



**Central Power Purchasing Agency Guarantee Limited**

A Company of Government of Pakistan



No. CPPA/CEO/2021/ 8201

Date: 17-02-2021

THE REGISTRAR,  
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY  
NEPRA Tower Attaturk Avenue (East),  
— G-5/1, Islamabad.

Subject: Application for Adjustment in Components of Tariff pursuant to Agreements entered between Power Purchaser and Independent Power Producers (IPPs).

I, Waseem Mukhtar, the Chief Executive Officer of the Central Power Purchasing Agency (Guarantee) Limited, hereby apply to the National Electric Power Regulatory Authority as per the terms of the attached tariff adjustment, pursuant to the authorization of the Board of Central Power Purchasing Agency agreements entered between Power Purchaser and IPPs which were approved by Cabinet Committee on Energy and Economic Coordination Committee on 08<sup>th</sup> February, 2021 and ratified by Cabinet on 09<sup>th</sup> February, 2021 vide its case no 136/06/2021. The application and agreements are attached (Annex-I).

I certify that the documents-in-support attached with this application are prepared and submitted in conformity with the provisions of the tariff adjustment and the understanding of the Committee and IPPs. I further undertake and confirm that the information provided in the attached documents-in-support is true and correct to the best of my knowledge and belief.

The applicable fee for this Application, as determined by the Authority, is enclosed herewith.

The Applicant will be pleased to provide any further information, clarification or explanation that resides within his purview and may be required by the Authority in this regard during its evaluation of the attached tariff adjustment application.

Yours sincerely,  
For and on behalf of  
CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

Waseem Mukhtar, Chief Executive Officer

FW w/c M.  
- ADG CEF,  
- MW  
17/2/21  
Chairman  
- VC (MCE)

**Sr. No.      IPP Name**

- 1 Atlas Power Limited
- 2 Attock Gen Limited
- 3 Engro PowerGen QadirPur Limited
- 4 Foundation Power Company (Daharki) Limited
- 5 Halmore Power Generation Company Limited
- 6 Liberty Power tech Limited
- 7 Narowal Energy Limited
- 8 Nishat Chunian Limited
- 9 Nishat Power Limited
- 10 Orient Power Company Limited
- 11 Saif Power Limited
- 12 Sapphire Electric Power Limited

BEFORE  
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

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APPLICATION FOR ADJUSTMENT OF TARIFF

APPLICANT: CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED  
IN RESPECT OF 213.856 MW PROJECT OF ATLAS POWER LIMITED

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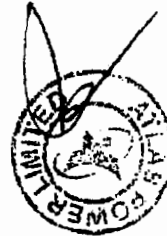
DATED: FEBRUARY 11, 2021

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For information, & n.a. Please

- ADGCT  
• SA (Tariff)  
Copy to:  
• DG (M&E)  
• M/E

CC: Chairman  
• M (Tariff)



W

12/2/21

Robert Wilson among others

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3. Statement of Compliance
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5. Determination Sought

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### ANNEXES

- Annex 1: Resolution of Board of Directors of CPPA-G  
Annex 2: Affidavit



A handwritten signature in dark ink, appearing to be 'W. S. L.' or similar, written in a cursive style.

**Tariff Adjustment Application**  
**In respect of Atlas Power Limited**

**Application**

The Applicant is hereby filing this Tariff Adjustment Application ("Application") to the National Electric Power Regulatory Authority ("Authority") for adjustment in Return on Equity (ROE) and Return on Equity During Construction (ROEDC) components allowed by NEPRA in the tariff of the Atlas Power Limited ("Company") through the Authority's determination bearing No. NEPRA/R/TRF-68/APL-2007/3394-3396, dated May 19, 2010.

**Generation License**

The Authority granted the Company a Generation License bearing No. IGSPL/10/2007 for a term of 25 years on May 07, 2007.

**PPA and Tariff**

A Power Purchase Agreement was executed by and between the Company and National Transmission and Despatch Company Limited on Sep 6, 2007 in respect of the Project and novated to the Applicant *vide* novation agreement dated February 11, 2021 ("PPA"). The learned Authority determined the Reference Tariff dated No. NEPRA/R/TRF-68/APL-2007/1336-38 dated Mar 06, 2007, as trued up through order no NEPRA/R/TRF-68/APL-2007/3394-3396 dated May 19, 2010 (collectively referenced as "Tariff") of the Company.

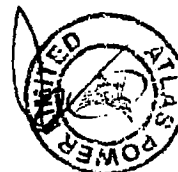
**Grounds**

This Application is based on facts, circumstances and grounds as elaborated in Section 2 hereunder.

**Determination Sought**

It is humbly prayed that the Authority:

- (a) Accept this Application;
- (b) Adjust the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant, in clause 7.1 of the Master Agreement;
- (c) Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components; and
- (d) Approve the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.



USE

The Applicant will be pleased to provide any further information, clarification, or explanation as may be required by the Authority during its evaluation of the attached tariff adjustment.

Yours sincerely,  
For and on behalf of  
Central Power Purchasing Agency (Guarantee) Limited

\_\_\_\_\_  
WASEEM MUKHTAR, Chief Executive Officer



## Section 1 - Tariff Adjustment Summary

### A. Particulars of the Applicant

Name: Central Power Purchasing Agency (Guarantee) Limited (the "Applicant").  
Address: Shaheen Plaza, 73 West, Fazal-e-Haq Road, Blue Area, Islamabad, Pakistan.  
Phone: 051-111-922-772  
E-mail: info@cpga.gov.pk

### B. Authorizations

This Application is being filed and submitted before the Authority by Mr. Waseem Mukhtar, Chief Executive Officer of the Applicant, being the duly authorized representative of the Applicant by virtue of board resolution dated February 10, 2021 appended herewith as Annex 1.

### C. Applicant's Representatives

Mr. Waseem Mukhtar, CEO of the Applicant (*Authorized Representative*).

### D. Processing Fee

The applicable fee for this Application, as determined by the Authority, is enclosed herewith.

### E. Verification Through Affidavit

As required under the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (the "Rules"), an affidavit verifying the statement of fact or opinion made by the Applicant in this Application is enclosed herewith as Annex 2.

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## Section 2 - Grounds for Tariff Adjustments

### 2. Grounds

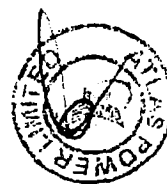
- 2.1 The Company and the Applicant have entered into the Master Agreement, appended herewith as the Schedule.

Pursuant to Clause 7.1 of the Master Agreement, the Applicant and the Company have agreed to adjust the RoE and RoEDC Components of Tariff as per the following terms and conditions:

- (a) **For local equity**  
17% per annum each for the RoE and RoEDC Components of the Tariff ("Revised RoE and RoEDC") based on the Authority approved equity in USD for calculation of the RoE and RoEDC at the Commercial Operations Date calculated at the PKR/USD exchange rate of PKR 148/USD 1, with no future USD indexation.
- The Revised Local ROE and ROEDC components shall be effective on the date when last installment under the Payment Mechanism (i.e. Annex A of the Master Agreement) has been paid to the Company as agreed in clause 2.2 and clause 2.3 of the Master Agreement and the applicable exchange rate under the present Tariff reaches PKR 168/USD 1. Thereafter from the effective date, the revised ROE and ROEDC shall be applied for the remainder term of the PPA as per clause 7.1 (b) of the Master Agreement
- (b) **Provided that** till the effective date of the revised ROE and ROEDC components, NEPRA shall continue to index ROE and ROEDC with USD as per COD tariff.

Accordingly, Pass-through Withholding Tax on Dividend to be calculated in accordance with the adjusted ROE and ROEDC components.

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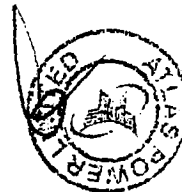


### SECTION 3 - STATEMENT OF COMPLIANCE

#### 3. Statutory Compliance

- 3.1 Under Section 7 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (as amended from time to time, the "NEPRA Act"), the Authority is mandated to determine tariffs and other terms and conditions for the supply of electric power services by the generation, transmission and distribution companies. The Authority is also responsible for determining the process and procedures for reviewing tariffs, recommending tariff adjustments, and revision thereof.
- 3.2 Under Rule 6 of the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 (the "Generation Rules"), the licensee can charge only such tariff for provision of electric power as approved by the Authority for the Company. Accordingly, on filing petitions by the Company for the determination of its tariff for sale of its generated electricity, the Authority has determined the Reference Tariff and Commercial Operations Date Tariff, as discussed above.
- 3.3 This Application is being filed as a motion for leave for review before the Authority pursuant to Rule 16(6) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (including all amendments thereto) (the "Rules"), read together with Regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009 (the "Regulations") and Section 31 of the NEPRA Act.
- 3.4 Pursuant to Section 3(2) of the Rules, "Any licensee, consumer or person interested in the tariff may file a petition with the Authority by filing it with the Registrar along with such fees as may be determined by the Authority from time to time...." The Applicant, having executed the PPA with the Company and as a person interested in the tariff, is therefore entitled to file this Petition in accordance with the Rules.
- 3.5 It is submitted that the facts and circumstances along with the grounds set out below constitute "**sufficient reasons**" for the Authority to grant the instant Application under Regulation 3(2) of Regulations. Furthermore, we request the Authority to relax the condition pertaining to time limitation for the motion for leave for review for the instant Application under Rule 16(10) of the Rules and Regulation 3(3) of the Regulations.

USE



#### Section 4 - Proposed Tariff

Following is the proposed tariff:

Tariff Component	Proposed Tariff (Rs./kW/h)	*Indexation
Return on Equity (Local)	0.8575	No Indexation
Return on Equity During Construction (Local)	0.0889	No Indexation

*\*the proposed tariff shall be effective only when exchange rate reaches Rs.168/USD and shall remain constant throughout the remaining Term, as per Section 2.1 above.*

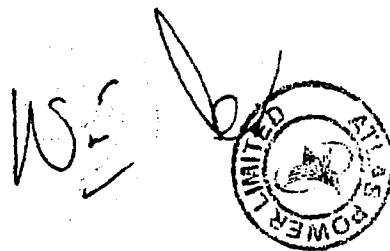


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## Section 5 - Determination Sought

In light of the foregoing submissions, the learned Authority is kindly requested to:

- (a) Accept this Application;
- (b) Adjust the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant, in clause 7.1 of the Master Agreement;
- (c) Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components; and
- (d) Approve the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.



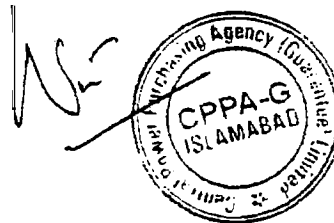
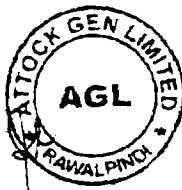
BEFORE  
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

APPLICATION FOR ADJUSTMENT OF TARIFF

APPLICANT: CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

IN RESPECT OF 156.181 MW PROJECT OF ATTOCK GEN LIMITED

DATED: FEBRUARY 11, 2021



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### SCHEDULE

Master Agreement dated February 11, 2021 (the "Master Agreement")

### ANNEXES

- Annex 1: Resolution of Board of Directors of CPPA-G  
Annex 2: Affidavit



## TARIFF ADJUSTMENT APPLICATION

IN RESPECT OF ATTOCK GEN LIMITED

### Application

The Applicant is hereby filing this Tariff Adjustment Application ("Application") to the National Electric Power Regulatory Authority ("Authority") for adjustment in Return on Equity (ROE) and Return on Equity During Construction (ROEDC) components allowed by NEPRA in the tariff of Attock Gen Limited ("Company") through the Authority's determination bearing No. NEPRA/Tariff-55/AGL-2006/7167-7169 dated July 30, 2009 as amended vide determination bearing No. NEPRA/R/TRF-55//AGL-2006/3614-16 dated May 24, 2010.

### Generation License

The Authority granted the Company a Generation License bearing No. IGSPL/08/2006 for a term of 25 years on September 06, 2006.

### PPA and Tariff

A Power Purchase Agreement was executed by and between the Company and the National Transmission and Despatch Company Limited on September 01, 2007 in respect of the Project and was novated to the Applicant *vide* the novation agreement dated February 11, 2021 ("PPA"). The learned Authority determined the Reference Tariff dated September 04, 2006 and Commercial Operations Date Tariff dated July 30, 2009 and corrigendum of the Commercial Operations Date Tariff dated November 23, 2009, as amended vide determination bearing No. NEPRA/R/TRF-55//AGL-2006/3614-16 dated May 24, 2010. (collectively referred to as the "Tariff") of the Company.

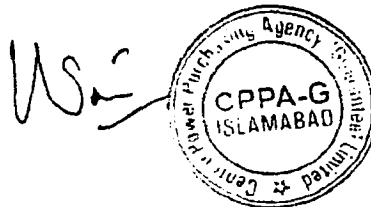
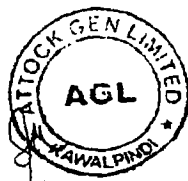
### Grounds

This Application is based on the facts, circumstances and grounds as elaborated in Section 2 hereunder.

### Determination Sought

It is humbly prayed that the Authority:

- (a) Accept this Application;
- (b) Adjust the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant in clause 7.1 of the Master Agreement; and
- (c) Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components.
- (d) Approve the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.



The Applicant will be pleased to provide any further information, clarification or explanation as may be required by the Authority during its evaluation of the attached tariff adjustment.

Yours sincerely,

For and on behalf of

THE CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

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WASEEM MUKHTAR, CHIEF EXECUTIVE OFFICER



## SECTION 1 - TARIFF ADJUSTMENT SUMMARY

### A. Particulars of the Applicant

**Name:** Central Power Purchasing Agency (Guarantee) Limited (the "Applicant").  
**Address:** Shaheen Plaza, 73 West, Nazal-e-Haq Road, Blue Area, Islamabad, Pakistan.  
**Phone:** 051-111-922-772  
**E-mail:** info@cpga.gov.pk

### B. Authorizations

This Application is being filed and submitted before the Authority by Mr. Waseem Mukhtar, Chief Executive Officer of the Applicant, being the duly authorized representative of the Applicant by virtue of board resolution dated February 10, 2021 appended herewith as Annex 1.

### C. Applicant's Representatives

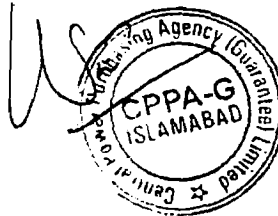
Mr. Waseem Mukhtar, CEO of the Applicant (*Authorized Representative*).

### D. Processing Fee

The applicable fee for this Application, as determined by the Authority, is enclosed herewith.

### E. Verification Through Affidavit

As required under the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (the "Rules"), an affidavit verifying the statements of fact or opinion made by the Applicant in this Application is enclosed herewith as Annex 2.





## SECTION 2 - GROUNDS FOR TARIFF ADJUSTMENTS

### 2. Grounds

- 2.1 The Company and the Applicant have entered into the Master Agreement, appended herewith as the Schedule.

Pursuant to Clause 7.1 of the Master Agreement, the Applicant and the Company have agreed to adjust the RoE and RoEDC Components of Tariff as per the following terms and conditions:

- (a) **For foreign equity**  
12% per annum each for the RoE and RoEDC Components of the Tariff, based on the Authority approved equity for the calculation of the RoE and RoEDC at the Commercial Operations Date with USD indexation as per the Tariff at the Commercial Operations Date for the portion of the foreign equity investment registered with the State Bank of Pakistan.

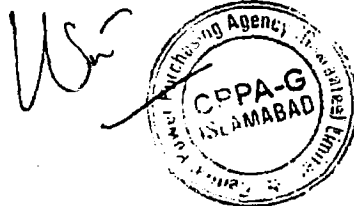
The Revised Foreign ROE and ROEDC components shall be effective on the date when last installment under the Payment Mechanism (i.e. Annex A of the Master Agreement) has been paid to the Company as agreed in clause 2.2 and clause 2.3 of the Master Agreement.

- (b) **For local equity**  
17% per annum each for the RoE and RoEDC Components of the Tariff ("Revised RoE and RoEDC") based on the Authority approved equity in USD for calculation of the RoE and RoEDC at the Commercial Operations Date calculated at the PKR/USD exchange rate of PKR 148/USD 1, with no future USD indexation.

The Revised Local ROE and ROEDC components shall be effective on the date when last installment under the Payment Mechanism (i.e. Annex A of the Master Agreement) has been paid to the Company as agreed in clause 2.2 and clause 2.3 of the Master Agreement and the applicable exchange rate under the present Tariff reaches PKR 168/USD 1. Thereafter from the effective date, the revised ROE and ROEDC shall be applied for the remainder term of the PPA as per clause 7.1 (b) of the Master Agreement

- (c) **provided that till the effective date of the revised ROE and ROEDC components, NEPRA shall continue to index ROE and ROEDC with USD as per COD tariff.**

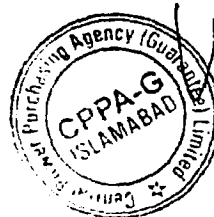
Accordingly, Pass-through Withholding Tax on Dividend to be calculated in accordance with the adjusted ROE and ROEDC components.



### SECTION 3 - STATEMENT OF COMPLIANCE

#### 3. Statutory Compliance

- 3.1 Under Section 7 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (as amended from time to time, the "NEPRA Act"), the Authority is mandated to determine tariffs and other terms and conditions for the supply of electric power services by the generation, transmission and distribution companies. The Authority is also responsible for determining the process and procedures for reviewing tariffs, recommending tariff adjustments, and revision thereof.
- 3.2 Under Rule 6 of the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 (the "Generation Rules"), the licensee can charge only such tariff for provision of electric power as approved by the Authority for the Company. Accordingly, on filing petitions by the Company for the determination of its tariff for sale of its generated electricity, the Authority has determined the Reference Tariff and Commercial Operations Date Tariff, as discussed above.
- 3.3 This Application is being filed as a motion for leave for review before the Authority pursuant to Rule 16(6) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (including all amendments thereto) (the "Rules"), read together with Regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009 (the "Regulations") and Section 31 of the NEPRA Act.
- 3.4 Pursuant to Section 3(2) of the Rules, "Any licensee, consumer or person interested in the tariff may file a petition with the Authority by filing it with the Registrar along with such fees as may be determined by the Authority from time to time...." The Applicant, having executed the PPA with the Company and as a person interested in the tariff, is therefore entitled to file this Petition in accordance with the Rules.
- 3.5 It is submitted that the facts and circumstances along with the grounds set out below constitute "sufficient reasons" for the Authority to grant the instant Application under Regulation 3(2) of Regulations. Furthermore, we request the Authority to relax the condition pertaining to time limitation for the motion for leave for review for the instant Application under Rule 16(10) of the Rules and Regulation 3(3) of the Regulations.



#### SECTION 4 - PROPOSED TARIFF

Following is the proposed tariff:

Tariff Component	Proposed Tariff (Rs./kW/h)	
	Local**	Foreign*
Return on Equity	0.2546	0.1813
Return on Equity During Construction	0.0360	0.0291
Indexation	No Indexation***	PKR/USD

\* These tariff components are computed on the Reference exchange rate i.e. PKR 80.4/USD and shall be effective only when the 2<sup>nd</sup> installment under the Master Agreement is paid to Company. The revised components shall be computed as per mechanism agreed above.

\*\* the proposed tariff shall be effective only when exchange rate reaches Rs. 168/USD, the 2<sup>nd</sup> installment under the Master Agreement is paid to Company and shall remain constant throughout the remaining Term, as per Section 2.1 above.

\*\*\* Indexation shall continue to apply on ROE (Local) and ROEDC (Local), till it is effective as explained above, based on 35% local equity out of reference ROE and ROEDC components determined at COD. For this purpose, Reference ROE (Local) and ROEDC (Local) shall be Rs. 0.1221/kW/h and Rs.0.0180/kW/h respectively with Reference Exchange Rate of Rs. 80.4/USD for Indexation purpose.



## SECTION 5 - DETERMINATION SOUGHT

In light of the foregoing submissions, the learned Authority is kindly requested to:

- (a) Accept this Application;
- (b) Adjust the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant, in clause 7.1 of the Master Agreement; and
- (c) Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components.
- (d) Approve the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.



BEFORE  
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

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APPLICATION FOR ADJUSTMENT OF TARIFF

APPLICANT: CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED  
IN RESPECT OF 216.8 MW PROJECT OF ENGRO POWERGEN QADIRPUR LIMITED

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DATED: FEBRUARY 11, 2021

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Master Agreement dated February 11, 2021 (the "Master Agreement")

### ANNEXES

- Annex 1: Resolution of Board of Directors of CPPA-G  
Annex 2: Affidavit

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## Tariff Adjustment Application

In respect of Engro Powergen Qadirpur Limited

### Application

The Applicant is hereby filing this Tariff Adjustment Application ("Application") to the National Electric Power Regulatory Authority ("Authority") for adjustment in Return on Equity (ROE) and Return on Equity During Construction (ROEDC) components allowed by NEPRA in the tariff of Engro Powergen Qadirpur Limited ("Company") through the Authority's determination bearing No. NEPRA/TRF-72/EEL-2007/2226-2228.

### Generation License

The Authority granted the Company a Generation License bearing No. IGSPL/13/2007 dated 26<sup>th</sup> July 2007.

### PPA and Tariff

A Power Purchase Agreement was executed by and between the Company and National Transmission and Despatch Company Limited on 26<sup>th</sup> October 2007 in respect of the Project and novated to the Applicant *vide* novation agreement dated 11<sup>th</sup> February 2021 ("PPA"). The learned Authority determined the Reference Tariff No. NEPRA/R/TRF-72/EEPL-2007/3062-64 dated July 19, 2007 and Commercial Operations Date Tariff dated April 01, 2011. (collectively referenced as "Tariff") of the Company.

### Grounds

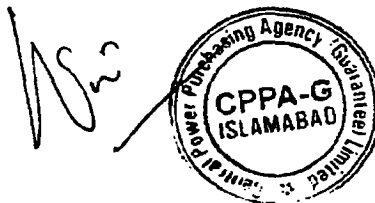
This Application is based on facts, circumstances and grounds as elaborated in Section 2 hereunder.

### Determination Sought

It is humbly prayed that the Authority:

- (a) Accept this Application;
- (b) Adjust the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant in clause 6.1 of the Master Agreement;
- (c) Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components; and
- (d) Approve the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.

SQ



The Applicant will be pleased to provide any further information, clarification or explanation as may be required by the Authority during its evaluation of the attached tariff adjustment.

Yours sincerely,  
For and on behalf of  
Central Power Purchasing Agency (Guarantee) Limited

Waseem Mukhtar, Chief Executive Officer

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## Section 1 - Summary of Particulars

### A. Particulars of the Applicant

Name: Central Power Purchasing Agency (Guarantee) Limited (the "Applicant").  
Address: Shaheen Plaza, 73 West, Fazal-e-Haq Road, Blue Area, Islamabad, Pakistan.  
Phone: 051-111-922-772  
E-mail: info@cpga.gov.pk

### B. Authorizations

This Application is being filed and submitted before the Authority by Mr. Waseem Mukhtar, Chief Executive Officer of the Applicant, being the duly authorized representative of the Applicant by virtue of board resolution dated February 10, 2021 appended herewith as Annex 1.

### C. Applicant's Representatives

Mr. Waseem Mukhtar, CEO of the Applicant (*Authorized Representative*).

### D. Processing Fee

The applicable fee for this Application, as determined by the Authority, is enclosed herewith.

### E. Verification Through Affidavit

As required under the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (the "Rules"), an affidavit verifying the statement of fact or opinion made by the Applicant in this Application is enclosed herewith as Annex 2.

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## Section 2 - Grounds for Tariff Adjustments

### 2. Grounds

- 2.1 The Company and the Applicant have entered into the Master Agreement, appended herewith as the Schedule.

Pursuant to Clause 6.1 of the Master Agreement, the Applicant and the Company have agreed to adjust the RoE and RoEDC Components of Tariff as per the following terms and conditions:

**For local equity**

17% per annum each for ROE and ROEDC Components of Tariff (Revised ROE and ROEDC) based on NEPRA approved equity in USD for calculation of ROE and ROEDC at Commercial Operations Date calculated at PKR/USD exchange rate of PKR 148/USD 1, with no future USD indexation.

provided that the existing ROE and ROEDC, together with the applicable indexations, shall continue to be applied until the date the applicable exchange rate under the present Tariff reaches PKR 168/USD 1, whereupon the Revised ROE and ROEDC shall apply for the remainder of the term of the PPA.

The Revised ROE and ROEDC components shall be effective on the date when last installment under the Payment Mechanism (i.e. Annex A of the Master Agreement) has been paid to the Company as agreed in clause 2.2 and clause 2.3 of the Master Agreement.

Provided that till the effective date of the Revised ROE and ROEDC, NEPRA shall continue to index ROE and ROEDC with USD as per COD tariff.

Accordingly, Pass-through Withholding Tax on Dividend to be calculated in accordance with the Revised ROE and ROEDC.

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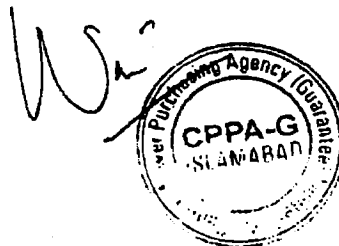


### SECTION 3 - STATEMENT OF COMPLIANCE

#### 3. Statutory Compliance

- 3.1 Under Section 7 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (as amended from time to time, the "NEPRA Act"), the Authority is mandated to determine tariffs and other terms and conditions for the supply of electric power services by the generation, transmission and distribution companies. The Authority is also responsible for determining the process and procedures for reviewing tariffs, recommending tariff adjustments, and revision thereof.
- 3.2 Under Rule 6 of the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 (the "Generation Rules"), the licensee can charge only such tariff for provision of electric power as approved by the Authority for the Company. Accordingly, on filing petitions by the Company for the determination of its tariff for sale of its generated electricity, the Authority has determined the Reference Tariff and Commercial Operations Date Tariff, as discussed above.
- 3.3 This Application is being filed as a motion for leave for review before the Authority pursuant to Rule 16(6) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (including all amendments thereto) (the "Rules"), read together with Regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009 (the "Regulations") and Section 31 of the NEPRA Act.
- 3.4 Pursuant to Section 3(2) of the Rules, "*Any licensee, consumer or person interested in the tariff may file a petition with the Authority by filing it with the Registrar along with such fees as may be determined by the Authority from time to time....*" The Applicant, having executed the PPA with the Company and as a person interested in the tariff, is therefore entitled to file this Petition in accordance with the Rules.
- 3.5 It is submitted that the facts and circumstances along with the grounds set out below constitute "sufficient reasons" for the Authority to grant the instant Application under Regulation 3(2) of Regulations. Furthermore, we request the Authority to relax the condition pertaining to time limitation for the motion for leave for review for the instant Application under Rule 16(10) of the Rules and Regulation 3(3) of the Regulations.

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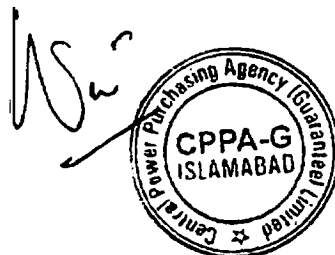
#### Section 4 - Proposed Tariff

Following is the proposed tariff for (Revised ROE and ROEDC) as per section 2.1 above:

Tariff Component	Proposed Tariff - Gas (Rs./kW/h)	Indexation
Return on Equity (Local)*	0.6849	No indexation
Return on Equity During Construction (Local)*	0.2430	No indexation

*\*the proposed tariff shall be effective only when exchange rate reaches Rs. 168 / USD 1 and full payment is received by the Company under the Master Agreement, and shall thereafter remain constant throughout the remaining Term, as per section 2.1 above.*

50



## Section 5 - Determination Sought

In light of the foregoing submissions, the learned Authority is kindly requested to:

- (a) Accept this Application;
- (b) Adjust the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant, in clause 6.1 of the Master Agreement;
- (c) Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components; and
- (d) Approve the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.

SD



BEFORE  
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

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APPLICATION FOR ADJUSTMENT OF TARIFF

APPLICANT: CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

IN RESPECT OF 180.097 MW PROJECT OF FOUNDATION POWER COMPANY  
(DAHARKI) LIMITED

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DATED: FEBRUARY 11, 2021

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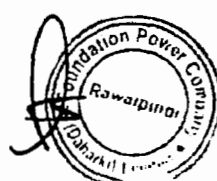
1. Tariff Adjustment Summary
2. Grounds for Tariff Adjustments
3. Statement of Compliance
4. Proposed Tariff
5. Determination Sought

### SCHEDULE

Master Agreement dated February 11, 2021 (the "Master Agreement")

### ANNEXES

- Annex 1: Resolution of Board of Directors of CPPA-G  
Annex 2: Affidavit



## Tariff Adjustment Application

In respect of Foundation Power Company (Daharki) Limited

### Application

The Applicant is hereby filing this Tariff Adjustment Application ("Application") to the National Electric Power Regulatory Authority ("Authority") for adjustment in Return on Equity (ROE) and Return on Equity During Construction (ROEDC) components allowed by NEPRA in the tariff of the Foundation Power Company (Daharki) Limited ("Company") through the Authority's determination bearing No. NEPRA/TRF-90/FPCDL-2007/3053-3055, dated March 6, 2015.

### Generation License

The Authority granted the Company a Generation License bearing No. IGSPL/06/2007 for a term of 25 years on February 22, 2007.

### PPA and Tariff

A Power Purchase Agreement was executed by and between the Company and National Transmission and Despatch Company Limited on August 29, 2007 in respect of the Project and novated to the Applicant *vide* novation agreement dated February 11, 2021 ("PPA"). The learned Authority determined the Reference Tariff dated 13-06-2008 and Commercial Operations Date Tariff dated 28-11-2013 and provided its decision on the motion for leave for review of the Commercial Operations Date Tariff on 6-3-2015, (collectively referenced as "Tariff") of the Company.

### Grounds

This Application is based on facts, circumstances and grounds as elaborated in Section 2 hereunder.

### Determination Sought

It is humbly prayed that the Authority:

- (a) Accepts this Application;
- (b) Adjusts only the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant in clause 6 of the Master Agreement; and
- (c) Approves the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.

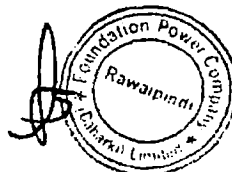
The Applicant will be pleased to provide any further information, clarification, or explanation as may be required by the Authority during its evaluation of the attached tariff adjustment.

Yours sincerely,

For and on behalf of

Central Power Purchasing Agency (Guarantee) Limited

Chief Executive Officer





## Section 1 - Summary of Particulars

### A. Particulars of the Applicant

Name: Central Power Purchasing Agency (Guarantee) Limited (the "Applicant").  
Address: Shaheen Plaza, 73 West, Fazal-e-Haq Road, Blue Area, Islamabad, Pakistan.  
Phone: 051-111-922-772  
E-mail: info@cpga.gov.pk

### B. Authorizations

This Application is being filed and submitted before the Authority by Mr. Wasim Mukhtar, Chief Executive Officer of the Applicant, being the duly authorized representative of the Applicant by virtue of board resolution dated February 10, 2021 appended herewith as Annex 1.

### C. Applicant's Representatives

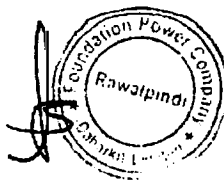
Mr. Waseem Mukhtar, CEO of the Applicant (*Authorized Representative*).

### D. Processing Fee

The applicable fee for this Application, as determined by the Authority, is enclosed herewith.

### E. Verification Through Affidavit

As required under the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (the "Rules"), an affidavit verifying the statement of fact or opinion made by the Applicant in this Application is enclosed herewith as Annex 2.



## Section 2 - Grounds for Tariff Adjustments

### 2. Grounds

The Company and the Applicant have entered into the Master Agreement, appended herewith as Schedule.

Therefore, pursuant to the Clause 6.1 of the Master Agreement, the Applicant and the Company have agreed to adjust the ROE and ROEDC Components of Tariff per the following terms and conditions:

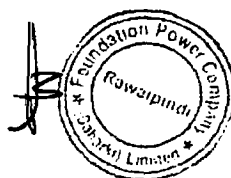
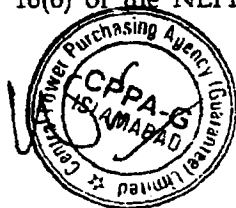
The Company agrees to a reduction in tariff component of Return on Equity ("RoE") and Return on Equity During Construction ("RoEDC"), which shall be 12% per annum, for its foreign equity investment presently registered with SBP. Provided, however, in order to enable the Company and its sponsors to meet their offshore debt obligation, payment calculated as per the existing RoE and RoEDC will continue till 30th June 2023. From 1<sup>st</sup> July 2023, the RoE and RoEDC tariff component will be reduced to a level which ensures that the Company's IRR is 12% from 1<sup>st</sup> April 2021 till the end of the Term.

The above adjustments shall become effective as referred to in clause 2.2, clause 2.3 and Annex A of the Master Agreement.

## Section 3 - Statement of Compliance

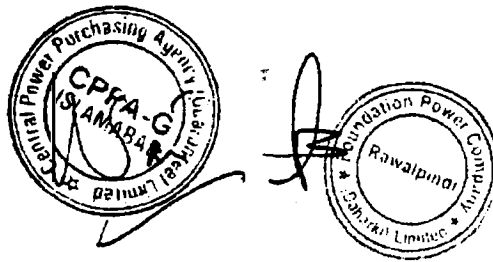
### 3. Statutory Compliance

- 3.1 Under the Section 7 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (as amended from time to time, the "NEPRA Act"), the Authority is mandated to determine tariffs and other terms and conditions for the supply of electric power services by the generation, transmission and distribution companies. The Authority is also responsible for determining the process and procedures for reviewing tariffs, recommending tariff adjustments, and revision thereof.
- 3.2 Under Rule 6 of the Generation Rules 2000, the licensee can charge only such tariff for provision of electric power as approved by the Authority. As per NEPRA Licensing (Application and Modification Procedure) Regulations, 1999, ("Review Regulations") the same generation tariff shall be applicable until the adjusted tariff is determined for the Company. Accordingly, on filing petitions by the Company for the determination of its tariff for sale of its generated electricity, the Authority has determined the Reference Tariff and Commercial Operations Date Tariff, as discussed above.
- 3.3 This Application is being filed as a motion for leave for review before the Authority pursuant to Rule 16(6) of the NEPRA (Tariff Standards and Procedure) Rules, 1998



(including all amendments thereto) ("Rules"), read together with Regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009 and Section 31 of the NEPRA Act.

- 3.4 Pursuant to Section 3(1) of the Rules, "Any licensee, consumer or person interested in the tariff may file a petition with the Authority by filing it with the Registrar along with such fees as may be determined by the Authority from time to time...." The Applicant, having executed the EPA with the Company and as a person interested in the tariff, is therefore entitled to file this Petition in accordance with the Rules.
- 3.5 It is submitted that the facts and circumstances along with the grounds set out below constitute "sufficient reasons" for the Authority to grant the instant Application under Regulation 3(2) of the Review Regulations, 2009. Furthermore, we request the Authority to relax the condition pertaining to time limitation for the motion for leave for review for the instant Application under Rule 16(10) of the Rules and Regulation 3(3) of the Review Regulations, 2009.



#### Section 4 - Proposed Tariff

Following is the proposed tariff:

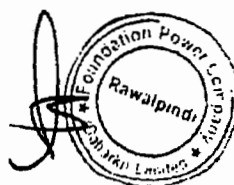
Tariff Component	*Reference Tariff (Rs./kW/h)	*Proposed Reference Tariff (Rs./kW/h)	Indexation
Return on Equity (Foreign)	0.4199	0.3041	PKR/US\$
Return on Equity During Construction (Foreign)	0.0770	0.0558	PKR/USD

\*the above tariff components are based on reference values, the proposed reference tariff shall be applicable with effect from July 1, 2023 as provided in clause 2.2, clause 2.3 of the Master Agreement.

#### Section 5 - Determination Sought

It is humbly prayed that the Authority:

- Accepts this Application;
- Adjusts the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant in clause 6 of the Master Agreement; and
- Approves the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.



**ANNEX-D**  
**ARBITRATION SUBMISSION AGREEMENT**

This Arbitration Submission Agreement ("**Agreement**") is made this \_\_\_\_ day of \_\_\_\_\_, 2021, by and between the President of the Islamic Republic of Pakistan for and on behalf of the Islamic Republic of Pakistan \_\_\_\_\_ ("**GoP**") and \_\_\_\_\_ ("**IPP**") ("**Company**").

GoP and Company are collectively referred to as the "**Parties**."

**Recitals**

- A. *Inter alia* through a report dated 16<sup>th</sup> March 2020, titled "Government's Committee for Power Sector Audit, Circular Debt Resolution and Future Roadmap" notified by the Government of Pakistan vide IPP-01(12)/2017 dated 7<sup>th</sup> August 2019 ("**Report**"), it was alleged that savings were made by the IPPs in the tariff components. A dispute has arisen between the Parties as to (i) the allegations made in the Report, *inter alia*, with respect to the alleged savings made by the Company in the tariff components allegedly in violation of the applicable GoP policies, the tariff determined by NEPRA and the relevant Project Agreements (as defined in the Implementation Agreement dated \_\_\_\_\_); and (ii) whether the GoP is entitled to such savings or part thereof, if any (the "**Dispute**").
- B. Subsequently, the Committee for negotiations with Independent Private Power Producers ("**IPPs**"), was notified by the Government of Pakistan through notification number F.No. IPPs-1(12)/2019-20 dated 03.06.2020, and the IPPs, had several rounds of discussions with the GoP in an effort to resolve the Dispute.
- C. Having been unable to resolve the Dispute, the Parties have agreed to pursue binding and exclusive arbitration as described in this Agreement.

**Agreement**

**1. Arbitrators/Tribunal.**

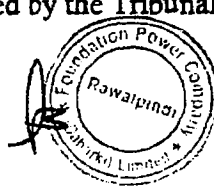
- (a) The Arbitration Tribunal ("**Tribunal**") shall comprise of three (03) members (each member referred to as the "**Arbitrator**"). One retired judge of the Supreme Court of Pakistan to be appointed by **each Party** as Arbitrator within fourteen (14) Days of signing of this Agreement, and the third member shall be selected by the two Arbitrators within ten (10) Days of their appointment as Arbitrator under this Agreement or such other period as may be required by the two Arbitrators.
- (b) Should one or more of the Party-appointed Arbitrators be unwilling or unable to serve as an Arbitrator, a replacement Arbitrator shall be appointed in the same manner as provided in Clause 1(a) above.

**2. Powers of the Tribunal:** The Parties further agree that the Tribunal shall:

- (a) hear and determine the **Dispute**. In doing so, the Parties agree that the Tribunal can take into account, *inter alia*, the applicable GoP policies, the relevant tariff determinations and the relevant Project Agreements; and



- (b) in addition to all other powers, have the power to interpret the terms of this Agreement.
3. **Date/Time:** The Tribunal will set the schedule for the arbitration hearing, after consulting with counsel for the Parties. The Tribunal shall complete its assigned scope of work within a period of five (05) months from the date of its constitution or as otherwise agreed by the Parties or such other period as may be determined by the Tribunal.
4. **The Arbitration Hearing:** The following rules and procedures will govern the arbitration:
- (a) The Tribunal may conduct the arbitration in a manner they determine appropriate for a fair and expeditious disposition of the proceeding.
  - (b) The Tribunal will be the judge of the admissibility, relevance, materiality and weight of all evidence offered. Conformity to rules of evidence and civil procedure shall not be necessary, but any or all issues pertaining to rules of evidence and civil procedure shall be decided by the Tribunal.
  - (c) The Tribunal will establish the time to be allocated for the hearing, giving due consideration to the nature of the case, the proof expected, and the reasonable requests of the Parties' or their counsel. The Tribunal retains discretion to hold a virtual or remote hearing, after consulting the Parties. Each Party will be afforded a reasonable opportunity to make an opening statement, present evidence, cross-examine witnesses appearing at the hearing, and make a closing statement. The Parties may, but will not be required, to submit briefs or memoranda in support of their respective positions.
  - (d) Either Party may, at its expense, have the hearing transcribed, provided a copy of any transcript prepared shall be provided to the Tribunal and the other Party.
  - (e) All testimony shall be presented under oath or affirmation.
  - (f) Each Party shall have the right to be represented by counsel(s).
  - (g) Unless the Parties agree otherwise, the Tribunal shall have the discretion to allow discovery upon such terms and conditions as the Tribunal shall deem appropriate, taking into consideration the needs of the Parties, the needs of witnesses, and the need to conduct the hearing in a fair, transparent, efficient and cost-effective manner. The Tribunal may establish deadlines for exchanging evidence and exhibits, pre-marking exhibits, disclosing witnesses, and other pre-hearing matters in an appropriate case. Such measures will not be employed in every case, however, in an effort to maintain the efficiency and cost effectiveness of the arbitration process, the Tribunal shall be empowered to ordain any procedural order to ensure a fair, efficient and cost-effective hearing.
5. **The Award:** The Tribunal will issue a reasoned award, in writing signed by the Arbitrators/Tribunal, within thirty (30) days of the conclusion of the arbitration hearing or such period as may be determined by the Tribunal.



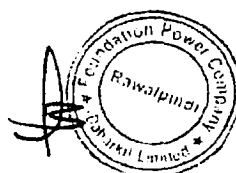
6. **Seat**: The seat of Arbitration under this Agreement shall be London, United Kingdom.
7. **Venue**: The arbitration will be conducted at Islamabad, Pakistan or such place as may be determined by the Tribunal.
8. **Fees/Expenses**: The Arbitrators' fees and expenses shall be borne equally by the Parties. The Arbitrators shall also be reimbursed for all reasonable and necessary expenses, including but not limited to expenses for travelling and any other expense both reasonable and necessary for the effectiveness of the arbitration. Each Party shall be responsible for the expense of its counsel, experts, witnesses and proof.
9. **Finality of Award**: The Parties agree that the award rendered by the Tribunal will be final and binding. The Parties agree that recourse in relation to the recognition and enforcement of the award will be under the Recognition and Enforcement of International Arbitration Award Act, 2011.
10. **Modification**: No modification of this Agreement may be made except in writing signed by each of the Parties.
11. **Overriding effect**: Only in relation to the resolution of the Dispute hereto, this Agreement shall override and have effect, notwithstanding any contract or arbitration clause or provision to the contrary or otherwise, in any contract (including power purchase agreement or the implementation agreement) or Bilateral Investment Treaty to which Pakistan or any of its entities is or may be a party.
12. **Impact on Other Agreements**: Except to the extent of dispute resolution mechanism agreed hereinabove for the purposes of determining the Dispute, nothing in this Agreement shall modify, alter, or amend the relevant Project Agreements, including but not limited to the Guarantee dated [date] between the GOP and the Company, and the Company's rights under the aforesaid are hereby confirmed.
13. **Confidentiality**: The Parties agree and irrevocably undertake that the arbitration proceedings under this Agreement shall be kept confidential. The Parties irrevocably undertake to keep confidential all proceedings and awards in the arbitration, together with all materials in the arbitration created for the purpose of the arbitration and all other documents produced by the other Party in the proceedings not otherwise in the public domain, save and to the extent that disclosure may be required under applicable laws.

GOP \_\_\_\_\_ DATE \_\_\_\_\_

COMPANY \_\_\_\_\_ DATE \_\_\_\_\_

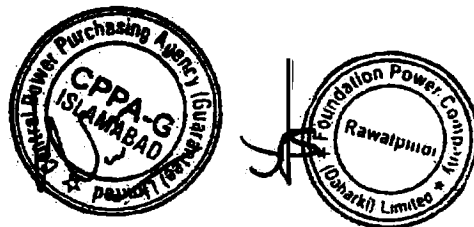
WITNESS \_\_\_\_\_

WITNESS \_\_\_\_\_



**ANNEX-E**

**Reconciled Figures**

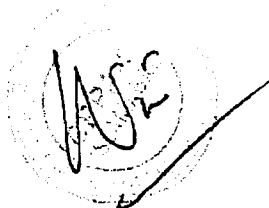
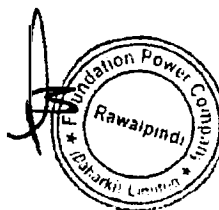




**Annexure-E****Reconciliation of past excess payments of "Fuel and O&M"**

Given below is the detail of excess payment of the past in lieu of Fuel (FCC) and O&M payments for **Foundation Power Company Daharki Limited** as per the Power Sector Committee's report submitted in March 2020. During Negotiation Committee's proceedings, the reconciliation with the IPP could not be completed.

Foundation Power Company Daharki Limited	
	Rs. in billion
FCC Allowed	42.43
Actual FCC	44.11
Excess	(1.68)
O&M Allowed	6.78
O&M Expense	5.41
Excess	1.37
Total Excess	-0.31

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "Foundation Power Company" around the top and "Daharki Limited" around the bottom, with a star in the center.A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "Foundation Power Company" around the top, "Rawalpindi" in the center, and "Daharki Limited" around the bottom, with a star in the center.

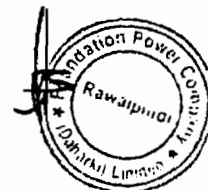
**"Net Profit" Reconciliation as per IPPs' Format**

Foundation Power Company Daharki Limited submitted "Net Profit" Reconciliation to the Negotiations Committee which was reviewed by the Committee. Given below are the figures submitted by the Company (not verified by the Committee) along with reasons for the difference as per the Negotiations Committee.

Foundation Power Company Daharki Limited			
Description	As per the Committee	As per IPP	Difference
	B	C	(C-B)
(Rs. in Billions)			
Profit before tax	8.93	8.93	-
Depreciation	5.34	5.34	-
Finance cost long term*	9.92	9.78	(0.14)
Debt Service cost *	(14.51)	(14.37)	0.14
Cost of WC CPPA-G*	(0.52)	(0.35)	0.17
LPS-(EPP+CPP)	(2.51)	(2.51)	-
Finance cost short term*	0.26	0.25	(0.01)
Capitalized spares*	(1.00)	(1.01)	(0.01)
Donation	0.01	0.01	-
Impairment	-	-	-
Other income	(0.37)	(0.37)	-
Adjusted profit	5.55	5.70	0.15
Allowed regulatory return*	6.75	7.10	0.35
Excess profit*	(1.20)	(1.4)	(0.2)

\*Reconciliation numbers of IPP were corrected during the Implementation Committee's proceedings

NS



BEFORE  
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

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APPLICATION FOR ADJUSTMENT OF TARIFF

APPLICANT: CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED  
IN RESPECT OF 209.00 MW PROJECT OF HALMORE POWER GENERATION COMPANY  
LIMITED

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DATED: FEBRUARY 11, 2021

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### **Tariff Adjustment Application**

1. Tariff Adjustment Summary
2. Grounds for Tariff Adjustments
3. Statement of Compliance
4. Proposed Tariff
5. Determination Sought

### **SCHEDULE**

Master Agreement dated February 11, 2021 (the "Master Agreement")

### **ANNEXES**

Annex 1: Resolution of Board of Directors of CPPA-G  
Annex 2: Affidavit

## Tariff Adjustment Application

In respect of Halmore Power Generation Company Limited

### Application

The Applicant is hereby filing this Tariff Adjustment Application ("Application") to the National Electric Power Regulatory Authority ("Authority") for adjustment in Return on Equity (ROE) and Return on Equity During Construction (ROEDC) components allowed by NEPRA in the tariff of Halmore Power Generation Company Limited ("Company") through the Authority's determination bearing No. NEPRA/TRF-85/HPGCL-2007/13972-13974 dated November 06, 2014.

### Generation License

The Authority granted the Company a Generation License bearing No. IGSP/L/07/2006 for a term of 30 years on September 04, 2006.

### PPA and Tariff

A Power Purchase Agreement was executed by and between the Company and National Transmission and Despatch Company Limited on April 28, 2007 in respect of the Project and novated to the Applicant *vide* novation agreement dated February 11, 2021 ("PPA"). The learned Authority determined the Reference Tariff No. NEPRA/R/TRF-58/HPGCL-2006/6553-55 dated September 1, 2006 and Commercial Operations Date Tariff dated November 06, 2014, 2014. (collectively referenced as "Tariff") of the Company.

### Grounds

This Application is based on facts, circumstances and grounds as elaborated in Section 2 hereunder.

### Determination Sought

It is humbly prayed that the Authority:

- (a) Accept this Application;
- (b) Adjust the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant in clause 6.1 of the Master Agreement;
- (c) Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components; and
- (d) Approve the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.

The Applicant will be pleased to provide any further information, clarification or explanation as may be required by the Authority during its evaluation of the attached tariff adjustment.

Yours sincerely,

For and on behalf of

Central Power Purchasing Agency (Guarantee) Limited

Waseem Mukhtar, Chief Executive Officer

## Section 1 - Summary of Particulars

### A. Particulars of the Applicant

**Name:** Central Power Purchasing Agency (Guarantee) Limited (the "**Applicant**").  
**Address:** Shaheen Plaza, 73 West, Fazal-e-Haq Road, Blue Area, Islamabad, Pakistan.  
**Phone:** 051-111-922-772  
**E-mail:** info@cpga.gov.pk

### B. Authorizations

This Application is being filed and submitted before the Authority by Mr. Waseem Mukhtar, Chief Executive Officer of the Applicant, being the duly authorized representative of the Applicant by virtue of board resolution dated February 10, 2021 appended herewith as Annex 1.

### C. Applicant's Representatives

Mr. Waseem Mukhtar, CEO of the Applicant (*Authorized Representative*).

### D. Processing Fee

The applicable fee for this Application, as determined by the Authority, is enclosed herewith.

### E. Verification Through Affidavit

As required under the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (the "**Rules**"), an affidavit verifying the statement of fact or opinion made by the Applicant in this Application is enclosed herewith as Annex 2.

## Section 2 - Grounds for Tariff Adjustments

### 2. Grounds

- 2.1 The Company and the Applicant have entered into the Master Agreement, appended herewith as the Schedule.

Pursuant to Clause 6.1 of the Master Agreement, the Applicant and the Company have agreed to adjust the RoE and RoEDC Components of Tariff as per the following terms and conditions:

- (a) **For foreign equity**  
12% per annum each for the RoE and RoEDC Components of the Tariff, based on the Authority approved equity for the calculation of the RoE and RoEDC at the Commercial Operations Date with USD indexation as per the Tariff at the Commercial Operations Date for the portion of the foreign equity investment registered with the State Bank of Pakistan.

The Revised Foreign ROE and ROEDC components shall be effective on the date when last installment under the Payment Mechanism (i.e. Annex A of the Master Agreement) has been paid to the Company as agreed in clause 2.2 and clause 2.3 of the Master Agreement.

- (b) **Provided that** till the effective date of the revised ROE and ROEDC components, NEPRA shall continue to index ROE and ROEDC with USD as per COD tariff.

Accordingly, Pass-through Withholding Tax on Dividend to be calculated in accordance with the adjusted ROE and ROEDC components.

### SECTION 3 - STATEMENT OF COMPLIANCE

#### 3. Statutory Compliance

- 3.1 Under Section 7 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (as amended from time to time, the "NEPRA Act"), the Authority is mandated to determine tariffs and other terms and conditions for the supply of electric power services by the generation, transmission and distribution companies. The Authority is also responsible for determining the process and procedures for reviewing tariffs, recommending tariff adjustments, and revision thereof.
- 3.2 Under Rule 6 of the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 (the "Generation Rules"), the licensee can charge only such tariff for provision of electric power as approved by the Authority for the Company. Accordingly, on filing petitions by the Company for the determination of its tariff for sale of its generated electricity, the Authority has determined the Reference Tariff and Commercial Operations Date Tariff, as discussed above.
- 3.3 This Application is being filed as a motion for leave for review before the Authority pursuant to Rule 16(6) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (including all amendments thereto) (the "Rules"), read together with Regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009 (the "Regulations") and Section 31 of the NEPRA Act.
- 3.4 Pursuant to Section 3(2) of the Rules, "Any licensee, consumer or person interested in the tariff may file a petition with the Authority by filing it with the Registrar along with such fees as may be determined by the Authority from time to time...." The Applicant, having executed the PPA with the Company and as a person interested in the tariff, is therefore entitled to file this Petition in accordance with the Rules.
- 3.5 It is submitted that the facts and circumstances along with the grounds set out below constitute "sufficient reasons" for the Authority to grant the instant Application under Regulation 3(2) of Regulations. Furthermore, we request the Authority to relax the condition pertaining to time limitation for the motion for leave for review for the instant Application under Rule 16(10) of the Rules and Regulation 3(3) of the Regulations.



#### Section 4 - Proposed Tariff

Following is the proposed tariff:

Foreign equity: 100% registered with State Bank of Pakistan

Tariff Component	Proposed Tariff (Rs./kW/h)	Indexation
Return on Equity (Foreign)*	0.6329	PKR / USD
Return on Equity During Construction (Foreign)*	0.3216	PKR / USD

*\* ROE (Foreign) and ROEDC (Foreign) shall be effective, as per clause 2.1 above and its existing indexation mechanism shall remain unchanged.*

## **Section 5 - Determination Sought**

In light of the foregoing submissions, the learned Authority is kindly requested to:

- (a) Accept this Application;
- (b) Adjust the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant, in clause 6.1 of the Master Agreement;
- (c) Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components; and
- (d) Approve the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.

LPTL

(6)

BEFORE  
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

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APPLICATION FOR ADJUSTMENT OF TARIFF


APPLICANT: CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED  
IN RESPECT OF 196.139 MW PROJECT OF LIBERTY POWER TECH LIMITED

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DATED: FEBRUARY 11, 2021

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WSE



CPPA-G  
ISLAMABAD

Agm.

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### Tariff Adjustment Application

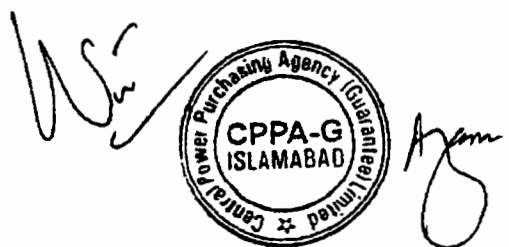
1. Tariff Adjustment Summary
2. Grounds for Tariff Adjustments
3. Statement of Compliance
4. Proposed Tariff
5. Determination Sought

### SCHEDULE

Master Agreement dated February 11, 2021 (the "Master Agreement")

### ANNEXES

- Annex 1: Resolution of Board of Directors of CPPA-G  
Annex 2: Affidavit



## TARIFF ADJUSTMENT APPLICATION

### IN RESPECT OF LIBERTY POWER TECH LIMITED

#### Application

The Applicant is hereby filing this Tariff Adjustment Application ("Application") to the National Electric Power Regulatory Authority ("Authority") for adjustment in the Return on Equity ("RoE") and Return on Equity During Construction ("RoEDC") components allowed by NEPRA in the tariff of the Liberty Power Tech Limited ("Company") through the Authority's determination bearing No.NEPRA/TRF-89/LPTL-2007/7450-7452 dated August 17, 2011.

#### Generation License

The Authority granted the Company a Generation License bearing No.IGSPL/17/2008 for a term of 25 years on April 10, 2008.

#### PPA and Tariff

A Power Purchase Agreement was executed by and between the Company and National Transmission and Despatch Company Limited on July 01, 2008 in respect of the Project and novated to the Applicant *vide* the novation agreement dated February 11, 2021 ("PPA"). The learned Authority determined the Reference Tariff dated February 28, 2008 and the Commercial Operations Date Tariff dated August 17, 2011, (collectively referred to as the "Tariff") of the Company.

#### Grounds

This Application is based on the facts, circumstances and grounds as elaborated in Section 2 hereunder.

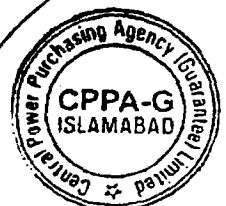
#### Determination Sought

It is humbly prayed that the Authority:

- (a) Accept this Application;
- (b) Adjust the Return on Equity ("RoE") and Return on Equity During Construction ("RoEDC") components of the Tariff as agreed between the Company and the Applicant in clause 7.1 of the Master Agreement;
- (c) Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components; and
- (d) Approve the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.

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The Applicant will be pleased to provide any further information, clarification or explanation as may be required by the Authority during its evaluation of the attached tariff adjustment.

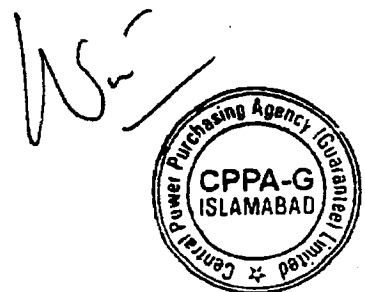
Yours sincerely,

For and on behalf of

CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

---

WASEEM MUKHTAR, CHIEF EXECUTIVE OFFICER



SECTION 1 - TARIFF ADJUSTMENT SUMMARY

A. Particulars of the Applicant

Name: Central Power Purchasing Agency (Guarantee) Limited (the "Applicant").  
Address: Shaheen Plaza, 73 West, Fazal-e-Haq Road, Blue Area, Islamabad,  
Pakistan.  
Phone: 051-111-922-772  
E-mail: info@cpga.gov.pk

B. Authorizations

This Application is being filed and submitted before the Authority by Mr. Waseem Mukhtar, Chief Executive Officer of the Applicant, being the duly authorized representative of the Applicant by virtue of board resolution dated February 10, 2021 appended herewith as Annex 1.

C. Applicant's Representatives

Mr. Waseem Mukhtar, CEO of the Applicant (*Authorized Representative*).

D. Processing Fee

The applicable fee for this Application, as determined by the Authority, is enclosed herewith.

E. Verification Through Affidavit

As required under the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (the "Rules"), an affidavit verifying the statement of fact or opinion made by the Applicant in this Application is enclosed herewith as Annex 2.

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## SECTION 2 - GROUNDS FOR TARIFF ADJUSTMENTS

### 2. Grounds

- 2.1 The Company and the Applicant have entered into the Master Agreement, appended herewith as the Schedule.

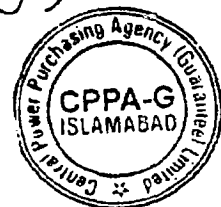
Pursuant to Clause 7.1 of the Master Agreement, the Applicant and the Company have agreed to adjust the RoE and RoEDC Components of Tariff as per the following terms and conditions:

- (a) **For local equity**  
17% per annum each for the RoE and RoEDC Components of the Tariff ("Revised RoE and RoEDC") based on the Authority approved equity in USD for calculation of the RoE and RoEDC at the Commercial Operations Date calculated at the PKR/USD exchange rate of PKR 148/USD 1, with no future USD indexation.
- The Revised Local ROE and ROEDC components shall be effective on the date when last installment under the Payment Mechanism (i.e. Annex A of the Master Agreement) has been paid to the Company as agreed in clause 2.2 and clause 2.3 of the Master Agreement and the applicable exchange rate under the present Tariff reaches PKR 168/USD 1. Thereafter from the effective date, the revised ROE and ROEDC shall be applied for the remainder term of the PPA as per clause 7.1 (b) of the Master Agreement
- (b) **Provided that** till the effective date of the revised ROE and ROEDC components, NEPRA shall continue to index ROE and ROEDC with USD as per COD tariff.

Accordingly, Pass-through Withholding Tax on Dividend to be calculated in accordance with the adjusted ROE and ROEDC components.

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### SECTION 3 - STATEMENT OF COMPLIANCE

#### 3. Statutory Compliance

- 3.1 Under Section 7 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (as amended from time to time, the "NEPRA Act"), the Authority is mandated to determine tariffs and other terms and conditions for the supply of electric power services by the generation, transmission and distribution companies. The Authority is also responsible for determining the process and procedures for reviewing tariffs, recommending tariff adjustments, and revision thereof.
- 3.2 Under Rule 6 of the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 (the "Generation Rules"), the licensee can charge only such tariff for provision of electric power as approved by the Authority for the Company. Accordingly, on filing petitions by the Company for the determination of its tariff for sale of its generated electricity, the Authority has determined the Reference Tariff and Commercial Operations Date Tariff, as discussed above.
- 3.3 This Application is being filed as a motion for leave for review before the Authority pursuant to Rule 16(6) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (including all amendments thereto) (the "Rules"), read together with Regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009 (the "Regulations") and Section 31 of the NEPRA Act.
- 3.4 Pursuant to Section 3(2) of the Rules, "Any licensee, consumer or person interested in the tariff may file a petition with the Authority by filing it with the Registrar along with such fees as may be determined by the Authority from time to time...." The Applicant, having executed the PPA with the Company and as a person interested in the tariff, is therefore entitled to file this Petition in accordance with the Rules.
- 3.5 It is submitted that the facts and circumstances along with the grounds set out below constitute "**sufficient reasons**" for the Authority to grant the instant Application under Regulation 3(2) of Regulations. Furthermore, we request the Authority to relax the condition pertaining to time limitation for the motion for leave for review for the instant Application under Rule 16(10) of the Rules and Regulation 3(3) of the Regulations.

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#### Section 4 - Proposed Tariff

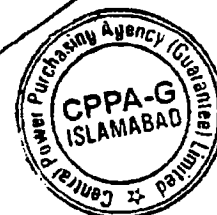
Following is the proposed tariff:

Tariff Component	Proposed Tariff (Rs./kW/h)	*Indexation
Return on Equity (Local)	0.8795	No Indexation
Return on Equity During Construction (Local)	0.1354	No Indexation

*\*the proposed tariff shall be effective only when exchange rate reaches Rs. 168/USD and the 2<sup>nd</sup> installment under the Master Agreement is paid to Company and shall remain constant throughout the remaining Term, as per Section 2.1 above.*

*Agm.*

*W.Sir*



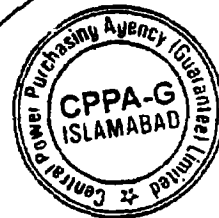
## SECTION 5 - DETERMINATION SOUGHT

In light of the foregoing submissions, the learned Authority is kindly requested to:

- (a) Accept this Application;
- (b) Adjust the Return on Equity ("RoE") and Return on Equity During Construction ("RoEDC") components of the Tariff as agreed between the Company and the Applicant in clause 7.1 of the Master Agreement;
- (c) Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components; and
- (d) Approve the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.

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BEFORE  
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

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APPLICATION FOR ADJUSTMENT OF TARIFF

APPLICANT: CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

IN RESPECT OF 213.82 MW PROJECT OF NAROWAL ENERGY LIMITED

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DATED: FEBRUARY 11, 2021

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1. Tariff Adjustment Summary
2. Grounds for Tariff Adjustments
3. Statement of Compliance
4. Proposed Tariff
5. Determination Sought

### SCHEDULE

Master Agreement dated February 11, 2021 (the "Master Agreement")

### ANNEXES

- Annex 1: Resolution of Board of Directors of CPPA-G  
Annex 2: Affidavit



**Tariff Adjustment Application**  
**In respect of Narowal Energy Limited**

**Application**

The Applicant is hereby filing this Tariff Adjustment Application ("**Application**") to the National Electric Power Regulatory Authority ("**Authority**") for adjustment in Return on Equity (ROE) and Return on Equity During Construction (ROEDC) components allowed by NEPRA in the tariff of the Narowal Energy Limited ("**Company**") through the Authority's determination bearing No. NEPRA/TRF-92/HUBCO-2008/7610 dated May 23, 2008.

**Generation License**

The Authority granted the Company a Generation License bearing No. IGSPL/19/2008 for a term of 25 years on June 23, 2008.

**PPA and Tariff**

A Power Purchase Agreement was executed by and between the Company and National Transmission and Despatch Company Limited on November 20, 2008 in respect of the Project and novated to the Applicant *vide* novation agreement dated February 11, 2021 ("**PPA**"). The learned Authority determined the Reference Tariff dated May 23, 2008 and Commercial Operations Date Tariff dated June 08, 2012, (collectively referenced as "**Tariff**") of the Company.

**Grounds**

This Application is based on facts, circumstances and grounds as elaborated in Section 2 hereunder.

**Determination Sought**

It is humbly prayed that the Authority:

- (a) Accepts this Application;
- (b) Adjusts the Return on Equity ("**ROE**") and Return on Equity During Construction ("**ROEDC**") components of the Tariff as agreed between the Company and the Applicant in clause 7.1 of the Master Agreement; and
- (c) Approves the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.

The Applicant will be pleased to provide any further information, clarification or explanation as may be required by the Authority during its evaluation of the attached tariff adjustment.

Yours sincerely,  
For and on behalf of  
Central Power Purchasing Agency (Guarantee) Limited

Chief Executive Officer



## Section 1 - Tariff Adjustment Summary

### A. Particulars of the Applicant

**Name:** Central Power Purchasing Agency (Guarantee) Limited (the "Applicant").  
**Address:** Shaheen Plaza, 73 West, Fazal-e-Haq Road, Blue Area, Islamabad, Pakistan.  
**Phone:** 051-111-922-772  
**E-mail:** info@cppa.gov.pk

### B. Authorizations

This Application is being filed and submitted before the Authority by Mr. Waseem Mukhtar, Chief Executive Officer of the Applicant, being the duly authorized representative of the Applicant by virtue of board resolution dated February 10, 2021 appended herewith as Annex 1.

### C. Applicant's Representatives

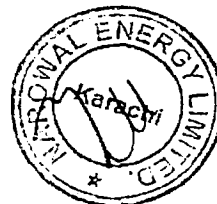
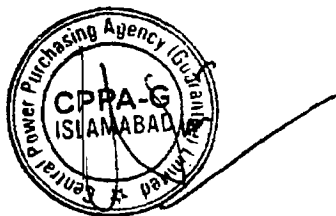
Mr. Waseem Mukhtar, CEO of the Applicant (*Authorized Representative*).

### D. Processing Fee

The applicable fee for this Application, as determined by the Authority, is enclosed herewith as Annex 1.

### E. Verification Through Affidavit

As required under the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (the "Rules"), an affidavit verifying the statement of fact or opinion made by the Applicant in this Application is enclosed herewith as Annex 2.



## Section 2 - Grounds for Tariff Adjustments

### 2. Grounds

- 2.1 The Company and the Applicant have entered into the Master Agreement, appended herewith as Schedule.

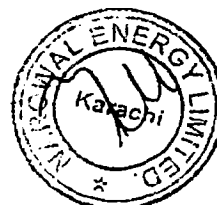
Therefore, pursuant to the Clause 7.1 of the Master Agreement, the Applicant and the Company have agreed to adjust the ROE and ROEDC Components of Tariff per the following terms and conditions:

#### For local equity

17% per annum each for ROE and ROEDC Components of Tariff (Revised ROE and ROEDC) based on NEPRA approved equity in USD for calculation of ROE and ROEDC at Commercial Operations Date calculated at PKR/USD exchange rate of PKR 148/USD 1, with no future USD indexation.

provided that the existing ROE and ROEDC, together with the applicable indexations, shall continue to be applied until the date the applicable exchange rate under the present Tariff reaches PKR 168/USD 1, whereupon the Revised ROE and ROEDC shall apply for the remainder of the term of the PPA.

The above adjustments shall be effective as referred to in clause 2.2, clause 2.3 and Annex A of the Master Agreement.

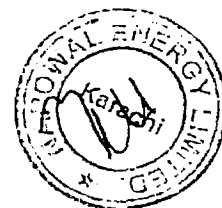




### SECTION 3 - STATEMENT OF COMPLIANCE

#### 3. Statutory Compliance

- 3.1 Under the Section 7 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (as amended, the "NEPRA Act"), the Authority is mandated to determine tariffs and other terms and conditions for the supply of electric power services by the generation, transmission and distribution companies. The Authority is also responsible for determining the process and procedures for reviewing tariffs, recommending tariff adjustments, and revision thereof.
- 3.2 Under Rule 6 of the Generation Rules 2000, the licensee can charge only such tariff for provision of electric power as approved by the Authority. As per NEPRA Licensing (Application and Modification Procedure) Regulations, 1999, the same generation tariff shall be applicable until new tariff is determined for the Company. Accordingly, on filing petitions by the Company for determination of its tariff for sale of its generated electricity, the Authority has determined Reference Tariff and Commercial Operations Date Tariff, as discussed above.
- 3.3 This Application is being filed before the Authority pursuant to the NEPRA (Tariff Standards and Procedure) Rules, 1998 (including all amendments thereto) ("Rules"), read with all enabling provisions of the NEPRA Act for the Authority's decision of the Application in relation to the Company's Project.
- 3.4 Pursuant to Section 3(1) of the Rules, "Any licensee, consumer or person interested in the tariff may file a petition with the Authority by filing it with the Registrar along with such fees as may be determined by the Authority from time to time...." The Applicant having executed the PPA with the Company and a person interested in the tariff is therefore entitled to file this Petition in accordance with the Rules.

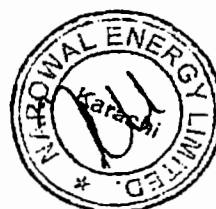


#### Section 4 – Proposed Tariff

Following is the proposed tariff:

Tariff Component	Proposed Tariff Rs./kW/h*	Indexation
Return on Equity (Local)	1.0753	No Indexation
Return on Equity During Construction (Local)	0.2132	No Indexation

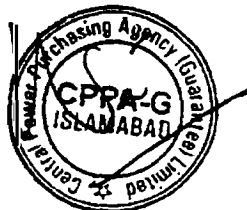
*\*the proposed tariff shall be effective only when exchange rate reaches Rs. 168/USD and shall remain constant throughout the remaining Term, as per section 2.1 above.*



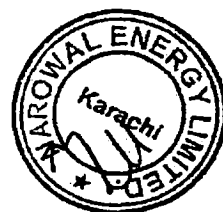
## Section 5 - Determination Sought

In light of the foregoing submissions, the learned Authority is kindly requested to:

- (a) Accepts this Application;
- (b) Adjusts the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant in clause 7.1 of the Master Agreement; and
- (c) Approves the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.



**ANNEX-C**  
**Revised Tariff Table**



## ANNEX-D

### ARBITRATION SUBMISSION AGREEMENT

This Arbitration Submission Agreement ("**Agreement**") is made this \_\_\_\_ day of \_\_\_\_\_, 2021, by and between the President of the Islamic Republic of Pakistan for and on behalf of the Islamic Republic of Pakistan ("**GoP**") and Narowal Energy Limited ("**Company**").

GoP and Company are collectively referred to as the "**Parties**."

#### Recitals

- A. *Inter alia* through a report dated 16<sup>th</sup> March 2020, titled "Government's Committee for Power Sector Audit, Circular Debt Resolution and Future Roadmap" notified by the Government of Pakistan vide IPP-01(12)/2017 dated 7<sup>th</sup> August 2019 ("**Report**"), it was alleged that savings were made by the IPPs in the tariff components. A dispute has arisen between the Parties as to (i) the allegations made in the Report, *inter alia*, with respect to the alleged savings made by the Company in the tariff components allegedly in violation of the applicable GoP policies, the tariff determined by NEPRA and the relevant Project Agreements (as defined in the Implementation Agreement dated 27<sup>th</sup> October 2008 ); and (ii) whether the GoP is entitled to such savings or part thereof, if any (the "**Dispute**").
- B. Subsequently, the Committee for negotiations with Independent Private Power Producers ("**IPPs**"), was notified by the Government of Pakistan through notification number F.No. IPPs-1(12)/2019-20 dated 03.06.2020, and the IPPs, had several rounds of discussions with the GoP in an effort to resolve the Dispute.
- C. Having been unable to resolve the Dispute, the Parties have agreed to pursue binding and exclusive arbitration as described in this Agreement.

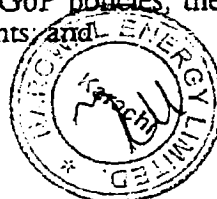
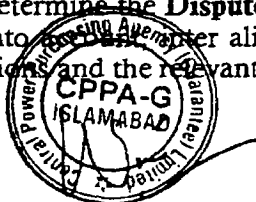
#### Agreement

##### 1. Arbitrators/Tribunal.

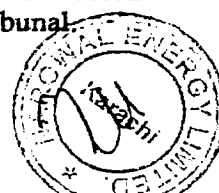
- (a) The Arbitration Tribunal ("**Tribunal**") shall comprise of three (03) members (each member referred to as the "**Arbitrator**"). One retired judge of the Supreme Court of Pakistan to be appointed by **each Party** as Arbitrator within fourteen (14) Days of signing of this Agreement, and the third member shall be selected by the two Arbitrators within ten (10) Days of their appointment as Arbitrator under this Agreement or such other period as may be required by the two Arbitrators.
- (b) Should one or more of the Party-appointed Arbitrators be unwilling or unable to serve as an Arbitrator, a replacement Arbitrator shall be appointed in the same manner as provided in Clause 1(a) above.

##### 2. **Powers of the Tribunal:** The Parties further agree that the Tribunal shall:

- (a) hear and determine the **Dispute**. In doing so, the Parties agree that the Tribunal can take into account *inter alia*, the applicable GoP policies, the relevant tariff determinations and the relevant Project Agreements, and



- (b) in addition to all other powers, have the power to interpret the terms of this Agreement.
3. **Date/Time:** The Tribunal will set the schedule for the arbitration hearing, after consulting with counsel for the Parties. The Tribunal shall complete its assigned scope of work within a period of five (05) months from the date of its constitution or as otherwise agreed by the Parties or such other period as may be determined by the Tribunal.
4. **The Arbitration Hearing:** The following rules and procedures will govern the arbitration:
- (a) The Tribunal may conduct the arbitration in a manner they determine appropriate for a fair and expeditious disposition of the proceeding.
  - (b) The Tribunal will be the judge of the admissibility, relevance, materiality and weight of all evidence offered. Conformity to rules of evidence and civil procedure shall not be necessary, but any or all issues pertaining to rules of evidence and civil procedure shall be decided by the Tribunal.
  - (c) The Tribunal will establish the time to be allocated for the hearing, giving due consideration to the nature of the case, the proof expected, and the reasonable requests of the Parties' or their counsel. The Tribunal retains discretion to hold a virtual or remote hearing, after consulting the Parties. Each Party will be afforded a reasonable opportunity to make an opening statement, present evidence, cross-examine witnesses appearing at the hearing, and make a closing statement. The Parties may, but will not be required, to submit briefs or memoranda in support of their respective positions.
  - (d) Either Party may, at its expense, have the hearing transcribed, provided a copy of any transcript prepared shall be provided to the Tribunal and the other Party.
  - (e) All testimony shall be presented under oath or affirmation.
  - (f) Each Party shall have the right to be represented by counsel(s).
  - (g) Unless the Parties agree otherwise, the Tribunal shall have the discretion to allow discovery upon such terms and conditions as the Tribunal shall deem appropriate, taking into consideration the needs of the Parties, the needs of witnesses, and the need to conduct the hearing in a fair, transparent, efficient and cost-effective manner. The Tribunal may establish deadlines for exchanging evidence and exhibits, pre-marking exhibits, disclosing witnesses, and other pre-hearing matters in an appropriate case. Such measures will not be employed in every case, however, in an effort to maintain the efficiency and cost effectiveness of the arbitration process, the Tribunal shall be empowered to ordain any procedural order to ensure a fair, efficient and cost-effective hearing.
5. **The Award:** The Tribunal will issue a reasoned award, in writing signed by the Arbitrators/Tribunal, within thirty (30) days of the conclusion of the arbitration hearing or such period as may be determined by the Tribunal.



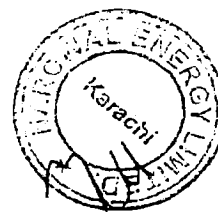
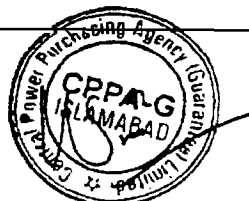
6. **Seat:** The seat of Arbitration under this Agreement shall be London, United Kingdom.
7. **Venue:** The arbitration will be conducted at Islamabad, Pakistan or such place as may be determined by the Tribunal.
8. **Fees/Expenses:** The Arbitrators' fees and expenses shall be borne equally by the Parties. The Arbitrators shall also be reimbursed for all reasonable and necessary expenses, including but not limited to expenses for travelling and any other expense both reasonable and necessary for the effectiveness of the arbitration. Each Party shall be responsible for the expense of its counsel, experts, witnesses and proof.
9. **Finality of Award:** The Parties agree that the award rendered by the Tribunal will be final and binding. The Parties agree that recourse in relation to the recognition and enforcement of the award will be under the Recognition and Enforcement of International Arbitration Award Act, 2011.
10. **Modification:** No modification of this Agreement may be made except in writing signed by each of the Parties.
11. **Overriding effect:** Only in relation to the resolution of the Dispute hereto, this Agreement shall override and have effect, notwithstanding any contract or arbitration clause or provision to the contrary or otherwise, in any contract (including power purchase agreement or the implementation agreement) or Bilateral Investment Treaty to which Pakistan or any of its entities is or may be a party.
12. **Impact on Other Agreements:** Except to the extent of dispute resolution mechanism agreed hereinabove for the purposes of determining the Dispute, nothing in this Agreement shall modify, alter, or amend the relevant Project Agreements, including but not limited to the Guarantee dated [date] between the GOP and the Company, and the Company's rights under the aforesaid are hereby confirmed.
13. **Confidentiality:** The Parties agree and irrevocably undertake that the arbitration proceedings under this Agreement shall be kept confidential. The Parties irrevocably undertake to keep confidential all proceedings and awards in the arbitration, together with all materials in the arbitration created for the purpose of the arbitration and all other documents produced by the other Party in the proceedings not otherwise in the public domain, save and to the extent that disclosure may be required under applicable laws.

GOP \_\_\_\_\_ DATE \_\_\_\_\_

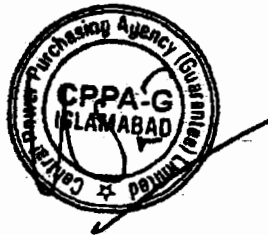
COMPANY \_\_\_\_\_ DATE \_\_\_\_\_

WITNESS \_\_\_\_\_

WITNESS \_\_\_\_\_



ANNEX-E  
RECONCILED NUMBERS





BEFORE  
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

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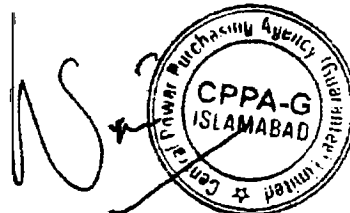
APPLICATION FOR ADJUSTMENT OF TARIFF

APPLICANT: CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED  
IN RESPECT OF 195.722 MW PROJECT OF NISHAT CHUNIAN POWER LIMITED

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DATED: FEBRUARY 11, 2021

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### Tariff Adjustment Application

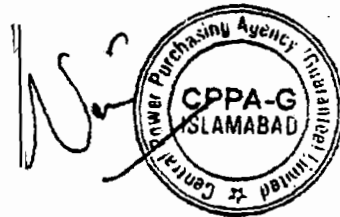
1. Tariff Adjustment Summary
2. Grounds for Tariff Adjustments
3. Statement of Compliance
4. Proposed Tariff
5. Determination Sought

### SCHEDULE

Master Agreement dated February 11, 2021 (the "Master Agreement")

### ANNEXES

- Annex 1: Resolution of Board of Directors of CPPA-G  
Annex 2: Affidavit



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## Tariff Adjustment Application

In respect of Nishat Chunian Power Limited

### Application

The Applicant is hereby filing this Tariff Adjustment Application ("Application") to the National Electric Power Regulatory Authority ("Authority") for adjustment in Return on Equity (ROE) and Return on Equity During Construction (ROEDC) components allowed by NEPRA in the tariff of the Nishat Chunian limited ("Company") through the Authority's determination bearing No. NEPRA/TRF-70/NCPL-2007/4957-4959, dated Dec 31, 2010.

### Generation License

The Authority granted the Company a Generation License bearing No. IGSP/L/14/2007 for a term of 25 years on September 06, 2007.

### PPA and Tariff

A Power Purchase Agreement was executed by and between the Company and National Transmission and Despatch Company Limited on November 13, 2007 in respect of the Project and novated to the Applicant *vide* novation agreement dated February 11, 2021 ("PPA"). The learned Authority determined the Reference Tariff No. NEPRA/R/TRF-70/NCPL-2007-1343-45, dated March 06, 2007 and Commercial Operations Date Tariff dated December 31, 2010, (collectively referenced as "Tariff") of the Company.

### Grounds

This Application is based on facts, circumstances and grounds as elaborated in Section 2 hereunder.

### Determination Sought

It is humbly prayed that the Authority:

- (a) Accept this Application;
- (b) Adjust the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant in clause 7.1 of the Master Agreement;
- (c) Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components; and
- (d) Approve the Tariff Adjustment to become effective as provided in clause 2.1 of this tariff adjusted application.



The Applicant will be pleased to provide any further information, clarification or explanation as may be required by the Authority during its evaluation of the attached tariff adjustment.

Yours sincerely,  
For and on behalf of  
Central Power Purchasing Agency (Guarantee) Limited

Waseem Mukhtar, Chief Executive Officer



**Section 1 - Summary of Particulars**

**A. Particulars of the Applicant**

**Name:** Central Power Purchasing Agency (Guarantee) Limited (the "Applicant").  
**Address:** Shaheen Plaza, 73 West, Fazal-e-Haq Road, F-7/2 Area, Islamabad, Pakistan.  
**Phone:** 051-111-922-772  
**E-mail:** info@cpga.gov.pk

**B. Authorizations**

This Application is being filed and submitted before the Authority by Mr. Waseem Mukhtar, Chief Executive Officer of the Applicant, being the duly authorized representative of the Applicant by virtue of board resolution dated February 10, 2021 appended herewith as Annex 1.

**C. Applicant's Representatives**

Mr. Waseem Mukhtar, CEO of the Applicant (*Authorized Representative*).

**D. Processing Fee**

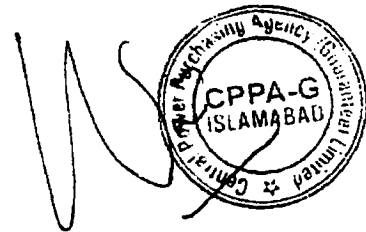
The applicable fee for this Application, as determined by the Authority, is enclosed herewith.

**E. Verification Through Affidavit**

As required under the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (the "Rules"), an affidavit verifying the statement of fact or opinion made by the Applicant in this Application is enclosed herewith as Annex 2.



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## Section 2 – Grounds for Tariff Adjustments

### 2. Grounds

- 2.1 The Company and the Applicant have entered into the Master Agreement, appended herewith as Schedule.

Therefore, pursuant to the Clause 7.1 of the Master Agreement, the Applicant and the Company have agreed to adjust the ROE and ROEDC Components of Tariff per the following terms and conditions:

#### For local equity

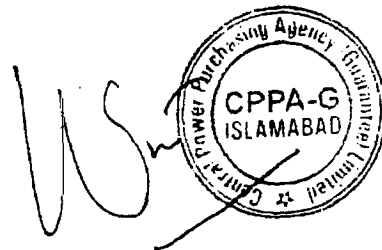
17% per annum each for the RoE and RoEDC Components of the Tariff ("Revised RoE and RoEDC") based on the Authority approved equity in USD for calculation of the RoE and RoEDC at the Commercial Operations Date calculated at the PKR/USD exchange rate of PKR 148/USD 1, with no future USD indexation.

The Revised Local ROE and ROEDC components shall be effective on the date when last installment under the Payment Mechanism (i.e. Annex A of the Master Agreement) has been paid to the Company as agreed in clause 2.2 and clause 2.3 of the Master Agreement and the applicable exchange rate under the present Tariff reaches PKR 168/USD 1. Thereafter from the effective date, the revised ROE and ROEDC shall be applied for the remainder term of the PPA as per clause 7.1 (b) of the Master Agreement

Accordingly, Pass-through Withholding Tax on Dividend to be calculated in accordance with the adjusted ROE and ROEDC components.



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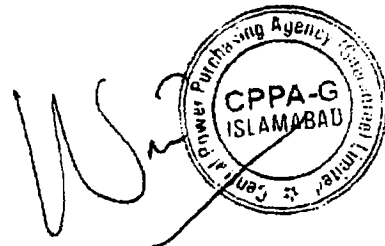
### SECTION 3 - STATEMENT OF COMPLIANCE

#### 3. Statutory Compliance

- 3.1 Under Section 7 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (as amended from time to time, the "NEPRA Act"), the Authority is mandated to determine tariffs and other terms and conditions for the supply of electric power services by the generation, transmission and distribution companies. The Authority is also responsible for determining the process and procedures for reviewing tariffs, recommending tariff adjustments, and revision thereof.
- 3.2 Under Rule 6 of the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 (the "Generation Rules"), the licensee can charge only such tariff for provision of electric power as approved by the Authority for the Company. Accordingly, on filing petitions by the Company for the determination of its tariff for sale of its generated electricity, the Authority has determined the Reference Tariff and Commercial Operations Date Tariff, as discussed above.
- 3.3 This Application is being filed as a motion for leave for review before the Authority pursuant to Rule 16(6) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (including all amendments thereto) (the "Rules"), read together with Regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009 (the "Regulations") and Section 31 of the NEPRA Act.
- 3.4 Pursuant to Section 3(2) of the Rules, "Any licensee, consumer or person interested in the tariff may file a petition with the Authority by filing it with the Registrar along with such fees as may be determined by the Authority from time to time...." The Applicant, having executed the PPA with the Company and as a person interested in the tariff, is therefore entitled to file this Petition in accordance with the Rules.
- 3.5 It is submitted that the facts and circumstances along with the grounds set out below constitute "**sufficient reasons**" for the Authority to grant the instant Application under Regulation 3(2) of Regulations. Furthermore, we request the Authority to relax the condition pertaining to time limitation for the motion for leave for review for the instant Application under Rule 16(10) of the Rules and Regulation 3(3) of the Regulations.



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#### Section 4 - Proposed Tariff

Following is the proposed tariff:

Tariff Component	*Proposed Tariff (Rs./kW/h)	Indexation
Return on Equity (Local)	0.6968	No Indexation
Return on Equity During Construction (Local)	0.1284	No Indexation

*\*the proposed tariff shall be effective only when exchange rate reaches Rs. 168/USD and the 2<sup>nd</sup> installment under the Master Agreement is paid to Company and shall remain constant throughout the remaining Term, as per Section 2.1 above.*



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## Section 5 - Determination Sought

In light of the foregoing submissions, the learned Authority is kindly requested to:

- (a) Accept this Application;
- (b) Adjust the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant in clause 7.1 of the Master Agreement;
- (c) Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components; and
- (d) Approve the Tariff Adjustment to become effective as provided in clause 2.1 of this tariff adjusted application.



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BEFORE  
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

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APPLICATION FOR ADJUSTMENT OF TARIFF

APPLICANT: CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED  
IN RESPECT OF 195.305 MW PROJECT OF NISHAT POWER LIMITED

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DATED: FEBRUARY 12, 2021

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USE

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1. Tariff Adjustment Summary
2. Grounds for Tariff Adjustments
3. Statement of Compliance
4. Proposed Tariff
5. Determination Sought

### SCHEDULE

Master Agreement dated February 12, 2021 (the "Master Agreement")

### ANNEXES

- Annex 1: Resolution of Board of Directors of CPPA-G  
Annex 2: Affidavit



## Tariff Adjustment Application

In respect of Nishat Power Limited

### Application

The Applicant is hereby filing this Tariff Adjustment Application ("Application") to the National Electric Power Regulatory Authority ("Authority") for adjustment in Return on Equity (ROE) and Return on Equity During Construction (ROEDC) components allowed by NEPRA in the tariff of the Nishat Power Limited ("Company") through the Authority's determination bearing No. NEPRA/Tariff-71/NPL-2007/1989-1991, dated March 22, 2011.

### Generation License

The Authority granted the Company a Generation License bearing No. IGSPL/15/2007 for a term of 25 years on September 06, 2007.

### PPA and Tariff

A Power Purchase Agreement was executed by and between the Company and National Transmission and Despatch Company Limited on November 13, 2007 in respect of the Project and novated to the Applicant *vide* novation agreement dated February 12, 2021 ("PPA"). The learned Authority determined the Reference Tariff No. NEPRA/R/TRF-71/NPL-2007-1350-52, dated March 06, 2007 and Commercial Operations Date Tariff dated March 22, 2011, (collectively referenced as "Tariff") of the Company.

### Grounds

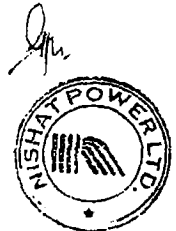
This Application is based on facts, circumstances and grounds as elaborated in Section 2 hereunder.

### Determination Sought

It is humbly prayed that the Authority:

- (a) Accept this Application;
- (b) Adjust the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant in clause 7.1 of the Master Agreement;
- (c) Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components; and
- (d) Approve the Tariff Adjustment to become effective as provided in clause 7.1 of this tariff adjusted application.

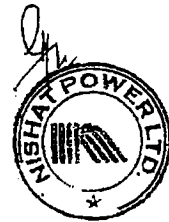
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The Applicant will be pleased to provide any further information, clarification or explanation as may be required by the Authority during its evaluation of the attached tariff adjustment.

Yours sincerely,  
For and on behalf of  
Central Power Purchasing Agency (Guarantee) Limited

Waseem Mukhtar, Chief Executive Officer



## Section 1 - Summary of Particulars

### A. Particulars of the Applicant

**Name:** Central Power Purchasing Agency (Guarantee) Limited (the "Applicant").  
**Address:** Shaheen Plaza, 73<sup>rd</sup> West, Fazal-e-Haq Road, Blue Area, Islamabad, Pakistan.  
**Phone:** 051-111-922-772  
**E-mail:** info@cpga.gov.pk

### B. Authorizations

This Application is being filed and submitted before the Authority by Mr. Waseem Mukhtar, Chief Executive Officer of the Applicant, being the duly authorized representative of the Applicant by virtue of board resolution dated February 10, 2021 appended herewith as Annex 1.

### C. Applicant's Representatives

Mr. Waseem Mukhtar, CEO of the Applicant (*Authorized Representative*).

### D. Processing Fee

The applicable fee for this Application, as determined by the Authority, is enclosed herewith.

### E. Verification Through Affidavit

As required under the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (the "Rules"), an affidavit verifying the statement of fact or opinion made by the Applicant in this Application is enclosed herewith as Annex 2.

WSE



## Section 2 - Grounds for Tariff Adjustments

### 2. Grounds

- 2.1 The Company and the Applicant have entered into the Master Agreement, appended herewith as Schedule.

Therefore, pursuant to the Clause 7.1 of the Master Agreement, the Applicant and the Company have agreed to adjust the ROE and ROEDC Components of Tariff per the following terms and conditions:

#### For local equity

17% per annum each for the RoE and RoEDC Components of the Tariff ("Revised RoE and RoEDC") based on the Authority approved equity in USD for calculation of the RoE and RoEDC at the Commercial Operations Date calculated at the PKR/USD exchange rate of PKR 148/USD 1, with no future USD indexation.

The Revised Local ROE and ROEDC components shall be effective on the date when last installment under the Payment Mechanism (i.e. Annex A of the Master Agreement) has been paid to the Company as agreed in clause 2.2 and clause 2.3 of the Master Agreement and the applicable exchange rate under the present Tariff reaches PKR 168/USD 1. Thereafter from the effective date, the revised ROE and ROEDC shall be applied for the remainder term of the PPA as per clause 7.1 (b) of the Master Agreement

Accordingly, Pass-through Withholding Tax on Dividend to be calculated in accordance with the adjusted ROE and ROEDC components.

WSE



### SECTION 3 - STATEMENT OF COMPLIANCE

#### 3. Statutory Compliance

- 3.1 Under Section 7 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (as amended from time to time, the "NEPRA Act"), the Authority is mandated to determine tariffs and other terms and conditions for the supply of electric power services by the generation, transmission and distribution companies. The Authority is also responsible for determining the process and procedures for reviewing tariffs, recommending tariff adjustments, and revision thereof.
- 3.2 Under Rule 6 of the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 (the "Generation Rules"), the licensee can charge only such tariff for provision of electric power as approved by the Authority for the Company. Accordingly, on filing petitions by the Company for the determination of its tariff for sale of its generated electricity, the Authority has determined the Reference Tariff and Commercial Operations Date Tariff, as discussed above.
- 3.3 This Application is being filed as a motion for leave for review before the Authority pursuant to Rule 16(6) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (including all amendments thereto) (the "Rules"), read together with Regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009 (the "Regulations") and Section 31 of the NEPRA Act.
- 3.4 Pursuant to Section 3(2) of the Rules, "Any licensee, consumer or person interested in the tariff may file a petition with the Authority by filing it with the Registrar along with such fees as may be determined by the Authority from time to time...." The Applicant, having executed the PPA with the Company and as a person interested in the tariff, is therefore entitled to file this Petition in accordance with the Rules.
- 3.5 It is submitted that the facts and circumstances along with the grounds set out below constitute "**sufficient reasons**" for the Authority to grant the instant Application under Regulation 3(2) of Regulations. Furthermore, we request the Authority to relax the condition pertaining to time limitation for the motion for leave for review for the instant Application under Rule 16(10) of the Rules and Regulation 3(3) of the Regulations.

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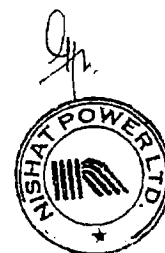
#### Section 4 - Proposed Tariff

Following is the proposed tariff:

Tariff Component	*Proposed Tariff (Rs./kW/h)	Indexation
Return on Equity (Local)	0.6749	No Indexation
Return on Equity During Construction (Local)	0.1134	No Indexation

*\*the proposed tariff shall be effective only when exchange rate reaches Rs. 168/USD and the 2<sup>nd</sup> installment under the Master Agreement is paid to Company and shall remain constant throughout the remaining Term, as per Section 2.1 above.*

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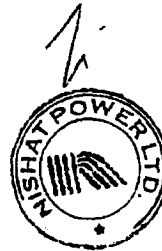


## Section 5 - Determination Sought

In light of the foregoing submissions, the learned Authority is kindly requested to:

- (a) Accept this Application;
- (b) Adjust the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant in clause 7.1 of the Master Agreement;
- (c) Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components; and
- (d) Approve the Tariff Adjustment to become effective as provided in clause 2.1 of this tariff adjusted application.

USE



BEFORE  
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

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APPLICATION FOR ADJUSTMENT OF TARIFF

APPLICANT: CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED  
IN RESPECT OF 212.70 MW PROJECT OF ORIENT POWER (PVT) LIMITED

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DATED: FEBRUARY 11, 2021

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### Tariff Adjustment Application

1. Tariff Adjustment Summary
2. Grounds for Tariff Adjustments
3. Statement of Compliance
4. Proposed Tariff
5. Determination Sought

### SCHEDULE

Master Agreement dated February 11, 2021 (the "Master Agreement")

### ANNEXES

- Annex 1: Resolution of Board of Directors of CPPA-G  
Annex 2: Affidavit

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USE

## Tariff Adjustment Application

In respect of Orient Power (Pvt) Limited

### Application

The Applicant is hereby filing this Tariff Adjustment Application ("Application") to the National Electric Power Regulatory Authority ("Authority") for adjustment in Return on Equity (ROE) and Return on Equity During Construction (ROEDC) components allowed by NEPRA in the tariff of the Orient Power (Pvt) Limited ("Company") through the Authority's determination bearing No. NEPRA/Tariff-124/OPCL-2009/2663-2665 dated April 13, 2011 & Corrigendum No. NEPRA/Tariff-124/OPCL-2009/3969-3971 dated June 01, 2011.

### Generation License

The Authority granted the Company a Generation License bearing No. IGSPL/03/2005 for a term of 30 years on July 22, 2005.

### PPA and Tariff

A Power Purchase Agreement was executed by and between the Company and National Transmission and Despatch Company Limited on November 08, 2006 in respect of the Project and novated to the Applicant *vide* novation agreement dated February 11, 2021 ("PPA"). The learned Authority determined the Reference Tariff dated No. NEPRA/R/LAG-72/Tariff-2005/561-564 dated 12-June-2005 and Commercial Operations Date Tariff dated April 13, 2011 & Corrigendum No. NEPRA/Tariff-124/OPCL-2009/3969-3971 dated June 01, 2011 (collectively referenced as "Tariff") of the Company.

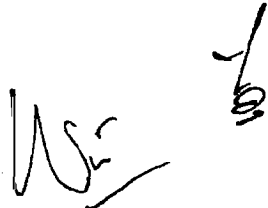
### Grounds

This Application is based on facts, circumstances and grounds as elaborated in Section 2 hereunder.

### Determination Sought

It is humbly prayed that the Authority:

- (a) Accept this Application;
- (b) Adjust the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant in clause 6.1 of the Master Agreement;
- (c) Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components; and
- (d) Approve the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.



The Applicant will be pleased to provide any further information, clarification or explanation as may be required by the Authority during its evaluation of the attached tariff adjustment.

Yours sincerely,  
For and on behalf of  
**Central Power Purchasing Agency (Guarantee) Limited**

Waseem Mukhtar, Chief Executive Officer



## Section 1 - Tariff Adjustment Summary

### A. Particulars of the Applicant

**Name:** Central Power Purchasing Agency (Guarantee) Limited (the "Applicant").  
**Address:** Shaheen Plaza, 73 West, Fazal-e-Haq Road, Blue Area, Islamabad, Pakistan.  
**Phone:** 051-111-922-772  
**E-mail:** info@cpga.gov.pk

### B. Authorizations

This Application is being filed and submitted before the Authority by Mr. Waseem Mukhtar, Chief Executive Officer of the Applicant, being the duly authorized representative of the Applicant by virtue of board resolution dated February 10, 2021 appended herewith as Annex 1.

### C. Applicant's Representatives

Mr. Waseem Mukhtar, CEO of the Applicant (*Authorized Representative*).

### D. Processing Fee

The applicable fee for this Application, as determined by the Authority, is enclosed herewith.

### E. Verification Through Affidavit

As required under the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (the "Rules"), an affidavit verifying the statement of fact or opinion made by the Applicant in this Application is enclosed herewith as Annex 2.



## Section 2 - Grounds for Tariff Adjustments

### 2. Grounds

- 2.1 The Company and the Applicant have entered into the Master Agreement, appended herewith as the Schedule.

Pursuant to Clause 6.1 of the Master Agreement, the Applicant and the Company have agreed to adjust the RoE and RoEDC Components of Tariff as per the following terms and conditions:

- (a) **For foreign equity**  
12% per annum each for the RoE and RoEDC Components of the Tariff, based on the Authority approved equity for the calculation of the RoE and RoEDC at the Commercial Operations Date with USD indexation as per the Tariff at the Commercial Operations Date for the portion of the foreign equity investment registered with the State Bank of Pakistan.

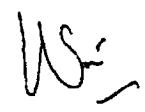
The Revised Foreign ROE and ROEDC components shall be effective on the date when last installment under the Payment Mechanism (i.e. Annex A of the Master Agreement) has been paid to the Company as agreed in clause 2.2 and clause 2.3 of the Master Agreement.

- (b) **For local equity**  
17% per annum each for the RoE and RoEDC Components of the Tariff ("Revised RoE and RoEDC") based on the Authority approved equity in USD for calculation of the RoE and RoEDC at the Commercial Operations Date calculated at the PKR/USD exchange rate of PKR 148/USD 1, with no future USD indexation.

The Revised Local ROE and ROEDC components shall be effective on the date when last installment under the Payment Mechanism (i.e. Annex A of the Master Agreement) has been paid to the Company as agreed in clause 2.2 and clause 2.3 of the Master Agreement and the applicable exchange rate under the present Tariff reaches PKR 168/USD 1. Thereafter from the effective date, the revised ROE and ROEDC shall be applied for the remainder term of the PPA as per clause 6.1 (b) of the Master Agreement

- (c) **provided that** till the effective date of the revised ROE and ROEDC components, NEPRA shall continue to index ROE and ROEDC with USD as per COD tariff.

Accordingly, Pass-through Withholding Tax on Dividend to be calculated in accordance with the adjusted ROE and ROEDC components.





### SECTION 3 - STATEMENT OF COMPLIANCE

#### 3. Statutory Compliance

- 3.1 Under Section 7 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (as amended from time to time, the "NEPRA Act"), the Authority is mandated to determine tariffs and other terms and conditions for the supply of electric power services by the generation, transmission and distribution companies. The Authority is also responsible for determining the process and procedures for reviewing tariffs, recommending tariff adjustments, and revision thereof.
- 3.2 Under Rule 6 of the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 (the "Generation Rules"), the licensee can charge only such tariff for provision of electric power as approved by the Authority for the Company. Accordingly, on filing petitions by the Company for the determination of its tariff for sale of its generated electricity, the Authority has determined the Reference Tariff and Commercial Operations Date Tariff, as discussed above.
- 3.3 This Application is being filed as a motion for leave for review before the Authority pursuant to Rule 16(6) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (including all amendments thereto) (the "Rules"), read together with Regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009 (the "Regulations") and Section 31 of the NEPRA Act.
- 3.4 Pursuant to Section 3(2) of the Rules, *"Any licensee, consumer or person interested in the tariff may file a petition with the Authority by filing it with the Registrar along with such fees as may be determined by the Authority from time to time...."* The Applicant, having executed the PPA with the Company and as a person interested in the tariff, is therefore entitled to file this Petition in accordance with the Rules.
- 3.5 It is submitted that the facts and circumstances along with the grounds set out below constitute "sufficient reasons" for the Authority to grant the instant Application under Regulation 3(2) of Regulations. Furthermore, we request the Authority to relax the condition pertaining to time limitation for the motion for leave for review for the instant Application under Rule 16(10) of the Rules and Regulation 3(3) of the Regulations.

Handwritten signature and initials, possibly 'WSE' and '1/5'.

#### Section 4 - Proposed Tariff

Following is the proposed tariff:

Tariff Component	Proposed Tariff (Rs./kW/h)	
	Local*	Foreign*
Return on Equity	0.2388	0.4503*
Return on Equity During Construction	0.0469	0.0952*
Indexation	No Indexation	PKR/USD

*\* reduced ROE and ROEDC components shall be effective in accordance with clause 2.2, clause 2.3 and Annex A of the Master Agreement and Section 2.1 above.*

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## Section 5 - Determination Sought

In light of the foregoing submissions, the learned Authority is kindly requested to:

- (a) Accept this Application;
- (b) Adjust the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant in clause 6.1 of the Master Agreement;
- (c) Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components; and
- (d) Approve the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.

WS- 6

BEFORE  
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

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APPLICATION FOR ADJUSTMENT OF TARIFF

APPLICANT: CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

IN RESPECT OF 209.786 MW PROJECT OF SAIF POWER LIMITED

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DATED: FEBRUARY 11, 2021

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3. Statement of Compliance
4. Proposed Tariff
5. Determination Sought

### **SCHEDULE**

Master Agreement dated February 11, 2021 (the "Master Agreement")

### **ANNEXES**

- Annex 1: Resolution of Board of Directors of CPPA-G  
Annex 2: Affidavit

**Tariff Adjustment Application**  
**In respect of Saif Power Limited**

**Application**

The Applicant is hereby filing this Tariff Adjustment Application ("Application") to the National Electric Power Regulatory Authority ("Authority") for adjustment in Return on Equity (ROE) and Return on Equity During Construction (ROEDC) components allowed by NEPRA in the tariff of Saif Power Limited ("Company") through the Authority's determination bearing No. NEPRA/R/TRF-80/SPL-2007/4445-4447, dated June 20, 2011

**Generation License**

The Authority granted the Company a Generation License bearing No. IGSPL/04/2006 for a term of 30 years on June 21, 2006.

**PPA and Tariff**

A Power Purchase Agreement was executed by and between the Company and National Transmission and Despatch Company Limited on April 30, 2007 in respect of the Project and novated to the Applicant *vide* novation agreement dated February 11, 2021 ("PPA"). The learned Authority determined the Reference Tariff dated No. NEPRA/TRF-53/SPL-2006/5168-70, dated June 15, 2006 and Commercial Operations Date Tariff dated June 20, 2011, (collectively referenced as "Tariff") of the Company.

**Grounds**

This Application is based on facts, circumstances and grounds as elaborated in Section 2 hereunder.

**Determination Sought**

It is humbly prayed that the Authority:

- (a) Accept this Application;
- (b) Adjust the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant in clause 6.1 of the Master Agreement;
- (c) Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components; and
- (d) Approve the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.

The Applicant will be pleased to provide any further information, clarification or explanation as may be required by the Authority during its evaluation of the attached tariff adjustment.

Yours sincerely,  
For and on behalf of  
**Central Power Purchasing Agency (Guarantee) Limited**

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**Waseem Mukhtar, Chief Executive Officer**

## **Section 1 - Summary of Particulars**

### **A. Particulars of the Applicant**

**Name:** Central Power Purchasing Agency (Guarantee) Limited (the "Applicant").  
**Address:** Shaheen Plaza, 73 West, Fazal-e-Haq Road, Blue Area, Islamabad, Pakistan.  
**Phone:** 051-111-922-772  
**E-mail:** info@cpga.gov.pk

### **B. Authorizations**

This Application is being filed and submitted before the Authority by Mr. Waseem Mukhtar, Chief Executive Officer of the Applicant, being the duly authorized representative of the Applicant by virtue of board resolution dated February 10, 2021 appended herewith as Annex 1.

### **C. Applicant's Representatives**

Mr. Waseem Mukhtar, CEO of the Applicant (*Authorized Representative*).

### **D. Processing Fee**

The applicable fee for this Application, as determined by the Authority, is enclosed herewith.

### **E. Verification Through Affidavit**

As required under the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (the "Rules"), an affidavit verifying the statement of fact or opinion made by the Applicant in this Application is enclosed herewith as Annex 2.



## Section 2 – Grounds for Tariff Adjustments

### 2. Grounds

- 2.1 The Company and the Applicant have entered into the Master Agreement, appended herewith as the Schedule.

Pursuant to Clause 7.1 of the Master Agreement, the Applicant and the Company have agreed to adjust the RoE and RoEDC Components of Tariff as per the following terms and conditions:

(a) **For foreign equity**

12% per annum each for the RoE and RoEDC Components of the Tariff, based on the Authority approved equity for the calculation of the RoE and RoEDC at the Commercial Operations Date with USD indexation as per the Tariff at the Commercial Operations Date for the portion of the foreign equity investment registered with the State Bank of Pakistan.

The Revised Foreign ROE and ROEDC components shall be effective on the date when last installment under the Payment Mechanism (i.e. Annex A of the Master Agreement) has been paid to the Company as agreed in clause 2.2 and clause 2.3 of the Master Agreement.

(b) **For local equity**

17% per annum each for the RoE and RoEDC Components of the Tariff ("Revised RoE and RoEDC") based on the Authority approved equity in USD for calculation of the RoE and RoEDC at the Commercial Operations Date calculated at the PKR/USD exchange rate of PKR 148/USD 1, with no future USD indexation.

The Revised Local ROE and ROEDC components shall be effective on the date when last installment under the Payment Mechanism (i.e. Annex A of the Master Agreement) has been paid to the Company as agreed in clause 2.2 and clause 2.3 of the Master Agreement and the applicable exchange rate under the present Tariff reaches PKR 168/USD 1. Thereafter from the effective date, the revised ROE and ROEDC shall be applied for the remainder term of the PPA as per clause 7.1 (b) of the Master Agreement

- (c) **Provided that** till the effective date of the revised ROE and ROEDC components, NEPRA shall continue to index ROE and ROEDC with USD as per COD tariff.

Accordingly, Pass-through Withholding Tax on Dividend to be calculated in accordance with the adjusted ROE and ROEDC components.

### SECTION 3 - STATEMENT OF COMPLIANCE

#### 3. Statutory Compliance

- 3.1 Under Section 7 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (as amended from time to time, the "NEPRA Act"), the Authority is mandated to determine tariffs and other terms and conditions for the supply of electric power services by the generation, transmission and distribution companies. The Authority is also responsible for determining the process and procedures for reviewing tariffs, recommending tariff adjustments, and revision thereof.
- 3.2 Under Rule 6 of the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 (the "Generation Rules"), the licensee can charge only such tariff for provision of electric power as approved by the Authority for the Company. Accordingly, on filing petitions by the Company for the determination of its tariff for sale of its generated electricity, the Authority has determined the Reference Tariff and Commercial Operations Date Tariff, as discussed above.
- 3.3 This Application is being filed as a motion for leave for review before the Authority pursuant to Rule 16(6) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (including all amendments thereto) (the "Rules"), read together with Regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009 (the "Regulations") and Section 31 of the NEPRA Act.
- 3.4 Pursuant to Section 3(2) of the Rules, "Any licensee, consumer or person interested in the tariff may file a petition with the Authority by filing it with the Registrar along with such fees as may be determined by the Authority from time to time...." The Applicant, having executed the PPA with the Company and as a person interested in the tariff, is therefore entitled to file this Petition in accordance with the Rules.
- 3.5 It is submitted that the facts and circumstances along with the grounds set out below constitute "**sufficient reasons**" for the Authority to grant the instant Application under Regulation 3(2) of Regulations. Furthermore, we request the Authority to relax the condition pertaining to time limitation for the motion for leave for review for the instant Application under Rule 16(10) of the Rules and Regulation 3(3) of the Regulations.

#### SECTION 4 - PROPOSED TARIFF

Following is the proposed tariff:

Tariff Component	Proposed Tariff (Rs./kW/h)	
	Local*	Foreign**
Return on Equity	0.6338	0.0996
Return on Equity During Construction	0.1831	0.0310
Indexation	No Indexation	PKR/USD

*\*the reduced ROE (Local) and ROEDC (Local) shall be effective only when exchange rate reaches Rs. 168/USD and shall remain constant throughout the remaining Term, as per Section 2.1(b) above.*

*\*\* ROE (Foreign) and ROEDC (Foreign) reduced with immediate effect, as per clause 2.1(a) above and its existing indexation mechanism shall remain unchanged.*

## **Section 5 - Determination Sought**

In light of the foregoing submissions, the learned Authority is kindly requested to:

- (a) Accept this Application;
- (b) Adjust the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant in clause 6.1 of the Master Agreement;
- (c) Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components; and
- (d) Approve the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.

\*BEFORE  
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

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APPLICATION FOR ADJUSTMENT OF TARIFF

APPLICANT: CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED  
IN RESPECT OF 212.107 MW PROJECT OF SAPPHIRE ELECTRIC COMPANY LIMITED

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DATED: FEBRUARY 11, 2021

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3. Statement of Compliance
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5. Determination Sought

### SCHEDULE

Master Agreement dated February 11, 2021 (the "Master Agreement")

### ANNEXES

- Annex 1: Resolution of Board of Directors of CPPA-G  
Annex 2: Affidavit



## Tariff Adjustment Application

In respect of Sapphire Electric Company Limited

### Application

The Applicant is hereby filing this Tariff Adjustment Application ("Application") to the National Electric Power Regulatory Authority ("Authority") for adjustment in Return on Equity (ROE) and Return on Equity During Construction (ROEDC) components allowed by NEPRA in the tariff of the Sapphire Electric Company limited ("Company") through the Authority's determination bearing No. NEPRA/TRF-125/SECL-2009/10369-10371 dated November 23, 2012.

### Generation License

The Authority granted the Company a Generation License bearing No. IGSPL/05/2006 for a term of 30 years on June 21, 2006.

### PPA and Tariff

A Power Purchase Agreement was executed by and between the Company and National Transmission and Despatch Company Limited on February 19, 2007 in respect of the Project and novated to the Applicant *vide* novation agreement dated February 11, 2021 ("PPA"). The learned Authority determined the Reference Tariff, Dated 15-June-2006 as revised pursuant to the Authority's decision dated August 3, 2006, dated August 10, 2006, November 22, 2007 and September 16, 2009 and Commercial Operations Date Tariff dated September 21, 2011 and November 23, 2012, (collectively referenced as "Tariff") of the Company.

### Grounds

This Application is based on facts, circumstances and grounds as elaborated in Section 2 hereunder.

### Determination Sought

It is humbly prayed that the Authority:

- (a) Accept this Application;
- (b) Adjust only the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant in clause 6.1 of the Master Agreement;
- (c) Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components; and
- (d) Approve the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.



The Applicant will be pleased to provide any further information, clarification or explanation as may be required by the Authority during its evaluation of the attached tariff adjustment.

Yours sincerely,  
For and on behalf of  
Central Power Purchasing Agency (Guarantee) Limited

---

Waseem Mukhtar, Chief Executive Officer





## Section 1 - Summary of Particulars

### A. Particulars of the Applicant

Name: Central Power Purchasing Agency (Guarantee) Limited (the "Applicant").  
Address: Shaheen Plaza, 73 West, Fazal-e-Haq Road, Blue Area, Islamabad, Pakistan.  
Phone: 051-111-922-772  
E-mail: info@cpga.gov.pk

### B. Authorizations

This Application is being filed and submitted before the Authority by Mr. Waseem Mukhtar, Chief Executive Officer of the Applicant, being the duly authorized representative of the Applicant by virtue of board resolution dated February 10, 2021 appended herewith as Annex 1.

### C. Applicant's Representatives

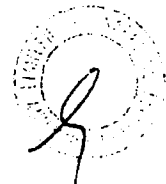
Mr. Waseem Mukhtar, CEO of the Applicant (*Authorized Representative*).

### D. Processing Fee

The applicable fee for this Application, as determined by the Authority, is enclosed herewith.

### E. Verification Through Affidavit

As required under the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (the "Rules"), an affidavit verifying the statement of fact or opinion made by the Applicant in this Application is enclosed herewith as Annex 2.



## Section 2 - Grounds for Tariff Adjustments

### 2. Grounds

- 2.1 The Company and the Applicant have entered into the Master Agreement, appended herewith as the Schedule.

Pursuant to Clause 6.1 of the Master Agreement, the Applicant and the Company have agreed to adjust the RoE and RoEDC Components of Tariff as per the following terms and conditions:

- (a) **For foreign equity**  
12% per annum each for the RoE and RoEDC Components of the Tariff, based on 19.94% of the Authority approved equity for the calculation of the RoE and RoEDC at the Commercial Operations Date with USD indexation as per the Tariff at the Commercial Operations Date for the portion of the foreign equity investment registered with the State Bank of Pakistan.

The Revised Foreign ROE and ROEDC components shall be effective on the date when last installment under the Payment Mechanism (i.e. Annex A of the Master Agreement) has been paid to the Company as agreed in clause 2.2 and clause 2.3 of the Master Agreement.

- (b) **For local equity**  
17% per annum each for the RoE and RoEDC Components of the Tariff ("Revised RoE and RoEDC") based on 80.06% of the Authority approved equity in USD for calculation of the RoE and RoEDC at the Commercial Operations Date calculated at the PKR/USD exchange rate of PKR 148/USD 1, with no future USD indexation.

The Revised Local ROE and ROEDC components shall be effective on the date when last installment under the Payment Mechanism (i.e. Annex A of the Master Agreement) has been paid to the Company as agreed in clause 2.2 and clause 2.3 of the Master Agreement and the applicable exchange rate under the present Tariff reaches PKR 168/USD 1. Thereafter from the effective date, the revised ROE and ROEDC shall be applied for the remainder term of the PPA as per clause 6.1 (b) of the Master Agreement

- (c) **provided that** till the effective date of the revised ROE and ROEDC components, NEPRA shall continue to index ROE and ROEDC with USD as per COD tariff.

Accordingly, Pass-through Withholding Tax on Dividend to be calculated in accordance with the adjusted ROE and ROEDC components.



### SECTION 3 - STATEMENT OF COMPLIANCE

#### 3. Statutory Compliance

- 3.1 Under Section 7 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (as amended from time to time, the "NEPRA Act"), the Authority is mandated to determine tariffs and other terms and conditions for the supply of electric power services by the generation, transmission and distribution companies. The Authority is also responsible for determining the process and procedures for reviewing tariffs, recommending tariff adjustments, and revision thereof.
- 3.2 Under Rule 6 of the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 (the "Generation Rules"), the licensee can charge only such tariff for provision of electric power as approved by the Authority for the Company. Accordingly, on filing petitions by the Company for the determination of its tariff for sale of its generated electricity, the Authority has determined the Reference Tariff and Commercial Operations Date Tariff, as discussed above.
- 3.3 This Application is being filed as a motion for leave for review before the Authority pursuant to Rule 16(6) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (including all amendments thereto) (the "Rules"), read together with Regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009 (the "Regulations") and Section 31 of the NEPRA Act.
- 3.4 Pursuant to Section 3(2) of the Rules, "Any licensee, consumer or person interested in the tariff may file a petition with the Authority by filing it with the Registrar along with such fees as may be determined by the Authority from time to time...." The Applicant, having executed the PPA with the Company and as a person interested in the tariff, is therefore entitled to file this Petition in accordance with the Rules.
- 3.5 It is submitted that the facts and circumstances along with the grounds set out below constitute "sufficient reasons" for the Authority to grant the instant Application under Regulation 3(2) of Regulations. Furthermore, we request the Authority to relax the condition pertaining to time limitation for the motion for leave for review for the instant Application under Rule 16(10) of the Rules and Regulation 3(3) of the Regulations.

A handwritten signature in dark ink is written over a circular official stamp. The stamp contains text around its perimeter, which is partially obscured by the signature. The signature appears to be a stylized 'H' or similar character.

#### Section 4 - Proposed Tariff

Following is the proposed tariff

Local Equity 80.06% and Foreign Equity 19.94% of Authority approved equity :Tariff Component	Proposed Tariff (Rs./kW/h)	
	Local*	Foreign**
Return on Equity	0.6387	0.1220
Return on Equity During Construction	0.1674	0.0343
Indexation	No Indexation	PKR/USD

*\*the proposed tariff shall be effective only when exchange rate reaches Rs. 168/USD and shall remain constant throughout the remaining Term, as per Section 2.1 above.*

*\*\* The foreign tariff component at the time of COD used reference exchange rate of Rs. 83.35/USD and has been recalculated and indexed at an exchange rate as on Dec 31, 2020 i.e Rs. 160.80/USD.*

#### Section 5 - Determination Sought

In light of the foregoing submissions, the learned Authority is kindly requested to:

- Accept this Application;
- Adjust the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components of the Tariff as agreed between the Company and the Applicant in clause 6.1 of the Master Agreement;
- Adjust Pass-through Withholding Tax on Dividend in accordance with the adjusted ROE and ROEDC components; and
- Approve the Tariff Adjustment to become effective as provided in clause 2.2, clause 2.3 and Annex A of the Master Agreement and notified accordingly.

