



Ref: LCL/KP/NEPRA/102409

Date: 10th September 2024

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

**APPLICATION FOR LICENSEE PROPOSED MODIFICATION OF LICENSE No. SGC/72/2011**

Lucky Cement Limited (the "Company") hereby submits this application/petition to the National Electric Power Regulatory Authority ("NEPRA or Authority") for the modification of the generation license bearing license No. SGC/72/2011 dated April 27, 2011.

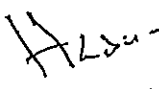
This application for licensee propose modification ("LPM Application") is being submitted in accordance with Regulation 10(2) of the (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021 (the "2021 Regulations"). Please find enclosed herewith the following documents:

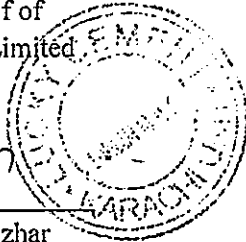
1. Application pursuant to Regulation 10(1) of the 2021 Regulations and documents-in-support thereto;
2. A Cheque (No. 167747189) in the sum of Pakistan Rs. 500,000/- (Pakistani Rupees Five Hundred Thousand) being the non-refundable license application and modification of generation license fee calculated in accordance with Schedule II to the Regulations for the modification of the license.
3. Authority letter
4. Affidavit duly signed by the authorized representative.

I certify that the documents-in-support attached with this application are prepared and submitted in conformity with the provisions of the 2021 Regulations. 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.

Sincerely,

For and on behalf of  
Lucky Cement Limited

  
Syed Hassan Mazhar



Lucky Cement Limited

6-A, Mohammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi-75350.  
U.A.N: 111-786-555 F: 34534302 E: info@lucky-cement.com  
URL: www.lucky-cement.com



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**Application Pursuant to Regulation 10(1) of the (Application,  
Modification, Extension and Cancellation) Procedure  
Regulations, 2021**

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## BACKGROUND

The Company was issued a generation license No. SGC/72/2011 dated April 27, 2011 (the "**Original Generation License**") under Section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997 (XL of 1997) for engaging in the business of generating electricity from its thermal power plant located at 58-KM Main Super Highway, Goth Khadeji, Jokhio Morre, District Karachi, in the province of Sindh (the "**Facility**").

A modification was filed by the Company in July 23, 2019 requesting NEPRA to modify the Original License for sale of surplus electricity from the Facility to DHA City or any other Distribution Company. NEPRA, vide letter No. NEPRA/R/LAG-180/6031-37 dated February 21, 2020, approved the Modification-I to the Generation License ("**Modification-I**"). The Original Generation License as further modified vide Modification-I shall hereinafter be referred to as the "**Generation License**".

Initially, the Company used indigenous gas supplied by Sui Southern Gas Company Limited ("**SSGC**") to generate electricity at its Facility for self-consumption. In accordance with NEPRA's N-CPP Policy, the Company began supplying surplus power to DISCOs including Hyderabad Electric Supply Company ("**HESCO**") and K-Electric Limited for onward sale to DHA City. However, due to the depletion of indigenous gas reserves, SSGC began supplying a mix of indigenous gas and RLNG to its consumers, including the Company, which is now being used for electricity generation at the Facility.

## LICENSEE PROPOSED MODIFICATION

The Company, in pursuance of Section 10(1) of the NEPRA (Application, Modification, Extension and Cancellation) Procedure Regulations, submits this Licensee Proposed Modification Application (the "**LPM**") in respect of its Generation License to add RLNG as a fuel type in the Generation License to cater for electricity generated from the Facility using the mix of indigenous gas and RLNG supplied by SSGC.

Please see below the required information:

### 1. Type or category of license proposed to be modified:

Generation License No. SGC/72/2011 dated April 27, 2011

### 2. Text of the Proposed Modification:

The following parameters of the Generation License are required to be updated:

(i)	Primary Fuel	Natural Gas / Re-Gasified Liquefied Natural Gas (RLNG) / Mixture of Natural Gas and RLNG
(ii)	Alternative Fuel	Not Applicable (N/A)
(iii)	Start Up Fuel	Same as Primary Fuel

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(iv)	Fuel Source (Imported/Indigenous)	Indigenous / Imported
(v)	Fuel Supplier	Sui Southern Gas Company Limited
(vi)	Supply Agreement	Through Pipe line

The licensee plans to supply surplus power from its thermal power station produced from the natural gas / RLNG or mixture of NG+RLNG in accordance with the supply received from SSGC to any DISCO/DHA City as bulk consumer, requiring a modification in the existing generation License.

### 3. Reasons in Support of the Modification:

During the month of May 2023, SSGC informed the Company that due to depleting indigenous gas reserves, SSGC had started mixing/blending RLNG in its gas supply, which is injected in its existing transmission network and supplied to all SSGC consumers, including the Company, which is used by the Company for generating electricity from the Facility for self-consumption and onward supply of surplus power to DISCOs. It may be noted that the gas price charged to the consumers is the price notified by Oil and Gas Regulatory Authority ("OGRA") for natural gas. As such, in order to continue the supply of both indigenous and RLNG to the Company, SSGC indicated that the gas price charged to the Company will be adjusted to include the cost of RLNG in proportion to the quantities supplied, with billing at the rates set by OGRA for RLNG. In view thereof, SSGC requested the Company to enter into a supplemental agreement to the Gas Supply Agreement ("GSA") between the Company and SSGC, failing which the gas supply to LCL will be discontinued. Accordingly, the Company entered into Supplemental to the Contract for Supply of Gas with SSGC for the purchase of indigenous Gas + imported RLNG mix with ratio as determined by SSGC time to time.

It is essential to highlight here that, RLNG is not being supplied as a separate connection, as SSGC does not have a separate distribution network for RLNG. Given that RLNG is already being injected into SSGC system and is being consumed, there are no alterations in specification or pressure, only the pricing of gas will be revised. Consequently, the thermal efficiency, net capacity and auxiliary consumption of the power plant. HHV — LHV conversion factor will remain unchanged and the gas drawn for the sale of surplus power to K.E will be billed at RLNG. Further, the required volume of RLNG for sale of surplus power is insignificant compare to the volume required for self-generation therefore it is not feasible to have separate supplier connection.

It is imperative to mention here that, SSGC vide its letter dated 16th August 2023 attached as Annexure "A" informed the Company to revoke the sale of surplus power supply to K. Electric. In view of the foregoing, DCK requested SSGC to allow the Company to restore the power supply of DCK due to its sole dependence on the Company with no other option of power supply from KE or another DISCO. SSGC issued NOC for sale of surplus power to DHA city on 1.4MMCFD RLNG. Letter Sale/CPP/NOC/SUR-PWR/MoE/01 dated 24<sup>th</sup> January, 2024, allowing the Company to supply to surplus power up to 6 MW (equivalent to 1.44MMCFD gas) to DHA City/K.E under the directive of Ministry of Energy on humanitarian grounds as there is no alternative power supply arrangement is available from K.E.

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In view of the foregoing, this LPM Application is being filed by the Company to reflect this change to cater for the generation of electricity using indigenous gas and/or reliquefied natural gas or a mixture of both. This would enable the Company to continue selling surplus power to DISCOs in compliance with the Generation License.

#### **4. Impact of the Proposed Modification on Quality of Service or Fulfillment of License Obligations:**

The proposed modification would facilitate the Company in fulfilling its obligation under the Generation License and the generation of electric power in national interest.

The Company hereby confirms that the quality of service and the performance by the Company under the Generation License shall not be affected on acceptance by NEPRA of this LPM Application. The Company has been fully diligent and dedicated in the performance of its services and aspires to cater to the energy requirement of its customers.

#### **5. Other Terms and Conditions**

All other terms and conditions governing the allocation of gas for Captive Power Generation will remain same as mentioned in SSGC letter ref: SALE /PG-594/05 dated July 15, 2005.

This LPM Application is limited to incorporating changes in fuel type as specified in Section 2 (*Text of the Proposed Modification*) hereinabove. The modifications proposed in LPM Application are subject to the rights of the Company under the Power Purchase Agreement executed with HESCO and Power Acquisition Contract executed with K-Electric unless a specific amendment is agreed to be executed between the concerned parties.

This LPM application is without prejudice to the dispute with respect to the tariff pending before the Honorable Supreme Court of Pakistan in CP No. 31-K of 2017 (and other connected matters), any terms and conditions of the Power Purchase Agreement and associated arrangements with HESCO, including the agreed-upon tariff with HESCO under the Power Purchase Agreement, and any rights, benefits and entitlements available to the Company under any law for the time being in force.

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### **AUTHORITY LETTER**

By virtue of the powers vested in me, pursuant to the resolution passed by the Board of Directors of Lucky Cement Limited (the "Company") on October 07, 2021 and ratified by the Board of Directors in their meeting held on 27th October, 2021, I, Muhammad Ali Tabba, Chief Executive Officer of the Company, do hereby authorize and empower Mr. Syed Hassan Mazhar, son of Syed Ali Mazhar Rizvi, holding CNIC No. 42101-2452927-1 to prepare and file, on behalf of the Company, the application for licensee proposed modification with National Electric Power Regulatory Authority ("NEPRA") in respect of its power generation facility located at 58-KM Main Super Highway, Goth Khadeji, Jokhio Morre, District Karachi, in the province of Sindh, pay the necessary filing fee, appear before NEPRA as needed, provide any information required by NEPRA in respect of the application, and do all acts and things necessary for the processing, completion and finalization of the aforementioned application for modification in Company's generation license.

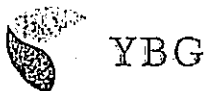
This authority letter is executed on this September 02, 2024 at Karachi.

**For and on behalf of  
LUCKY CEMENT LIMITED**

  
**MUHAMMAD ALI TABBA**  
Chief Executive Officer

Lucky Cement Limited

6-A, Mohammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi-75350.  
U.A.N: 111-786-555 F: 34534302 E: info@lucky-cement.com  
URL: www.lucky-cement.com





Ref: LCL/KP/NEPRA/272409

Date: 27 September 2024

Mr. Masroor Khan,  
Director,  
National Electric Power Regulatory Authority,  
NEPRA Tower, Attaturk Avenue (East)  
Sector G-5/1, Islamabad

Subject: - APPLICATION FILLED BY LUCKY CEMENT LIMITED FOR MODIFICATION IN ITS GENERATION LICENCE

Reference Your Letter No. NEPRA /R/LAG-180/14657 dated September 19, 2024.

Dear Sir,

Reference to your above mentioned letter, please find enclosed required documents,

I. Cheque No. HMB 167747498 for short amount of fee amounting Rs. 403,057/-.

II.

(i) A statement of the impact on Tariff,

Annexure I to Schedule A (Reference Tariff) of the PAC shall be deleted in its entirety and replaced with the following reference tariff for RLNG:

**Annexure – I to Schedule A**

**Reference Tariff – Indigenous gas**

Description	PKR/kWh
Fuel Cost Component – Indigenous Natural Gas	8.9759
Fixed Cost Component:	1.5788
Variable O&M	0.6100
Fixed O&M	0.4750
Insurance	0.1067
ROE	0.3871
Total	10.5547

**ucky Cement Limited**

A, Mohammad Ali Housang Society, A, Aziz Hashim Talba Street, Karachi-75350.  
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info@lucky-cement.com URL: www.lucky-cement.com

**arachi Project Site Office:** 58KM Milestone, Super Highway  
(92-21) 38258227, 38258234 E: (92-21) 35206421 E: luckyfaskp@hotmail.com





#### Reference Tariff – RLNG

Description	PKR/kWh
Fuel Cost Component – RLNG	35.101
Fixed Cost Component:	1.5788
Variable O&M	0.6100
Fixed O&M	0.4750
Insurance	0.1067
ROE	0.3871
<b>Total</b>	<b>36.6798</b>

**Note:** In case of mix supply from SSGC of indigenous gas and RLNG, payment will be made on basis of pro rata fuel rate.

#### Fuel Cost – RLNG

The Fuel Cost Component shall be RLNG price with variation as notified by OGRA or any other body from time to time in accordance with the following mechanism:

$$\text{FCCR (Rev)} = \text{FCCR (Ref)} \times \text{GPR (Rev)} / \text{GPR (Ref)}.$$

Where:

FCCR (Rev) = RLNG revised Fuel Cost Component applicable for the billing cycle.

GPR (Rev) = Revised Ex-GST HHV SSGC RLNG Price applicable for the billing cycle as billed by SSGC to LCL.

GPR (Ref) = Reference Ex-GST HHV SSGC RLNG Price of Rs. 3,992.64 /MMBTU (Based on OGRA RLNG price of USD 13.3636 determined in Annexure 'B' of OGRA Notification dated September 12 2023)

FCCR (Ref) = Reference Fuel Cost Component on RLNG of Rs 35.101 / KWH.

#### Lucky Cement Limited

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Karachi Project Site Office: 58KM Milestone, Super Highway

(92-21) 38258227, 38258234 F: (92-21) 35206421 E: luckyboxkp@hotmail.com

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#### O&M Cost

The O&M cost shall be subject to indexation every two years in the month of April with CPI (General) as published by Pakistan Bureau of Statistics for the preceding month of March as per the following mechanism:

$$\text{O\&M (Rev)} = \text{O\&M (Ref)} \times \text{CPI (Rev)} / \text{CPI (Ref)}.$$

Where:

O&M (Rev) = Revised Variable and Fixed O&M components of tariff.

O&M (Ref) = Reference Variable and Fixed O&M components of tariff of Rs. 0.6100/kWh and Rs. 0.4750/kWh respectively.

CPI (Rev) = Revised CPI (General) published by Pakistan Bureau of Statistics.

CPI (Ref) = Reference CPI (General) of 240.98 for March 2019.

Fixed Cost has been assessed on the basis of nine (9) months plant operation. In case of plant operation in three (3) non-gas months, the power producer will be entitled only the fuel cost component and variable O&M.

(ii) Board resolutions of company duly authorizing the applicant and its particulars

(iii) An affidavit duly signed and sworn as per the NEPRA requirement.

Sincerely,

For and on behalf of  
Lucky Cement Limited

Syed Hassan Mazhar  
General Manager

#### **Lucky Cement Limited**

6-A, Mohammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi-75350.  
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**Karachi Project Site Office:** 58KM Milestone, Super Highway  
P: (92-21) 38258227, 38258234 F: (92-21) 35206421 E: lucky@adkp@hotmail.com





**CERTIFIED COPY OF CIRCULAR BY RESOLUTION PASSED  
BY THE BOARD OF DIRECTORS OF  
LUCKY CEMENT LIMITED  
ON OCTOBER 7, 2021 AT KARACHI**

**(Ratified by the Board of Directors in their meeting held on October 27, 2021)**

**RESOLVED THAT** subject to overall supervision and directions of the Board of Directors, the Chief Executive shall have the following powers and authority with effective from October 9, 2021 for next three (3) years:

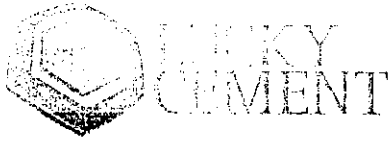
- (a) To exercise overall, administrative and supervisory control of all day to day activities and affairs of the Company including the conduct of its business, and the custody and maintenance of its accounts, assets, properties, and records
- (b) To sign and to delegate for and on behalf of the Company all documents, assurances, agreements, contracts, deeds and matters or things in or about the business of the Company as fully and effectively as the Company could do, to present such documents and deeds to the registering authority and admit execution thereof.
- (c) To carry, conduct, manage and transact the business of the Company and in connection therewith negotiate, execute, and effect all such agreements, contracts and instruments as may be necessary or desirable for the smooth management of the affairs of the Company.
- (d) To appoint, hire and dismiss or terminate officers and employees of the Company, to engage and appoint from time to time persons, consultants, firms and companies for such purposes in connection with the affairs and business of the Company as is deemed necessary and at such remuneration and with such powers as considered fit and to revoke such appointments and to appoint others as deemed fit. To delegate to any person such of the powers as he deems fit and revoke the same at his discretion.
- (e) To demand, sue for and enforce, payment of and receive and give effectual receipts and discharges for all moneys, securities, debts, goods and chattels of or to which the Company is now or may hereafter become possessed or entitled or which are or may become due and payable or transferable to the Company in or by any right, title or means however from any person or corporation.
- (f) To raise loans, overdrafts or other funded or non-funded debts and liabilities for the day to day functioning of the Company from any person, bank, companies, corporations, firms, government agencies, institutions.
- (g) To obtain either short term, long term loans, hedging, debt, cross currency, interest rate and any other swaps from various financial institutions and banks for funding of expansion of projects of the Company on such terms and conditions as it may deem fit in the interest of the Company and for this purpose sign such documents and/or agreement for availing such financing facilities from the banks/institutions.
- (h) To issue guarantees, securities and other collaterals for and on behalf of the Company to secure such obligations as may be deemed necessary by him, whether arising out of any facilities availed by the Company or a wholly owned subsidiary of the Company.
- (i) To enter into arrangements with any Government whether Federal or Provincial or any authority whether local or municipal or otherwise and to obtain from any such government or authority any lease, license or concession, right, or privilege, to carry out, the exercise or comply with the same.

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Lucky Cement Limited

6-A, Mohammad Ali Housing Society, A, Aziz Hashim Tabba Street, Karachi-75350.  
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URL: www.lucky-cement.com





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- (j) To open, maintain, draw upon, and close such banking accounts with any bank in the name of the Company and on behalf of the Company in connection with the affairs of the Company in Pakistan as may be necessary.
- (k) To determine from time to time who shall operate the banking accounts of the Company and who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptance endorsements, cheques, dividend warrants, releases, contracts and documents and give the necessary authority for such purpose.
- (l) To invest any surplus moneys of the Company in such diversified channels, including but not limited to saving accounts, term deposits, mutual funds, investments bonds and treasury bills, to yield maximum profit in such manner as he may think fit and from time to time vary or realize such investments and reinvest the amounts realized thereof. For this purpose, to sign such documents and/or agreement for availing such facilities from the relevant institutions.
- (m) To make and give receipts, releases and other discharges for monies payable to the company and for the claims and demands of the Company.
- (n) To incur any capital expenditure on behalf of the Company. To purchase and to delegate or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire at such price and generally on such terms and conditions, as he thinks fit; and subject to the provision of Section 183(3) of the Act to sell, lease, exchange or otherwise dispose of the undertaking absolutely or conditionally, and for such consideration as he may think fit, and to remit or give any relief or give an extension of time for repayment of any debt outstanding against any person specified in sub-section (1) of section 182 of the Act and to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company.
- (o) To make and sign applications to appropriate Federal, Provincial or Local Government departments, authorities or other competent authority for all and any leases licenses, permissions and consents required by any order, statutory instrument, regulation, by-law or otherwise in connection with the business, management and affairs of the Company.
- (p) To appear before any concerned authorities with any or all such powers for the execution and registration of applicable deeds, documents contracts, charges forms instruments, mortgages, notices, returns or forms or documents and to admit execution thereof including the court proceedings/litigation and/or any other alike issue and pay requisite fees and/or registration fee, other charges and give and obtain receipt and receive the said deeds, notice, contracts, instruments or documents, which may have been deemed necessary or required to meet the company business requirements and /or which may have been deemed necessary or expedient to register. To authorize or delegate a Director or any officer or any person to appear before any concerned authorities with any or all such powers as may be delegated or if required to be executed vide a general or specific power of attorney to do any of the aforesaid as mentioned in this clause (p).
- (q) To commence, institute, prosecute and to defend compound and abandon all proceedings, actions, suits, petitions, appeals, claims and demands by or against the Company or its officers in relation to the business or property of the Company or otherwise and for such purpose to sign, verify and present any document, pleading, complaint, writ affidavit application or other instrument in writing and to appear and make statements on oath or otherwise in relation to the affairs of the Company and to appoint and remunerate any barrister, solicitor, advocate, pleader, vakil, mukhtar, or any legal practitioner or any revenue agent, accounts, valuers or surveyors for the said purpose and to obtain legal advice on behalf of the Company on any matter, contentious or otherwise, affecting the Company. To obtain refund of stamp duty or repayment of court fees. To authorize or delegate a Director or any officer or any person to do any of the aforesaid as mentioned in this clause (q).

Lucky Cement Limited

6-A, Mohammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi-75350.  
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URL: www.lucky-cement.com



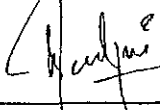


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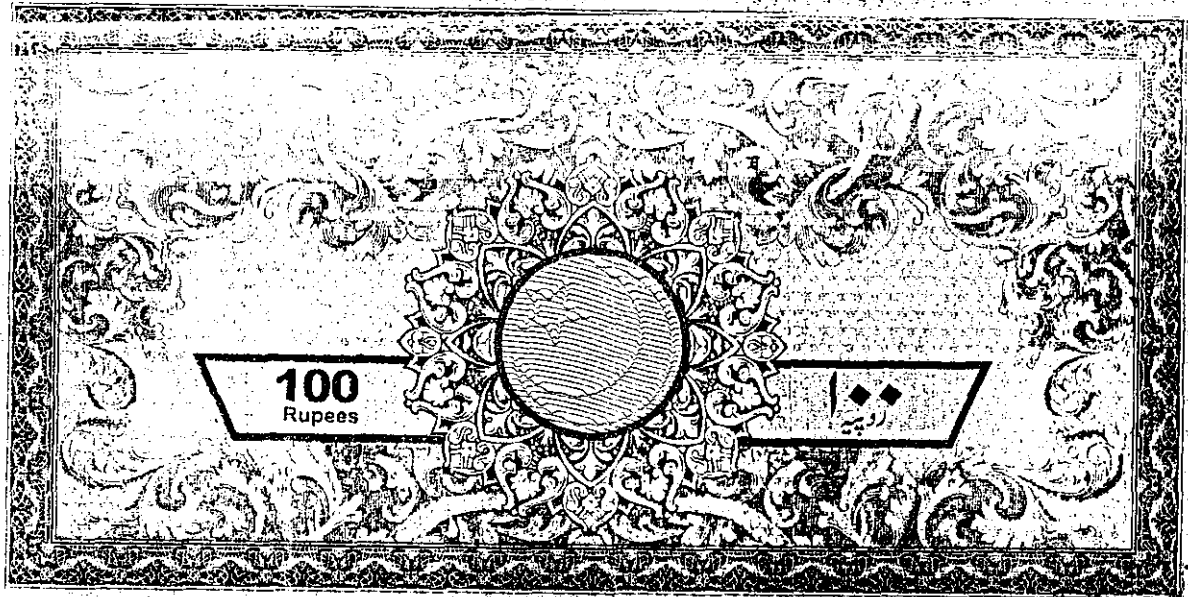
- (r) To determine the terms of and the circumstances in which a law suit may be compromised and a claim or right in favour of a Company may be released, extinguished or relinquished.
- (s) To secure the fulfillment of any contract, agreements entered into by the Company by mortgage or charge on all or any of the property of the company for the time being or in such manner as he deems fit.
- (t) To refer any claims or demands by or against the Company to arbitration and observe and perform or resist the awards.
- (u) To appoint agents and attorneys and grant powers of attorneys to any Officer of the Company as he deems appropriate.

To establish the organizational set up of the Company and powers, authorities and functions of its departments.

**CERTIFIED THAT THE ABOVE IS A  
TRUE COPY OF THE RESOLUTION  
PASSED BY THE BOARD OF DIRECTORS  
OF LUCKY CEMENT LIMITED  
ON OCTOBER 07, 2021 AT  
KARACHI**

  
\_\_\_\_\_  
**ALI SHAHAB  
COMPANY SECRETARY**

**Karachi: 07 - 07 - 2024**



ASGHAR ALI SAQI STAMP VENDOR

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

No ..... DATE .....

ISSUED WITH ADDRESS .....

THROUGH WITH ADDRESS AT JAHANGIR

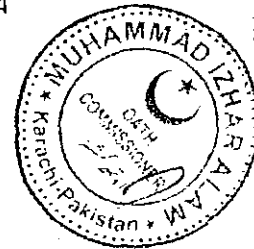
PURPOSE ..... Advocate

VALUERS ..... 100 # 1516 H/C

STAMP VENDOR'S SIGNATURE .....

008939

16 SEP 2024



## BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

## AFFIDAVIT

I, Syed Hassan Mazhar son of Syed Ali Mazhar Rizvi, having CNIC bearing number 42101-2452927-1, acting as authorized representative of Lucky Cement Limited hereby solemnly affirm and declare on oath that the contents of the Licensee Proposed Modification Application including all information and documents-in-support annexed herewith are true, correct and accurate to the best of my knowledge and belief and that nothing has been concealed.

DEPONENT

Signature: \_\_\_\_\_

Hassan

Name: \_\_\_\_\_

Syed Hassan Mazhar

Designation: GM – Power Generation

