

DADU ENERGY (PVT) LIMITED.

02 Sep 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 Dadu Energy (Pvt.) Limited (the "Company")

Dear Sir,

I, Kamal Danish, 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/64/2010 dated October 13, 2010 (the "Generation License") in respect of the Company's Natural Gas based Thermal Power Facility located at Tappo Tagga, Piaro Goth, District Dadu, Sindh with installed Gross Capacity of 49.448 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. 903057/- 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
DADU ENERGY PRIVATE LIMITED

Chief Financial Officer

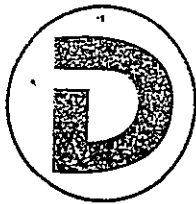
Enclosed: As above

Head Office:

CL 5/4, State Life Building # 10,
Main Abdullah Haroon Road, Karachi – 75350 (Pakistan)
UAN : +92-21-111-666-447 Fax # +92-21-35219024
E-mail: daduenergy@omnigroup.com.pk
www.omnigroup.com.pk

S.I.T.E:

Tappo Tagga, Piaro Goth,
District Dadu - (Sindh)



DADU ENERGY (PVT) LIMITED.

PETITION FOR LICENSE PROPOSED MODIFICATION OF LICENSE

No. SGC/64/2010

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, Dadu Energy (Private) Limited (DPPL) 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 Dadu, Sindh, Pakistan to sell power to the relevant DISCO and also meet the power requirements of its parent company, New Dadu Sugar Mills Private Limited. It has been granted a generation license from NEPRA for its natural gas based thermal generation facility for the total installed capacity of 17.66 MW Gross.

1.3 In determination of the authority in the matter of generation license application of Dadu Energy (Pvt.) Limited, dated MAY 22, 2010, application No. LAG-167, 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.

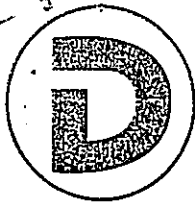
1.4 SSGC in Pakistan is no longer supplying industries with solely indigenous natural gas. This shift is due to a growing imbalance between supply and demand. Pakistan's natural gas reserves have been steadily declining in recent decades, leaving the country with less locally produced gas to meet its 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.

Head Office:

CL 5/4, State Life Building # 10,
Main Abdullah Haroon Road, Karachi - 75350 (Pakistan)
UAN : +92-21-111-666-447 Fax # +92-21-35219024
E-mail: daduenergy@omnigroup.com.pk
www.omnigroup.com.pk

S.I.T.E:

Tappo Tagga, Piaro Goth,
District Dadu - (Sindh)



DADU ENERGY (PVT) LIMITED.

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 Dadu Energy (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/64/2010.
- 2.2 Dadu Energy (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

3. Rationale for Proposed Modification:

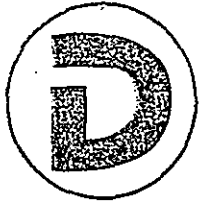
Previously, the company operated on indigenous natural gas. However, due to recent developments, it has been transitioned to a blend comprising of indigenous natural gas and imported RLNG. The modification in this regard is required to be incorporated so that any sort of blend of gas supplied by SSGC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

Head Office:

CL 5/4, State Life Building # 10,
Main Abdullah Haroon Road, Karachi - 75350 (Pakistan)
UAN : +92-21-111-666-447 Fax # +92-21-35219024
E-mail: daduenergy@omnigroup.com.pk
www.omnigroup.com.pk

S.I.T.E:

Tappo Tagga, Piaro Goth,
District Dadu - (Sindh)



DADU ENERGY (PVT) LIMITED.

4.1 Impact on Tariff

The proposed modification to the company's generation license will 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

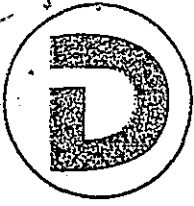
The proposed modification would facilitate the company in fulfilling its obligation under the license.

Head Office:

CL 5/4, State Life Building # 10,
Main Abdullah Haroon Road, Karachi - 75350 (Pakistan)
UAN : +92-21-111-666-447 Fax # +92-21-35219024
E-mail: daduenergy@omnigroup.com.pk
www.omnigroup.com.pk

S.I.T.E:

Tappo Tagga, Piaro Goth,
District Dadu - (Sindh)



DADU ENERGY (PVT) 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.

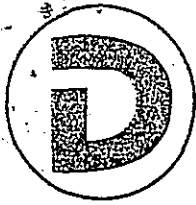
Sincerely,
Dadu Energy (Pvt.) Limited
02 Sep 2024

Head Office:

CL 5/4, State Life Building # 10,
Main Abdullah Haroon Road, Karachi – 75350 (Pakistan)
UAN : +92-21-111-666-447 Fax # +92-21-35219024
E-mail: daduenergy@omnigroup.com.pk
www.omnigroup.com.pk

S.I.T.E:

Tappo Tagga, Piaro Goth,
District Dadu - (Sindh)



DADU ENERGY (PVT) LIMITED.

EXTRACTS OF THE RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS OF DADU ENERGY (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. Kamal Danish, 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 those extracts of this resolution be provided to the NEPRA with the seal/stamp duly affixed thereon.

Karachi: SEP 02, 2024

Certified True Copy

Chairman

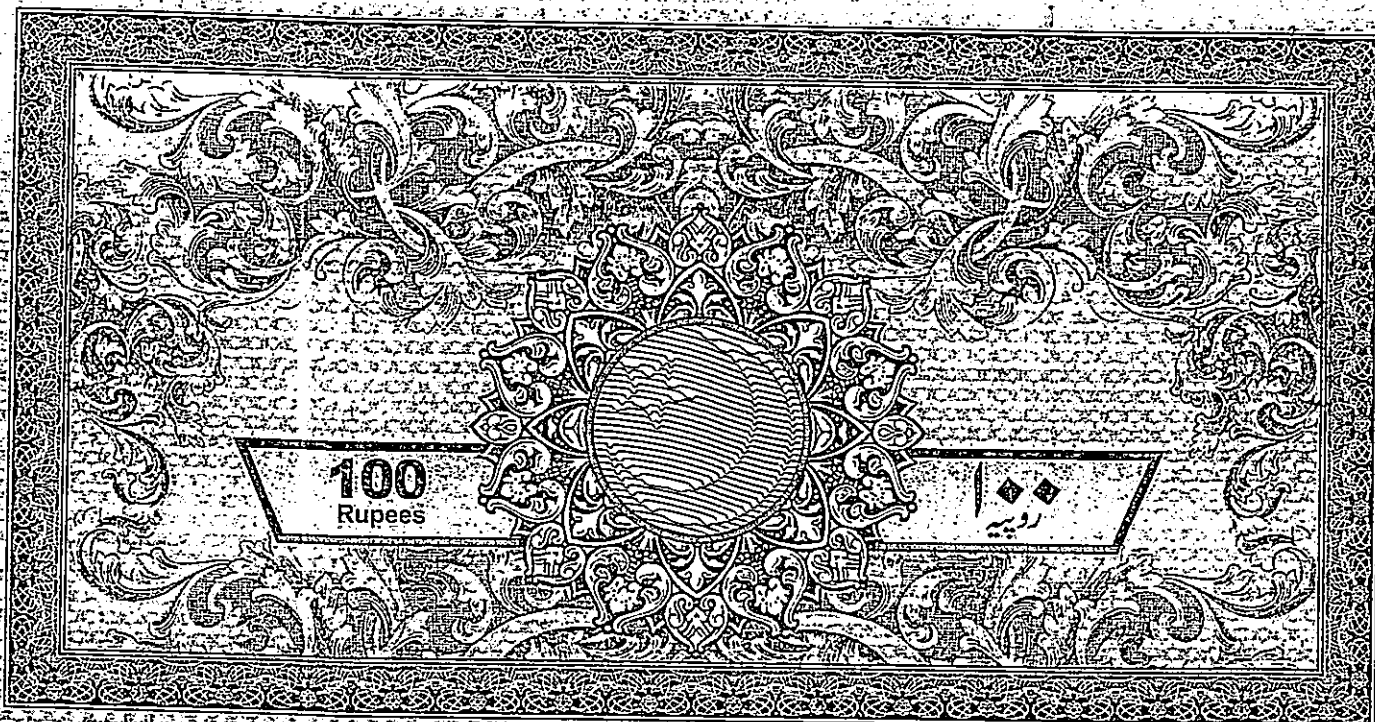
Head Office:

CL 5/4, State Life Building # 10,
Main Abdullah Haroon Road, Karachi – 75350 (Pakistan)
UAN : +92-21-111-666-447 Fax # +92-21-35219024
E-mail: daduenergy@omnigroup.com.pk
www.omnigroup.com.pk

S.I.T.E:

Tappo Tagga, Piaro Goth,
District Dadu - (Sindh)

C803231



STAMP VENDOR'S SIGNATURE

Licence # 98, Shop # 86,
City Court, Karachi

S No DATE

ISSUED WITH ADDRESS

THROUGH WITH ADDRESS

PURPOSE BY JAHANGIR

VALUE RS (ATTACHED) Advocate

STAMP VENDOR'S SIGNATURE Leg # 1916 HIC

227235

28 JUN 2024

227231

BEFORE

THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

AFFIDAVIT

I, Mr. Kamal Danish, s/o Siraj ul Haq Akhund having CNIC number 42201-0551558-3 the Chief Financial Officer of DADU Power (Pvt.) Limited hereby solemnly affirm and declare an oath that the contents of the Licensed Proposed Modification Application including all attached documents-in-support are true and correct to the best of my knowledge and belief and that nothing has been concealed

DEPONENT

Signature: _____

Name: Kamal Danish

Dated: 02 SEP 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-166/3063-65

October 13, 2010

Mr. Nimir Majid
Director
Dadu Energy (Private) Limited
1st Floor, Block-3,
Hockey Club of Pakistan Stadium
Liaquat Barracks,
Karachi-75350

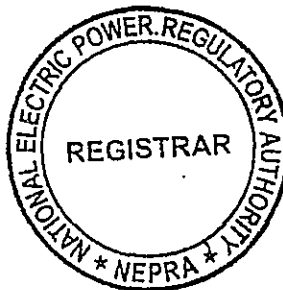
Subject: Generation Licence No. SGC/62/2010
Licence Application No. LAG-166
Dadu Energy (Private) Limited

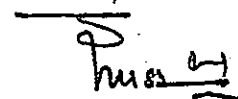
Reference: Your letter No. nil, dated May 21, 2010.

Enclosed please find herewith Generation Licence No. SGC/62/2010 granted by National Electric Power Regulatory Authority (NEPRA) to Dadu Energy (Private) Limited for 49.448 MW thermal power plant located at Piyaro Goth, Mehar District Dadu, 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/62/2010]




(Syed Safer 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/62/2010

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

DADU ENERGY (PVT.) LIMITED

Incorporated under the Companies Ordinance, 1984
Under Certificate of Incorporation

No. 10072298, dated April 22, 2010

For its Plant located at Piyaro Goth, Mehr District Dadu, Sindh

(Installed Capacity: 49.448 MW Gross ISO)

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

Given under my hand this 15th day of October, Two Thousand & Ten, and expires on 30th day of May, Two Thousand & Thirty Six.

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 DADU Energy (Pvt.) Limited;
- (d) "Power Purchaser" means a Distribution Licensee 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 power 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 generation facilities before commissioning of the generation facilities.

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 Licensing (Application and Modification Procedures) Regulation, 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 either has been agreed between the Licensee and the Power Purchaser, pursuant to a power purchase agreement or 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 NEPRA rules on Performance Standards as may be prescribed by the Authority from time to time.

Article-10
Compliance with Environmental Standards

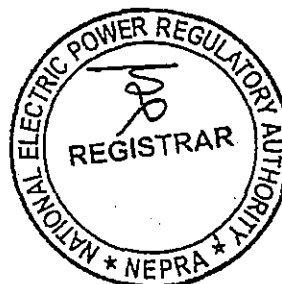
The Licensee shall comply with the environmental standards as may be prescribed by the relevant competent authority from time to time.



Article-11
Provision of Information

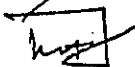
11.1 The obligation of the Licensee to provide information to the Authority shall be in accordance with Section 44 of the Act.

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.

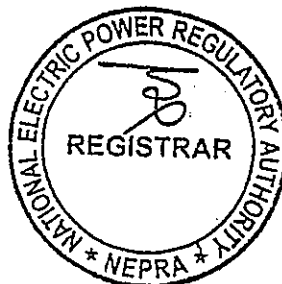


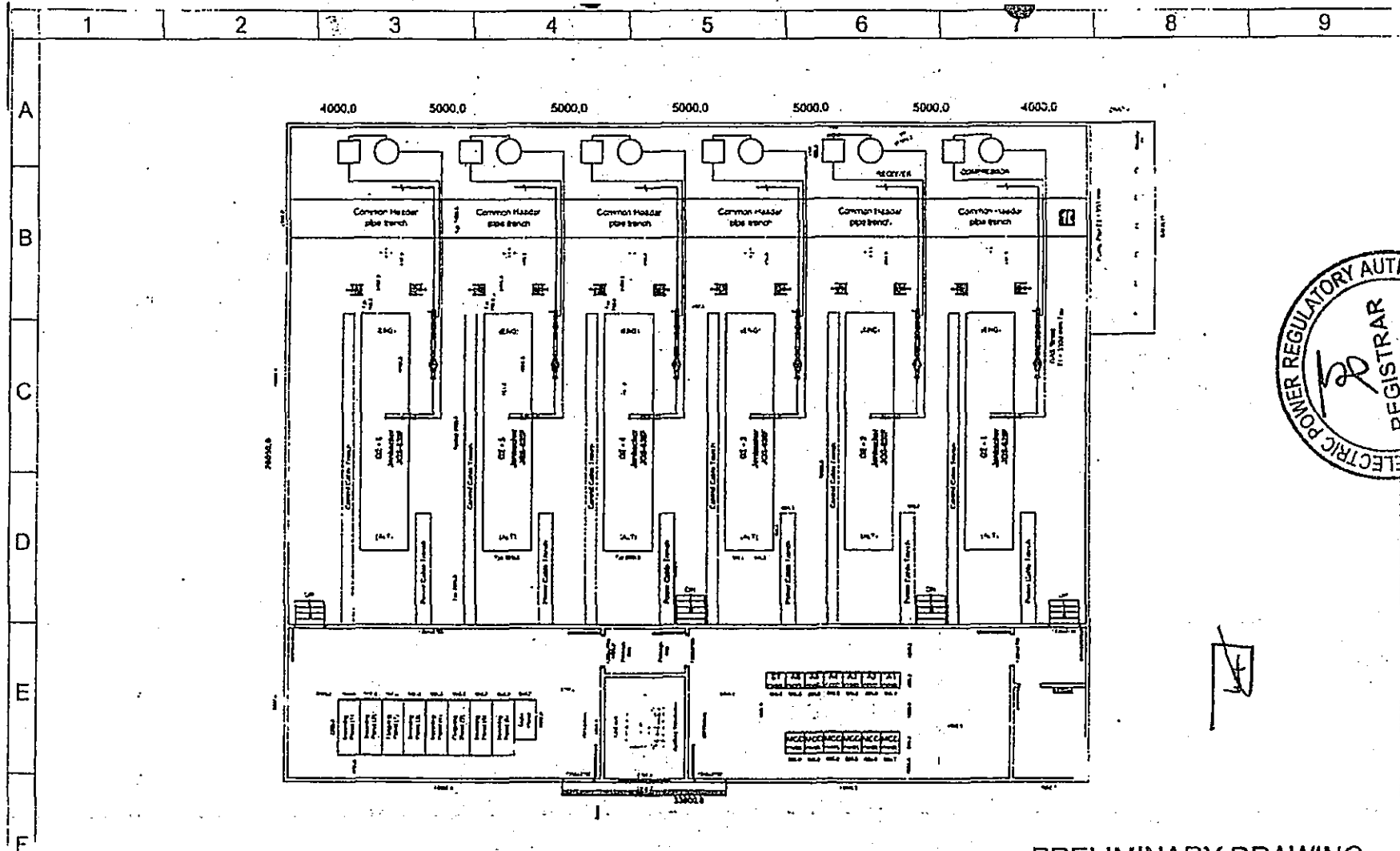
SCHEDULE-I

The location, size (capacity in MW) technology, interconnection arrangements, technical limits, technical functional specifications and other details specific to the Generation Facilities of the Licensee.



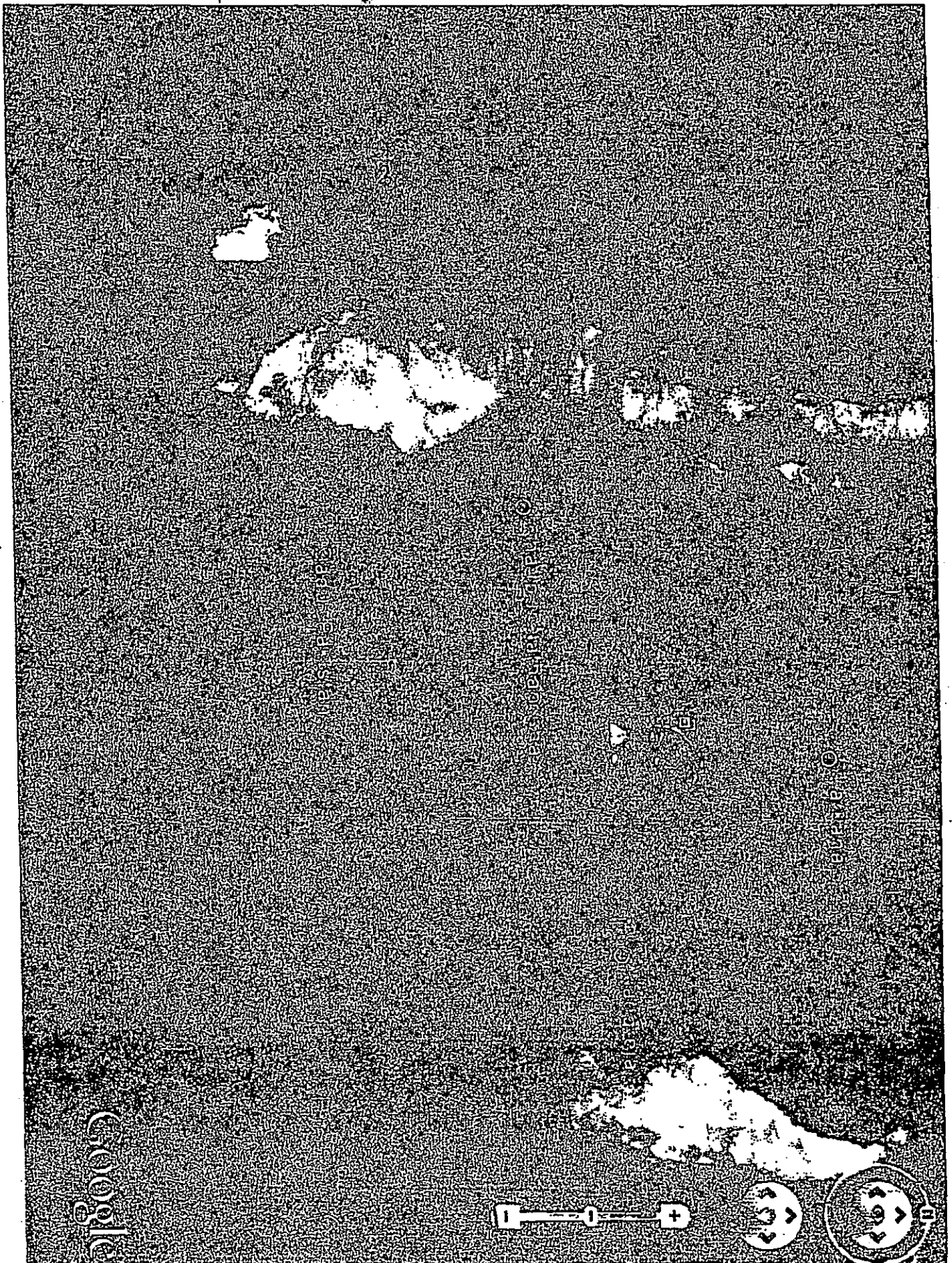






PRELIMINARY DRAWING

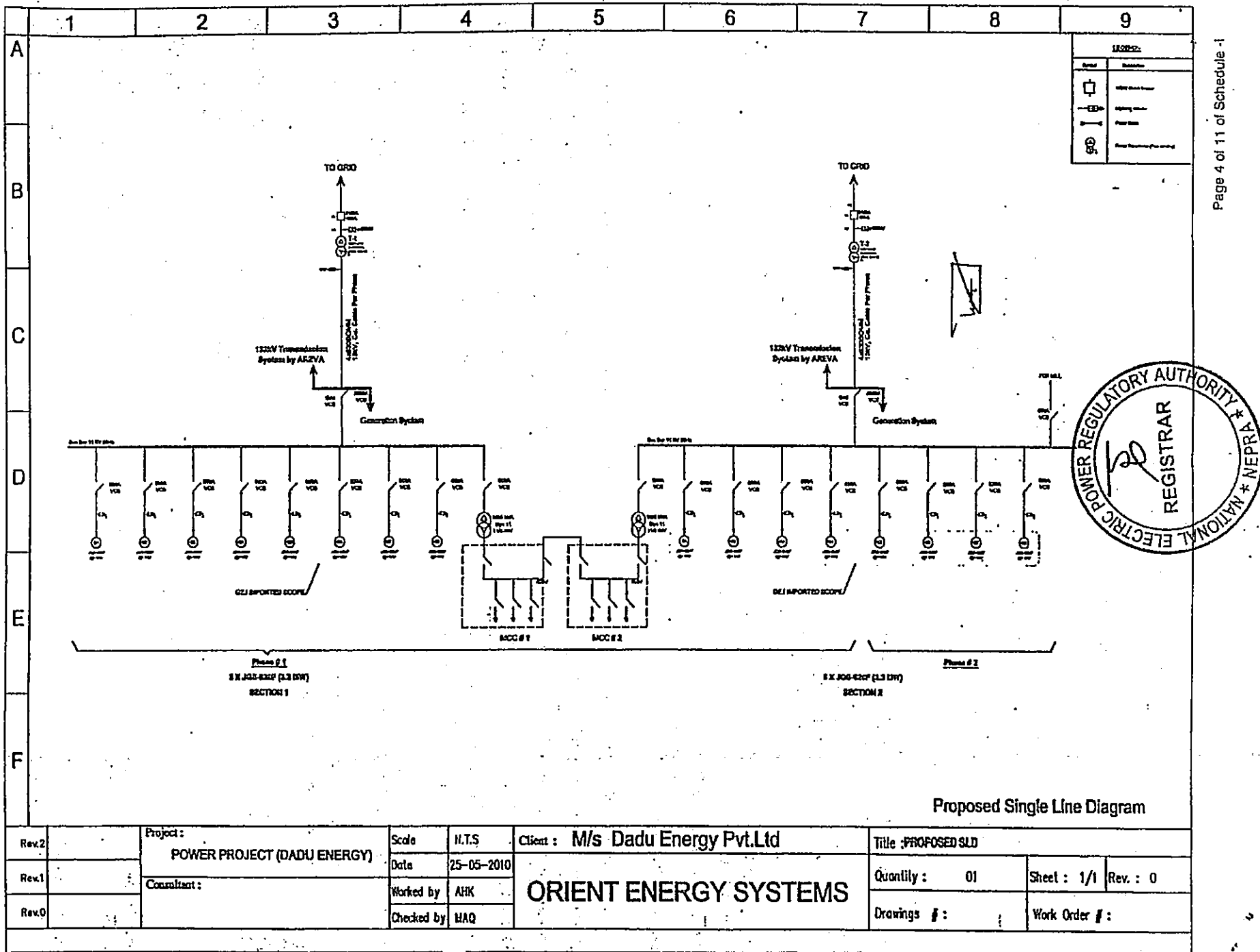
Project GE Jenbacher JGS-620F	Scale 1:200	Client M/s Dadu Sugar Mills (Design # _____)	Title : PROPOSED POWER HOUSE LAYOUT 6 X JGS-620F	
	Date 16-04-2010		Quantity : 01	
Consultant ORIENT ENERGY SYSTEMS	Worked by AIK	ORIENT ENERGY SYSTEMS	Drawings #	
	Checked by MAO		Sheet : 1/2	Rev



Google



Generation Licence
DADU Energy (Pvt.) Limited
Piyaro Golh, Mehrar
District Dadu,
Sind

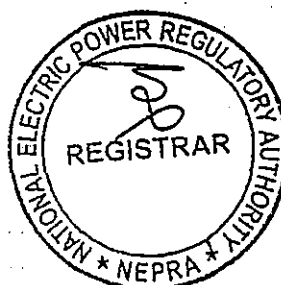


**INTERCONNECTION/TRANSMISSION
ARRANGEMENT FOR THE DISPERSAL OF
POWER FROM THE POWER PLANT**

The Power generated by DADU Energy (Pvt.) Limited (DEPL) 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 DEPL to Rehmani Nagar (Seeta Road) Grid Station of HESCO through two overhead Transmission Line.

The final Interconnection and Transmission Arrangement(s), for the dispersal of power, as agreed by DEPL and HESCO shall be communicated to NEPRA in due course of time.



Plant Details*

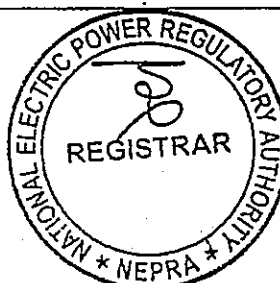
(A). General Information

(i).	Name of Applicant	DADU Energy (Pvt.) Limited
(ii).	Registered/Business Office	1 st Floor, Block-3, Hockey Club of Pakistan Stadium, Liaquat Barracks, Karachi-75350
(iii).	Plant Location	Piyaro Goth, Mehar District Dadu, Sindh
(iv).	Type of Generation Facility	Thermal Generation

(B). Plant Configuration

(i).	Plant Size Installed Capacity (Gross ISO)	49.448 MW	
(ii).	Type of Technology	Combine Cycle Power Plant (with Gas Engines, Heat Recovery Steam Generators and Steam Turbines)	
(iii).	Number of Units/Size (MW)	Gas Engine	14 x 3.332 MW Gas Engines
		Steam Turbine	1 x 1.2 MW + 1 x 1.6 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)	May 31, 2011	
(vi).	Minimum Expected Life of the Facility from Commissioning/ CoD	25 Years	

* As provided by the Applicant



(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
------	----------------------------	--



(F). Plant Characteristics

(i).	Generation Voltage	11 KV
(ii).	Frequency	50 Hz
(iii).	Power Factor	0.8
(iv).	Automatic Generation Control (AGC)	NA
(v).	Ramping Rate	9.8 KW/Sec
(vi).	Time required to Synchronize to Grid and loading the complex to full load.	131 Sec

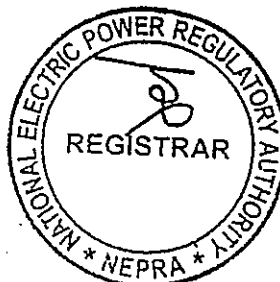


Licensee-Performa for Information regarding Distribution issues.

Network Facts

Part-A

A.	No. of Feeders	One (01)
B.	Length of Each Feeder (Meter)	350 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 premises of customer, whether they cross-over or pass near the DISCO lines.	The 11 KV Underground Cable supplying power to New Dadu Sugar Mills (Pvt.) Ltd (NDSML) is located on private property owned by NDSML, without any crossing etc.
E.	Whether owned by DEPL, 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 DEPL.
F.	Whether connection with network of HESCO exists (whether active or not)- If yes, provide details of connection arrangements (both technical and contractual)	N/A
G.	Any other network information deemed relevant for disclosure to or consideration by NEPRA.	N/A

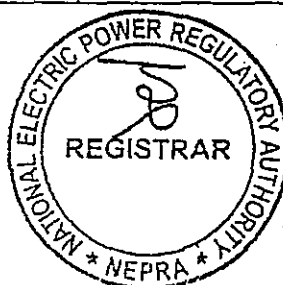


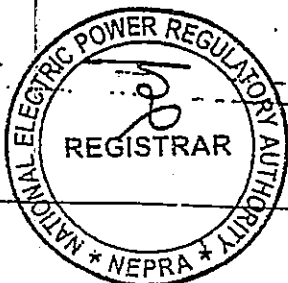
Licensee-Performa for Information regarding Distribution issues.

Consumer Facts

Part-B

A.	No. of Consumers	One (01)
B.	Location of consumers (distance and/or identity of premises)	New Dadu Sugar Mills (Pvt.) Ltd, Piyaro Goth, Mehar District Dadu, Sind
C.	Contracted Capacity and Load Factor for consumer	New Dadu Sugar Mills (Pvt) Limited (NDSML) 1.50 MW (Maximum)
D.	Specify Whether	
	(i) The consumer is an Associate undertaking of the DEPL- If yes, specify percentage ownership of equity;	Yes/5%
	(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 DEPL <input checked="" type="checkbox"/>	Firm Supply of Electricity on Continuous basis
	(ii) Consumer and HESCO.	No
F.	Capacity originally sanctioned by Provincial Government- If subsequently enhanced, evidence of permission for enhancement.	N/A
G.	Tariff Arrangement and particulars with WAPDA/Provincial Government	N/A
H.	Any other network information deemed relevant for disclosure to or consideration by NEPRA.	N/A





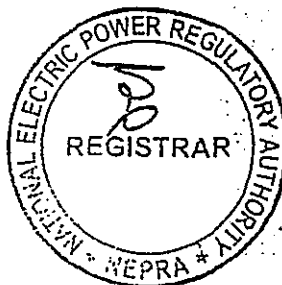
Muhammad Rafiq
B.A., LL.B.
ADVOCATE NOTARY PUBLIC
CIVIL COURTS KARACHI-PAKISTAN

A circular black and white stamp. The outer ring contains the name "MUHAMMAD SHAFIQ" at the top and "Karachi-Pakistan" at the bottom, separated by two stars. The center of the stamp features a crescent moon and a five-pointed star. Below the star, the text "Advocate" and "Hatan, Public" is written in two lines.

SCHEDULE-II

The Installed, De-Rated, Auxiliary and Net Capacity of the Licensee's
Generation Facilities

[A large diagonal line is drawn across the page, indicating that the content has been crossed out or is blank.]



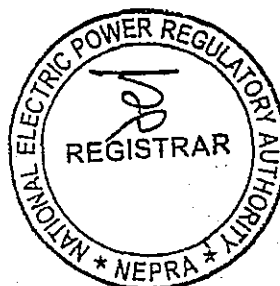
SCHEDULE-II*

1.	Installed Capacity Gross ISO	49.448 MW
2.	De-rated Capacity at Mean Site Conditions	49.448 MW
3.	Auxiliary Consumption	01.800 MW
4.	Net Capacity at Mean Site Conditions	47.648 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 the applicant



Authorization
By National Electric Power Regulatory Authority (NEPRA) to
DADU Energy (Pvt.) Limited

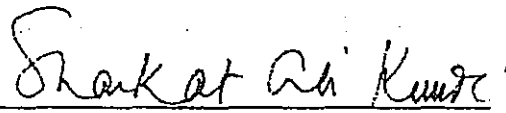
Incorporated under the Companies Ordinance, 1984
Under Certificate of Incorporation

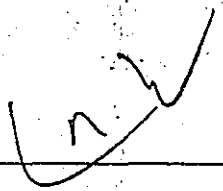
No. 0072298, dated April 22, 2010

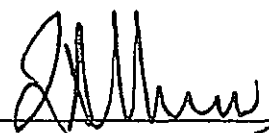
NEPRA GENERATION LICENCE No. SGC/62/2010
For
Sale to Bulk Power Consumer(s)

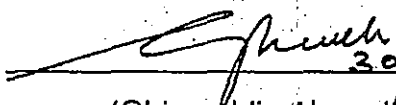
Pursuant to Section 22 of the Act and Rule 7 of the NEPRA Licensing (Generation) Rules-2000, the Authority hereby authorize Dadu Energy (Pvt.) Limited (Licensee) to engage in second-tier supply business, limited to the following consumers also mentioned in Schedules-I of the Generation Licence, No. SGC/62/2010.

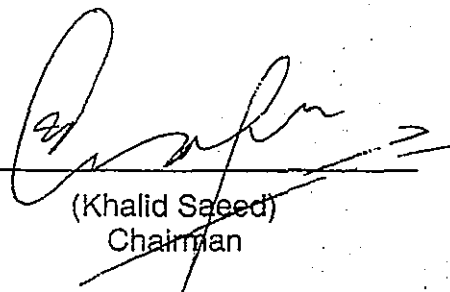
1. New Dadu Sugar Mills (Pvt.) Limited.

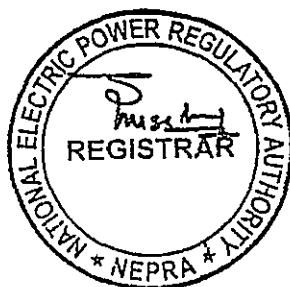

(Shaukat Ali Kundi) 01/10/2010
Member


(Maqbool Ahmad Khawaja)
Member


(Zafar Ali Khan) 1/10/10
Member


(Ghiasuddin Ahmed) 30/9/2010
Member/Vice Chairman


(Khalid Saeed)
Chairman



National Electric Power Regulatory Authority
(NEPRA)

Determination of the Authority
In the Matter of Generation Licence Application of
DADU ENERGY (PVT.) LIMITED

September 30, 2010
Application No. LAG-166

(A) Background

(i). Country is facing severe shortage of electricity. In order to lessen the gravity of power shortage in the country, Government of Pakistan has adopted certain short term measures whereby surplus and redundant Power available from Captive Power Plants (CPPs) is being acquired for National Grid.

(ii). The above initiative proved reasonable success and about 150 MW of additional capacity from CPPs located at different Chemical Sugar and Textile Mills has been brought into the National grid at reasonable cost. In view of the success of this concept, PPPO formulated "Policy Framework For New - Captive Power Producers (hereafter called the "Policy"), under which New Captive Power Plants (N-CPPs) are proposed to be set up with brand new machines in the jurisdiction of Ex-WARDA DISCOs.

(iii). HESCO under the above mentioned Policy issued a Letter of Intent (LOI) to New Dadu Sugar Mills Limited (NDSML) for setting up approximately 49.00 MW N-CPP at Piyaro Goth, Mehrar District Dadu, in the province of Sindh. NDSML for the implementation



of the project incorporated a separate project company in the name of Dadu Energy Private Limited (DEPL).

(B) Filing of Generation Licence Application

(i). DEPL in accordance with Section 15 of NEPRA Act filed an application on January 19, 2010, requesting for the grant of the Generation Licence. The Authority admitted the application for the consideration of the Generation Licence on July 21, 2010.

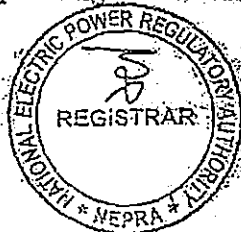
(ii). Pursuant to Regulation-8 of NEPRA Licensing Application & Modification Procedure Regulation, 1999 (the Regulations), a Notice of Admission (NOA) along with the brief of the prospectus and other salient features of application, was advertised in the daily news paper of July 22, 2010 seeking comments from the general public and other interested /affected parties, in favor or against the Grant of Generation Licence to DEPL.

(iii). Apart from the NOA in the press, separate notices were also sent to Experts, Government Ministries and Representative Organizations etc. for submitting their views and comments in the matter.

(C) Comments of Stakeholders

(i). In reply to the above mentioned NOA in the press, NEPRA received comments from Central Power Purchasing Agency (CPPA) of National Transmission and Despatch Company Limited (NTDC) and Board of Investment (BOI).

(ii). CPPA in its comments stated that HESCO had issued a Letter of Intent (LOI) to DEPL, accepting its proposal for setting up Generation Facility under the Policy, operating on Natural Gas. The Gas Based



Generation is comparatively economical than other indigenous fuels. In view of this, CPPA supports the Application of DEPL for the grant of Generation Licence.

(iii). BOL in its observations supported the issuance of Generation Licence to DEPL as setting up of plant would help to overcome shortage of power. BOL also stated that DEPL must comply with all the codal formalities and requisite requirements, required for the grant of Generation Licence, if any.

(iv). In view of the positive response of the relevant stakeholders and to encourage the sponsors to expeditiously set up N-CPG under the Policy, it was considered appropriate to process the application of DEPL without holding any Hearing of the stakeholders.

(D) Comments on Draft Generation Licence

(i). The draft of the proposed Generation Licence containing different articles and other terms and condition of the licence was sent to all the relevant stakeholders especially the applicant (i.e. DEPL) and the Power Purchaser (i.e. HESCO) for review and comments, if any.

(ii). Neither HESCO nor any other stakeholder offered any comments about the terms and conditions of the proposed Generation Licence. DEPL while offering its comments consented with terms and conditions of the proposed draft Generation Licence.

(E) Grant of Generation Licence

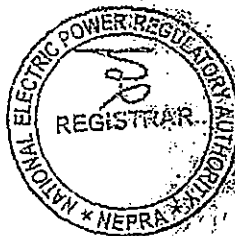
(i). The Authority considers that availability of sufficient electricity at affordable prices with a reasonable mix of Hydel and Thermal is imperative for the development of the economy of the country. In view of the fact that country is facing a severe shortage of electricity, efforts



should be made to develop all indigenous resources of energy including Gas, Coal and Hydel etc.

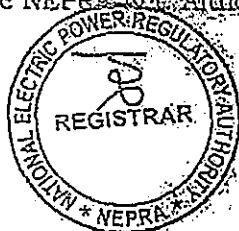
(ii) The initiative of induction of new power plants at the level of the DISCO is considered important as such induction always results in better voltage regulation, better voltage profile of the area and stability of the electric system. Further, being located close to the load center such projects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

(iii) In the particular case of DEPL, the project has confirmed gas availability for a longer period of time as compared to other upcoming projects based on pipeline quality gas, which have gas allocation till the year 2011 only. Resultantly, the DEPL project will generate gas based cheaper electricity for a longer period 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 only 7.00 KM) from the proposed project location, the project will involve relatively low upfront cost for the construction of the Interconnection facilities and will result in lesser line losses. Further, the Project will also be beneficial to the environment as it will be using environmental friendly resource for the generation of power. The project will help in enhancing energy security of the country not only by using the locally available Natural Gas for power generation but also reducing dependence on imported furnace oil. In consideration of this, the Authority considers that the efforts of DEPL for the setting up of the Natural Gas based Power Plant near Mahay in district Dadu as a positive step and is acceptable.



(iv). DEPL has informed that it will be selling power to HESCO from a minimum of 16.5MW to a maximum of 49.00 MW. Apart from supplying power to HESCO, DEPL will also supply power to NDSML located within the same premises to the tune of 1.50 MW (Maximum) at mutually agreed rates. About the supply to NDSML by DEPL, it has been confirmed that NDSML and DEPL are located within the same premises. NDSML will be supplied through an 11 KV underground cable (measuring about 350 meters) not involving any public or third party. Further, the load level for NDSML is above the minimum level (1 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 DEPL to sell electricity to NDSML. 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 (NDSML) is located within the same premises and no public area is involved, the supply of power to NDSML by DEPL 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 DEPL and its BPC (i.e. NDSML) does not affect any other consumer or third party. Therefore for the purpose of tariff, the Authority considers it appropriate asking DEPL and NDSML to agree on a bilateral agreement and accordingly DEPL 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 DEPL 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, DEPL has not approached the Authority for its approval. DEPL has reported that Power Purchase Agreement (PPA) is in advance stage of negotiation and a PPA in this regard with HESCO including the proposed tariff, rate and charges etc. will be signed soon. The Authority therefore directs HESCO to file the draft PPA signed with DEPL 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 DEPL 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 assumed annually. It is therefore requested that the term of the Generation Licence may be fixed for 25 years. The Authority considers that estimation of the useful life of the Gas Engines comprising the facility of DEPL 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 thirty four (34) years. However, considering the fact that the DEPL has consented to a shorter term of twenty five (25) years, it is therefore proposed that the term of the Generation Licence may be fixed to twenty five (25) years from the Commercial Operation Date (i.e. May 31, 2011) of the project (i.e. up till May 30, 2036).

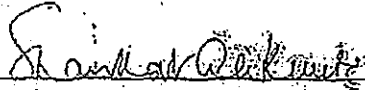
(vii) In consideration of the above, the Authority hereby decides to approve the grant of Generation Licence to DEPL for its proposed thermal



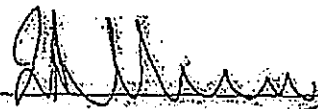
generation facility in the terms set out in the attached Licence as annexed to this determination. The grant of such a licence will be subject to the provisions contained in the NEPRA Act and relevant Rules framed there under.

Authority

Shaukat Ali Kundi
Member


06/10/10

Zafar Ali Khan
Member


6/10/10

Maqbool Ahmad Khawaja
Member



Ghiasuddin Ahmed
Member/Vice Chairman


30/9/10

Khalid Saeed
Chairman

