

Dated: _____

INTER-CONNECTION AGREEMENT

[Distribution Company]

AND

[Bulk Power Consumer]

Signed at **[●]**

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This Interconnection Agreement (this “**Agreement**”) is made at [●] on the [●] day of [●], 2023

BY AND BETWEEN

- 1) [●], a public limited company incorporated under the Companies Act, 2017 vide Certificate of Incorporation No. [●] dated [●], with its principal office at [●], Pakistan operating as an electric power distribution company (herein referred to as the “**DISCO**” which expression shall, where the context so permits, include its successors in interest and permitted assigns);

AND

- 2) [●], a company incorporated under the Companies Act, 2017 vide Certificate of Incorporation No. [●] dated [●], with its principal office at [●] (herein referred to as the “**BPC**” which expression shall, where the context so permits, include its successors in interest and permitted assigns).
(The **DISCO** and the **BPC** are hereinafter referred to individually as a “**Party**” and collectively as the “**Parties**”).

RECITALS

WHEREAS:

- A. The DISCO is operating as a distribution company pursuant to the distribution licence No. [●] dated [●] (the “**Distribution Licence**”) issued to it by National Electric Power Regulatory Authority (the “**NEPRA**”) under section 20 and 21 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the “**NEPRA Act**”) amended from time to time to engage in the distribution of electric power .
- B. The BPC is engaged in the business of [●] and as such in order to run its business requires electric power with a maximum demand of [●] Kilo Watts at its premises situated at [●] (the “**BPC Premises**”) which falls within the Service Territory of the DISCO. The BPC intends to meet its electric power requirements through a competitive commercial arrangement with a licensed Competitive Supplier.

- C. The BPC intends to connect to the DISCO Network and pursuant to the DISCO's Distribution Licence the DISCO is required to offer terms in this respect.
- D. The BPC has applied to the DISCO and conveyed its intention to obtain connection in terms of clause CC [.] of the Distribution Code and furnished the required details as stipulated therein such as the type of facilities, magnitude of load demand for the facility, load factor, proposed point of connection, tentative schedule for connection, voltage level at which the connection is required etc.
- E. The DISCO evaluated the intention application and has satisfied itself with respect to the requirements stipulated in the Connection Code of the Distribution Code and formally offered to the BPC to apply for connection to the DISCO Network and provided the necessary information required for this purpose.
- F. Upon receipt of the offer, the BPC submitted a formal application for connection to the DISCO Network along with the required information and documents stipulated in the Connection Code of the Distribution Code.
- G. The DISCO evaluated the formal application and satisfied itself with respect to the requirements of the Distribution Code and invited the BPC according to clause CC [.] of the Distribution Code to negotiate the terms and conditions of this Agreement.
- H. The Parties shall engage the services of the Metering Service Provider as stipulated in the Commercial Code, the Grid Code, the Distribution Code and other Applicable Documents.
- I. After compliance with all the procedural requirements of the Distribution Code, the Parties wish to enter into this Agreement.

NOW, THEREFORE, in view of the foregoing premises and in consideration of the mutual benefits to be derived and the representations and warranties, covenants and agreements contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

ARTICLE – I DEFINITIONS AND RULES OF INTERPRETATION

1.1. DEFINITIONS

1.1.1. In this Agreement, capitalized terms and expressions shall have the following meaning unless the context otherwise requires:

- 1) **“Act” or “NEPRA Act”** means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997) as amended from time to time.
- 2) **“Authority” or “NEPRA”** means the National Electric Power Regulatory Authority established under the Act;
- 3) **“Agreement”** means this Connection Agreement, together with all schedules annexed hereto, dated as of the date first written above between the DISCO and the BPC, as may be amended, supplemented, restated, novated or replaced, from time to time in writing with mutual consent of the parties;
- 4) **“Applicable Documents”** means the NEPRA Act and the rules, regulations, licences, registrations, directives, codes, standards, guidelines, circulars, orders, determinations, documents, instruments, approvals and authorizations issued or granted from time to time by the Authority in exercise of its powers under the Act;
- 5) **“Average Sale Rate”** means a rate determined by the Authority for a DISCO in accordance with the Tariff Rules for the sale of electric power within the service territory of a Distribution Company at one point;
- 6) **“Back-Up Metering System”** means all meters and metering devices (including any remote terminal units and an electronic data recording system) provided by the MSP at the cost of the BPC and thereafter operated and maintained by the Metering Service Provider as back-up to the Metering System;
- 7) **“Bilateral Commercial Contract”** means the agreement executed in accordance with the Market Commercial Code between the BPC and the Competitive Supplier for the sale and purchase of defined amount of Energy and/or Capacity for each energy settlement period or capacity settlement period, as the case maybe;

- 8) **“BPC Facilities”** means the complex situated at the premises of the BPC;
- 9) **“BPC Interconnection Facilities”** means the facilities and equipment owned by the BPC, including without limitation, electrical lines or circuits, transformers, switch-gear, safety and protective devices, meters or electrical equipment to be designed, constructed or installed by or on behalf of the BPC as specified in Schedule [];
- 10) **“BPC Interconnection Works”** means all the works and activities to be undertaken by or on behalf of the BPC for the design, engineering, construction, installation and commissioning of the BPC Interconnection Facilities in accordance with this Agreement;
- 11) **“Commercial Code”** or **“Market Commercial Code”** means the Commercial Code prepared and amended from time to time by the Market Operator and approved by the Authority;
- 12) **“Commissioning”** means engaging in testing the Interconnection Facilities in accordance with Commissioning Tests;
- 13) **“Commissioning Tests”** means the tests to be carried out to test the electrical equipment and installations, protection mechanisms and other systems of the Interconnection Facility in order to verify the proper functioning of these electrical equipment and installations pursuant to the procedures as laid down by the DISCO;
- 14) **“Connection Charges”** means the charges calculated by DISCO, in terms of the forms and criteria approved and as amended from time to time by NEPRA, for carrying out the works of and provision and installation of electric lines and circuits and ancillary distribution system together with charges in respect of maintenance and repair of such items in so far as not otherwise recoverable as use of system charges and in respect of disconnection and the removal of electric lines and circuits, and ancillary meters following disconnection, or such other charges as may be specified in or pursuant to the distribution licence;
- 15) **“Connection Site”** means the premises where the BPC Interconnection Facilities and DISCO Interconnection Facilities shall be installed and described in detail in **Schedule – []** to this Agreement;

- 16) **“Consents”** means all approvals, consents, authorizations, notifications, concessions, acknowledgements, licences, permits, decisions or similar items which is or are issued by a public sector entity and which a Party or any of its contractors is required to obtain from any public sector entity and thereafter to maintain to fulfill its obligations under this Agreement;
- 17) **“Contracted Capacity”** means the contract capacity as defined in the Bilateral Commercial Contract;
- 18) **“Contractors”** means the EPC Contractor, the O&M Contractor and any other direct contractors and any of their direct sub-contractors hired and appointed in accordance with relevant provisions of this Agreement;
- 19) **“Day”** means a period of twenty-four (24) hours, commencing at 0000 Hrs. of each day, and **“Daily”** shall be construed accordingly;
- 20) **“De-Energization or Disconnection”** means switching off any isolator, breaker or switch, including withdrawal of fuse link, whereby no electricity can flow to or from the DISCO Interconnection Facilities to the BPC Interconnection Facilities or vice-versa;
- 21) **“Distribution Code”** means the code that defines the technical and operational standards and procedures for the distribution licensee and all those connected to the distribution system of the distribution licensee, that has been prepared by the distribution licensee and approved by the Authority;
- 22) **“DISCO Distribution Licence”** means the distribution licence issued by the Authority;
- 23) **“DISCO Network”** Distribution Network means distribution and transmission facilities owned, operated, managed or controlled by a DISCO and used for the movement or delivery of Electric Power;
- 24) **“DISCO Interconnection Facilities”** means the facilities and equipment owned by the DISCO, including without limitation, electrical lines or circuits, transformers, switch-gear, safety and protective devices or meters to be designed, constructed or

installed by or on behalf of the DISCO as specified in Schedule [•];

- 25) **“DISCO Interconnection Works”** means all the works and activities to be undertaken by or on behalf of the DISCO for the design, engineering, construction, installation and commissioning of the DISCO Interconnection Facilities in accordance with this Agreement;
- 26) **“Dispute”** means any dispute or disagreement or difference arising under or in connection with this Agreement including any dispute or difference concerning the existence, legality, validity or enforceability of this Agreement;
- 27) **“Effective Date”** has the same meaning ascribed thereto in Clause [•];
- 28) **“Electrical Energy”** means the net electric energy expressed in kWh that is delivered at the Interconnection Point, as measured by the Metering System or the Back-Up Metering System, as the case may be;
- 29) **“Electric Power”** means electrical energy or the capacity for the production of electrical power;
- 30) **“Energization”** means the switching on any isolator, breaker, switchgear or the insertion of a fuse link so as to enable energy to flow from DISCO Interconnection Facilities to the BPC Interconnection Facilities;
- 31) **“Event of Default”** means a DISCO Event of Default, or a BPC Event of Default, as applicable;
- 32) **“Expert”** means, in relation to a dispute pertaining to financial matters, qualified chartered account or cost and management accountant, duly registered with the recognized professional body created under the applicable law, having a minimum of twenty years of post-qualification experience in that field; in relation to a dispute pertaining to technical matters, a qualified engineer, duly registered with the recognized professional body created under the relevant law, having a minimum of twenty years of post-qualification experience in that field; and in relation to a dispute pertaining to legal matters, qualified lawyer, duly registered with the recognized professional body created under the relevant law, having a minimum of twenty years of post-qualification experience in that field;

- 33) **“Force Majeure Event”** shall have the meaning ascribed thereto in clause [●]
(*Definition of Force Majeure*);
- 34) **“Forced Outage”, “Outage” or “Partial Forced Outage”** means from and after the Commissioning of the Interconnection Facilities, a total or partial interruption of the DISCO to export Electric Power to the BPC through the Interconnection Point, including any total or partial interruption that is not the result of:
- (a) a request by the System Operator in accordance with the Grid Code;
 - (b) a Scheduled Maintenance Outage;
 - (c) a Force Majeure Event;
 - (e) a condition caused solely by the Grid System; and / or
 - (f) a condition that is caused solely by the Government of Pakistan.
- 35) **“Forced Outage Allowance”** means the allowance provided by DISCO for the Forced Outage or Partial Forced Outage notified by the DISCO not later than two (2) hours (except in case of an emergency shutdown) prior to the relevant hour shall not exceed one-eighty-three (183) minutes¹.
- 36) **“Forced Outage Period”** means the period of time lapsed during the Forced Outage or Partial Forced Outage, which shall be equal to the period of time that remains after subtracting total period of time lapsed during discontinuation of flow of electricity from DISCO at the Interconnection Point from the sum of time lapsed during Forced Outage Allowance, Scheduled Outage, Interconnection Maintenance Outage and Force Majeure Event;
- 37) **“Grid Code”** means the grid code prepared by the System Operator pursuant to the provisions of the Act and approved by the Authority;
- 38) **“Interconnection Capacity”** means the design capacity for the purpose of designing DISCO Interconnection Facilities required for the flow of electric power to the BPC;
- 39) **“Interconnection Maintenance Outage”** means an interruption or reduction of

¹ The allowance shall not exceed the standards set out in the NEPRA Performance Standards (Distribution) Rules for SAIDI and SAIFI.

the capability of the BPC Interconnection Facilities and/or DISCO Interconnection Facilities scheduled preferably by mutual consultation of the Parties in accordance with clause [•] of Article - [•] for the purpose of performing works on specific apparatus and equipment installed thereon, which, considering the Technical Limits and Prudent Utility Practices, should not, in the reasonable opinion of the Parties, be postponed until the next Scheduled Outage;

- 40) **“Interconnection Point”** means the physical point where the metering, installation, and protection apparatus of the BPC Interconnection Facilities and DISCO Interconnection Facilities are to be connected as specified in **Schedule – [-]**, which is also called Common Delivery Point (CDP);
- 41) **“Interconnection Works Schedule”** means the schedule for carrying out the BPC Interconnection Works and the DISCO Interconnection Works as described in **Schedule - [•]**, and as may be adjusted in accordance with Article [•];
- 42) **“Market Operator”** means the person Licensed by the Authority to perform the functions of the Market Operator in accordance with the Act;
- 43) **“Market Participation Agreement”** means the agreement executed by the Market Operator with a market participant;
- 44) **“Metering Requirements”** means the metering requirements as established in the Distribution Code, the Commercial Code and if applicable, Grid Code related to the location of metering point, tempering and protection, standards and performance, testing, installation, calibrating, telemetering, access to the metering system etc.;
- 45) **“Metering Service Provider” or “MSP”** means an entity responsible for the organization and administration of the Commercial Metering System and performing the functions of meter reading and validation at Metering Points and transferring those values to the Market Operator;
- 46) **“Metering System”** means the system, established according to the requirements of the Grid Code, to measure the Active and Reactive Energy injected into or withdrawn from the Distribution Network and MDI (kW);
- 47) **“Month”** means a calendar month according to the Gregorian calendar beginning at

0000 Hrs. on the last Day of the preceding month, and ending at 0000 Hrs. on the last Day of that month.

- 48) **“NTDC Transmission System”** means one or more systems comprising electrical facilities including without limitation, electrical lines or circuits, transformers, sub-stations, switches, meters, interconnection facilities or other facilities operating at or above minimum transmission voltage constructed, owned, managed, controlled or operated by NTDC and used for transmission of electric power from the generation facility to sub-stations or to or from other generation facilities or between sub-stations or to or from any interconnection facilities or from the distribution facilities of one licensee to the distribution facilities of another licensee or from a generation facility or distribution facility to a bulk-power consumer;
- 49) **“Operating Committee”** means the committee established by the Parties pursuant to clause [•] for the purposes described in clause [•] and clause [•];
- 50) **“Operating Procedures”** means the procedures for the operational matters between the BPC Interconnection Facilities and DISCO Interconnection Facilities to be determined by the Operating Committee in accordance with clause [-];
- 51) **“Power Safety Code”** means the Code containing guidelines and instruction for planning, development, operation and maintenance of DISCO Network in an efficient and safe way as approved by NEPRA and as from time to time, revised with the approval of NEPRA;
- 52) **“Metering Code”** means the sub code of the Distribution and Grid Code related to the minimum technical, design and operational criteria for revenue metering for the purpose of electricity sale and flow;
- 53) **“Prudent Electrical Practices”** means the use of equipment, practices or methods, as required to comply with applicable industry codes, standards, and regulations in Pakistan to protect the Grid System, employees, agents, and customers from malfunctions occurring at the Grid System. Prudent Electrical Practices are not limited to optimum practices, methods or acts to the exclusion of all others, but rather are a spectrum of possible practices, methods and acts which could have been expected to accomplish the desired result at reasonable cost consistent with reliability

and safety;

- 54) **“Prudent Utility Practices”** means those standards, practices, methods and procedures conforming to safety and legal requirements which are attained by exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from skilled and experienced operatives engaged in the same type of undertaking under the same or similar circumstances;
- 55) **“Re-Energization”** means the Energization pursuant to De-energization after cessation of cause(s) thereof;
- 56) **“SCADA System”** means a supervisory control and data acquisition system;
- 57) **“Scheduled Outage”** means a planned interruption of the DISCO Interconnection Facility or BPC Interconnection Facility;
- 58) **“System Operator”** means a person licensed by the Authority under section 23G of the Act to function as System Operator; and
- 59) **“Term”** - The meaning ascribed thereto in clause [•].

1.2. RULES OF INTERPRETATION

1.2.1. In this Agreement:

- a) the headings are for convenience only and shall be ignored in construing this Agreement;
- b) other than where the context determines otherwise, the singular includes the plural and vice versa;
- c) references to Articles, Recitals and Schedules are, unless otherwise specified, references to Articles of, and Schedules and Recitals to, this Agreement;
- d) the words “include”, “including” and “in particular” shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words;
- e) references to a Party are references to a party to this Agreement, including that Party’s assigns or transferees permitted in accordance with the terms of this Agreement and its successors in title;
- f) in carrying out its obligations and duties under this Agreement, each Party shall have an implied obligation of good faith;
- g) the Schedules (and if any schedules or tables thereto) to this Agreement form part of this Agreement, and capitalized terms and abbreviations used in the Schedules (and if any schedules or tables thereto) which are not defined therein shall have the meanings given to them in clause 1.1 of this Agreement, respectively;
- h) except as otherwise indicated in this Agreement, references to time are references to the Pakistan Standard Time (PST);
- i) a reference to any statute, regulation, ordinance, by-law, resolution, rule, order or directive includes all statutes, regulations, ordinances, by-laws or resolutions, rules, orders or directives varying, consolidating, re-enacting, extending or replacing it and a reference to a statute includes all regulations, rules and by-laws of a legislative nature issued under that statute;

- j) a reference to a document or provision of a document, including this Agreement, includes an amendment or supplement to, or replacement or novation of, that document or that provision of that document, as well as any exhibit, schedule, appendix or other annexure thereto.

ARTICLE – II

PRELIMINARY

2.1. PURPOSE

- 2.1.1. This Agreement shall govern the rights and obligations of the Parties with respect to the connection of BPC with the DISCO Network including, operations and safety across the DISCO and BPC Interconnection Facilities and the Distribution System as per the Distribution Code and where applicable the Grid Code².
- 2.1.2. This Agreement is in addition to, and does not replace or override the conditions and parameters of the Distribution Code, Grid Code, Commercial Code, Market Participation Agreement with the Market Operator, if applicable, and any other Applicable Documents.

2.2. EFFECTIVE DATE AND TERM

- 2.2.1. This Agreement shall become effective upon its execution (the **“Effective Date”**).
- 2.2.2. Unless terminated earlier in accordance with its terms or is earlier terminated by mutual consent of the Parties, this Agreement shall continue in full force and effect from the Effective Date for as long as the DISCO Distribution Licence is valid (the **“Term”**).

2.3. CONSENTS

- 2.3.1. From and after the Effective Date, each Party shall, at its own cost and expense, apply for, procure, diligently pursue and, following receipt, maintain (and, where applicable, cause its contractors to procure and maintain) all Consents required to be obtained by such Party for the performance of its obligations under this Agreement.
- 2.3.2. The Parties recognize that it is impractical at this stage to provide for every eventuality and contingency in this Agreement, which may arise on account of any

² The Grid Code shall precede the Distribution Code in the connection on Transmission Voltage and this clause shall be amended accordingly in such agreement.

inconsistency with the power sector reform process and the legal, regulatory and contractual regime framed or as amended and modified from time to time by the competent authority. Accordingly, the Parties hereby agree that it is their intention that in case such eventuality and contingency arise, the Parties shall use their best efforts to agree on such action(s) as may be necessary to remove the cause or causes of such eventuality and contingency.

2.4. COMPLIANCE WITH THE DISTRIBUTION CODE, GRID CODE AND COMMERCIAL CODE

2.4.1. The Parties hereby agree to be bound by and to comply with all of the provisions of the Distribution Code, Grid Code and the Commercial Code, so far as they are applicable to the Parties in the same manner as if such provisions formed part of this Agreement.

2.5. PROVISION OF INFORMATION

2.5.1. The DISCO shall, as and when required, disclose or provide to the BPC any information necessary for the purposes of operation and maintenance of the BPC Interconnection Facility or such information as is required to be disclosed or provided to the BPC pursuant to the Distribution Code, Grid Code, this Agreement and other Applicable Documents.

2.5.2. Information disclosed or provided by DISCO shall be, to the best of the DISCO's knowledge, true, correct and complete at the time at which such disclosure or provision is made. Where DISCO discovers that any information previously disclosed or provided by it to the BPC was untrue, incorrect, or incomplete, DISCO shall as soon as reasonably practicable in the circumstances rectify the situation and disclose or provide the true, correct, or complete information to the BPC.

2.5.3. The BPC shall, as and when required, disclose and provide to DISCO:

- a) the information which is necessary for operation and maintenance of DISCO Interconnection Facilities;

b) such other information as is required to be disclosed or provided to DISCO pursuant to the Distribution Code, the Grid Code and this Agreement;

2.5.4. Information disclosed or provided by the BPC shall be, to the best of its knowledge, true, correct and complete at the time at which such disclosure or provision is made. Where the BPC discovers that any information previously disclosed or provided by it to the DISCO was untrue, incorrect, or incomplete, the BPC shall as soon as reasonably practicable in the circumstances rectify the situation and disclose or provide the true, correct, or complete information to DISCO.

2.5.5. The BPC represents to the DISCO that the information required for supply of Electric Power as well as the information required for ensuring the stability of system operations and the DISCO Network pursuant to the provisions of Distribution Code and if applicable, Grid Code, has already been provided to the DISCO.

2.6. EXCLUSIVITY

2.6.1. Save to the extent permitted otherwise by the Authority, the BPC shall not, during the continuation of this Agreement and continuation of connection under this Agreement, connect or enter into similar arrangement to connect with the system of any entity having a distribution licence or special purpose transmission licence in a manner inconsistent with the terms of this Agreement, the Grid Code or the Distribution Code.

2.7. APPOINTMENT OF THE OPERATING COMMITTEE

2.7.1. The Parties shall, within [●] days of the execution of this Agreement, establish an Operating Committee to perform the various co-ordination and liaison activities for all relevant matters set forth in this Agreement and the Distribution Code and if applicable, the Grid Code.

2.7.2. The Parties shall discuss and resolve, in accordance the terms of this Agreement and Applicable Documents, any and all technical, safety or coordination issues,

testing protocols or procedures of the Connection Sites, arising under or relating to this Agreement.

2.8. OPERATING COMMITTEE

- 2.8.1. The Operating Committee shall be comprised of four (4) members. Each Party shall designate two (2) members to represent it on the Operating Committee, and either Party may remove and replace any of its Operating Committee members at any time upon notice to the other Party. Members of the Operating Committee shall have reasonable experience of working on projects of a similar nature for undertaking the Operating Committee's scope of work.
- 2.8.2. The Operating Committee shall develop procedures for holding of meetings, keeping of minutes thereof, and the appointment and operation of sub-committees.
- 2.8.3. Chairmanship of the Operating Committee shall rotate each six (6) months between the Parties, and the Parties agree that DISCO shall nominate the first chairman. The chairman shall not have a casting vote.
- 2.8.4. Decisions of the Operating Committee shall require unanimity among the members present at the Operating Committee's meeting, in addition to fulfillment of its quorum. A quorum of the members of the Operating Committee shall be fulfilled when there are present at such meeting at least one (1) member representing each Party.

2.9. DUTIES OF OPERATING COMMITTEE

- 2.9.1 The Parties agree that the duties of Operating Committee shall be inter-alia as under:
 - a) The Operating Committee shall be responsible for assisting the Parties in finalizing the Operating Procedures in accordance with clause 2.8 and for advising the Parties on matters pertaining to the Interconnection Facilities and Metering System including:

- i. co-ordination of the respective programs and procedures of the Parties for the operation and maintenance of the BPC Interconnection Facilities, DISCO Interconnection Facilities, and all related equipment (for the avoidance of doubt, it is hereby declared that the Operating Committee shall not establish programs and procedures for the construction of the Interconnection Facilities);
 - ii. steps to be taken on the occurrence of a Force Majeure Event affecting a Party, BPC Interconnection Facilities, DISCO Interconnection Facilities, DISCO Network or any related equipment;
 - iii. safety and protection matter pertaining to the operation and maintenance of the BPC's Interconnection Facilities and DISCO Interconnection Facilities;
 - iv. review and revision of protection schemes;
 - v. facilitation of the Metering Service Provider in the maintenance of the Metering System and meter reading as per the Commercial Code;
 - vi. developing testing procedures for the DISCO Interconnection Facilities and the BPC Interconnection Facilities; and
 - vii. any other matter agreed upon by the Parties.
- b) The Operating Committee shall have no power or authority to amend or modify the provisions of this Agreement, or to determine the rights and/or obligations of the Parties under this Agreement.

ARTICLE – III: INTERCONNECTION CAPACITY

- 3.1. Subject to the terms of this Agreement, DISCO shall, except to the extent where DISCO is prevented from doing so by network reliability condition as set out in the Distribution Code and if applicable, the Grid Code, which could not have been avoided by DISCO by exercise of Prudent Utility Practices, make available at all times during the Term of this Agreement, the DISCO Interconnection Facilities capable of handling Electric Power demanded by BPC up to the Interconnection Capacity.

The Parties understands that the energy flow from the DISCO Interconnection Facility to the BPC Interconnection Facilities, under this Agreement, through DISCO Network shall be governed under the provisions of the Distribution Code and, if applicable, the Grid Code.

- 3.2. In case the BPC exceeds its demand beyond Interconnection Capacity, the DISCO shall give notice to the BPC setting out the details and directing the BPC to remedy the situation within a time of one hour from such notice failing which DISCO may De-Energise the connection.
- 3.3. The DISCO shall Re-Energise the connection if the BPC is able to satisfy DISCO that arrangements have been made that the Load shall not exceed beyond the Interconnection Capacity again.

ARTICLE – IV: CONNECTION AND ENERGIZATION RIGHT

- 4.1. Subject to the terms of Article X of this Agreement, Distribution Code, Grid Code and the Applicable Documents, the BPC Interconnection Facilities shall be and remain to be connected to the DISCO Network at the Interconnection Point for the Term of this Agreement.

- 4.2. Subject to the terms of this Agreement, Distribution Code, Grid Code and the Applicable Documents, DISCO shall keep and remain to keep the BPC Interconnection Facilities Energised for the Term of this Agreement.

ARTICLE – V: INTERCONNECTION FACILITIES

5.1. DATA NECESSARY FOR CONSTRUCTION OF INTERCONNECTION FACILITIES

The BPC and the DISCO shall exchange all information, in accordance with the Distribution Code and Grid Code or otherwise required by the other party for the purposes of this clause 5.1, within the time period provided therefor in the Interconnection [Works Schedule]. Within ten (10) Days of a request by either Party, the requested Party shall provide all additional information reasonably requested by the requesting Party in connection with the execution of its Interconnection Works.

5.2. GRANTING OF EASEMENTS AND RIGHTS-OF-WAY

- a) If required, the BPC shall grant to the DISCO, easements and rights of way across the Connection Site, where the Interconnection Facilities are to be constructed, necessary to carry out and complete the DISCO Interconnection Works and to operate, maintain, replace and/or remove the DISCO Interconnection Facilities during the term of this Agreement. The easements and rights of way shall grant to the DISCO adequate and continuing rights for the purposes set forth in this clause 5.2 to enter the Connection Site, subject only to the DISCO giving reasonable prior notice to the BPC. Upon request by the DISCO, the BPC shall execute such instruments for grant of easements, rights of way, licences and other documents, each in recordable form, such as the DISCO may reasonably require for recording any and all of the above rights. Consideration for grant of such rights shall be the execution of this Agreement, and no other consideration shall be required. When on Connection Site, the DISCO shall comply with all reasonable instructions of the BPC and its Contractors relating to the carrying out of any work on Connection Site.
- b) Except as provided in clause 5.2 (a), the DISCO shall be responsible for obtaining all rights-of-way, easements and other real or personal property interests necessary to construct, operate and maintain the DISCO Interconnection Facilities during the Term.

5.3. CONSTRUCTION OF THE BPC'S INTERCONNECTION FACILITIES

- a. The BPC, at its cost, shall carry out or cause to be carried out the BPC Interconnection Works with all proper skill, diligence and care, and in all material respects in accordance with:
 - i. this Agreement;
 - ii. the Laws of Pakistan and the applicable Consents;
 - iii. the Distribution Code and Grid Code;
 - iv. Prudent Utility Practices and Prudent Electrical Practices; and
 - v. [Interconnection Works Schedule],

so that the BPC Interconnection Facilities can reasonably be expected to provide a useful life of not less than the [x] years as mutually agreed by Parties.

- b. The design, scope and specification of the BPC Interconnection Works are set forth in **Schedule-IV**. The BPC shall provide the DISCO not less than thirty (30) Days' prior written notice of the date from which it or its Contractor will commence the BPC Interconnection Works, and shall complete the BPC Interconnection Works in accordance with the Interconnection Works Schedule. BPC shall procure (or cause its Contractors to procure) all Consents necessary for carrying out the BPC Interconnection Works.

5.4. DISCO INTERCONNECTION FACILITIES

The DISCO shall design, construct, complete, and commission the DISCO Interconnection Facilities in accordance with [Interconnection Works **Schedule**] of this Agreement, Prudent Utility Practices and Prudent Electrical Practices so that the DISCO Interconnection Facilities can reasonably be expected to have a useful life of not less than the Term of this Agreement.

5.5. CONSTRUCTION OF DISCO INTERCONNECTION FACILITIES

- a. Subject to the payment of Connection Charges by BPC in terms of Article IX of this Agreement, the DISCO shall make the final design of the DISCO Interconnection Facilities in accordance with the [Interconnection Works Schedule]. The Interconnection Work Schedule shall be made by the DISCO keeping in view the

date when the BPC Facilities are to be commissioned. If requested by the BPC, the DISCO shall provide to the BPC such updates and reports on the progress of the DISCO Interconnection Works.. The DISCO shall complete the DISCO Interconnection Works, in accordance with the Interconnection Works Schedule, so as to be able to deliver the Electrical Power at the Interconnection Point, no later than [●] Days prior to the completion date agreed therefor in the Interconnection Works Schedule. Provided however, that such completion date shall be extended on a Day-by-Day basis because of occurrence of any of the following:

- i. the BPC's failure to execute, in sufficient time for the DISCO to complete the DISCO Interconnection Facilities, such easements, rights-of-way, licences and other documents, each in recordable form, as the DISCO may reasonably require to record the deeds, easements, rights-of-way and licences granted pursuant to clause 5.2;
- ii. a Force Majeure Event that materially and adversely affects the DISCO's ability to perform its obligations in accordance with this Article V;
- iii. any other failure by the BPC to perform in accordance with this Agreement that materially and adversely affects the DISCO's ability to perform its obligations in accordance with this Article V,

provided however, that no extension shall be granted to the DISCO to the extent that such failure or delay would, nevertheless, have been experienced by the DISCO.

5.6. TESTING

The Parties shall co-operate in testing the DISCO Interconnection Facilities and the BPC Interconnection Facilities, as mutually agreed between them.

ARTICLE – V(A): LIQUIDATED DAMAGES

5A.1.LIQUIDATED DAMAGES

Without prejudice to the Parties rights under Article XIV the Parties agree that any liquidated damages payable under this Article – V(A) shall be the Parties sole and exclusive remedy against the other Party in respect of the matters to which such liquidated damages relate.

5A.2.If the DISCO has not completed and Energised the DISCO Inter-connection Facilities by the date required in the Inter-connection Works Schedule, the date may be extended in accordance with clause 5.5 (a) (i), (ii) & (iii). In case the delay is beyond the date stipulated according to this agreement, the DISCO shall pay the BPC as liquidated damages an amount as determined the Authority.

5A.3.The DISCO shall have no obligation to make the payments provided in this clause 5A.2 if, and to the extent that, the delay in the commissioning/Energization would nevertheless have occurred regardless of the DISCO's delay in completion of DISCO Interconnection Facilities.

5A.4.If the BPC fails to construct and commission the BPC Interconnection Facility as per the Interconnection Works Schedule and the DISCO has regardless completed the DISCO Interconnection Works as per the Interconnection Works Schedule. The BPC shall pay the DISCO as liquidated damages an amount as determined by the Authority.

5A.5.The BPC shall pay to the DISCO an amount in the form of liquidated damages as determined by the Authority for non-compliance with the standards set in the Distribution Code, the Grid Code and other Applicable Documents including but not limited to the failure of DISCO to maintain a power factor as stipulated in the aforementioned documents.

ARTICLE – VI: OPERATION AND MAINTENANCE

- 6.1. The BPC shall operate and maintain the BPC Interconnection Facilities in accordance with this Agreement, the Distribution Code, Grid Code, and the Prudent Utility Practices.
- 6.2. The BPC shall ensure that the apparatus and equipment of BPC Interconnection Facilities installed at the Connection Site always comply with the technical specifications specified by DISCO in accordance with the Distribution Code and if applicable, the Grid Code, and more precisely described in the **[BPC Interconnection Facilities Schedule]** of this Agreement.
- 6.3. If at any time, DISCO comes to know that apparatus or equipment has different performance characteristics and technical parameters than those provided by the BPC and in DISCO's view it may pose safety issues, the connection shall be immediately De-energised with intimation to System Operator till the breach is remedied.
- 6.4. However, if in DISCO's view, the change may not pose safety issues, DISCO, with intimation to the System Operator, shall notify the BPC to remedy the breach within the time specified by DISCO in this regard.
- 6.5. DISCO shall maintain and operate the DISCO Interconnection Facility in accordance with the conditions laid down in the DISCO Distribution Licence, provisions of Distribution Code, Grid Code and Prudent Utility Practices and any other Applicable Documents.
- 6.6. The Parties shall be entitled to plan and execute outages on account of repair and maintenance of their respective apparatus and equipment at the Connection Site upon notice to and consent of the other party. However, the parties shall endeavor that both Interconnection Facilities schedule their outages at the same time.
- 6.7. Subject to the provisions of the Distribution Code i.e. Distribution Operation Code and NEPRA Performance Standards (Distribution) Rules, 2005 as amended from time to

time, if at any time, in the reasonable opinion of DISCO, the condition or manner of operation of the DISCO Network or the BPC Interconnection Facilities pose an immediate threat of injury or material damage to any person or to the DISCO Network, DISCO shall have the right to De-Energise, with intimation to System Operator, the BPC's apparatus and equipment at the Connection Site to avoid the occurrence of such injury or damage and inform the BPC about the measures at the earliest. Re-Energization of the BPC's apparatus and equipment by the DISCO will be carried out as soon as practicable after cessation of the circumstances that led to such De-energization and keep the BPC informed about such Re-energization measures, as per the Distribution Code, the Grid Code and the Applicable Documents.

- 6.8. Subject to the provisions of the Distribution Code, if at any time, in the reasonable opinion of the BPC, the condition or manner of operation of DISCO Interconnection Facilities pose an immediate threat of injury or material damage to any person or to the BPC Interconnection Facilities, the BPC shall report such condition or manner of operation to DISCO who shall, with intimation to System Operator, De-energise the DISCO's apparatus and equipment at the Connection Site or take any other action necessary to do so to avoid the occurrence of such injury or damage and inform the BPC about the measures at the earliest. DISCO shall Re-Energise its apparatus and equipment at the Connection Site as soon as practicable after cessation of the circumstances that led to such De-Energization and inform the BPC about such Re-Energization measures as per the Distribution Code, the Grid Code and Applicable Documents.
- 6.9. In emergency situations, DISCO may De-energise the connection at any time with intimation to the System Operator. However, such De-energisation should be for the shortest period practicable and Electrical Energy should be restored as soon as the emergency situation ceases to exist. However, neither Party shall restore the connection until the other Party has confirmed that reconnection may take place.
- 6.10. The Parties shall always maintain their respective apparatus and equipment at the Connection Site in such proper condition that it is fit for the flow of Electrical Energy to BPC Interconnection Facilities from DISCO Network up to the Interconnection Capacity unless under scheduled maintenance.

ARTICLE – VII: SAFETY AND PROTECTION

- 7.1 The Parties shall observe and comply with the safety and protection of the apparatus and equipment installed at their respective Interconnection Facilities at the Connection Site in accordance with the Distribution Code, NEPRA's Power Safety Code, Grid Code, and NEPRA Performance Standards (Distribution) Rules, 2005 as amended from time to time.
- 7.2 In addition to the above, the Parties shall also observe and comply with the requirements of health, safety and environment prescribed under any applicable law for the time being in force and as per the Prudent Utility Practices.
- 7.3 Each Party shall appoint a coordinator to coordinate safety and protection precautions when some work is required to be carried out at the Connection Site with respect to apparatus and equipment installed at the respective Interconnection Facilities.
- 7.4 PROTECTIVE DEVICES
- a) As part of the BPC Interconnection Works, the BPC shall install protective relays in accordance with **[Schedule: BPC Interconnection Facilities]** following the standards set by the Distribution Code and, if applicable, Grid Code. The BPC shall maintain the settings of all relays at the levels agreed by the BPC and DISCO, and the BPC shall not change such settings without DISCO's prior consent.
 - b) The BPC and DISCO shall verify the operation of the protection devices in accordance with the testing program set forth in **[Testing & Commissioning Schedule]**.
 - c) Each Party shall notify the other Party in advance of any changes to either the BPC Facilities or the DISCO Network that may affect the proper co-ordination of protective devices between the two systems. Further, BPC shall not make any such changes to the BPC Facilities without the DISCO's approval.

ARTICLE – VIII: METERING AND METER READING

8.1 METERING SYSTEMS

- a) The Parties acknowledge that for the purposes of recording the flow of Electrical Energy through the Interconnection Point, the Metering System and, if applicable, Back-up Metering System is required.
- b) The Metering System and the Back-Up Metering System shall be:
 - i. fully compatible with the characteristics of Advanced Metering Infrastructure (AMI) system;
 - ii. compliant with the Grid Code, Distribution Code and the Commercial Code;
 - iii. compliant with the specification of the Metering Service Provider.

The Metering System and the Back-up Metering System shall be installed, commissioned, operated and maintained as per the requirements of the Grid Code and the Distribution Code.

8.2 INSTALLATION OF METERING & BACK-UP METERING SYSTEMS

- a) The Metering & Back-Up Metering Systems shall be installed, commissioned, operated and maintained according to the provisions of the Metering Code of the Grid Code.
- b) The BPC shall ensure that it or its Contractors, employees, agents and invitees (other than the DISCO), and others for whom the BPC is responsible, shall not tamper with the Metering System or the Back-Up Metering System.
- c) The BPC shall grant all such easements and right of ways as stipulated under the Grid Code and the Distribution Code to the location of the Metering System on the Connection Site, and for ingress and egress thereto and therefrom.

8.3 TESTING OF THE METERING SYSTEM

- a) The metering systems shall be tested as per the provisions of the Grid Code and the Distribution Code. The BPC shall cooperate with the MSP and shall not prevent the MSP from making unscheduled inspections. The BPC and the DISCO shall have the right to witness the tests as well as any inspection of the Metering System and the Back-Up Metering System or adjustments thereof performed in accordance with the Grid Code and the Distribution Code; provided that if any of their representative fails to attend such test(s), inspection or adjustment, such right shall be deemed to have been waived with respect to such test(s), inspection and/or adjustment.
- b) The accuracy of each of the Metering System and the Back-Up Metering System shall be tested as per the provisions of the Grid Code. If necessary, the recalibration shall be performed as per the provisions of the Metering Code of the Grid Code & Distribution Code. The Parties shall have the right to witness such tests. Any costs arising on account of replacement of any part or equipment of Metering or the Back-Up Metering System shall be borne by the BPC.
- c) In addition to the tests to be carried out pursuant to clause 8.3 (a) & (b), if any Party believes that the Metering System is inaccurate, it shall inform the Metering Service Provider, requesting that the Metering System's accuracy be tested.

8.4 READING METERS

- a) The Metering System and the Back-Up Metering System shall be equipped with such telemetry and electronic data recording systems capable of recording the Electrical Energy as stipulated in the Grid Code. The Metering System and Back-Up Metering System shall be capable of communicating the metering data as required under the Grid Code to the metering data management system (MDM) of the MSP.
- b) The Metering System shall be used to measure the Electrical Energy, provided that during any period when the Metering System is out of service as a result of maintenance, repairs or testing, then the procedure as laid down in the Commercial Code and the relevant operational procedure, as amended from time to time, shall be followed.

- c) Where during any test carried out pursuant to clause 8.3 (a), the Metering System is found to be inaccurate by more than the amount stipulated in the Grid Code, or is otherwise unavailable or functioning improperly, then the correct amount of Electrical Energy delivered to the BPC for the actual period during which inaccurate measurements were detected, if any, shall be determined as per the procedure laid down in the respective provisions of the Commercial Code and its operational procedures, as amended from time to time.

8.5 SEALING OF METERING SYSTEMS

- a) The Metering System and the Back-Up Metering System shall be sealed as per the provisions of the Grid Code.
- b) Seals on the Metering System and the Back-Up Metering System shall be broken only in accordance with the procedure stipulated in the Grid Code.
- c) If any seal securing the Metering System or the Back-Up Metering System is found to be broken, or if the Metering System or the Back-Up Metering System has been found to have been tampered with, and, in either case, the Metering System is found to be inaccurate or otherwise unavailable or functioning improperly, then the relevant provisions of the Commercial Code and the Grid Code and Distribution Code shall apply.

8.6 REPAIR, REPLACEMENT OR RECALIBRATION OF METERING SYSTEM & BACK-UP METERING SYSTEM

- a) The repair, replacement and recalibration of the Metering & Back-up Metering System shall take place in accordance with the procedures set forth in Grid Code, Commercial Code, the Distribution Code and other Applicable Documents.

ARTICLE – IX: CONNECTION CHARGES

- 9.1 The BPC shall pay to DISCO the Connection Charges at the rate and in the manner as determined by NEPRA.
- 9.2 DISCO shall issue a demand note to the BPC for the one-time payment of Connection Charges and the BPC shall pay the same within [●] Days of issuance of the demand note.
- 9.3 In case the BPC fails to make payment of the Connection Charges within the time stipulated in the demand note, DISCO, on the request of the BPC, may extend the payment date once. However, the amount thereof may vary on account of change in price of material, if applicable. The BPC shall pay the said charges within the time stipulated in the demand note issued under this clause 9.3.
- 9.4 The obligation of DISCO in terms of clause 5.4 of this Agreement (to construct the DISCO Interconnection Facilities) shall be subject to compliance by BPC with this Article – IX.

ARTICLE – X: DISCONNECTION

10.1 If the BPC is in breach of any of the provisions of this Agreement or of the provisions of the Distribution Code, Commercial Code, Grid Code or of any other Applicable Document and such breach causes or can reasonably be expected to cause a material damage to the performance or operations of DISCO or other users or the DISCO Network or the NTDC Transmission System or the apparatus and equipment of other connected users then the DISCO may:

- a) where the breach is capable of remedy, give written notice to the BPC specifying in reasonable detail the nature of the breach and requiring the BPC to remedy the breach within [●] days after receipt of such notice.; or
- b) where the breach is incapable of remedy, give written notice to the BPC specifying in reasonable detail the nature of the breach and ask for the reasons why the breach is incapable of remedy and require the BPC within [●] days after receipt of such notice to undertake that it shall not repeat the breach.

10.2 In case the BPC fails to:

- a) remedy the breach within the time specified in the notice after receipt thereof in terms of sub-clause (a) of clause 10.1 above or within the period extended by DISCO, if any, then DISCO may disconnect the apparatus and equipment of the BPC at the Connection Site from DISCO Network; or
- b) provide undertaking to DISCO in terms of sub-clause (b) of clause 9.1 above or is in breach of that undertaking, then DISCO may disconnect the apparatus and equipment of the BPC at the Connection Site from DISCO Network.

10.3 In case the BPC fails to comply with the provisions of Commercial Code and the Market Operator issues a disconnection request:

- a) Upon receipt of such disconnection request, the DISCO will disconnect the Interconnection Facility on date and time as specified in the disconnection request.

- b) The DISCO shall not reconnect the Interconnection Facility until it receives a written notice from the Market Operator to reconnect the BPC Interconnection Facility.

10.4 In case the competitive supplier fails to fulfill its obligations related to the payment of Use of System Charges to the DISCO, the DISCO shall notify such non-payment to the BPC and temporarily disconnect the BPC till the time the issue of non-payment is resolved in terms of the relevant Use of System Agreement. Any cost associated with this disconnection or the reconnection thereafter, shall be borne by the BPC. The recovery of such costs by the BPC from its competitive supplier shall be settled between them bilaterally.

ARTICLE – XI: OBLIGATIONS OF BPC

- 11.1 During the continuation of this Agreement, the BPC undertakes to maintain the BPC Interconnection Facilities and operate the same in accordance with this Agreement.
- 11.2 The BPC agrees that its apparatus and equipment shall be in accordance with the specifications provided by DISCO and shall also be capable of complying with the requirements under the Distribution Code.
- 11.3 The BPC undertakes not to exceed its demand beyond the Interconnection Capacity.
- 11.4 The BPC shall provide authentic data required for operational and planning purposes, performance characteristics and technical parameters of apparatus and equipment installed at the BPC Interconnection Facilities to DISCO.
- 11.5 The BPC shall not alter, replace or change the apparatus and equipment regarding which data was provided to DISCO in such a way as to cause the performance characteristics and technical parameters to change, unless the change has been notified to and agreed by, DISCO before the change is implemented.
- 11.6 All apparatus or equipment installed at the BPC Interconnection Facilities shall, at all times, be compliant with hierarchy of standards as laid down in CC 4.1 of the Connection Code of the Grid Code.

Where the standards as referred to in clause 11.6 above are not applicable, then in such case the standards agreed with the DISCO and shall be applicable.

ARTICLE – XII: OBLIGATIONS OF DISCO

- 12.1 DISCO agrees to plan, develop, make available, operate and maintain the DISCO Network in accordance with its Licence, the Distribution Code and while doing so it shall follow the performance standards set by NEPRA as well as it shall follow the Prudent Utility Practices.
- 12.2 Subject to this Agreement, DISCO agrees to deliver the Electric Power at the Interconnection Point.
- 12.3 DISCO shall have the right to De-Energize the apparatus and equipment installed at the Connection Site in accordance with the Grid Code, Commercial Code, the Distribution Code, this Agreement and other Applicable Documents.
- 12.4 In case DISCO De-Energizes the apparatus and equipment of the BPC in terms of this Agreement, it shall Re-Energise the apparatus and equipment of the BPC installed at the Connection Site as soon as the cause of De-Energization is eliminated.
- 12.5 DISCO shall inform System Operator about execution of this Agreement and forward all relevant technical details of the plant, apparatus, facilities, and connection including the metering installation under this Agreement.

ARTICLE – XIII: RIGHT OF ACCESS

- 13.1 The Parties agree that upon reasonable notification, the DISCO including its nominated third party or contractors shall have unhindered access to BPC's apparatus and equipment installed at the Connection Site for the purpose of installation, testing, commissioning, maintenance, inspection, modification, replacement and removal of the Interconnection Facilities. The BPC shall have limited access to the DISCO's apparatus and equipment installed at the Connection Site for the purposes of installation, testing, commissioning, maintenance, inspection, modification, replacement and removal of its equipment subject to prior permission of the DISCO. Both Parties shall take reasonable steps to ensure the following:
- i. the property or apparatus and equipment belonging to either Party is not damaged;
 - ii. in case any damage is caused to other Party's property, apparatus and equipment, it is remedied as quickly as practicable;
 - iii. minimal disturbance and inconvenience as less as possible is caused to the property, personnel, apparatus and equipment of either Party.
- 13.2 The Parties agree that the right of access includes the right to bring on to the Connection Site or to the premises of the other Party, vehicles, plant, machinery, maintenance or construction materials as shall be reasonably necessary for the agreed purpose of work to be done.
- 13.3 The Parties further agree that access shall be available at all times to personnel of the Parties or third parties nominated by the Parties for the above purposes unless a safety issue prevents such access.

ARTICLE – XIV: FORCE MAJEURE

- 14.1 Force Majeure shall mean any event or circumstance which is beyond the reasonable control of a Party and which could not have been prevented by Prudent Utility Practice resulting in or causing the failure of that Party to perform any of its obligations under this Agreement and includes acts of God, war declared or undeclared, invasion, blockade, embargo, revolution, riot, insurrection, civil commotion, act of terrorism, or nationwide strikes, lockouts or other industrial disturbance, lightning, fire, earthquake, tsunami, flood, storm, cyclone, typhoon, tornado, governmental restraint, and change in law adversely affecting the rights of that Party under this agreement. Provided that the inducement of worker's strike on account of mismanagement by that Party or lack of funds shall not be interpreted as a cause beyond the reasonable control of a defaulting party.
- 14.2 If a Party affected by Force Majeure is unable to carry out its obligations under this Agreement, it shall give the other Party a notice of Force Majeure, describing the circumstance of Force Majeure, including the nature of the occurrence, its expected duration and the particular obligations affected by it, as soon as practicable but in any event not later than forty eight (48) hours after it becomes aware of the occurrence of Force Majeure or twenty four (24) hours after the resumption of any means of communication for giving the other Party such notice and continue to furnish weekly reports with respect thereto during the period of Force Majeure.
- 14.3 If a Party is unable to carry out any of its obligations under this Agreement, on account of Force Majeure (the **'Non-Performing Party'**), this Agreement shall remain in effect, but, save as otherwise provided herein, the Non-Performing Party's obligations under this Agreement shall remain suspended without liability during the continuation of Force Majeure circumstance. Provided that the liabilities of either Party that arose before the Force Majeure causing the suspension of performance shall not be excused as a result of the Force Majeure.
- 14.4 The affected Party shall use all reasonable efforts to mitigate the effects of a Force Majeure Event.

14.5 So long as the affected Party has at all times since the occurrence of the Force Majeure Event complied with the obligations of clause [●] (Notification Obligations) and clause [●] (Duty to Mitigate) and continues to so comply, then (i) the affected Party shall not be liable for any failure or delay in performing its affected obligations, except payment obligations, under or pursuant to this Agreement during the existence of a Force Majeure Event and (ii) any affected performance deadline that the affected Party is obligated to meet under this Agreement shall be extended; provided however, that no relief, including the extension of performance deadlines, shall be granted to the affected Party pursuant to this clause 14.5 to the extent that such failure or delay would have nevertheless been experienced by the affected Party had the Force Majeure Event not occurred. Other than for breaches of this Agreement by the other Party occurring prior to the Force Majeure Event, and without prejudice to the affected Party's right to payment pursuant to Article [●] accruing prior to the Force Majeure Event, the other Party shall not bear any liability for any Loss suffered by the affected Party as a result of a Force Majeure Event.

14.6 Notwithstanding the provisions of Clause [●] above where a Force Majeure event continues to exist for a continuous period of [●] days then either party shall be at liberty to terminate this Agreement.

ARTICLE – XV: EVENT OF DEFAULT, BREACH AND TERMINATION

15.1 DISCO Events of Default

Each of the following events shall be events of default by DISCO (each a “**DISCO Event of Default**”), which, if not cured within the time permitted, shall give rise to the right on the part of BPC to terminate this Agreement pursuant to clause [●] (Termination Notices); provided that no such event shall be a DISCO Event of Default (i) if it results from a breach by BPC of this Agreement, (ii) if it occurs as a result of a Force Majeure Event (iii) because of an emergency:

15.1.1 Assignments

(i) The assignment or transfer of this Agreement without the prior written consent of BPC or (ii) the transfer, conveyance, loss or relinquishment of DISCO’s right to own and / or operate DISCO Interconnection Facility or any material part thereof to any other person without the prior written consent of BPC, which consent shall not be unreasonably withheld.

15.1.2 Dissolution or Reorganization

Except for the purpose of an amalgamation or corporate reconstruction that does not affect the ability of the amalgamated or reconstructed entity(s) to perform its obligations under this Agreement, the occurrence of any of the following events: (i) the passing of a resolution by the shareholders of DISCO for the winding up of DISCO; (ii) the appointment of a receiver or conservator in a proceeding for the winding up of DISCO after notice to DISCO and due hearing, which appointment shall not have been set aside or stayed within ninety (90) Days of such appointment; or (iii) the making by the court of an order winding up DISCO that is not stayed or reversed by a court of competent authority within thirty (30) Days.

15.1.3 Misrepresentations

Any statement, representation or warranty made by DISCO herein proving to have been incorrect, in any material respect and such failure or incorrect statement, representation or warranty having a material adverse effect on DISCO’s ability to perform its obligations under this Agreement;

15.1.4 Revocation of DISCO Distribution Licence

The Agreement shall be considered terminated if the DISCO's Distribution Licence is revoked by the competent authority.

15.1.5 Tampering

Tampering with the BPC Interconnection Facilities, Metering System and the Backup Metering System by DISCO or its employees, contractors and/or sub-contractors.

15.1.6 Breach of Obligations

Any material breach of this Agreement by DISCO which shall include any failure on part of DISCO to provide use of the Distribution Facilities to BPC, that is not remedied within ninety (90) Days of receipt of notice from BPC to DISCO that states that a material breach of the Agreement has occurred that could result in the termination of the Agreement and identifies the breach in question in reasonable detail and demands remedy thereof.

15.1.7 Failure to construct DISCO Interconnection Facilities

Failure on part of DISCO to construct and commission the DISCO Interconnection Facilities and DISCO Interconnection Works as set out in Schedule [-] (Connection Sites, Interconnection and Capacity).

15.1.8 Failure to ensure uninterrupted distribution system capacity

Persistent failure to comply with the NEPRA's Performance Standards for Distribution, as amended from time to time, by DISCO to ensure its obligations as mentioned in Article V.

15.2 BPC Events of Default

Each of the following events shall be events of default by BPC (each, a “**BPC Event of Default**”), which if not cured within the time period permitted to cure, shall give rise to the right on the part of DISCO to terminate this Agreement pursuant to clause [•] (Termination Notices), provided, however, that no such event shall be a BPC Event of Default (i) if it results from a breach by DISCO of this Agreement or (ii) if it occurs as a result of a Force Majeure Event or (iii) because of an emergency.

15.2.1 Assignments

(i) The assignment or transfer of this Agreement without the prior written consent of DISCO or (ii) the transfer, conveyance, loss or relinquishment of BPC's right to own and / or operate BPC Interconnection Facilities or any material part thereof to any other person without the prior written consent of DISCO, which consent shall not be unreasonably withheld.

15.2.2 Winding Up

Except for the purpose of an amalgamation or reconstruction that does not affect the ability of the amalgamated or reconstructed entity to perform its obligations under this Agreement, the occurrence of any of the following events: (i) the passing of a resolution by the shareholders of BPC for the winding up of BPC; (ii) the appointment of a receiver or conservator in a proceeding for the winding up of BPC after notice to BPC and due hearing, which appointment shall not have been set aside or stayed within ninety (90) Days of such appointment; or (iii) the making by the court of an order winding up BPC that is not stayed or reversed by a court of competent authority within thirty (30) Days;

15.2.3 Misrepresentations

Any statement, representation or warranty made by BPC herein proving to have been incorrect, in any material respect and such failure or incorrect statement, representation or warranty having a material adverse effect on BPC's ability to perform its obligations under this Agreement.

15.2.4 Tampering

Tampering with the DISCO Interconnection Facilities, Metering System and the Backup Metering System by BPC or its employees.

15.2.5 Payment Default

Failure of BPC to make payment of amounts due by the due date, in which case clause (Termination for Payment Default) shall apply.

15.2.6 Breach of Covenants

Any material breach of this Agreement by BPC, that is not remedied within ninety (90) Days of notice from DISCO to BPC. The Notice shall set out the particulars of the material breach of the Agreement committed by the BPC in a reasonable

detail, which could result in the termination of the Agreement and shall also demand remedy thereof.

15.2.7 Failure to construct BPC Interconnection Facilities

Failure on part of BPC to construct and commission the BPC Interconnection Facilities and BPC Interconnection Works in accordance with and within the time periods set out in Schedule [•] (Connection Sites, Interconnection and Capacity).

15.3 Termination Notices

15.3.1 Notice of Intent to Terminate

- (i) Upon occurrence of a DISCO Event of Default that is not cured within ninety (90) days of BPC notifying DISCO of such default, then BPC may, at its option, initiate termination of this Agreement by delivering a written notice (“**Notice of Intent to Terminate**”) of its intent to terminate this Agreement to DISCO, as the case may be.
- (ii) Similarly, upon occurrence of a BPC Event of Default that is not cured within ninety (90) days of DISCO notifying BPC of such default, then DISCO, at its option, may initiate termination of this Agreement by delivering a Notice of Intent to Terminate to BPC.
- (iii) Provided, that no Notice of Intent to Terminate may be served in respect of any event of default in circumstances where the matter giving rise to such event of default is the subject of Expert determination in accordance with clause [-] (Resolution by Expert). The Notice of Intent to Terminate shall specify in reasonable detail the DISCO Event of Default or the BPC Event of Default, as the case may be, giving rise to the Notice of Intent to Terminate.

15.3.2 Termination Notice

Upon expiration of the consultation period described in clause [-] (Consultation; Cure) and unless the Parties shall have otherwise agreed or unless the event of default giving rise to the Notice of Intent to Terminate shall have been remedied, the Party having given the Notice of Intent to Terminate may terminate this Agreement by delivering a forty five (45) days written termination notice (the

“**Termination Notice**”) to the other Party, whereupon this Agreement shall unless withdrawn by the effected Party or where the event of default is otherwise cured to the satisfaction of the Party serving the Termination Notice, terminate upon expiry of the Termination Notice.

15.3.3 Termination for Payment Default

- (i) In the event of the failure of BPC to make payment of amounts by the due date, DISCO may at any time after such due date, issue a Notice of Intent to Terminate to BPC, requiring cure of such payment default within forty-five (45) Days.
- (ii) If BPC fails to cure such payment default with the stipulated forty-five (45) Days, DISCO may terminate this Agreement with immediate effect by serving a written notice of termination.
- (iii) For the avoidance of doubt, De-energisation or Re-energisation pursuant to clause [-] (Payment Default) shall have no bearing on DISCO’s right to terminate pursuant to this Section.

15.3.4 Termination of Market Participation Agreement

In the event of the termination of the Market Participation Agreement, this Agreement shall stand terminated without further notice.

15.3.5 No Other Termination Rights

No Party shall have any right to terminate this Agreement except (i) as expressly provided in this Article [-] (Events of Default and Termination) or (ii) by mutual agreement.

15.4 Obligations Upon Termination

Upon termination of this Agreement as detailed above in this Article, the defaulting Party shall have the obligation to adequately compensate the terminating Party, the Parties shall have no further obligations hereunder except for obligations that arose prior to such termination and obligations that expressly survive such termination pursuant to this Agreement.

ARTICLE – XVI: LIABILITY

- 16.1 Except as required by Article-XVII, neither Party shall be liable to the other Party in contract, tort, warranty, strict liability or any other legal theory for any indirect, consequential, incidental, punitive or exemplary damages. Neither Party shall have any liability to the other Party except pursuant to, or for breach of, this Agreement; provided, however, that this provision is not intended to constitute a waiver of any rights of one Party against the other with regard to matters unrelated to this Agreement or any activity not contemplated by this Agreement.

ARTICLE –XVII: INDEMNITY

17.1 INDEMNITY BY THE BPC

Subject to compliance by DISCO with its obligations under this Agreement and the Distribution Code, the BPC shall indemnify, hold harmless and defend DISCO against any and all damages, fines, penalties, claim, cost, expense, payment obligation, liability or loss incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, DISCO, which DISCO may incur under or pursuant to or as a consequence of the breach of obligations by the BPC under this Agreement or the Distribution Code.

17.2 INDEMNITY BY DISCO

Subject to compliance by the BPC with its obligations under this Agreement and the Distribution Code, DISCO shall indemnify, hold harmless and defend the BPC against any and all damages, fines, penalties, claim, cost, expense, payment obligation, liability or loss incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, the BPC, which the BPC may incur under or pursuant to or as a consequence of the breach of obligations by DISCO under this Agreement or the Distribution Code.

17.3 INDEMNIFICATION PROCEDURES

17.3.1 Each Party shall promptly notify the other Party of any loss, claim, proceeding or other matter in respect of which it is or it may be entitled to indemnification under this Article. Such notice shall be given as soon as is reasonably practicable after the relevant Party becomes aware of such loss, claim, proceeding or other matter.

17.3.2 In the event the claim for indemnification arises out of a claim by a third party (“**Third Party Claim**”), the indemnifying Party shall be entitled, at its option and expense and with counsel of its selection, to assume and control the defense of the Third Party Claim at its expense, with counsel of its selection, subject to the prior approval of the indemnified Party; provided, however, it gives prompt notice of its intention to do so to the indemnified Party, and reimburses the

indemnified Party for the reasonable costs and expenses incurred by the indemnified Party prior to assumption by the indemnifying Party of such defense.

17.3.3 Upon assumption by the indemnifying Party of the control of the defense of a Third-Party Claim, the indemnifying Party shall reimburse the indemnified Party for the reasonable costs and expenses of the indemnified Party in the defense of the Third-Party Claim prior to the indemnifying Party's acknowledgment of the indemnification and assumption of the defense.

17.3.4 Neither Party shall be entitled to settle or compromise any Third-Party Claim without the prior written consent of the other Party, provided, however, that after agreeing in writing to indemnify the indemnified Party, the indemnifying Party may settle or compromise any Third-Party Claim without the approval of the indemnified Party.

ARTICLE – XVIII: DISPUTE RESOLUTION

18.1 Resolution by Parties

18.1.1 In the event that a Dispute arises in respect of Articles II (*Appointment of Operating Committee, Operating Committee, Consents and Information Sharing*), Article III & IV (*Interconnection Capacity, Connection and Energization Right*), Article V (*Interconnection Works and Interconnection Facilities*), , Article VII (*Safety and Protection*), Article VIII (*Metering & Meter Reading*) and the Schedules relating thereto, the Parties shall refer the Dispute to the Operating Committee, for its review and recommendations and attempted resolution, where appropriate.

18.1.2 In the event that the Operating Committee is unable to reach agreement or resolution within thirty (30) Days, then either Party may refer the matter to the Expert in accordance with clause 18.2 hereof.

18.2 Resolution by Expert

18.2.1 In the event that the Parties are unable to resolve a Dispute in accordance with, or a Dispute is not required to be referred to the Operating Committee pursuant to, clause 20.1, then any Party, in accordance with this clause 20.2, may refer the Dispute to an expert (the “**Expert**”) for consideration of the Dispute and to obtain a recommendation from the Expert as to the resolution of the Dispute.

18.2.2 The Party initiating submission of the Dispute to the Expert shall provide the other Party with a notice stating that it is submitting the Dispute to an Expert and nominating the person it proposes to be the Expert. The other Party shall, within fifteen (15) Days of receiving such notice, notify the initiating Party whether such person is acceptable, and if such nominated Expert is not acceptable to the responding Party, the responding Party shall propose a person to be the Expert. If the Party receiving such notice fail to respond or notifies the initiating Party that the person is not acceptable, the Parties shall meet and discuss in good faith for a period of ten (10) Days to agree upon a person to be the Expert. If the Parties are unable to agree, the responding Party shall by the end of such ten (10) Day period nominate a person to be an expert, whereupon the two nominated experts shall meet and agree upon a third person who shall be the Expert.

18.2.3 Consideration of the Dispute by an Expert shall be initiated by the Party who is seeking consideration of the Dispute by the Expert submitting to both, the Expert and the other Party written materials setting forth:

- (i) a description of the Dispute;
- (ii) a statement of the Party's position; and
- (iii) copies of records supporting the Party's position.

18.2.4 Within ten (10) Days of the date that a Party has submitted the materials described in clause 20.2.3, the other Party may submit to the Expert:

- (i) a description of the Dispute;
- (ii) a statement of the Party's position; and
- (iii) copies of any records supporting the Party's position.

18.2.5 The Expert shall consider any such information submitted by the responding Party within ten (10) Days of the receipt thereof and, in the Expert's discretion, may consider any additional information submitted by any Party at a later date.

18.2.6 Each Party shall designate one person knowledgeable about the issues in Dispute who shall be available to the Expert to answer questions and provide any additional information requested by the Expert. Except for such person, a Party shall not be required to, but may, provide oral statements or presentations to the Expert or make any individuals available to the Expert.

18.2.7 Except as provided in clause 18.2.9 with respect to the payment of costs, the proceedings shall be without prejudice to any Party and any evidence given or statements made in the course of this process may not be used against a Party in any other proceedings. The process shall not be regarded as an arbitration and the laws relating to commercial arbitration shall not apply. Unless the Parties agree in a writing signed by all Parties at the time the Expert is selected stating that the decision of the Expert will be binding, the determination of the Expert shall not be binding.

- 18.2.8 When consideration of the Dispute by an Expert is initiated, the Expert shall be requested to provide a recommendation within fifteen (15) Days of the expiry of the ten (10) Day period provided (above) for review of the documents and information submitted by the responding Party under clause 20.2.4. If the Expert's recommendation is given within such fifteen (15) Day period, or if the Expert's recommendation is given at a later time and neither Party has at such time initiated any other proceeding concerning the Dispute, the Parties shall review and discuss the recommendation with each other in good faith for a period of ten (10) Days following delivery of the recommendation before proceeding with any other actions.
- 18.2.9 If a Party does not accept the recommendation of the Expert with respect to the Dispute, it may initiate proceedings before the NEPRA in a tribunal established under section 11 of the NEPRA Act (the “**NEPRA Tribunal**”). Similarly, if the Expert has not submitted its recommendation within the time period provided in clause 20.2.8, a Party may initiate proceedings before the NEPRA Tribunal provided that prior to initiating the proceedings it shall have paid all costs of the Expert (including the reimbursement of any costs paid to the Expert by the other Party).
- 18.2.10 Costs - Except as provided in clause 20.2.9, the costs of engaging an Expert shall be borne equally by the Parties and each Party shall bear its own costs in preparing materials for, and making presentations to, the Expert.

18.3 Proceeding Before NEPRA Tribunal

- 18.3.1 In the event the Parties are unable to resolve any Dispute arising out of or in connection with this Agreement and not resolved following the procedures described in clause 20.1 and 20.2 shall be finally settled by the NEPRA Tribunal in accordance with the Applicable Documents.
- 18.3.2 Resolution and decision by the NEPRA Tribunal shall be the exclusive method for dispute resolution. Both Parties undertake to implement the NEPRA Tribunal decision, which shall be binding upon each Party. The Party that intends to refer the Dispute to the NEPRA Tribunal shall send a notice to the other Party informing the other Party that it intends to initiate proceedings before the

NEPRA Tribunal under this clause and the provisions of the NEPRA Act. The notice shall briefly specify the nature of the Dispute and within thirty (30) days of the receipt of the notice from the Party seeking to initiate proceedings, the other Party shall respond to the letter received from the Party initiating the Dispute, laying out its defense or its version on the Dispute.

- 18.3.3** The Parties shall continue to perform their obligations under this Agreement during the course of the proceedings before NEPRA Tribunal or other dispute resolution proceedings under this Agreement.

ARTICLE – XIX: MISCELLANEOUS PROVISIONS

19.1 NOTICES

19.1.1 All notices and other communications required or permitted to be given by a Party shall be in writing and either delivered personally or by courier or sent by facsimile to the address or number of the other Party specified below:

- (i) If to DISCO:
Attention: The Chief Executive Officer
Facsimile:
- (ii) If to the BPC:
Attention: The Chief Executive Officer
Facsimile:

Provided that a Party may change the address to which notices are to be sent to it by giving not less than thirty (30) Days prior written notice to the other Party in accordance with this Clause.

19.1.2 No notice or other communication shall be effective until received or deemed received. Notices or other communications shall be deemed to have been received by the receiving Party:

- (i) when delivered if personally delivered;
- (ii) two (2) working Days after sending, if sent by courier; or
- (iii) upon sending if sent by facsimile, subject to confirmation of an uninterrupted transmission report and provided that a hard copy is dispatched not later than the following working day to the recipient by courier or personal delivery.

19.2 AMENDMENT

An amendment or modification of this Agreement shall be effective or binding on a Party only if made in writing and signed by a duly authorized representative of each of the Parties.

19.3 NO WAIVER

No default by either Party in the performance of or compliance with any provision of this Agreement shall be waived or discharged except with the express written consent of the other Party. No waiver by either Party of any default by the other in the performance of or compliance with any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default whether of a like or different character.

19.4 ASSIGNMENT

No assignment, novation or transfer by a Party of this Agreement or such Party's rights or obligations hereunder shall be effective without the prior written consent of the other Party.

19.5 CONFIDENTIALITY

19.5.1 This Agreement and all information disclosed hereunder or in connection with this Agreement shall be treated as confidential and (except as provided in clause 19.5.3 below) either Party without the prior consent of the other Party shall not disclose such information in whole or in part.

19.5.2 This obligation does not apply to information that (when used or disclosed) has been made public other than through a breach of this Agreement or has been, or could have been, lawfully acquired by the Party.

19.5.3 Notwithstanding the provisions of clause 19.5.1 above, neither Party shall be required to obtain the prior consent of the other in respect of disclosure of information:

- a) to directors and employees and Affiliates of such Party, provided that such Party shall use reasonable endeavors to ensure that such Affiliates keep the disclosed information confidential on the same terms as are provided in this Clause;
- b) to persons professionally engaged by or on behalf of such Party; provided that such Persons shall be required by such Party to undertake to keep such information confidential and that such Party shall use reasonable endeavors to secure compliance with such undertaking;

- c) to any government department or any governmental or regulatory agency having jurisdiction over such Party but only to the extent that such Party is required by law to make such disclosure;
- d) to any party or entity up until and through the Closing Date, to provide with regular progress reports with respect to the implementation of this Agreement;
- e) to:
 - (i) any lending or other financial institution in connection with the financing of such Party's operations; or
 - (ii) any bona fide intended assignee, novatee or transferee of the whole or any part of the rights and interests of the disclosing Party under this Agreement;

but (in either case) only to the extent required in connection with obtaining such finance or in respect of such proposed assignment, novation or transfer and subject to such institution or intended assignee or transferee first agreeing with such Party to be bound by confidentiality provisions substantially the same as those contained in this Clause.

19.6 COUNTERPARTS

This Agreement may be executed in two (2) or more original copies and each such copy may be executed by each of the Parties in separate counterparts, each of which copies when executed and delivered by the Parties shall be an original, but all of which shall together constitute one and the same instrument.

19.7 SEVERABILITY, PARTIAL INVALIDITY AND ENTIRETY

19.7.1 If any term or provision of this Agreement is determined by a court or other authority of competent jurisdiction to be invalid, void, illegal, unenforceable or against public policy, the remaining provisions of this Agreement shall remain in full force and effect and will not be affected by such determination in any way.

19.7.2 The illegality, invalidity or unenforceability of any provision of this Agreement in whole or in part shall not affect the legality of any other provision or part thereof.

19.7.3 This Agreement shall be the full and final expression of the agreement between the Parties on the matters contained herein. All prior written or oral understandings, offers or other communications of every kind pertaining to the transactions hereunder are hereby abrogated and withdrawn.

19.8 GOOD FAITH

In meeting its obligations under this Agreement, both Parties shall have and observe an obligation of good faith towards the other Party and to adopt all reasonable measures to ensure the realization of the objectives of this Agreement. Each of the Parties agrees to cooperate with each other, as appropriate, in respect of the other's obligations hereunder.

19.9 GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of Pakistan.

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement in _____, Pakistan as of the date first above written.

[•]

[•]

By: _____

By: _____

Title: _____

Title: _____

Witness: _____

Witness: _____

Name: _____

Name: _____