPANY ON July 15, 2019**

RESOLVED, that the Company may file an 'Application for Licensee Proposed Modification in the Generation License' No. SGC/115/2016 granted to the Company by NEPRA on 14 April 2016.

FURTHER RESOLVED, that Mr. Babar Ali Khan - CFO, is authorized to sign the necessary documentation, pay the necessary filing fees, appear before the Authority as needed, and do all acts necessary or incidental for completion and/or processing of the 'Application for Licensee Proposed Modification in the Generation License'.

Certified that the above resolution: (i) was duly passed on July 15, 2019 at 31-Q Gulberg II, Lahore in a meeting of the Board of Directors of NC Electric Company Limited at which a quorum of directors was present; and (ii) has not been rescinded and is in operation and that this is a true copy of the extract of the said resolution.

Signature


Company Secretary





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ANNEX "C"

TEXT OF THE PROPOSED MODIFICATION

1. The following changes should kindly be made in the license:
 - a) In Schedule - I under the heading "Information Pertaining to the Bulk Power Consumer" in sub-clause (i) the total number of BPCs should be changed from Fifteen (15) to [sixteen 16].
 - b) In Schedule - I under the heading "Information Pertaining to the Bulk Power Consumer" in sub-clause (ii) the following should be added to the list of names of BPCs: BBJ Steel Limited, as BPC XVI.
 - c) In Schedule - I under the heading "Information Pertaining to the Bulk Power Consumer" in sub-clause (iii) BPC XVI should be added to location of each BPC.
 - d) In Schedule - I under the heading "Information Pertaining to the Bulk Power Consumer" in sub-clause (iv) in the column identity, BPC XVI should be added, under the column contracted load 2.1 MW should be replaced with 1.1 MW for BPC X and 1 MW should be added for BPC XVI. Under the column load factor 0.80%-0.85% should be added for BPC XVI.
2. Kindly note that the remaining content of the Generation License regarding the Bulk Power Consumers of the Project, in particular the Authorisation as produced in Schedule-II, may also be changed/modified to reflect the Proposed Modification.
3. An amended Schedule - I with the changes as mentioned in the above paras 1 and 2 is attached herewith.





ANNEX "D"

STATEMENT OF REASONS IN SUPPORT OF THE PROPOSED MODIFICATION

The Project has started commercial operations and is currently dispersing power in accordance with the Schedule I and Authorisation, as produced in the Generation License.

Kindly note that the Proposed Modification shall be in public interest as it will enable the Company to supply the excess/surplus power generation of the Project to 1 more entity, being 1 MW for the term of the Generation Licence, which shall result in a more resourceful Project and the BPCs shall benefit from a continuous supply of electricity to run their businesses swiftly and produce goods and materials which carry economic value. Please also note that the Proposed Modification is in compliance with the applicable laws, in particular Regulation 10(5) of the Regulations and:

- (a) does not adversely affect the performance by the Company of its obligations;
- (b) does not cause the Authority to act or acquiesce in any act or omission of the licensee in a manner contrary to the provisions of the NEPRA Act or the rules or regulations made pursuant to the NEPRA Act;
- (c) is or is likely to be beneficial to the consumers;
- (d) is reasonably necessary for the licensee to effectively and efficiently perform its obligations under the Generation License; and
- (e) is reasonably necessary to ensure the continuous, safe and reliable supply of electric power to the consumers keeping in view the financial and technical viability of the Company.

The NEPRA Act provides that "*in performing its functions under this Act, the Authority shall, as far as practicable, protect the interests of consumers and companies providing electric power services in accordance with guidelines, not inconsistent with the provisions of this Act, laid down by the Federal Government*"¹; whereas in relation to organisational matters, it provides that "*.....the Authority may in the public interest, with or without modifications, approve the following activities by a licensee for generation, transmission and distribution, namely:- (b) the expansion of a licensee's business activities.....*"²

The lenders, usually the most conservative stakeholders, have also appreciated this initiative/Proposed Modification, and in view of the on-going energy crisis in the country, the Company believes that proceeding with the Proposed Modification will not be against public interest, and shall prove mutually beneficial for all stakeholders, including the consumers who will benefit from power generated from a more resourceful Project.

¹ Section 7(6) of the NEPRA Act, 1997

² Section 33(b) of the NEPRA Act, 1997





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ANNEX "E"

**STATEMENT OF THE IMPACT ON THE TARIFF, QUALITY OF SERVICE AND THE PERFORMANCE
BY THE LICENSEE/COMPANY AND ITS OBLIGATIONS UNDER THE GENERATION LICENSE**

Impact on Tariff: As the learned Authority would appreciate, the proposed modification will not impact the tariff in any manner rather by selling the excess capacity, the licensee will be able to run its plant at full capacity, resulting in lower fixed costs per unit.

Impact on Quality of Service and the Performance by the Company/Licensee: The Company certifies that quality of service and the performance by the Company under the Generation License shall not be affected on acceptance by NEPRA of the 'Application for the Licensee Proposed Modification of the Generation License'.

Impact on obligations: In addition to supplying power to its existing Bulk Power Consumers (as set out in the Generation License), the Company shall be supplying surplus power to 1 more entity. Since the power that is intended to be supplied to 1 more entity shall be the 'surplus' power (i.e. in relation to which NCECL has no commitment towards the existing Bulk Power Consumers), therefore the existing Bulk Power Consumers shall not be adversely affected by the Proposed Modification.

PRAYER

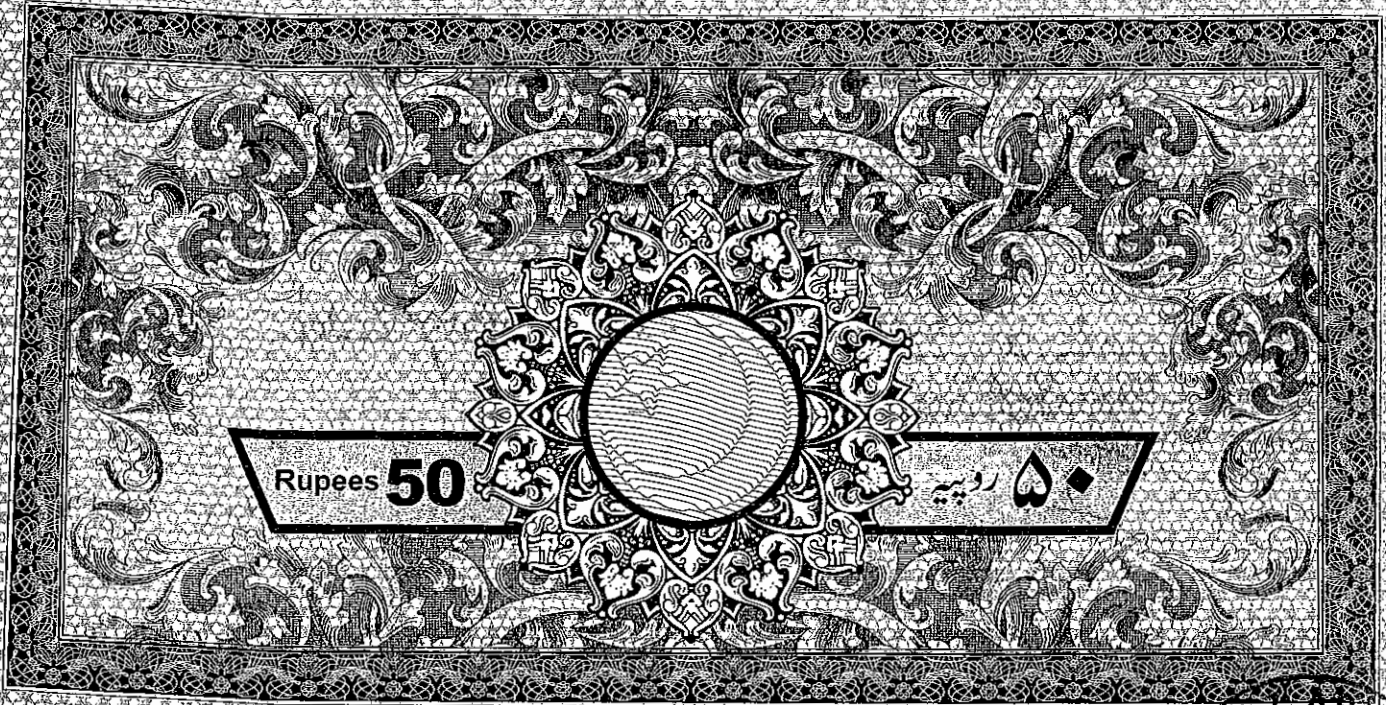
In light of the aforesaid, it is respectfully prayed that the Application for Licensee Proposed Modification to the Generation Licence of NCECL may kindly be allowed by the Authority.

We remain available to assist the Authority in further queries/clarifications.

Yours Sincerely,



For and on behalf of NC Electric Company Limited



ANNEX "B"

**BEFORE THE NATIONAL ELECTRIC
POWER REGULATORY AUTHORITY**

AFFIDAVIT

I, Babar Ali Khan, CFO of NC Electric Company Limited, being the duly authorized representative of NC Electric Company Limited, hereby solemnly affirm and declare that the contents of the accompanying 'Application for Licensee Proposed Modification of the Generation License' dated 16-07-2017 including all supporting documents are true and correct to the best of my knowledge and belief and that nothing has been concealed.

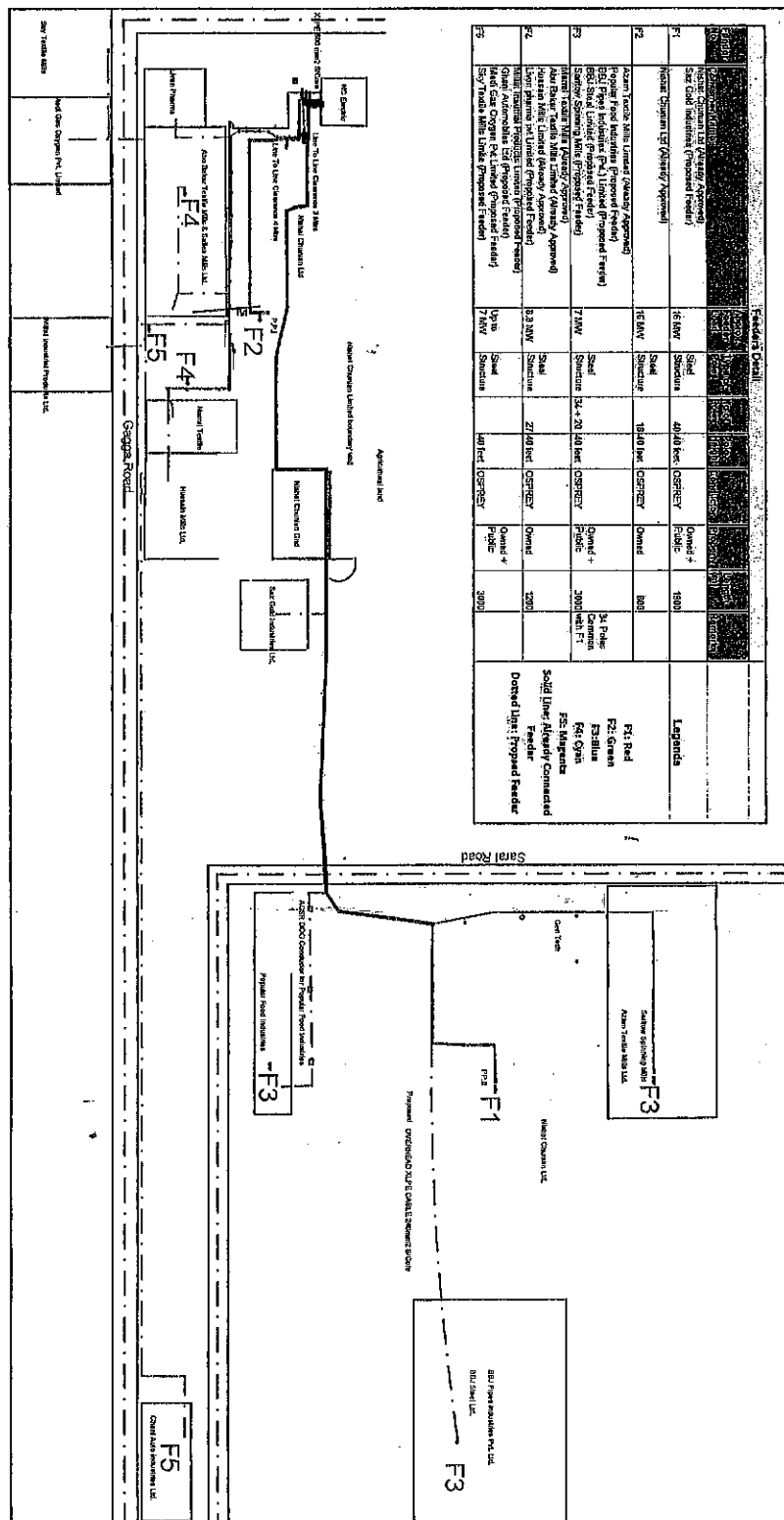


I also affirm that all further documentation and information to be provided by me in connection with the accompanying application shall be true to the best of my knowledge and belief.



DEPONENT
Babar Ali Khan - CFO

NCECL Distribution Network



Multan Road