



**Registrar**

# **National Electric Power Regulatory Authority**

## **Islamic Republic of Pakistan**

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad  
Ph: +92-51-9206500, Fax: +92-51-2600026  
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/DG (Lic)/LAG-492/ 19193-19201

December 13, 2024

**Chief Executive Officer**  
Nestle Pakistan Limited  
308-Upper Mall, Lahore

**Subject: Grant of Generation Licence No. SGC/175/2024**  
**Licence Application No. LAG-492**  
**Nestle Pakistan Limited (NPL)**

*Reference: Your letter No. & dated nil (received on 05.11.2020)*

Enclosed please find herewith Determination of the Authority in the matter of application of Nestle Pakistan Limited (NPL) for the grant of generation licence along with Generation Licence No. SGC/175/2024 annexed to this determination granted by the National Electric Power Regulatory Authority (NEPRA) to NPL for its 21.70 MW thermal generation facility located at Lahore-Sheikhupura Road, Tehsil & District Sheikhupura in the province of Punjab, pursuant to Section-14B of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, as amended or replaced from time to time

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

Enclosure: As Above

(Wasim Anwar Bhinder)

**Copy to:**

1. Secretary, Power Division, Ministry of Energy, 'A' Block, Pak Secretariat, Islamabad
2. Secretary, Energy Department, Government of Punjab, EFU House, 8th Floor, 6-D Jail Road, Lahore
3. Managing Director, National Transmission & Despatch Company (NTDC), 414 WAPDA House, Lahore
4. Chief Executive Officer, CPPA(G), 73 West, Shaheen Plaza, A.K. Fazl-ul-Haq Rd, Blue Area, Islamabad
5. Managing Director, Private Power & Infrastructure Board (PPIB), Ground & 2nd Floors, Emigration Tower, Plot No. 10, Mauve Area, Sector G-8/1, Islamabad
6. Chief Executive Officer, Lahore Electric Supply Company (LESCO), 22-A, Queens Road, Lahore
7. General Manager (System Operation), National Power Control Center – NTDC, H-8/1, Islamabad
8. Director General, Environmental Protection Department, Government of the Punjab, National Hockey Stadium, Ferozpur Road, Lahore

**National Electric Power Regulatory Authority**  
**(NEPRA)**

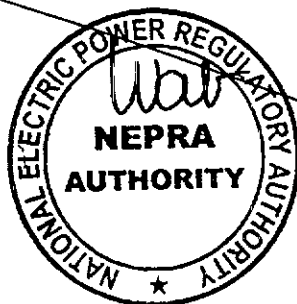
**Determination of the Authority**  
**in the Matter of Application of Nestle Pakistan Limited for**  
**the Grant of Generation Licence**

**December 13<sup>th</sup>, 2024**  
**Case No. LAG-492**

**(A). Filing/Processing of Application**

(i). Nestle Pakistan Limited (NPL) submitted an application on November 05, 2020 for the grant of generation licence in terms of Section-14B of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the "NEPRA Act") read with the relevant provisions of the NEPRA Licensing (Application and Modification Procedure) Regulations, 1999 (the "Licensing Regulations").

(ii). The Registrar examined the submitted application and found that application was deficient in terms of the Licensing Regulations. Accordingly, the Registrar directed NPL for submitting the missing information/documents as required under the said regulations. NPL completed the submission of missing information/documentation by December 08, 2020. The Registrar submitted the matter before the Authority to decide the admission of the application or otherwise. The Authority considered the matter and found the form and content of the application in substantial compliance with Regulation-3 of the Licensing Regulations. Accordingly, the Authority admitted the application on December 09, 2020 for consideration of the grant of generation licence as stipulated in Regulation-7 of the Licensing Regulations. The Authority approved an advertisement to invite comments of general public, interested and affected persons in the matter as stipulated in Regulation-8 of the Licensing Regulations.



Accordingly, notices were published in one (01) Urdu and one (01) English newspapers on December 11, 2020.

(iii). In addition to the above, the Authority also approved a list of stakeholders for seeking their comments for its assistance in the matter in terms of Regulation-9(2) of the Licensing Regulations. Accordingly, letters were sent to different stakeholders as per the approved list on December 11, 2020, soliciting their comments for assistance of the Authority.

**(B). Comments of Stakeholders**

(i). In reply to the above, the Authority received comments from Lahore Electric Supply Company Limited (LESCO) only. The salient points of the comments offered by the said stakeholder are summarized below: -

- (a). LESCO submitted that NPL has submitted an application for the grant of Generation Licence in respect of its 21.70 MW generation facility/thermal power plant located near Sheikhpura. NPL intends to supply the generated electric power from its generation facility to different Bulk Power Consumers [BPC(s)] located nearby to its factory at Sheikhpura. In this regard, it is submitted that NPL cannot lawfully sell power under Section-22 of the NEPRA Act to BPC(s) as these are required to give one year prior notice to LESCO before switching to another generation company. It is neither permissible under the Utility Practices nor any law that a BPC can have two separate electric power connections from two separate, distinct and independent companies sources at the same time therefore BPC(s) cannot be allowed to have two independent connections simultaneously. In this regard, LESCO is



already on list of Privatization and a checklist has been issued by the Ministry of Privatization for the purpose of actions that should not be taken without prior consent/clearance of the Privatization Commission are inclusive of (a). Sale or transfer of licenses, permits etc.; and (b). Closing of any type of business. The demand/supply planning cycle starting from demand projections to the approval of IGCEP should be adjusted to account for (i). advance notices by the BPC to exit the DISCO(s) and intimation to the planner to incorporate its planned generation capacity in the generation planning exercise as firm commitment; (ii). recognition by the DISCO(s) in demand forecasting that demand of this BPC will only be utilized for wires planning and not for sale, and (iii). rationalization of timing of exit and return to the grid by the BPC. These changes are also very important for determining not only the stranded costs but also reducing further firm commitments for the pool to the intent of advance notice given by BPC(s) opting for bilateral trade. If the issue of stranded cost is not accounted for, then tariffs in different classes of remaining consumers of DISCO will tremendously increase in case of reduction at different levels of sales. It is further added that CPPAGL has also raised certain Legal, Technical and Financial implications on such like arrangements vide letters No. CPPA-G/CEO/NEPRA/6086-91, dated September 04, 2018 & No. CPPA-G/CTO/DGM (Renewables)/12608-13 dated June 13, 2019.





(ii). The Authority considered the above comments of LESCO and in view of the observations made, considered it appropriate seeking the perspective of NPL. On the observations of LESCO, it was submitted that company/NPL intends to supply electric power from its generation facility/CPP of 21.70 MW to nearby located BPC. In this regard, NPL will comply with all legal and regulatory requirements for supply of power to the consumers and details pertaining to such supply arrangement and other related information shall be provided to the Authority as per agreement executed. It is an admitted position that LESCO is a distribution licensee within its defined territory however, the distribution of electricity within its service territory was always under the original NEPRA Act as well as the amendments of 2018 and was also subject to the conditions specified in its Distribution Licence. In this regard, reference is made to Section-21(2)(a) of the NEPRA Act and according to which although LESCO possessed the right of distribution of electric power within its service territory however, a Generation Company can make sale of electric power to the BPC(s). It is further submitted that it is on the record and the Authority has always been allowing the generation companies to make sales of power within service territory of all the distribution licensees. As regards to the assertion of LESCO of giving notice, the BPC has to give the same in case it intends to stop purchase of power from the distribution company. NPL is of the view that the provision relates to a proposition where BPC intends to disconnect itself and not in case, where BPC opts for self-generation or gets power from any other source. It is submitted that the "intention to stop" can by no means be stretched that BPC cannot have a different source from which it can obtain power to meet its requirement. It is submitted that under Article-18 of the Constitution of Pakistan, 1973, every person has a right to engage in a lawful trade or business in Pakistan unless restricted by a law. It is submitted that to restrict any entity from generation of power, there should have been a clear provision of law, in the absence of which the comment of LESCO is misconceived. It is needless to



state that as soon as NPL enters in an agreement with a BPC, it undertakes to comply with all the applicable rules and regulations. Lastly, it is submitted that if comments of LESCO are admitted then the whole legal structure of the open access/wheeling or embarking upon competitive market shall become superfluous as well as it will be against the determination of the Authority dated January 11, 2021 pertaining to "Wheeling". About the comments of LESCO regarding its potential privatization, the same has no bearing on the instant proceedings under the NEPRA Act. It is submitted that no policy decision can supersede rights of any entity granted under the law i.e., the NEPRA Act. Regarding comments on IGCEP, it was submitted that the generation facility of NPL is a Captive Power Plant (CPP) which is already in existence and the requirement for seeking Licence has only arisen due to the fact that it intends to supply its surplus power to BPC(s). It was clarified that the supply to the potential BPC(s) will be on mutually agreed terms and conditions. In this regard, identification of the BPC(s) would be relevant only at the stage when NPL shall file appropriate application before the Honorable Authority. Therefore, as such currently, there is no requirement for considering the location of CPP of NPL, which is already in existence as a potential plant under IGCEP, and for conducting any GIS for approval of NTDCL. It is submitted that corresponding comments of LESCO are not relevant to the instant proceedings which may kindly be dealt by NEPRA on merit.

(iii). The Authority reviewed the above submissions of NPL and in view the submitted clarification considered it appropriate to process the generation licence application of NPL as stipulated in the Licensing Regulations and the Generation Rules.

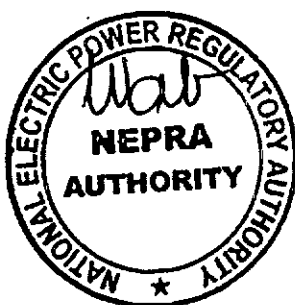


**(C). Observations/Findings of the Authority**

(i). The Authority examined the entire case in detail including the information that NPL provided with its application, comments of LESCO, rejoinder submitted, the relevant rules & regulations in the matter and the observations in the matter are explained in the following paragraphs.

(ii). The applicant i.e. NPL is an entity incorporated initially in the name of Nestle Milkpak Limited on January 15, 1979 under Companies Act-1913 vide Company Registration No. L-118 of 1978-1979. The name of company was changed from Nestle Milkpak Limited to NPL under Section-40 of Companies Ordinance 1984 (XLVII of 1984) on May 26, 2005. It is a public limited company listed on the stock exchange with the principal line of business relating to live stock farming and dairy products. In this regard, NPL has set up four production facilities across the country including factories at Sheikhpura, Kabirwala, Islamabad and Karachi. The factories at Shiekhupura and Kabirwala are multi-product, whereas the ones in Islamabad and Karachi are water factories. NPL has been consistently placed among the top companies of the Pakistan Stock Exchange for the last many years. The Business Office of the company is located at 308-Upper Mall, Lahore.

(iii). NPL has set a generation facility of 21.70 MW at its factory located at Lahore-Sheikhpura Road, tehsil and district Sheikupura in the province of Punjab. The said facility is currently being used as CPP. Now, NPL plans to supply electric power to some BPC(s) through the wheeling arrangement. The above mentioned generation facility consists of a total of five (05) engines of various make and model operating on HFO. The capacities of the various engines are 1 x 5.70 MW, 1 x 8.80 MW and 4 x 1.80 MW of Wartsila installed in 2005.



(iv). As explained above, NPL plans to supply from proposed generation facility to different BPC(s) through the wheeling arrangement however, the names of the same are not disclosed. In this regard, NPL has submitted once an Agreement is reached with any BPC(s)/potential buyers, the company/NPL will approach the Authority for approval through modification of licence, if required.

(v). The Rule-5(1) of the Generation Rules stipulates that the term of a generation licence is to be consistent with the maximum expected useful life of the units comprised in a generating facility, except where an applicant consents to a shorter term. According to the information provided by NPL, its generation facility was set up around 2005. In this regard, it is clarified that Diesel Generating Engines normally have a useful life of twenty five (25) years. The latest unit of the generation facility was commissioned in 2005 and has operated for almost nineteen (19) years and therefore has a remaining useful life of about six (06) years. Therefore, the term of the proposed generation licence may be fixed for six (06) years from the date of issuance of the same subject to Section-14B of the NEPRA Act.

(vi). Regarding the tariff, it is hereby clarified that under Section-7(3)(a) of the NEPRA Act, determining tariff, rate and charges etc. is the sole prerogative of the Authority. As the matter of rates, charges and terms and conditions of tariff between NPL and its proposed BPC(s) do not affect any other consumer or third party therefore, for the purpose of tariff, it will be appropriate asking NPL and its BPC(s) agreeing to a bilateral agreement and accordingly, NPL may be allowed to charge the agreed tariff from its BPC subsequent to the grant of the generation licence subject to payment of the wheeling charges. In view of the said, a suitable article on tariff in the generation licence is proposed to be included.





#### **(D). Grant of Licence**

(i). The Authority considers that sustainable and affordable energy/electricity is a key prerequisite for the socio-economic development of any country. In fact, the economic growth of any country is directly linked with the availability of safe, secure, reliable and cheaper supply of energy/electricity. The Authority is of the considered opinion that in order to make the electric power sector sustainable, the intervention of the Govt. is to be minimised whereas the role of private sector is to be enhanced allowing B2B sale and purchase. In consideration of the said, the Authority has approved the design of the electricity market for the whole sale market commonly known as Competitive Trading Bi-lateral Contract Market (CTBCM) which will allow Business to Business (B2B) sale between the parties as NPL has envisaged.

(ii). The Authority has observed that in the current case, NPL has approached for the grant of Generation Licence for wheeling of power to different BPC(s) from its oil based CPP located at Sheikupura. In this regard, the Authority has observed that NPL has provided the details of the location, size, technology, interconnection arrangements, technical limits, technical functional specifications and other details including the net capacity of the generation facility/CPP, fulfilling the requirements of the relevant rules and regulations which are being incorporated in the Generation Licence.

(iii). The Authority has observed that the generation facility/CPP of NPL will be used for supplying surplus power to different BPC(s). According to Section-2(ii) of the NEPRA Act, a consumer which purchases or receives electric power at one premises, in an amount of one megawatt or more or in such amount and voltage level and with such characteristics as the Authority may determine/specify is treated as BPC. In this regard, NPL has not confirmed about the names of its proposed BPC(s) but at the same time it has confirmed



that all of its BPC(s) will comply with the above mentioned criteria without any exception.

(iv). The term of a Generation Licence under Rule-5(1) of the Generation Rules is required to match the maximum expected useful life of the units comprised in a generating facility. According to the information provided by NPL, its generation facility was set up around 2005 and the latest unit of the generation facility and has operated for almost nineteen (19) years and therefore, the term of the generation licence may be fixed as per the previously approved benchmark. In this regard, the Authority hereby clarifies that Diesel Generating Engines normally have a useful life of twenty five (25) years and the term of the licence is fixed accordingly. In light of the above explanation, the Authority considers that generation facility/CPP of NPL has a remaining useful life of about six (06) years therefore, it fixes the term of the Generation Licence to six (06) years from the date of issuance subject to Section-14B(5) of the NEPRA Act.

(v). Regarding compliance with the environmental standards, NPL has confirmed that it will comply with the required standards during the term of the Generation Licence. In view of the importance of the issue, the Authority has decided to include a separate article in the Generation Licence along with other terms and conditions making it obligatory for NPL to comply with relevant environmental standards at all times.

(vi). Regarding the rates, charges and terms and conditions of tariff between NPL and its BPC(s), it is reiterated that under Section-7(3)(a) of the NEPRA Act, determining tariff, rate and charges etc. is the sole prerogative of the Authority. However, the Authority observes that the tariff between NPL and its BPC(s), does not affect any other consumer or third party. Therefore for the purpose of tariff, the Authority considers it appropriate to direct NPL and its



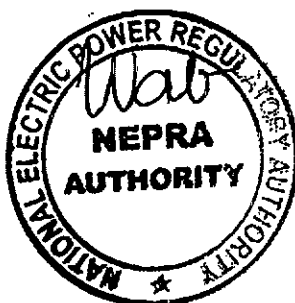
BPC(s) to agree on a bilateral agreement and accordingly NPL will be allowed to charge the agreed tariff subsequent to the grant of the Generation Licence and Electric Power Supply Licence as stipulated under Section-14D read with Section-23E of the NEPRA Act.

(vii). The Authority has duly considered the comments of stakeholders as explained above. In this regard, the Authority has observed that LESCO has raised various concerns on the proposal of wheeling of electric power of NPL from its CPP including (a). company/NPL cannot sell electric power to existing consumers; (b). consumers/BPC(s) are to give one year prior notice to LESCO before switching to another generation company; (c). a BPC cannot have two separate electric power connections from two separate, distinct and independent companies sources; (d). LESCO is already on list of Privatization and no actions can be taken regarding Sale or transfer of licenses, permits etc. and closing of any type of business; (e). the demand/supply be adjusted to account for BPC existing the DISCO(s) to determine not only the stranded costs but also reducing further firm commitments.

(viii). In consideration of the above, the Authority has observed that NPL has submitted rejoinders to the above observations of LESCO as explained in the preceding paragraphs and the Authority has duly considered the same. The Authority considers it appropriate to give its findings on the above mentioned observations and address the same in the current determination in the matter of application for the grant of Generation Licence of NPL. On the observations of LESCO that company/NPL cannot sell electric power to existing consumers, the Authority hereby clarifies under the regulatory regime and the design of the approved CTBCM, a BPC is entitled to obtain electric power from any Competitive Supplier (CS) instead of Supplier of Last Resort (SoLR)/DISCO. In this regard, the potential BPC(s) of NPL which it intends to supply through the wheeling electric power will be required to follow the same in the letter and spirit



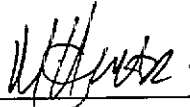
unless there is any change in the regime. Further, the BPC(s) are required to serve a notice of one (01) year notice in advance to DISCO/LESCO before switching to another generation company and the proposed BPC(s) of NPL will be required to follow the said provisions in letter and spirit. About the observations of LESCO that a BPC cannot have two separate electric power connections from two separate, distinct and independent companies sources, the Authority clarifies that the understanding of LESCO has certain background considering the fact only connection from single source was allowed. The matter evolved and the Authority allowed dual source to many BPC(s) which contracted other generation companies while maintaining the supply from the utility. Further, the proposed CTBCM in its current approved design also envisages a single source of supply but the Authority is considering to allow multiple connections from the DISCO/utility as well as from any other source. In view of the said, the Authority clarifies that potential BPC(s) of NPL will follow the relevant regulatory regime on the sources of supply. In its comments, LESCO has highlighted it is on list of privatization therefore, no actions can be taken regarding sale or transfer of licenses, permits etc. and closing of any type of business. In this regard, the Authority hereby clarifies that the NPL has applied for the grant of generation licence for its facilities located at Shikhupura as it plans to sell the generated electric power through wheeling using the network of DISCO or NTDC as the case may be, under the prevalent regulatory regime and therefore the same has no nexus with the privatization of the utility. Regarding the comments of LESCO for the adjustment about the demand/supply on account of switching of BPC(s), the Authority considers the observation to be very relevant and all the stakeholders to adhere to the same. In view of the said, the Authority considers that the observations of LESCO stands addressed and settled.



(ix). In consideration of the above, the Authority hereby approves the grant of Generation Licence to NPL on the terms and conditions set out in the generation licence annexed to this determination. The grant of Generation Licence will be subject to the provisions contained in the NEPRA Act, relevant rules, regulations framed thereunder and other applicable documents. The grant/approval is restricted to the generation of electric power from the generation facility of NPL and not for sale supply of electric power to the BPC. In order to supply to BPC the Authority further directs NPL to apply for the Electric Supplier Licence under Section-23E of the NEPRA Act within a period ninety (90) days of this determination.

**Authority:**

Engr. Maqsood Anwar Khan  
(Member)

  
\_\_\_\_\_


Engr. Rafique Ahmed Shaikh  
(Member)

\_\_\_\_\_  
\_\_\_\_\_

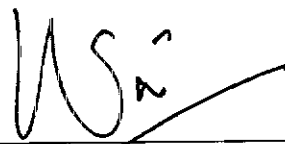
Engr. Mathar Niaz Rana  
(Member)

\_\_\_\_\_  
\_\_\_\_\_

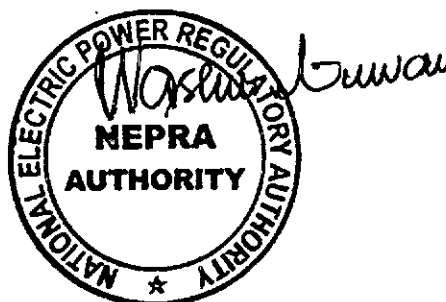
Ms. Amina Ahmed  
(Member)

  
\_\_\_\_\_

Engr. Waseem Mukhtar  
(Chairman)

  
\_\_\_\_\_





**National Electric Power Regulatory Authority  
(NEPRA)**

**Islamabad – Pakistan**

**GENERATION LICENCE**

**No. SGC/175/2024**

In exercise of the powers conferred upon the National Electric Power Regulatory Authority (NEPRA) under Section-14(B) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, as amended or replaced from time to time, the Authority hereby grants a Generation Licence to:

**NESTLE PAKISTAN LIMITED**

Incorporated under  
the Companies Act, 1913 (VII of 1913) having Company Registration No. L-  
118 of 1978-1979, dated January 15, 1979

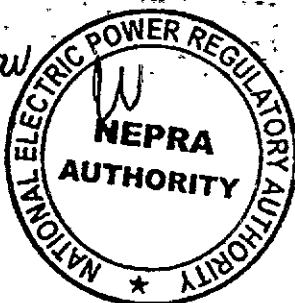
**for its Generation Facility/Power Plant**  
**Located at Lahore-Sheikhupura Road, Tehsil & District**  
**Sheikhupura in the province of Punjab**

(Installed Capacity: 21.70 MW Gross ISO)

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

Given under my hand on 13<sup>th</sup> day of December Two Thousand & Twenty Four and expires on 12<sup>th</sup> day of December Two Thousand & Thirty

Wasim Jumbaw  
Registrar



**Article-1**  
**Definitions**

**1.1 In this Licence**

- (a). "Act" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 as amended or replaced from time to time;
- (b). "Applicable Documents" mean the Act, the rules and regulations framed by the Authority under the Act, any documents or instruments issued or determinations made by the Authority under any of the foregoing or pursuant to the exercise of its powers under the Act, the Grid Code, the applicable Distribution Code, the Commercial Code if any, or the documents or instruments made by the Licensee pursuant to its generation licence, in each case of a binding nature applicable to the Licensee or, where applicable, to its affiliates and to which the Licensee or any of its affiliates may be subject;
- (c). "Applicable Law" means the Act and all the Applicable Documents;
- (d). "Authority" means the National Electric Power Regulatory Authority constituted under Section-3 of the Act;
- (e). "Bus Bar" means a system of conductors in the generation facility/thermal power plant of the Licensee on which the electric power from all the generators is collected for supplying to the Power Purchaser or Bulk Power Purchaser;
- (f). "Commercial Code" or "Market Commercial Code" means the commercial code prepared and maintained by the market operator pursuant to Sections-23A and 23B of the Act and approved by the Authority from time to time;



- (g). "CPPA-G" means Central Power Purchasing Agency (Guarantee) Limited or any other entity created for the like purpose for functioning as market operator;
- (h). "Distribution Code" means the distribution code prepared by the concerned XW-DISCO and approved by the Authority, as it may be revised from time to time with necessary approval of the Authority;
- (i). "Distribution Company" means a company to which the Authority has granted a distribution licence under Section 20-21 of the Act and engaged in the distribution of electric power;
- (j). "Energy Wheeling Agreement-EWA" means the energy wheeling agreement, entered or to be entered into by and between NTDC or Distribution Company and the Licensee, for the Wheeling of electrical energy generated by the generation facility/Power Plant, as may be amended by the parties thereto from time to time;
- (k). "Generation Rules" mean the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 as amended or replaced from time to time;
- (l). "Grid Code" means the grid code prepared and revised from time to time by NTDC with necessary approval of the Authority;
- (m). "LESCO" means Lahore Electric Supply Company Limited and its successors or permitted assigns;
- (n). "Licence" means this licence granted to the Licensee for its generation facility/Power Plant;
- (o). "Licensee" means Nestle Pakistan Limited and its successors or permitted assigns;



*Wab*



- (p). "Licensing Regulations" mean the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021 as amended or replaced from time to time;
- (q). "NTDC" means National Transmission & Despatch Company Limited and its successors or permitted assigns;
- (r). "Power Purchaser" means the BPC(s) which will be purchasing electricity from the Licensee, pursuant to an Power Purchase Agreement-PPA for procurement of electricity;
- (s). "Power Purchase Agreement-PPA" means the power purchase agreement, entered or to be entered into by and between the Power Purchaser and the Licensee, for the purchase and sale of electrical energy generated by the generation facility, as may be amended by the parties thereto from time to time;
- (t). "Service Territory" means the service territory as defined in the distribution licence of a Distribution Company under the Act;
- (u). "Thermal Power Plant" means a generation facility or power plant using fossil fuel for generation of electric power;
- (v). "Wheeling" means supplying/injecting electrical energy by the Licensee into the Grid System of any Distribution Company (i.e. LESCO in the current case), at one point and receiving the same amount at any other location located in its Service Territory upon payment of use of system charges as determined by the Authority;
- (w). "XW-DISCO" means an Ex-WAPDA distribution company engaged in the distribution of electric power".



6/2/21

1.2 The words and expressions used but not defined herein bear the meaning given thereto in the Act or rules and regulations issued under the Act.

**Article-2**  
**Applicability of Law**

This Licence is issued subject to the provisions of the Applicable Law, as amended or replaced from time to time.

**Article-3**  
**Generation Facilities**

3.1 The location, size (capacity in MW) and other details specific to the generation facility/Thermal Power Plant of the Licensee are set out in Schedule-I of this Licence.

3.2 The de-rated capacity, the axillary consumption and the net capacity of the generation facility/Thermal Power Plant of the Licensee is set out in Schedule-II of this Licence.

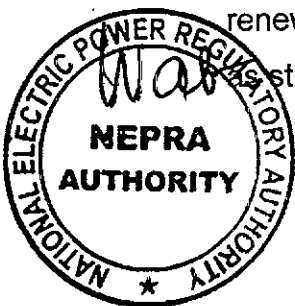
**Article-4**  
**Term of Licence**

4.1 This Licence shall become effective from the date of its issuance and will have a term of six (06) years from the said date, subject to the provisions of Section-14(B) of the Act.

4.2 Unless suspended or revoked earlier, the Licensee may apply for renewal of this Licence ninety (90) days prior to the expiry of the above term, as stipulated in the Generation Rules read with the Licensing Regulations.

**Article-5**  
**Licence fee**

The Licensee shall pay to the Authority the Licence fee as stipulated in the National Electric Power Regulatory Authority (Fees) Regulations, 2021 as amended or replaced from time to time.



**Article-6**  
**Tariff**

The Licensee is allowed to charge the Power Purchaser/BPC(s) a mutually agreed tariff.

**Article-7**  
**Competitive Trading Arrangement**

7.1 The Licensee shall participate in such manner as may be directed by the Authority from time to time for development/implementation of a Competitive Trading Arrangement.

7.2 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.

7.3 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 Generation 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 the National Electric Power Regulatory Authority Performance Standards (Generation) Rules 2009 as amended or replaced from time to time.

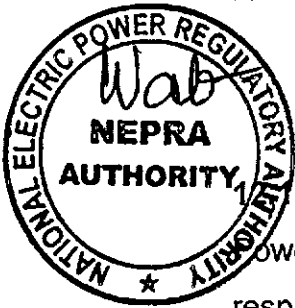
**Article-10**  
**Compliance with Environmental & Safety Standards**

**10.1** The generation facility/Thermal Power Plant of the Licensee shall comply with the environmental and safety standards as may be prescribed by the relevant competent authority as amended or replaced from time to time.

**10.2** The Licensee shall provide a certificate on a bi-annual basis, confirming that the operation of its generation facility/Thermal Power Plant is in conformity with required environmental standards as prescribed by the relevant competent authority as amended or replaced from time to time.

**Article-11**  
**Provision of Information**

In accordance with provisions of Section-44 of the Act, the Licensee shall be obligated to provide the required information in any form as desired by the Authority without any exception.



**Article-12**  
**Power off take Point and Voltage**

The Licensee shall deliver electric power from its generation facility/Power Plant at the outgoing Bus Bar to LESCO. The Licensee shall be responsible for the up-gradation (step up) of generation voltage up to the required dispersal voltage level.

**12.2** LESCO shall transport the above mentioned injected electric power in its system from the generation facility/Power Plant of the Licensee to different BPC(s) through Wheeling arrangement as stipulated in EWA.

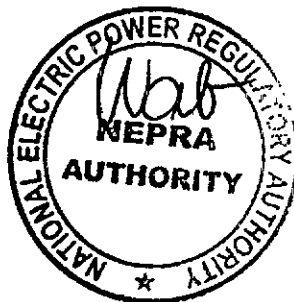
**Article-13**  
**Compliance with Applicable Law**

The Licensee shall comply with the provisions of the Applicable Law, guidelines, directions and prohibitory orders of the Authority as issued from time to time.

**Article-14**  
**Corporate Social Responsibility**

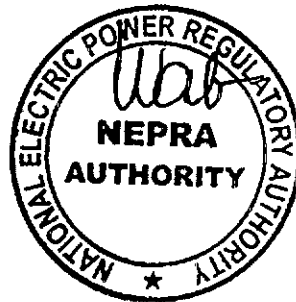
The Licensee shall provide the descriptive as well as monetary disclosure of its activities pertaining to corporate social responsibility (CSR) on an annual basis.



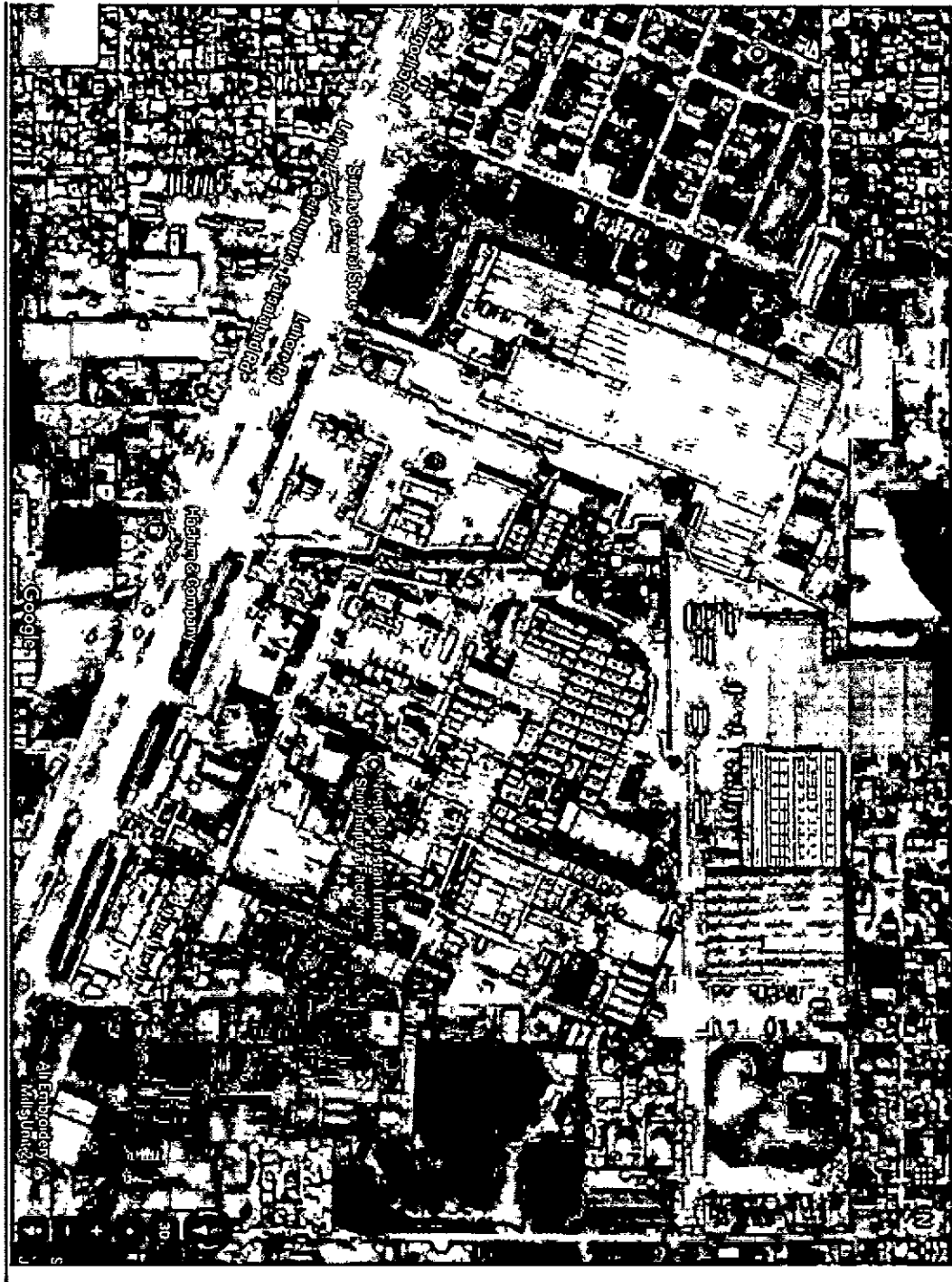


## **SCHEDULE-I**

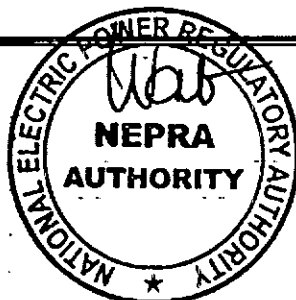
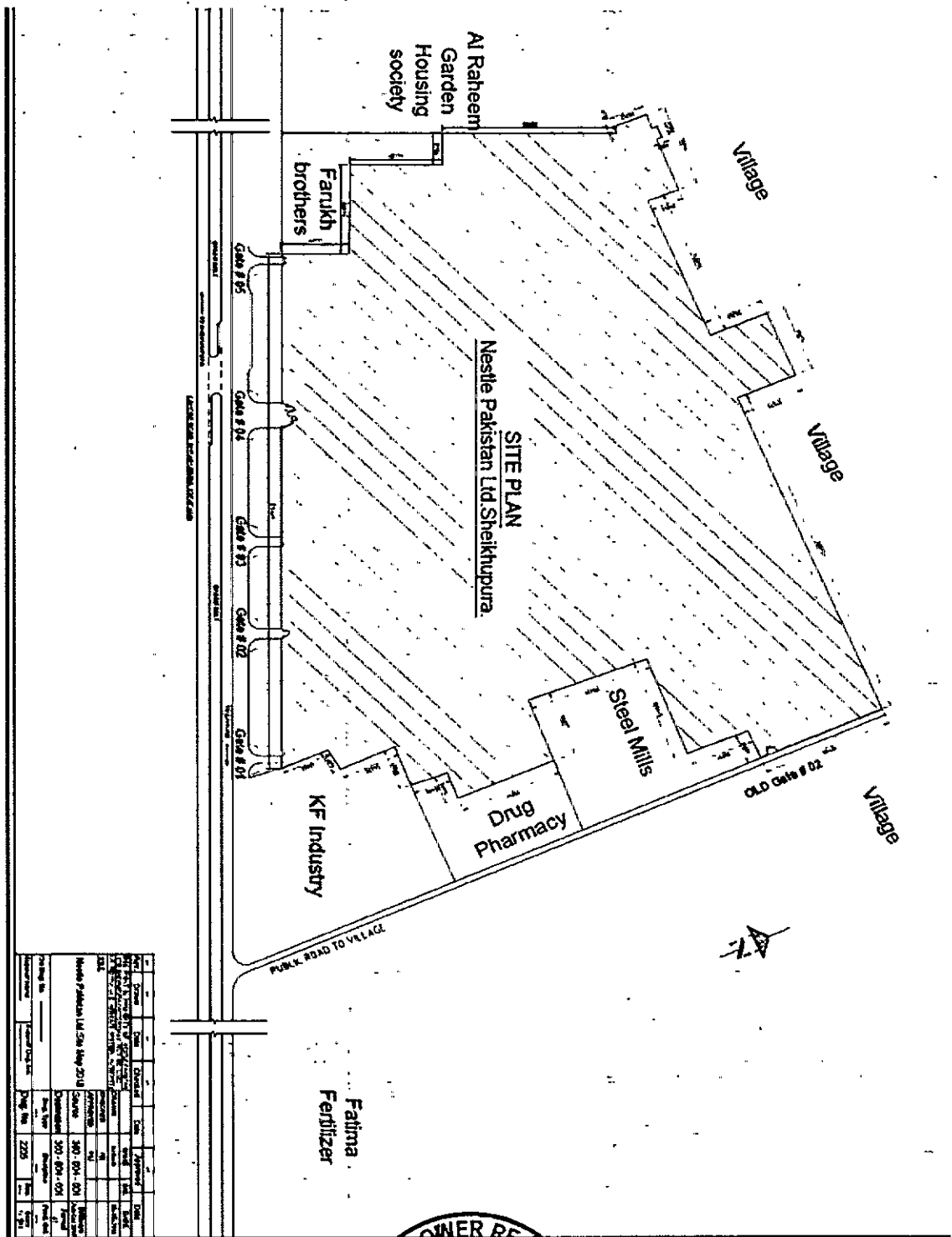
The Location, Size (i.e. Capacity in MW), Type of Technology, Interconnection Arrangements, Technical Limits, Technical/Functional Specifications and other details specific to the Generation Facilities of the Licensee are described in this Schedule.



**Location of the  
Generation Facility/Thermal Power Plant  
of the Licensee**

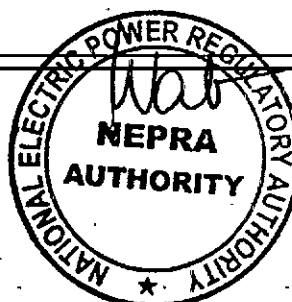
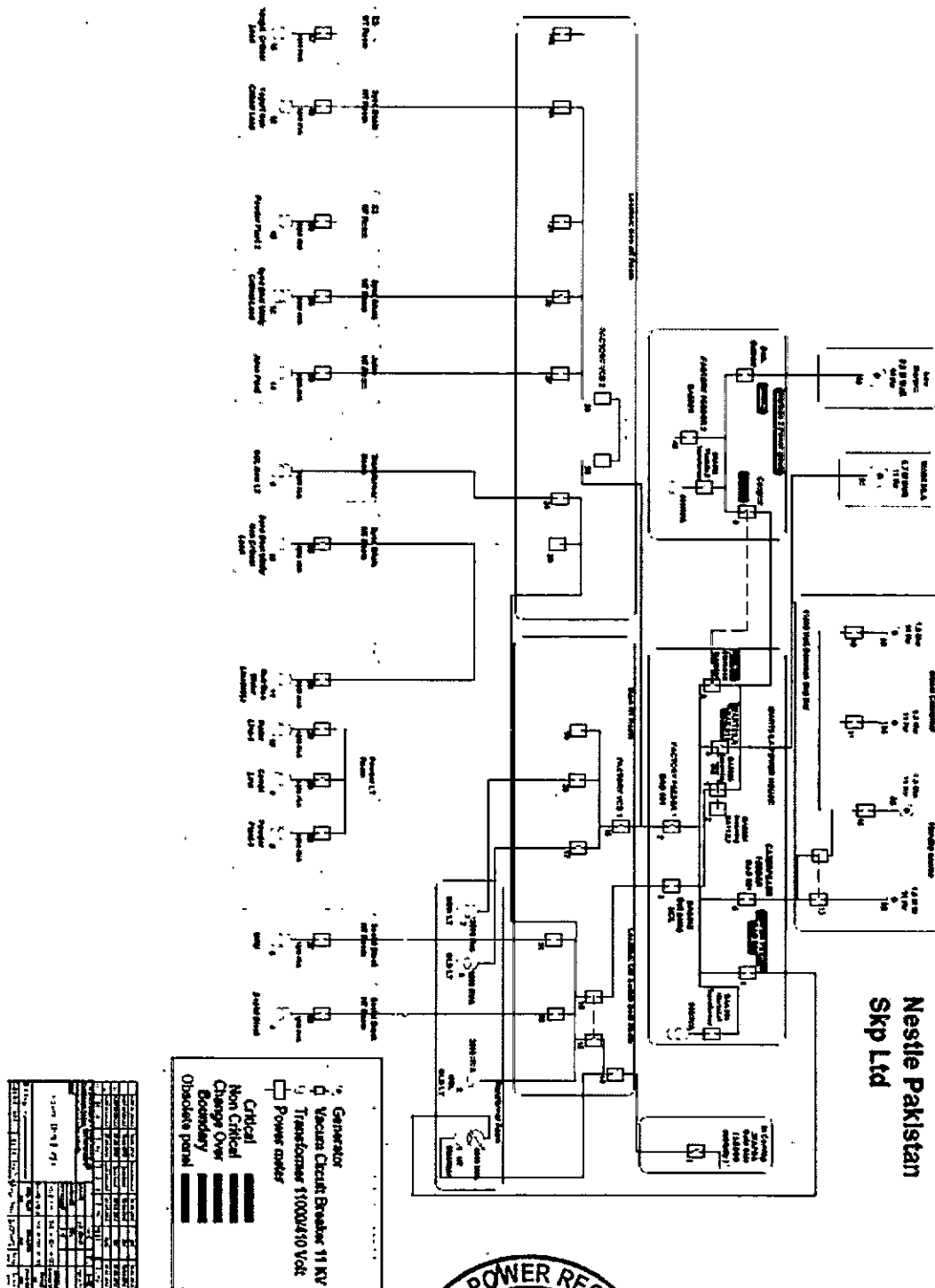


# Layout of the Generation Facility/ Thermal Power Plant of the Licensee





**Single Line Diagram**  
**of the Generation Facility/Thermal Power Plant**  
**of the Licensee**



**Interconnection Arrangement/Transmission Facilities  
for Dispersal of Power from the Generation Facility/Solar  
Power Plant/Solar Farm of the Licensee**

The electric power generated from the generation facility/Thermal Power Plant of the Licensee/Nestle Pakistan Limited-NPL shall be dispersed to the load center of LESCO for wheeling.

(2). The electric power injected by the Licensee in the system of LESCO will be wheeled for supplying to different BPC(s). In order to wheel the power, LESCO will be charging the Licensee a Use of System Charge (UoSC) as per the determination of the Authority.

*[Handwritten signature]*



## Details of Generation Facility/Thermal Power Plant of the Company/Licensee

### (A). General Information

(i).	Name of the Company/Licensee	Nestle Pakistan Limited
(ii).	Registered/ Business office of the Company/Licensee	308-Upper Mall, Lahore, in the province of Punjab
(iii).	Type of the generation facility/Thermal Power Plant	Thermal Power Plant
(iv).	Location(s) of the generation facility/Thermal Power Plant	Tehsil & District Shiekhupura in the province of Punjab

### (B). Technology & Configuration

(i).	Type of Generation Facility	Thermal Power Plant		
(ii).	Type of Technology	Diesel Engines		
(iii).	Number of Units/Size (MW)	Wartsila	Wartsila	Wartsila
		1 x 5.70 MW	1 x 8.80MW	4 x 1.80 MW
(iv).	Unit Make & Model	Wartsila	Wartsila	Wartsila
		W16V32	-	-
(v).	Commissioning/ Commercial Operation date of the Generation Facility	Wartsila	Wartsila	Wartsila
		2005	2005	2005



(vi).	Expected Useful Life of the Generation Facility from its Commercial Operation/ Commissioning Date	Wartsila	Wartsila	Wartsila
		25 Year	25 Year	25 Year
(vii).	Remaining Useful Life of the Generation Facility from its Commercial Operation/ Commissioning Date	Wartsila	Wartsila	Wartsila
		06 Year	06 Year	06 Year

**(C). Fuel Details**

		Wartsila	Wartsila	Wartsila
(i).	Primary Fuel	Furnace Oil	Furnace Oil	Furnace Oil
(ii).	Alternative/Secondary Fuel	-	-	-
(iii).	Start Up Fuel	-	-	-
(iv).	Fuel Source for each of the above (i.e. Imported/Indigenous)	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported
(v).	Fuel Supplier	Any OMC	Any OMC	Any OMC
(vi).	Supply Arrangement	Bowser /Tanker	Bowser /Tanker	Bowser /Tanker
(vi).	No. of Storage Tanks	3	-	-
(vii).	Storage Capacity of each Tanks	1000 Tons	500 Tons	500 Tons
(viii).	Gross Storage	3000 Tons	1000 Tons	1000 Tons



**(D). Emission Values**

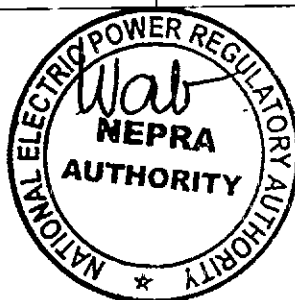
		Furnace Oil	HSD
(i).	SOx	As per NEQS	As per NEQS
(ii).	NOx	-do-	-do-
(iii).	CO	-do-	-do-
(iv).	PM10	-do-	-do-

**(E). Cooling Water System**

(i).	Cooling Source/Cycle	Water	Tube well at Site/Closed Loop
------	----------------------	-------	-------------------------------

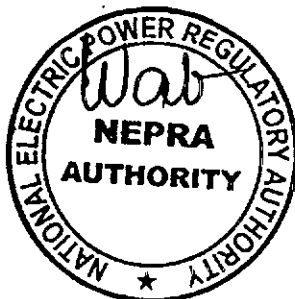
**(F). Plant Characteristics**

(i).	Generation Voltage	11KV		
(ii).	Frequency	50 Hz		
(iii).	Power Factor	0.85 lagging		
(iv).	Automatic Generation Control	Not Applicable		
(v).	Ramping Rate	Wartsila	Wartsila	Wartsila
		Communicated later		
(vi).	Time required to Synchronize to Grid and loading the complex to full load.	Communicated later		



## **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 are given in this Schedule



## **SCHEDULE-II**

(1).	Total Gross Installed Capacity/Name Plate Rating of the Generation Facility/Power Plant (1 x 5.70 MW DG + 1 x 8.80MW DG + 4 x 1.80 MW DG)	21.70 MW
(2).	De-rated Capacity of Generation Facility/Power Plant (1 x 4.60 MW DG + 1 x 7.10 MW DG + 4 x 1.45 MW DG) at Reference Site Conditions	17.50 MW
(3).	Auxiliary Consumption of the Generation Facility/Power Plant (1 x 0.26 MW DG + 1 x 0.41 MW DG + 4 x 0.08 MW DG)	≈ 01.00 MW
(4).	Total Net Capacity of Generation Facility/Power Plant (1 x 4.33 MW DG + 1 x 6.69 MW DG + 4 x 1.37 MW DG) at Reference Site Conditions	16.50 MW

### **Note**

All the above figures are indicative as provided by the Licensee. The Net Power available to Power Purchaser for dispatch for dispatch will be determined through procedures contained in the Energy Purchase Agreement (EPA) or Energy Wheeling Agreement (EWA) or any other Applicable Document(s).

