



021-99206821

No. ED/F-33/SO (O&amp;G)/879/2015/9053

GOVERNMENT OF SINDH

ENERGY DEPARTMENT

Karachi, dated: November 23, 2015

Registrar  
National Electric Power Regulatory Authority (NEPRA)  
Islamabad

**SUBJECT: APPLICATION OF QUAID-E-AZAM THERMAL POWER PLANT (PVT) LIMITED (QATPPL) FOR GRANT OF GENERATION LICENSE FOR ITS 1000-1500 MW THERMAL POWER PLANT. DISTRICT SHEIKHUPURA**

I am directed to refer to letter No. NEPRA/R/LAG-317/16330-40 dated 10.11.2015 on the subject cited above.

2. Government of Sindh has serious reservation on the subject project as it is being undertaken without mandatory policy approval of the Council of Common Interest (CCI). Natural gas, electricity and all related incidental or ancillary matters appear at entry No. 2, 4 & 18, Part-II, Fourth Schedule of the Constitution, respectively.

3. RLNG is natural gas and Constitution of Pakistan does not categorize natural gas into indigenous or imported. In pursuance of Article 154 of the Constitution approval of the CCI is mandatory for the formulation and regulation of policies for the transportation, utilization, marketing, allocation and distribution of LNG. In this respect Government of Sindh has already floated a summary to the CCI. (Annex-I) Moreover, Government of Sindh reserves the right to approach superior courts if its concerns are not addressed.

4. Currently, there is no dedicated transmission line for LNG in the country. Instead, natural gas from Zamzama field, Dadu, Kadanwari and Sawan fields Khairpur is unconstitutionally and unilaterally being swapped through existing lines and supplied to up country without the consent of the Government of Sindh. Supply of natural gas from Sindh, under swapped arrangements by gas utility companies, cannot be construed as LNG supply to the project. The swapping arrangement has seriously compromised energy security of Sindh as import of RLNG is highly uncertain and unreliable.

5. The project completion time of 27 months (Page: ES-3, Para:-v) for commercial operations is apparently too optimistic and ambitious especially in the absence of a dedicated LNG transmission line from Karachi to the project site. The entire project is based on the presumption of import of RLNG from Karachi through pipelines and it is highly unlikely that a dedicated transmission line is laid during this period. (Para D, page ES-2)

Registrar 12/76  
By No. 24-11-15  
Dated.....

NEPRA  
Licence Division  
25-11-15

6. Reference is invited to Page # ES-2, Para: (ii) and requested that QATPPL may please be advised to provide the basis that 200 MMCFD of RLNG would be able to produce 1500MW of power.

7. QATPPL may also be advised to provide the Feasibility Study of the project including project economic studies and project implementation guidelines.

8. The Authority is requested to please defer the planned hearing till the subject policy matter is deliberated and decided by the CCI.

*Tariq Shah*  
23.11.2015

**(Tariq Ali Shah)**  
**Director (Oil & Gas)**  
*tareqalishah@gmail.com*

CC:

1. Additional Secretary (Power) Energy Department Sindh
2. Deputy Secretary (Staff) to Chief Secretary Sindh
3. PS to Senior Minister, Irrigation, P&D, Finance & Energy Sindh

/

**(Syed Amir Mujtaba)**  
**Section Officer (Oil & Gas)**

Ph: 021-9213822  
Fax: 021-99213823

No. IPC/PIC/COORD-I/1-3/Power/2011-12/Pt-III  
GOVERNMENT OF SINDH  
SERVICES GENERAL ADMINISTRATION  
& COORDINATION DEPARTMENT  
IPC Wing



Karachi, dated 3<sup>rd</sup> June, 2015

To,

The Secretary to Government of Pakistan,  
Inter-Provincial Coordination Division,  
Islamabad.

Subject: **SUMMARY FOR THE OF COUNCIL OF COMMON INTERESTS (CCI).**

Kindly find enclosed herewith a summary for the Council of Common Interests (50 Sets), duly approved by the Chief Minister, Sindh on the following subject.

**"Import of Liquefied Natural Gas (LNG)"**

It is requested that, the Summary may kindly be placed before the Council of Common Interests (CCI) for consideration in its forthcoming meeting, as the matter requires urgent attention of the Council of Common Interests (CCI).

**WASIM AHMED URSANI**  
Secretary to Govt. of Sindh

C.C.to:-

- ✓ The Secretary to Chief Minister Sindh.
- ✓ The Secretary Energy Department, Government of Sindh.
- ✓ The Deputy Secretary (Staff) to Chief Secretary, Sindh.
- ✓ The Coordinator-II, IPC Wing, SGA&C Department, Government of Sindh.
- ✓ Master file.

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No. F-33/SO(O&G)/676/2015

**GOVERNMENT OF SINDH  
ENERGY DEPARTMENT**

**SECRET**

No. \_\_\_\_\_

**SUMMARY FOR THE COUNCIL OF COMMON INTERESTS**

**SUBJECT: IMPORT OF LIQUEFIED NATURAL GAS (LNG)**

In recent months, national press has reported import of Re-Gasified Liquid Natural Gas (RLNG) using Elengy Terminal, Port Qasim Karachi. Despite being a project having high provincial stakes no information has, so far, been shared with the Government of Sindh by the Ministry of Petroleum, DG LG, DG Gas or OGRA. The national press remains the only source of information for the provincial government.

2. The Government of Sindh, on the basis of press reports, requested the Federal Government to share all the relevant information about import of Liquefied Natural Gas (LNG) i.e. import pricing regime, technical, financial and commercial term sheets, transportation, distribution, marketing swapping arrangements, minutes of ECC and CCoE of the Federal cabinet and other related matters. Moreover, it was also requested that import of LNG and all incidental and ancillary matters thereto may be referred to CCI for policy decision as "*mineral oil and natural gas*" and other matters appear at Entry No. 2 & 18 Part-II, Fourth Schedule to the Constitution.

3. The Ministry of Petroleum & Natural Resources (MoPNR), in its reply letter dated 06.03.2015, took the position that "the jurisdiction of CCI is limited to the natural gas produced from the wellhead situated in the territorial jurisdiction of provinces while RLNG being an imported product does not fall within the jurisdiction of CCI and is a Federal matter".

4. For the transportation of RLNG "M/s SSGCL and SNGPL have agreed upon a unilateral swap arrangement from Sawan (Khairpur), Zamzama (Dadu) and Sui (Dera Bugti) gas fields with RLNG injected into SSGCL System at Port Qasim." (Annex-1)

5. MoPNR above referred letter also informs that Economic Coordination Committee (ECC) of the Cabinet has taken all import related decisions about RLNG and Cabinet Committee on Energy (CCoE) has decided allocation of 325 to 400 MMCFD RLNG to existing IPPs located on SNGPL system. Resultantly, NEPRA has recently conducted hearing for determination of upfront tariff for RLNG based power projects at Bhikhi (Sheikhupura), Balloki (Kasur) and Haveli Bahadur Shah (Jhang), Punjab.

6. The Government of Sindh believes that the Constitution does not categorise "natural gas" into locally produced or imported, therefore imported gas in shape of LNG/RLNG comes under the ambit of "*natural gas*" mentioned at Entry No. 2, Part II, Fourth Schedule. The Federal Government's consideration of LNG as merely an import item may lead to serious legal and constitutional complications. Neither ECC nor CCoE of the Federal Cabinet have the constitutional mandate to decide policy matters on natural gas and electricity. It is clear from our reading of the Constitution. These unilateral and unconstitutional decisions have seriously jeopardized legitimate provincial interests.

7. The proposed swapping arrangement, without the concurrence of the respective provincial government, violates Article 158 of the Constitution which guarantees precedence of natural gas producing Provinces over others in utilization. This arrangement potentially compromises the energy security of Sindh which produces around 70% of gas in the country. Deliberate misinterpretation of the term "imported gas" and subsequent revenue determination of comingled gas, without the approval of CCI is prima facie unconstitutional.

8. In view of the above, CCI is requested to issue following directions to the Federal Government to:

- i. withdraw the ECC arbitrary decisions related to LNG such as Cases No. ECC-15/7/2014 dated 28.02.2014, ECC-77/03/2014 dated 18.04.2014, ECC-94/08/2013 dated 02.07.2013, ECC-110/17/2014 dated 15.08.2014;
- ii. withdraw CCoE decision No. CCE-2/2/2014 dated 21.11.2014 through which 325 to 400 MMCFD RLNG has been allocated to IPPs located in SNGPL system;
- iii. cancel unilateral swapping arrangement between M/s SNGPL & SSGCL (Annex-I);
- iv. provide all relevant information to provincial governments including but not limited to the following:
  - a. copies of all related summaries on LNG for ECC and CCoE
  - b. minutes of such ECC and CCoE meetings;
  - c. feasibility, technical, financial and commercial reports;
  - d. transportation, distribution and swapping mechanism;
  - e. services, supply, sale, purchase agreement
- v. place above referred ECC and CCoE decisions and other ancillary and incidental matters such as secure, reliable, and uninterrupted supply chain, pricing, storage, transmission, distribution, swapping, monitoring of swapping, revised natural gas tariff, use of RLNG in power generation etc before CCI for debate and decision;
- vi. to share details of import of natural gas from TAPI & IP projects.

9. The summary was circulated to the provinces of Punjab, Balochistan and Khyber Pakhtunkhwa and Ministries of Petroleum & Natural Resources, Water & Power and M/o Law, Justice & Human Rights for views (Annexure-II). Views of the Province of Khyber Pakhtunkhwa, Balochistan, MoP&NR & Ministry of Law, Justice & Human Rights are received which are placed at Annexure-III, Annexure-IV, Annexure-V & Annexure-VI respectively.

10. Approval of the CCI is solicited to the proposal mentioned at Para-8 above.

11. The Chief Minister has seen and authorized submission of this Summary to the Council of Common Interests (CCI).

**CHIEF SECRETARY  
GOVERNMENT OF SINDH**

**Dated: 01.06.2015**



# GOVERNMENT OF KHYBER PAKHTUNKHWA ENERGY & POWER DEPARTMENT

Abdul Wali Khan Multiplex Block-A, 1<sup>st</sup> Floor  
Tel: +92-91-9223628, Fax: +92-91-9223624  
Civil Secretariat Peshawar

No. CPO/E&P/PEDO/2015 / 1301  
Dated: 23-11-2015

Registrar,  
National Electric Power Regulatory Authority (NEPRA),  
NEPRA Tower, G-5/1,  
Islamabad, Pakistan.  
Tel: +92-51-2013200, Fax: +92-51-9210215.

**SUBJECT: APPLICATION OF QUAID-E-AZAM THERMAL POWER PLANT (PVT) LIMITED (QATPPL) FOR GRANT OF GENERATION LICENSE FOR its 1000-1500 MW THERMAL POWER PLANT. DISTRICT SHEIKHUPURA.**

Sir:

The undersigned is directed to refer to the public hearing notice published in newspaper "The News" dated: 07-Nov-2015 (enclosed), and to state that we fully support the Government of Pakistan's initiatives to overcome power crisis but we have serious concerns over the approval process, it being ultra vires, project fuel requirements/arrangements, technology, financing, implementation schedule (COD), efficiency, plant factors etc. which will have a big impact on the project output and also on the economy of the Country.

2. Since LNG falls under the Fourth Schedule Part II; it is questionable whether the CCI approve use of LNG for such power plant? In case CCI approval is granted, it is requested that sponsor may be directed to share the same. Without the approval of CCI any proceeding shall be ultra vires and against the Constitution. Para B on page ES-1 needs further clarifications, such as the Para starts with 18<sup>th</sup> Amendment but the listing is fully deviate.

3. The said NEPRA's public notice hearing states that the total project cost is US\$ 1,295.8 million while the License Application submitted by QATPPL contradicts the figures by estimating a total project cost of US\$ 1,073 million. Please clarify the actual.

4. Reference to Page: ES-2, Para: (ii), QATPPL shall provide the basis for 200 MMCFD of RLNG will be able to produce 1500MW of power.

5. Reference to Page: ES-3, Para: (v), we are of opinion that the 27 month time frame is neither realistic, nor achievable. QATPPL is requested to provide the complete project schedule/plan till COD on Primavera P6 to analyze the implementation plan.

6. Reference to Page: ES-3, Para: (vi), QATPPL may kindly, share the breakup for project cost (US \$600-700 million) and operation cost (US \$27-36.5 million).

For information & info Mr. [Signature]

— Dir (Lic)

Sp. [Signature]

— SAC (Tech)

— SAT - I

— Consultant (Cen)

— LA (Lic) — Dir. J. Reg. [Signature]

— M/F

24.11.15

Co-Chairman

Ve / m (CA)

m (T)

m (MSE)

m (Lic)

NEPRA  
Licence Division  
25-11-15

Registrar 12/180  
By No. 24-11-15  
Dated 24-11-15



**GOVERNMENT OF KHYBER PAKHTUNKHWA  
ENERGY & POWER DEPARTMENT**

Abdul Wali Khan Multiplex Block-A, 1<sup>st</sup> Floor


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Civil Secretariat Peshawar

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7. Reference to Page: 4-9, Table: 4.2, the minimum time period to reach COD is 30 months which contradicts with information on Page: ES-3, Para: (v). kindly, clarify the actual as the COD will have a direct impact upon the project cost.
8. Reference to Page: 4-9, Table: 4.2, the Minimum Net Efficiency at ISO is 58% but actually the list of turbines proposed on Page: 4-3, Para: (a), have an efficiency of 62.1% at ISO. Please clarify.
9. Reference to Page: 4-3, Para: (a), the list of proposed turbines have no proven track record in international market. Pakistan being an economically unstable country, can't afford to take risks of such stature. It is proposed that the turbines that have a proven operation record of at least 5-7 years must be used to avoid any menace.
10. QATPPL shall also provide the efficiency of boilers, steam turbines and HRSG along with the plant factor with substantial analysis.
11. QATPPL is requested to provide the Feasibility Study to include FEED package, project economic study in detail and project implementation guidelines.
12. It is suggested that for early completion of project, a 'Progress Committee' may be constituted which should take all the Province/Stakeholders on board and monitor the progress.
13. The Authority is requested to provide the data as mentioned above and shall call upon a public hearing in this matter prior to making any decision.

Best regards,  
Sincerely,

  
Syed Zain Ullah Shah  
(Chief Planning Officer)

**CC:**

1. PS to Secretary, Energy & Power Department, Government of Khyber Pakhtunkhwa.
2. PS to Secretary, Energy & Power Department, Government of Sindh.
3. PS to Secretary, Energy & Power Department, Government of Punjab.
4. PS to Secretary, Energy & Power Department, Government of Baluchistan.
5. CEO, PEDO.
6. CEO, KPOGCL.

Chief Planning Officer

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IMMEDIATE

PRIME MINISTER'S OFFICE  
BOARD OF INVESTMENT  
Ataturk Avenue, Sector G-5/1  
(Tel: 92-51-9224749, Fax: 9244557)

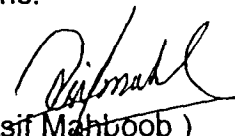
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Subject:- NEPRA HEARINGS IN THE MATTER OF APPLICATIONS OF  
M/S. ELECTRIC COMPANY LIMITED, QUAID-E-AZAM  
THERMAL POWER (PVT.) LIMITED FOR GRANT OF  
GENERATION LICENSES

Kindly refer to NEPRA's letters dated November 10, 2015 regarding the subjects cited above.

2. As energy sector is priority sector of the Government to cater the short fall in the country, Board of Investment (BOI), being an investment promoting and facilitating agency has also been making its efforts to attract investment in the energy sector. BOI understands that affordable and smooth supply of energy is the backbone for industrial growth as well as attracting FDI in the country.

3. In view of above the subject proposals of M/s. Quaid-e-Azam Thermal Power (Pvt.) Ltd. and M/s NC Electric company Ltd. for generation licenses are supported subject to consumer friendly and competitive tariff and completion of all codal/technical formalities under rules & regulations.

  
( Qazi Asif Mahboob )  
Desk Officer (PP)

Mr. Iftikhar Ali Khan, Deputy Registrar, National Electric Power Regulatory Authority (NEPRA), NEPRA Tower, Ataturk Avenue (East), G-5/1, Islamabad.  
BOI's U. O. No. 2(57)/2015/PP dated 18-11-2015

NEPRA  
Licensing Division  
Diary No.: 6656  
Date: 25-11-15

Registrar 12228  
No. 25475  
dated.....

For information  
25.11.15  
cc: Chairman  
m (Lic).  
Div (Lic)  
Capt. D.  
SA (Tech)  
Gen. Secy (Gen)  
SAT - I  
A (Lic)  
m (F)  
27/11/15





# PORT QASIM AUTHORITY

(Private Sector Project Department)

209

Gateway to National Prosperity

No. PQA/RSP/236/2011  
Dated: 23<sup>rd</sup> November 2015

**The Joint Secretary (Admn)**  
Ministry of Ports & Shipping  
Government of Pakistan  
Islamabad.

**Subject: APPLICATIONS OF NC ELECTRIC COMPANY LIMITED AND QUAID-E-AZAM THERMAL POWER (PVT) LIMITED FOR GRANT OF GENERATION LICENCES FOR 46.0 MW THERMAL POWER PLANT, DISTRICT KASUR AND 1000-1500 MW THERMAL POWER PLANT, DISTRICT SHEIKHUPURA, RESPECTIVELY.**

Reference NEPRA letters No.NEPRA/R/LAG-318/16276-87 dated 10<sup>th</sup> November 2015 and NEPRA/R/LAG-317/16330-40 dated 10<sup>th</sup> November 2015 on the above subject, copies attached.

2. The thermal power plants i.e one by coal based and other by gas based are being established at District Kasur and District Sheikhupura respectively. PQA supports these projects, to meet shortage of energy in the country.

**Encl: As above**

**Copy to:**

National Electric Power Regulatory Authority (NEPRA)  
NEPRA Tower Attaturk Avenue (East) G-5/1  
Islamabad.

With reference to NEPRA letters under reference

FAX: 051-2600026

Rel: 051-9206500

(MUHAMMAD SAQIB)  
Secretary

NEPRA  
Licensing Division  
Diary No. 6688  
Date: 1-12-15

Registrar  
Dy No. 12432  
Dated: 30-11-15

Place it in each project file

DD - I 27  
A/S 27  
23/12/15

- (i) SPS to Secretary Petroleum & NR
- (ii) SPS to Additional Secretary(A&D) Petroleum & NR
- (iii) PA to DG (Gas) Petroleum & NR