



THATTA POWER
(PRIVATE) LIMITED

July 03, 2024

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

Subject: **License Proposed Modification in the Generation License Application – on behalf of Thatta Power (Pvt.) Limited (the “Company”)**

Dear Sir,

I, Muhammad Abid Khan, Chief Financial Officer of the Company is the duly authorized representative on behalf of the Company by virtue of a Board Resolution, appended herewith, hereby apply to the National Electric Power Regulatory Authority (“NEPRA or Authority”) for the modification of our Generation License for the Company bearing # SGC/76/2011 dated December 20, 2011 (the “Generation License”) in respect of the Company’s Natural Gas based Thermal Power Facility located at Ghulamullah Road, Makli District Thatta, Sindh with installed Gross Capacity of 45.984 MW pursuant to section 10 of the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulation, 2021.

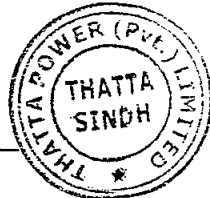
I certify that the documents-in-support attached with this application (in triplicate) are prepared and submitted in conformity with the provisions of the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021. I further 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.

Bank drafts amounting to Rs. 881,093/- being the non-refundable modification of generation license fee calculated in accordance with Schedule II to the Regulations for the modification of the license, is also attached herewith.

Yours Sincerely

For and on behalf of
THATTA POWER PRIVATE LIMITED

Chief Financial Officer



Enclosed: As above



THATTA POWER
(PRIVATE) LIMITED

**EXTRACTS OF THE RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS OF
THATTA POWER (PVT.) LIMITED PASSED IN THEIR MEETING HELD AT ITS
HEAD OFFICE AT STATE LIFE BUILDING # 10, MAIN ABDULLAH HAROON
ROAD, KARACHI**

Resolved that the Company should approach NEPRA for Modification of its Generation License under the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021.

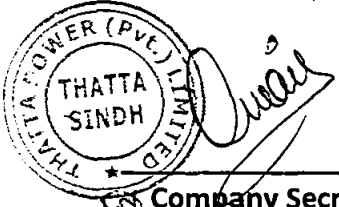
Further Resolved, that Mr. Muhammad Abid Khan, is hereby singly authorized to do any or all of the following acts, deeds and things, on behalf of the Company, in connection with this application to be filed with NEPRA under the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021:

- Represent the Company before NEPRA, and in doing so perform all lawful acts, deeds and things, including but not limited to filing, signing, presenting, modifying, amending, withdrawing applications and other documents, responding to any queries and meeting any objections, receiving notices and documents; and
- Do all acts, deeds and things, which are ancillary and incidental to the afore-said purposes.

Further Resolved that extracts of this resolution be provided to the NEPRA with the seal/stamp duly affixed thereon.

Karachi: July 03, 2024

Certified True Copy


For Company Secretary



THATTA POWER

(PRIVATE) LIMITED

PETITION FOR LICENSE PROPOSED MODIFICATION OF LICENSE

No. SGC/76/2011

1. Background:

- 1.1 In the light of severe power shortage from the year 2005 and 2006 onwards, Government of Pakistan took several initiatives to breach the demand and supply gap of electricity. In 2007, NEPRA decided to allow Small Power Plants (SPPs) and Captive Power Plants (CPPs) to sell their surplus electricity to the DISCOs at mutually agreed rates. Upon successful execution of this initiative, Pakistan Electric Power Company (PEPCO), in 2009, formulated a policy of New Captive Power Plants (N-CPP), which allowed investor to pursue fast-track projects and enable quick injection of electricity in to the grid at cheaper rates.
- 1.2 In response to the above-mentioned policy, Thatta Power (Private) Limited (TPPL) was incorporated in November 2010 as a private limited company with an aim of setting up a Captive Power Plant, comprising of gas engines imported from GE Jenbacher GMBH & Co., Austria, at Thatta, Sindh, Pakistan to sell power to the relevant DISCO and also meet the power requirements of its parent company, Thatta Cement Company Limited. It has been granted a generation license from NEPRA for its natural gas based thermal generation facility for the total installed capacity of 45.984 MW Gross ISO.
- 1.3 In determination of the authority in the matter of generation license application of Thatta Power (Pvt.) Limited, dated December 07, 2011, application No. LAG-189, section D (iii) authority specifically allowing the company to generate power using locally available natural gas and same is being mentioned in Schedule I, section C of the generation license that main fuel is Natural Gas (Pipeline Quality) and its source will be Indigenous.
- 1.4 The capacity will be setup in two phases. In the first phase, the company has successfully installed capacity of 23.1 MW based on reciprocating engines which are operated on natural gas and started commercial operation on December 12, 2012.
- 1.5 The Waste Heat Recovery project (WHRP) for Power Generation has been completed in 2019, which comprises seven boilers, a steam turbine and a generator. This (WHRP) utilize waste heat to produce super-heated steam which used for power generation. After the completion of Waste Heat Recovery Project, the gross generation capacity of the Company has increased to 27.1 MW.



THATTA POWER

(PRIVATE) LIMITED

- 1.6 SSGC in Pakistan is no longer supplying industries with solely indigenous natural gas. This shift is due to a growing imbalance between supply and demand. Pakistan's natural gas reserves have been steadily declining in recent decades, leaving the country with less locally produced gas to meet its needs. At the same time, the demand for natural gas, particularly from industries, has been on the rise. To bridge this gap, SSGC began incorporating RLNG, imported natural gas that's been liquefied for transport and then converted back into gas at import facilities. This allows Pakistan to access natural gas from the international market and fulfill the needs of its industries.

On December 14, 2023, the Ministry of Energy - Government of Pakistan vide their direction # NG (I)-7(189)/23-Vol-III has approved that Sui Gas Companies to provide blend of indigenous gas and Re-gasified Liquefied Natural Gas (RLNG) to industrial consumers (Export and Non-Export) to all existing and new consumers.

2. Licensee Proposed Modification:

- 2.1 Thatta Power (Pvt.) Limited in pursuance of Regulation 10 of the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021 submits this Licensee Proposed Modification Application in respect of its Generation License # SGC/76/2011.
- 2.2 Thatta Power (Pvt.) Limited (the "Company") requests for modification in a license.
- 2.3 The company, pursuant to AMPR, hereby seeks to apply for modification of the Generation License granted to add the option of Re-Gasified Liquefied Natural Gas (RLNG) as an alternate fuel for its generation and fuel source.
- 2.4 Pursuant to proposed change, the following parameters in Schedule I of the license are required to be updated and incorporated.

Schedule I (C) Fuel Details			
		Existing	After Proposed Change
i.	Main Fuel	Natural Gas (Pipeline Quality)	Natural Gas / RLNG (Pipeline Quality)
ii.	Alternative / Back Up Fuel	Not Applicable	RLNG
iii.	Start Up Fuel	Same as Main Fuel	Same as Main Fuel
iv.	Fuel Source (Imported/Indigenous)	Indigenous	Indigenous / imported
v.	Fuel Supplier	Sui Southern Gas Company Limited	Sui Southern Gas Company Limited
vi.	Supply Arrangement	Through Pipeline	Through Pipeline



THATTA POWER
(PRIVATE) LIMITED

3. Rationale for Proposed Modification:

Previously, the company operated on indigenous natural gas. However, due to recent developments, it has been transitioned to a blend comprising of indigenous natural gas and imported RLNG. The modification in this regard is required to be incorporated so that any sort of blend of gas supplied by SSGC is covered under modified generation license.

4. A Statement of the impact on the tariff, quality of service and the performance by licensee of its obligation under the license.

4.1 Impact on Tariff

The proposed modification to the company's generation license with impact tariff according to the notified price of RLNG by relevant authority.

4.2 Impact on Quality of Service

The proposed modification will positively affect quality of service due to continued supply near load center.

4.3 Impact on the obligations of the company under the license

The proposed modification would facilitate the company in fulfilling its obligation under the license.



THATTA POWER
(PRIVATE) LIMITED

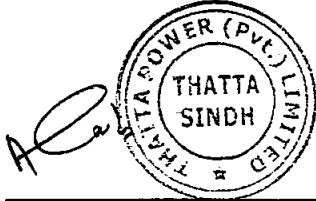
PRAYER

License Proposed Modifications Petition

It is most humbly prayed to the esteemed Authority as follows:

- A. That the Authority shall approve the LPM where RLNG as alternate fuel be allowed along with natural gas in its generation license.
- B. That the Authority may be pleased to treat the Company's request for the grant of this License Proposed Modification on a non-discriminatory basis.
- C. Any further and better relief that the Authority may deem appropriate in the circumstances may kindly be granted to the Company.

We hope the information/explanation provided above meets the Authority's requirements and remain available to assist the Authority in further queries/clarifications.



Sincerely,
Thatta Power (Pvt.) Limited
July 03, 2024



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

2nd Floor, OPF Building, G-5/2, Islamabad

Ph: 9206500, 9207200, Fax: 9210215

E-mail: registrar@nepra.org.pk

Registrar

No. NEPRA/R/LAG-189/11268-70

December 20, 2011

Mr. Fazlullah Sharif
Chief Executive Officer
Thatta Power (Pvt.) Limited
Arif Habib Centre, 23, M.T. Khan Road,
Karachi – 74000
Ph: 92-21-32423295

Subject: **Generation Licence No. SGC/76/2011**
Licence Application No. LAG-189
Thatta Power (Pvt.) Limited

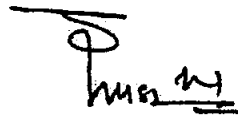
Reference: *Your letter No. TCCL/CEO/11-05/44/153, dated May 19, 2011.*

Enclosed please find herewith Generation Licence No. SGC/76/2011 granted by National Electric Power Regulatory Authority (NEPRA) to Thatta Power (Pvt.) Limited for its 45.984 MW Natural Gas based Thermal Power Facility located at Ghulamullah Road, Makli District Thatta, Sindh pursuant to Section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997). Further, the determination of the Authority in the subject matter is also attached.

2. Please quote above mentioned Generation Licence No. for future correspondence.

Enclosure: **Generation Licence**
[No. SGC/76/2011]




(Syed Safeer Hussain)

Copy to:

1. Chief Executive Officer, Hyderabad Electric Supply Company (HESCO), WAPDA Water Wing Complex, Hussainabad, Hyderabad
2. Director General, Pakistan Environmental Protection Agency, House No. 311, Main Margalla Road, F-11/3, Islamabad.

**National Electric Power Regulatory Authority
(NEPRA)
Islamabad – Pakistan**

GENERATION LICENCE

No. SGC/76/2011

In exercise of the Powers conferred upon the National Electric Power Regulatory Authority (NEPRA) under Section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), the Authority hereby grants a Generation Licence to:

THATTA POWER (PVT.) LIMITED

Incorporated under the Companies Ordinance, 1984
Under Corporate Universal Identification

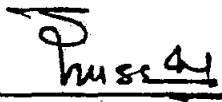
No. 0074005, dated November 12, 2010

for its Natural Gas based Thermal Generation Facility Located at Ghulamullah Road, Makli District Thatta, in the Province of Sindh

(Installed Capacity: 45.984 MW Gross ISO)

to engage in generation business subject to and in accordance with the Articles of this Licence.

Given under my hand this 20th day of December, Two Thousand & Eleven, and expires on 29th day of April, Two Thousand & Thirty Seven.


Registrar



Article-1
Definitions

1.1 In this Licence

- (a) "Act" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997);
- (b) "Authority" means the National Electric Power Regulatory Authority constituted under Section 3 of the Act;
- (c) "Licensee" means Thatta Power (Pvt.) Limited;
- (d) "Power Purchaser" means a distribution licensee or a bulk power consumer purchasing electricity from the Licensee, pursuant to a power purchase agreement;
- (e) "Rules" mean the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000.

1.2 Words and expressions used but not defined herein bear the meaning given thereto in the Act or in the Rules.

Article-2
Application of Rules

This Licence is issued subject to the provisions of the Rules, as amended from time to time.

Article-3
Generation Facilities

3.1 The location, size (capacity in MW), technology, interconnection arrangements, technical limits, technical functional specifications and other details



specific to the generation facilities of the Licensee are set out in Schedule-I to this Licence.

3.2 The net capacity of the generation facilities of the Licensee is set out in Schedule-II hereto.

3.3 The Licensee shall provide the final arrangement, technical and financial specifications and other details specific to its generation facilities before commissioning of the same.

Article-4
Term of Licence

4.1 This Licence is granted for a term of twenty five (25) years from the Commercial Operation Date (CoD) of the generation facility.

4.2 Unless suspended or revoked earlier, the Licensee may within ninety (90) days prior to the expiry of the term of the Licence, apply for renewal of the Licence under the National Electric Power Regulatory Authority Licensing (Application & Modification Procedure) Regulations, 1999 as amended or replaced from time to time.

Article-5
Licence Fee

After the grant of the Generation Licence, the Licensee shall pay to the Authority the Licence Fee, in the amount and manner and at the time set out in National Electric Power Regulatory Authority (Fees) Rules, 2002.

Article-6
Tariff

The Licensee is allowed to charge such tariff which is agreed between the Licensee and the Power Purchaser, pursuant to a power purchase agreement and approved, determined, adjusted or specified by the Authority.







Article-7
Competitive Trading Arrangement

7.1 The Licensee shall participate in such measure as may be directed by the Authority from time to time for development of a Competitive Trading Arrangement. The Licensee shall in good faith work towards implementation and operation of the aforesaid Competitive Trading Arrangement in the manner and time period specified by the Authority. Provided that any such participation shall be subject to any contract entered into between the Licensee and another party with the approval of the Authority.

7.2 Any variation or modification in the above-mentioned contracts for allowing the parties thereto to participate wholly or partially in the Competitive Trading Arrangement shall be subject to mutual agreement of the parties thereto and such terms and conditions as may be approved by the Authority.

Article-8
Maintenance of Records

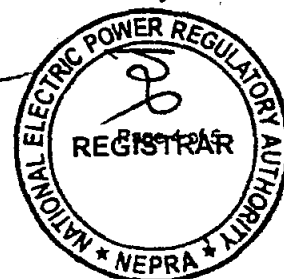
For the purpose of sub-rule (1) of Rule 19 of the Rules, copies of records and data shall be retained in standard and electronic form and all such records and data shall, subject to just claims of confidentiality, be accessible by authorized officers of the Authority.

Article-9
Compliance with Performance Standards

The Licensee shall comply with the relevant provisions of National Electric Power Regulatory Authority Performance Standards (Generation) Rules, 2009 as amended or replaced from time to time.

Article-10
Compliance with Environmental Standards

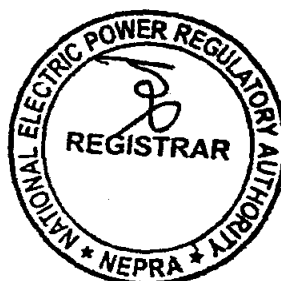
The Licensee shall comply with the environmental standards as may be prescribed by the relevant competent authority from time to time.



Article-11
Provision of Information

11.1 The obligation of the Licensee to provide information to the Authority shall be in accordance with Section 44 of the Act.

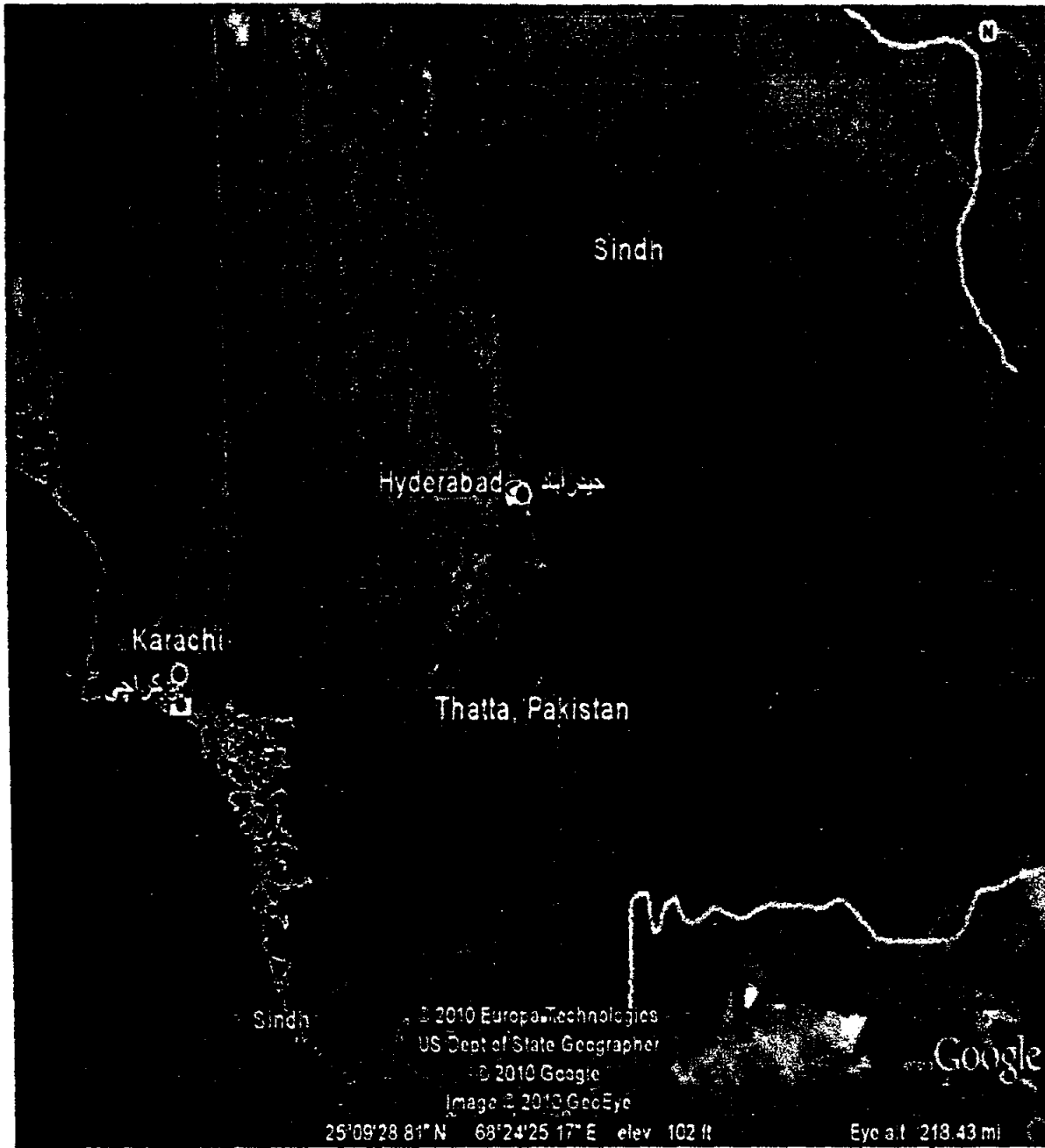
11.2 The Licensee shall be subject to such penalties as may be specified in the relevant rules made by the Authority for failure to furnish such information as may be required from time to time by the Authority and which is or ought to be or has been in the control or possession of the Licensee.



SCHEDULE-I

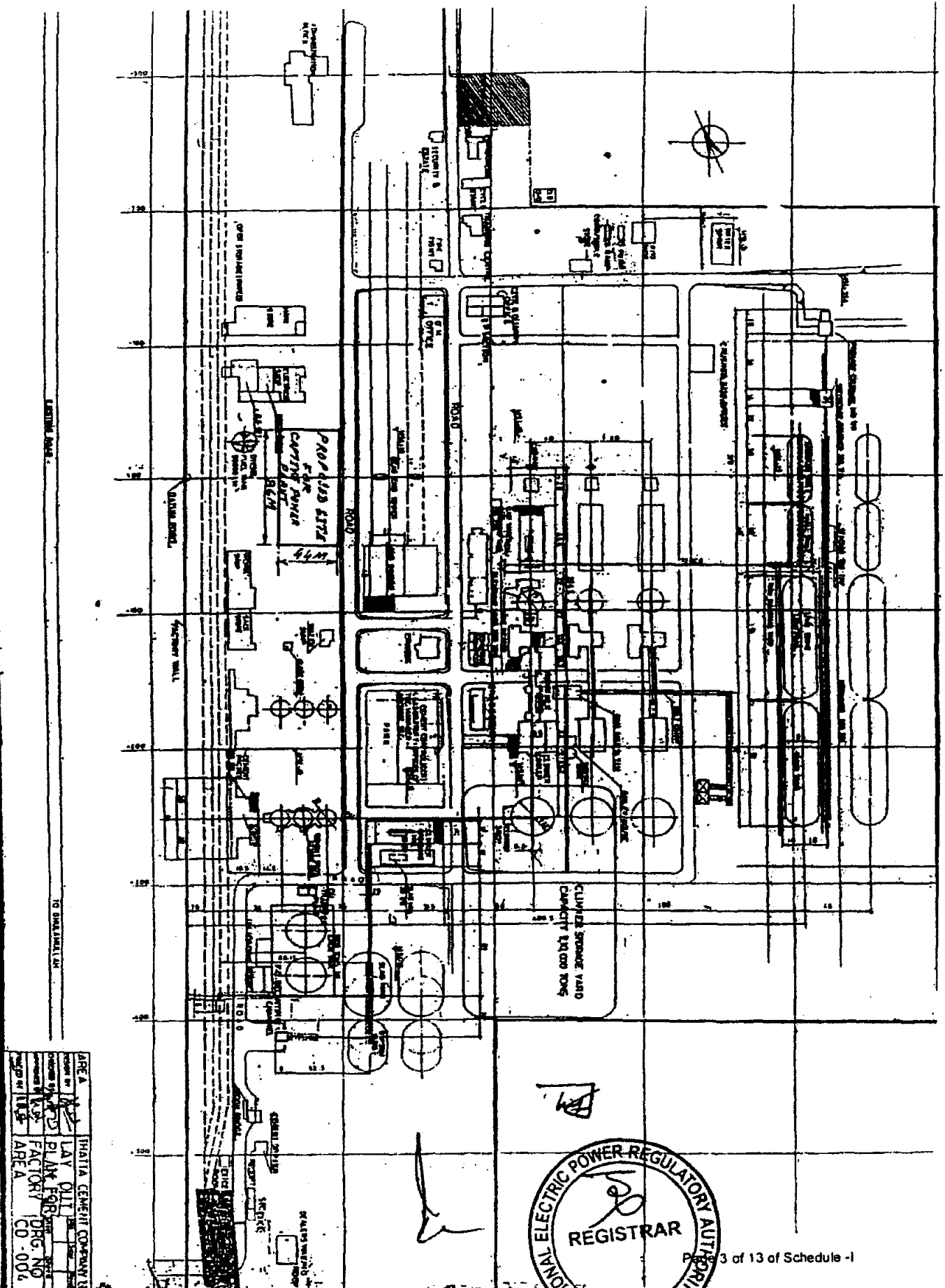
The Location, Size (i.e. Capacity in MW), Type of Technology, Interconnection Arrangements, Technical Limits, Technical/Functional Specifications and other details specific to the Generation Facilities of the Licensee are described in this Schedule.



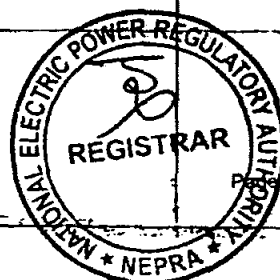


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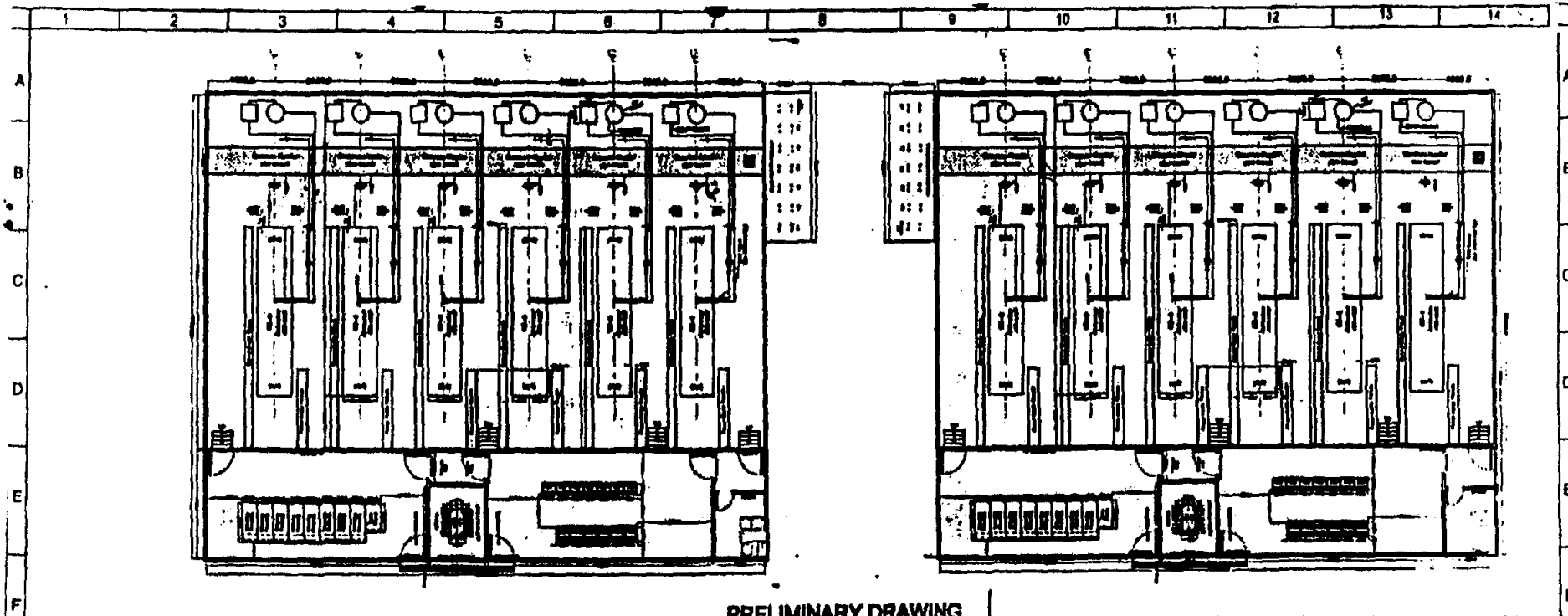




AREA	THATTA CEMENT COMPANY LTD.
PLAN NO.	LAY OUT
DATE	1980
BY	FACTORY
NO.	CO-006
AREA	



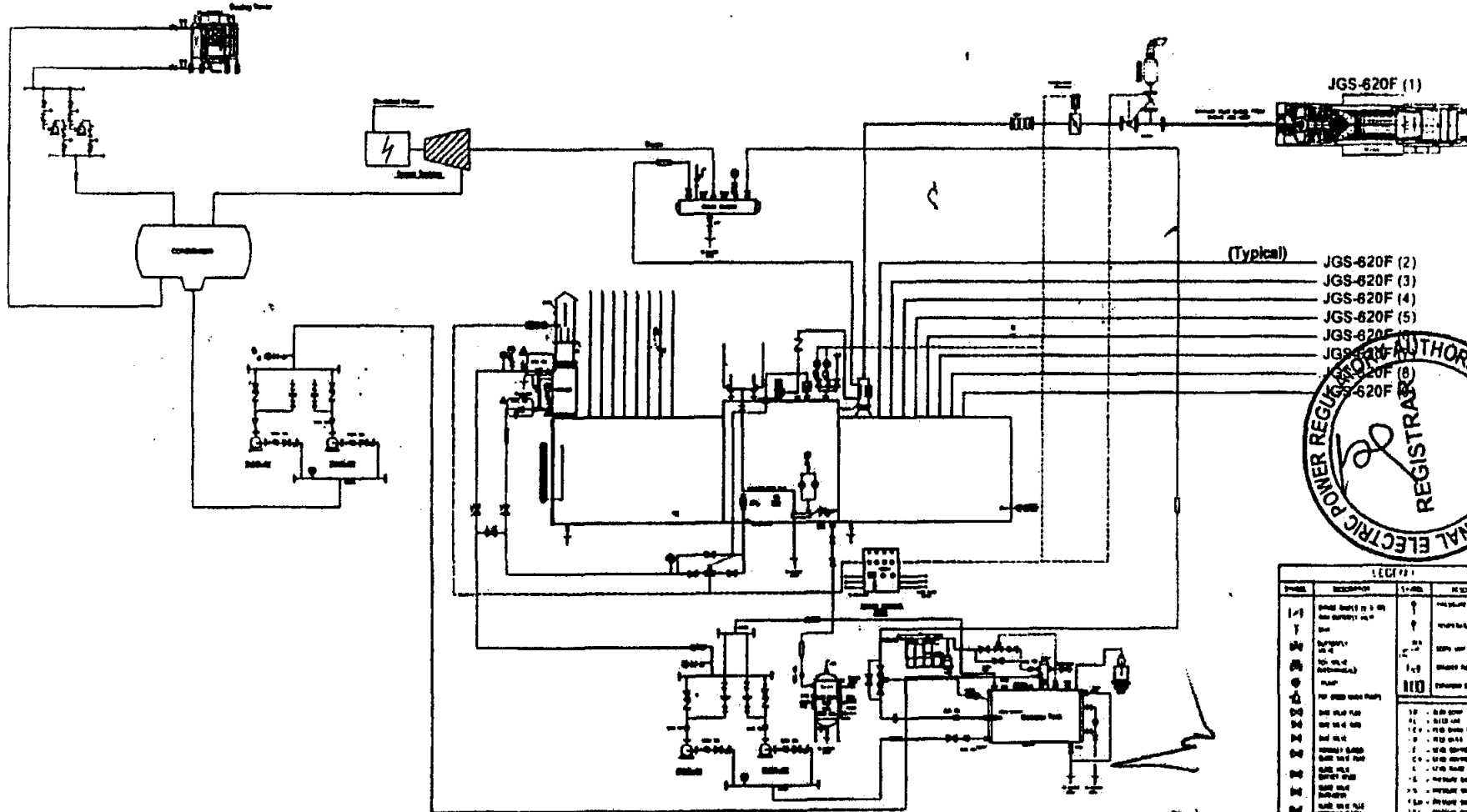
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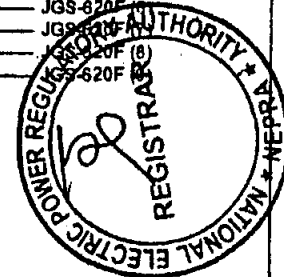
PRELIMINARY DRAWING

Rev.2		Project :	GE Jenbacher JGB-620F	Scale	1:200	Client :	M/S Thatta Power (Pvt) Limited	Title :	PROPOSED POWER HOUSE LAYOUT 12 X JGB-620F		
Rev.1		Constant :		Date		ORIENT ENERGY SYSTEMS			Quantity :	01	
Rev.0				Worked by	AMK				Drawings # :		Sheet : 1/2 Rev : 2
				Checked by	MAQ						

**Generation Licence
Thatta Power (Pvt.) Limited
Ghulamullah Road
Makli, District Thatta
Sindh**




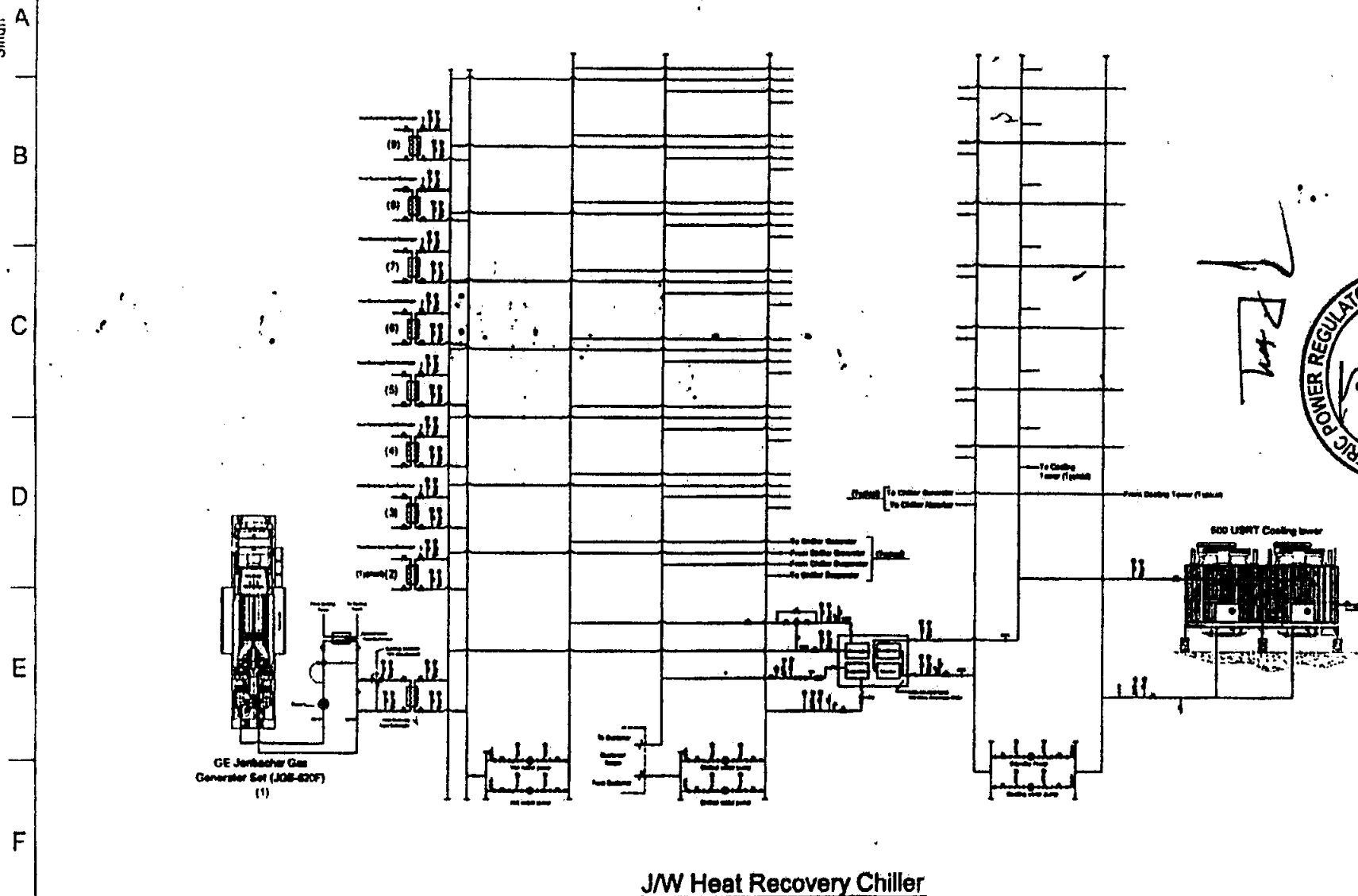
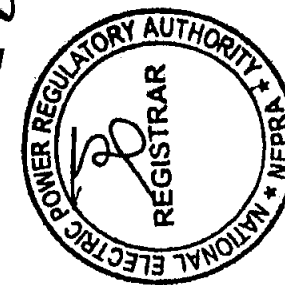
Page 5 of 13 of Schedule -1




SECRET			
SYMBOL	DESCRIPTION	SYMBOL	DESCRIPTION
1-1	BRIDGE BUILT 1972 10 20 BRIDGE REPAIRED 1974 10	1-2	REPAIRING CABLE
1-3	REPAIRING 10 10	1-4	REPAIRING CABLE
1-5	REPAIRING 10 10	1-6	REPAIRING 10 10
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1-99	REPAIRING 10 10	1-100	REPAIRING 10 10

Combined Cycle P&ID

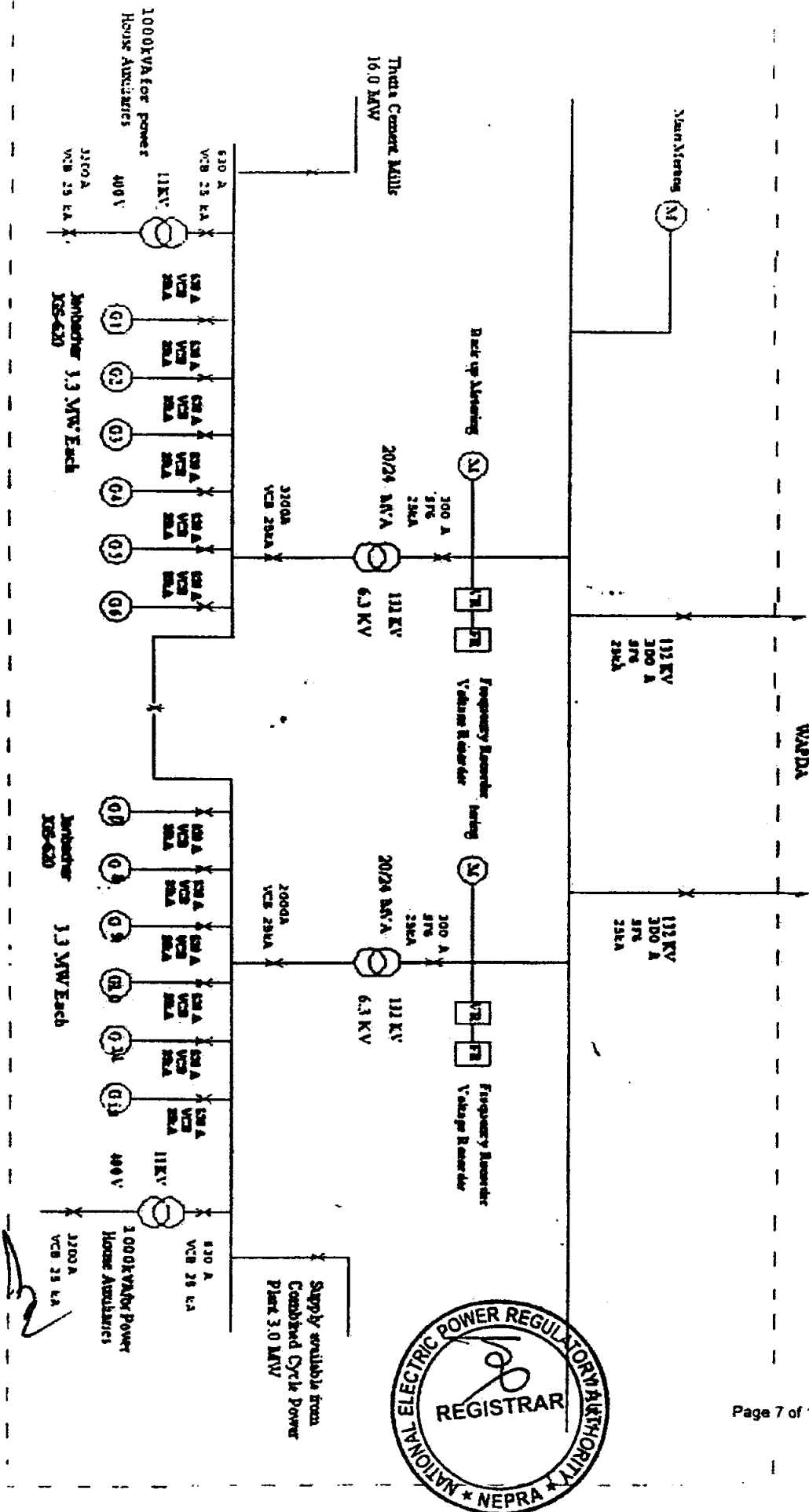
Rev.2	00-00-0000	Project : GE JENBACHER JGS-620F	Scale:	N.T.S	Client : M/s Thatta Cement	Title : PROPOSED P&I DIAGRAM 9 X JGS-620F WITH BOILER & STEAM TURBINE
Rev.1	00-00-0000		Date:	13-01-2011		
Rev.0	13-01-2011	Consultant :	Worked by:	AHK	Orient Energy Systems (Pvt.)Ltd 	Drawings # : XXX/X/XXXX
			Checked by:	MAQ		



(LEGEND)	
Symbol	Description
⊕	Isolating valve
○	Pump
⊕-P	Pressure gauge with fail
⊕-T	Thermometer with fail
⊕	Isolator
⊕	Fail to release valve
⊕	Isolation valve
⊕	Thermometer (Isolation) valve
⊕	Expansion joint
⊕	Flow Indicator
⊕	Thermometer (Isolation) valve
⊕	Stop Valve
⊕	Water Valve
⊕	Flow Meter
⊕	Air Valve

Rev 2	00-00-0000	Project : GE JENBACHER JGS-620F	Scale:	N.T.S	Client : M/s Thatta Cement		Title : PROPOSED P&I DIAGRAM 9 X JGS-620F WIT HSB-496 (268 USRT) HOT WATER CHILLERS		
Rev 1	00-00-0000		Date:	13-01-2011					
Rev.0	13-01-2011	Consultant :	Worked by:	AHK	Orient Energy Systems (Pvt.)Ltd				
			Checked by:	MAQ		Drawings # : XXX/X/XXXX	Sheet : 1/1	Rev. :	

THATTA POWER PRIVATE LIMITED - SINGLE LINE DIAGRAM

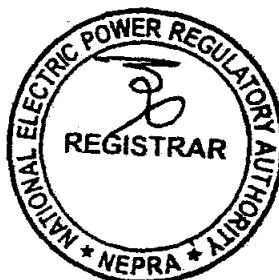


INTERCONNECTION/TRANSMISSION
ARRANGEMENT FOR THE DISPERSAL OF
POWER FROM THE POWER PLANT

The Power generated by Thatta Power (Pvt.) Limited (TPPL) from its proposed Natural Gas operated Thermal Power Generation facility shall be dispersed to the Load Center of Hyderabad Electric Supply Company Limited (HESCO).

The Interconnection/Transmission Arrangement for the above mentioned facilities will be at 132 KV voltage, connecting the generation facility of TPPL to 132 KV Thatta Grid Station of HESCO through overhead Transmission Line(s).

Any change in the final Interconnection and Transmission Arrangement(s), for the dispersal of power other than the above, as agreed by TPPL and HESCO shall be communicated to NEPRA in due course of time.



Plant Details *

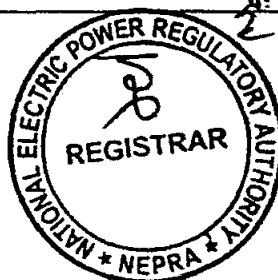
(A). General Information

(i).	Name of Applicant	THATTA Power (Pvt.) Limited
(ii).	Registered/Business Office	Thatta Cement Company Limited, Ghulamullah Road, Makli Distrct Thatta, Sindh.
(iii).	Plant Location	-do-
(iv).	Type of Generation Facility	Thermal Generation

(B). Plant Configuration

(i).	Plant Size Installed Capacity (Gross ISO)	45.984 MW	
(ii).	Type of Technology	Combined Cycle Power Plant (with Gas Engines, Heat Recovery Steam Generators and Steam Turbine)	
(iii).	Number of Units/Size (MW)	Gas Engine	12 x 3.332 MW Gas Engines
		Steam Turbine	1 x 6.00 MW
(iv).	Unit Make & Model	Gas Engines	General Electric Jenbacher/JGS 620F Gs – N.L F01
		Steam Turbine	General Electric/Harbin Electric China/Siemens/Equivalent
(v).	Commissioning /Commercial Operation Date (CoD)	April 30, 2012	
(vi).	Minimum Expected Life of the Facility from Commissioning/ CoD	25 Years	

* As provided by the Licensee



(C). Fuel Details

(i).	Main Fuel	Natural Gas (Pipeline Quality)
(ii).	Alternative/Back Up-Fuel	Not Applicable (N/A)
(iii).	Start-Up Fuel	Same as Main fuel
(iv).	Fuel Source (Imported/Indigenous)	Indigenous
(iii).	Fuel Supplier	Sui Southern Gas Company Limited
(iv).	Supply Arrangement	Through Pipeline

(D). Emission Values (Main Fuel)

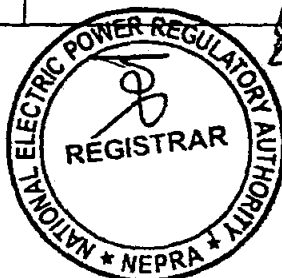
(i).	SO _x	0 mg/Nm ³
(ii).	NO _x	200 mg/Nm ³
(iii).	CO	500 mg/Nm ³
(iv).	PM ₁₀	10 mg/Nm ³

(E). Cooling System

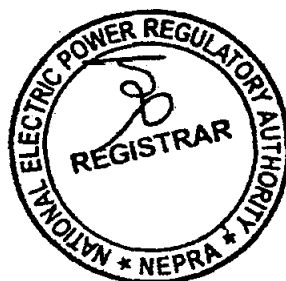
(i).	Cooling Water Source/Cycle	Tube Wells installed at Site/Closed Loop
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(F). Plant Characteristics

(i).	Generation Voltage	6.30 KV
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(ii).	Frequency	50 Hz
(iii).	Power Factor	0.8
(iv).	Automatic Generation Control (AGC)	N/A
(v).	Ramping Rate	9.8 KW/Sec
(vi).	Time required to Synchronize to Grid and loading the complex to full load.	131 Sec



Information Pertaining to the
Bulk Power Consumer [in the Name of Thatta Cement Company Limited (TCCL)]
of the Licensee [i.e. Thatta Power (Pvt.) Limited (TPPL)]

(A).	No. of Consumers	One (01)	
(B).	Location of consumers (distance and/or identity of premises)	TCCL Thatta, Sindh.	
(C).	Contracted Capacity and Load Factor for consumer	TCCL	20 MW (Maximum)
(D).	Specify Whether		
	(i).	The consumer is an Associate undertaking of the TPPL- If yes, specify percentage ownership of equity;	Yes/100%
	(ii).	There are common directorships:	Yes
	(iii).	Either can exercise influence or control over the other.	Only contractually
(E).	Specify nature of contractual Relationship		
	(i).	Between each consumer and TPPL.	Firm Supply of Electricity on Continuous basis
	(ii).	Consumer and HESCO.	TCCL is B-4 consumer of HESCO
(G).	Any other network information deemed relevant for disclosure to or consideration by NEPRA.		N/A

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2

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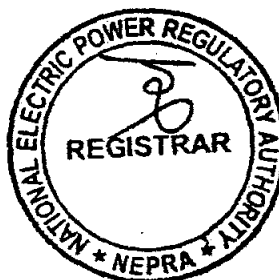
**Information Regarding Distribution Network for
Supply of Power to Bulk Power Consumer (in the Name of
Thatta Cement Company Limited -TCCL)**

(A).	No. of Feeders	Two (02)
(B).	Length of Each Feeder (Meter)	300 Meter
(C).	Length of Each Feeder to each Consumer	-Do-
(D).	In respect of all the Feeders, describe the property (streets, farms, Agri land, etc.) through, under or over which they pass right up to the customer's premises, whether they cross-over or pass near the DISCO lines.	The 6.3 KV Underground Cable supplying power to TCCL is located on its private property, without any public/private property crossing etc.
(E).	Whether owned by TPPL, Consumer or HESCO -(deal with each Feeder Separately)	
	- If owned by HESCO, please furnish particulars of contractual arrangement	N/A
	- Operation and maintenance responsibility for each feeder	The Operation and Maintenance is the responsibility of TCCL.
(F).	Whether connection with network of HESCO exists (whether active or not)- If yes, provide details of connection arrangements (both technical and contractual)	Yes
(G).	Any other network information deemed relevant for disclosure to or consideration by NEPRA.	N/A



SCHEDULE-II

The Installed/ISO Capacity (MW), De-Rated Capacity At Mean Site Conditions (MW), Auxiliary Consumption (MW) and the Net Capacity At Mean Site Conditions (MW) of the Generation Facilities of Licensee is given in this Schedule



SCHEDULE-II*

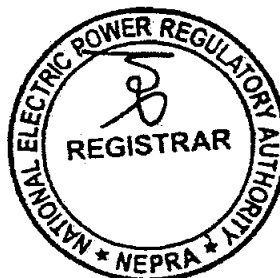
1.	Installed Capacity Gross ISO	45.984 MW
2.	De-rated Capacity at Mean Site Conditions	45.984 MW
3.	Auxiliary Consumption	02.000 MW
4.	Net Capacity at Mean Site Conditions	43.984 MW

Note

All the above figures are indicative as provided by the Licensee. The Net Capacity available to HESCO for dispatch will be determined through procedure(s) contained in the Bi-lateral Agreement(s), Grid Code or any other applicable document(s).

* As provided by Thatta Power (Pvt.) Limited

[Signature]



Authorization
By National Electric Power Regulatory Authority (NEPRA) to
THATTA POWER (PVT.) LIMITED

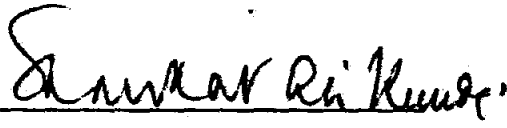
Incorporated under the Companies Ordinance, 1984
Under Certificate of Incorporation

No. 0074005, dated November 12, 2010

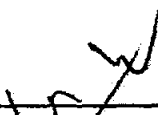
NEPRA GENERATION LICENCE No. SGC/76/2011

For
Sale to Bulk Power Consumer(s)

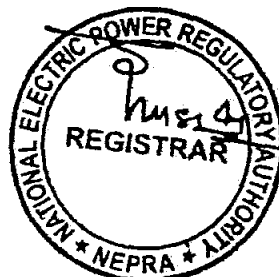
Pursuant to Section 22 of the Act and Rule 7 of the NEPRA Licensing (Generation) Rules-2000, the Authority hereby authorize Thatta Power (Pvt.) Limited (Licensee) to engage in Second-Tier Supply Business for supplying power to Thatta Cement Company Limited as its Bulk Power Consumer, as also mentioned in Schedule-I of its Generation Licence (No. SGC/76/2011).


(Shaukat Ali Kundi) 09.12.2011
Member


(Ghiasuddin Ahmed)
Member 13/12


(Maqbool Ahmad Khawaja)
Member/Vice Chairman


(Khalid Saeed)
Chairman



National Electric Power Regulatory Authority
(NEPRA)

Determination of the Authority
In the Matter of Generation Licence Application of
Thatta Power (Pvt.) Limited

December 07, 2011
Application No. LAG-189

(A). Background


(i). Thatta Power (Pvt.) Limited (TPPL) is planning to set up a Thermal Generation Facility under the PEPCO formulated "Policy Framework For New - Captive Power Producers" (the Policy).

(ii). Under the Policy new Captive Power Plants (N-CPPs) are proposed to be established with new investment on new machines in the jurisdiction of Ex-WAPDA DISCOs.

(iii). TPPL has decided to set up the N-CPP in the jurisdiction of Hyderabad Electric Supply Company Limited (HESCO).

(B). Filing of Generation Licence Application

(i). TPPL in accordance with Section 15 of the NEPRA Act filed an application on May 23, 2011 requesting for grant of a Generation Licence for its proposed N-CPP.

(ii). Initial scrutiny of the application revealed that TPPL had not submitted some of the required information/documents as stipulated in NEPRA Licensing (Application & Modification Procedure) Regulations, 1999 (hereinafter "the Regulations").  TPPL was advised to submit the missing information.



(iii). TPPL completed the submission of the missing information/documentation on July 05, 2011. Accordingly the case of TPPL was submitted for admission of the Authority. The Authority admitted the application for the consideration of the Generation Licence on July 15, 2011.

(iv). Further, according to Regulation 8 of the Regulations the Authority decided to publish a Notice of Admission (NoA) along with the brief of the prospectus and other salient features of application. The NoA was advertised on July 17, 2011 in one Urdu and one English newspaper, seeking comments from the general public and other interested/affected parties.

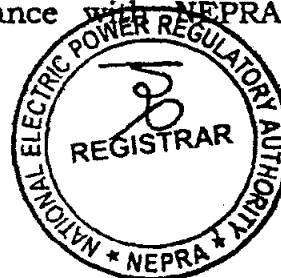
(v). Apart from the NoA in the press, separate notices were also sent to experts, Government Ministries and representative Organizations etc. inviting their views and comments in the matter.

(C). **Comments of Stakeholders**

(i). In reply to the above mentioned NoA in the press and separate notices sent to other stakeholders, NEPRA received comments from Ministry of Water and Power (MoW&P) and Department of Environment and Alternative Energy Government of Sindh (DoE&AEGoS).

(ii). The salient points of the comments offered by the above stakeholders are summarized in the following paragraphs:-

- (a). MoW&P in its comments stated that keeping in view the firm long term availability of Natural Gas and higher thermal efficiency of the proposed plant, NEPRA may process the case of TPPL for the grant of Generation Licence in accordance with NEPRA Act/Rules and Regulations:



(b). DoE&AEGoS remarked that according to Section 12 of the Pakistan Environmental Protection Act 1997, the Environmental Impact Assessment (EIA) report of the project to be executed, is to be submitted to the Environmental Protection Agency (EPA), Government of Sindh for its consideration before the same are initiated. Accordingly, it may be confirmed whether the applicant firm has complied with this legal requirement or not? If the answer is in negative, then the Company may be advised to get the needful done before any further action is taken;

(iii). The perspective of TPPL on the aforesaid position of MoW&P and DoE&AEGoS was sought.

(iv). In its rejoinder on the observations of MoW&P, TPPL submitted that gas is available for the proposed plant on nine months basis. The Policy duly recognizes such gas availability arrangement. It was further submitted that comfort is drawn from the fact that despite the existence of about 688 Captive Power Plants in the service area SSGC, not a single such captive power plant was subjected to any gas load shedding in the past. With new and expansion of existing gas fields in the province of Sindh, the outlook of the availability of gas to the project is quite positive and it is expected that gas will be available for the life of the project. About the efficiency of the plant, TPPL submitted that the sponsors of the project are cognizant of the fact that gas is a precious resource and should be used as efficiently as possible. In view of this, the Power plant is designed to have a combined Cycle configuration thus achieving the best possible efficiency.

(v). Regarding the comments of DoE&AEGoS for having EIA report for the project approved by EPA, Sindh, TPPL submitted the required No Objection Certificate (NOC) by EPA, Government of



Sindh confirming that the project would comply with the required environmental standards.

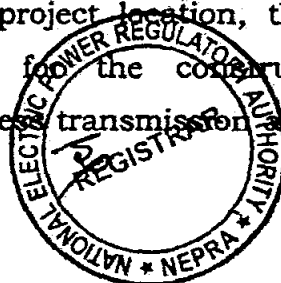
(vi). In view of the satisfactory explanation of TPPL and to encourage the sponsors to expeditiously set up N-CPP under the Policy, it was considered appropriate to process the application of TPPL without holding any Public Hearing.

(D). Grant of Generation Licence

(i). The Authority considers that availability of sufficient electricity at affordable prices with a reasonable mix of Hydel and Thermal is imperative for the development of the economy of the country. In view of the fact that country is facing a severe shortage of electricity, efforts should be made to develop all indigenous resources of energy including Gas, Coal and Hydel etc.

(ii). The initiative of induction of new power plants at the level of DISCO is considered important as such induction always results in better voltage regulation, better voltage profile and stability of the electric system around the area where such plants are installed. Further, being located close to the load center such projects normally involve relatively small length of Transmission and Interconnection facilities, resulting not only in less upfront expenditure pertaining to laying of the transmission lines and other related infrastructure but also in less Transmission Losses.

(iii). In the particular case of TPPL, the project has confirmed gas availability for a longer period of time and resultantly will generate cheaper electricity than other projects. Therefore, the project will be extremely beneficial as its tariff will be significantly lower than other upcoming projects. Being located close to the National Grid (which is about 10.00 KM) from the proposed project location, the project will involve relatively low upfront cost for the construction of the Interconnection facilities and will have less transmission and distribution.



losses. Further, the Project will not have any environmental impacts as it will be using environmental friendly resource (i.e. Natural Gas) for generation of power. The project will help in enhancing energy security of the country as it will be using the locally available Natural Gas for power generation. Further, it will also help in reducing dependence on imported furnace oil. In consideration of this, the Authority considers that the efforts of TPPL for the setting up of the Natural Gas based Power Plant near Thatta in the province of Sindh as a positive step and is acceptable.

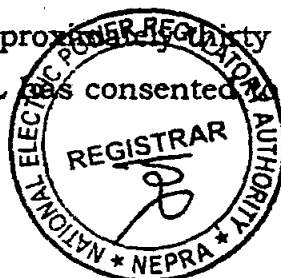
(iv). TPPL has informed that it will be selling about 18.80 MW of electric power to HESCO which will be subsequently enhanced to 25.60 MW. Apart from supplying power to HESCO, TPPL will also supply power to Thatta Cement Company Limited (TCCL), located within the same premises to the tune of 20.00 MW (maximum) at mutually agreed rates. About the supply to TCCL by TPPL, it has been confirmed that both entities are located within the same premises. TPPL will be supplied through two underground cable (measuring about 300 meters at 6.3 KV) not involving any public or third party. Further, the load level for TCCL is above the minimum level (1.00 MW) to qualify as a Bulk Power Consumer (BPC) under the Act. Pursuant to Section 22 of the Act, the Authority is allowed to permit a Generation Company to sell to BPC. Therefore, the Authority agrees to the proposed arrangement and allows TPPL to sell electricity to TCCL. Further, the Section 2(v) of the NEPRA Act, wherein the ownership, operation, management and control of distribution facilities located on private property and used solely to move or deliver electric power to the person owning, operating, managing and controlling those facilities or to tenants thereof has not been included in the definition of "distribution". Based on the considerations that the consumer (i.e. TCCL) is located within the same premises and no public area is involved, the supply of power to TCCL by TPPL does not constitute a distribution activity under the Act, and a distribution licence will not be required. The matter of rates, charges and terms and conditions of tariff between TPPL and its BPC (i.e. TCCL), does not involve any other consumer or third party. Therefore for the purpose of tariff, the Authority considers



it appropriate asking TPPL and TCCL to agree on a bilateral agreement and accordingly TPPL will be allowed to charge the agreed tariff subsequent to the grant of the Generation Licence.

(v). About the approval of tariff for supply of electric power to HESCO, neither HESCO nor TPPL has approached the Authority for the same. It is clarified that the determining of tariff, rate and charges etc. for supply of power to HESCO is the sole responsibility of the Authority as stipulated in Section 7(3)(a) of the NEPRA Act. Although, Section 9 of the Policy under which the proposed project is being set up stipulates an upfront tariff however, TPPL has not approached the Authority for its approval. TPPL has reported that Power Purchase Agreement (PPA) has been negotiated and a draft PPA in this regard with HESCO including the proposed tariff, rate and charges etc., has been signed. The Authority therefore directs HESCO to file the draft PPA signed with TPPL for approval as stipulated in the NEPRA Interim Power Procurement Regulations 2005.

(vi). The Term of the Generation Licence is fixed according to the NEPRA Generation Rules 2000 (the Rules). According to Rule 5 of the Rules, except where an applicant for a generation licence consents to a shorter term, the term of the Generation Licence is to be commensurate with maximum expected life of the units comprised in a generation facility. According to the information provided by TPPL the proposed Gas Engines will be brand new and will have a useful life of about 200,000 running hours which translates into 25 years if 8000 running hours is assume annually. TPPL requested that the term of the Generation License may be fixed for 25 years. The Authority considers that estimation of the useful life of the Gas Engines comprising the facility of TPPL is reasonable considering the fact that the plant on the basis of the nine (09) months allocation of Natural Gas will operate for 245 days per year which comes out to be 5880 hours. Based on the useful life of 200,000 hours, these Gas Engines may last for a period of approximately forty four (34) years. However, considering the fact that TPPL has consented to a shorter term



of twenty five (25) years, the Authority therefore fixes the term of the Generation Licence to twenty five (25) years from the Commercial Operation Date (i.e. April 30, 2012) of the project (i.e. uptill April 29, 2037).

(vii). In consideration of the above, the Authority hereby decides to approve the grant of Generation Licence to TPPL for its proposed thermal generation facility in the terms set out in the attached Licence as annexed to this determination. The grant of such a licence will be subject to the provisions contained in the NEPRA Act and relevant Rules framed there under.

Authority

Shaukat Ali Kundi
Member (Licensing)

Shaukat Ali Kundi
09.12.2011

Ghiasuddin Ahmed
Member (Tariff & CA)

Ghiasuddin Ahmed
13/12

Maqbool Ahmad Khawaja
Member (Standards &
Privatization)/Vice Chairman

Maqbool Ahmad Khawaja

Khalid Saeed
Chairman

Khalid Saeed

