

02 January 2017

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

Subject: License Proposed Modification Application- on behalf of Lotte Chemicals Pakistan Limited (the "Company")

Dear Sir,

I, Ashiq Ali, Chief Financial Officer of Lotte Chemicals Pakistan Limited 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 No SGC/93/2013 dated 26 November 2013 pursuant to Regulation 10(2) of the National Electric Power Regulatory Authority (Application and Modification Procedure) Regulations, 1999 (the "**AMPR**")

I certify that the documents-in-support attached with this application are prepared and submitted in conformity with the provisions of the NEPRA (Application and Modification Procedure) Regulations, 1999 (the "**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.

A bank draft No. 10538301 dated 29 December 2016, in the sum of Pakistan Rs 294,384/-being the non-refundable license application fee calculated in accordance with Schedule II to the Regulations for the modification of the license, is also attached herewith.

Yours Sincerely


Ashiq Ali
Chief Financial Officer



EXTRACT OF A RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF
LOTTE CHEMICAL PAKISTAN LIMITED THROUGH RESOLUTION BY CIRCULATION
ON 29 DECEMBER 2016, AT KARACHI.

“Modification of NEPRA Generation License No. SGC/93/2013”

RESOLVED THAT the Company be and is hereby authorized to file Licensee Proposed Modification Application (the “LPM”) in respect of Generation License # No. SGC/93/2013 (the “License”) under NEPRA laws with the National Electric Power Regulatory Authority (NEPRA).

FURTHER RESOLVED THAT Ashiq Ali, Chief Financial Officer is hereby authorized for and on behalf of the Company to sign all necessary documents, pay necessary fee, appear before the Authority as needed and to do all such acts necessary for processing and completion of this License Proposed Modification.

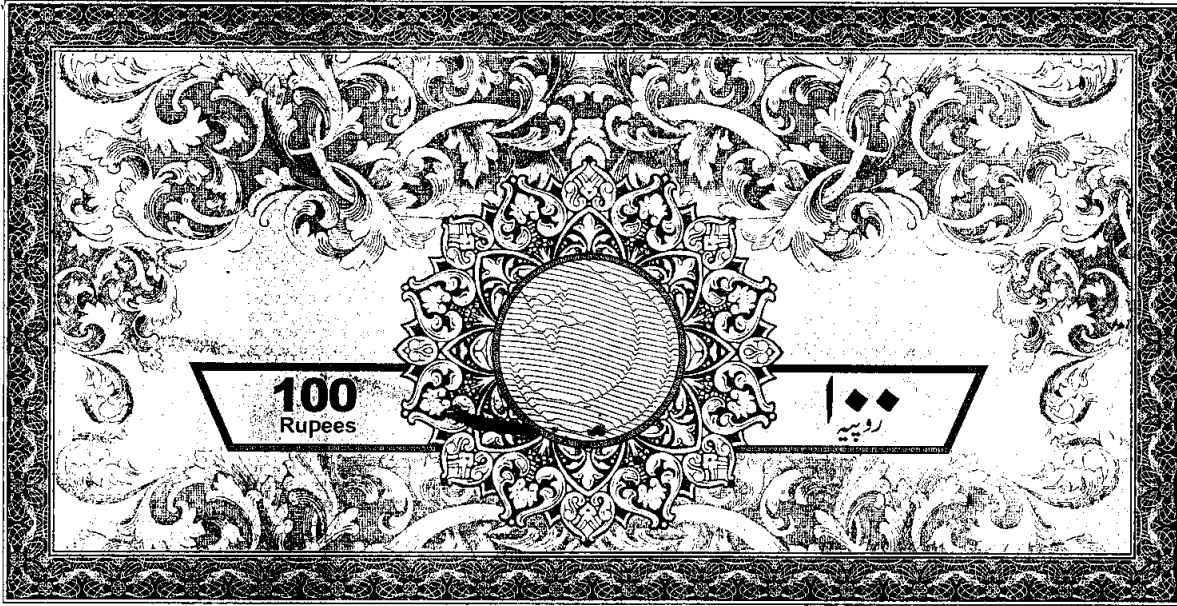
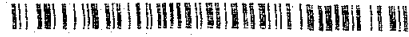
FURTHER RESOLVED THAT MR. NAdir Altaf, Saira Khalid Khan, Haseeb Rao, Michelle Shahid Advocates of RIAA Barker Gillette to appear and act for the Company as its advocates in connection with the processing, presentation of the Company’s LPM. Further Resolved that the said Advocates or any one of them to do all acts and things necessary for the processing, completion and finalization of the LPM with NEPRA.

CERTIFIED TRUE COPY



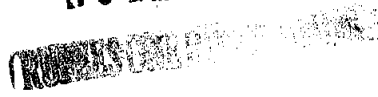
HUMAIR IJAZ
CHIEF EXECUTIVE





Muhammad Adeel Alvi Stamp Vendor
 Licence No. 143 High Court of Sindh
 No. 30431 Date: 16 DEC 2016
 I used To With Address.....
 Through With Address.....
 PURPOSE: **TAHA SIDDIQUI**
 Value Rs..... Attested: **ADVOCATE**
 Stamp Vendor Signature: **15126/LC/KHI**

16 DEC 2016



PETITION FOR LICENSEE PROPOSED MODIFICATION OF LICENSE No SGC/93/2013

ON BEHALF OF

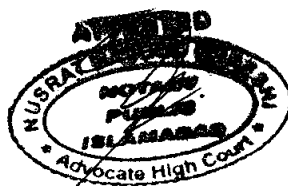
LOTTE CHEMICAL PAKISTAN LIMITED

AFFIDAVIT

I, Ashiq Ali, Chief Financial Officer of Lotte Chemicals Pakistan Limited hereby solemnly affirm and declare that the contents of the accompanying Licensee Proposed Modification Application (the "LPM") in respect of Generation License # No. SGC/93/2013 (the "License") are true and correct to the best of my knowledge and belief and the nothing material has been concealed therefrom.

I also affirm that all further documentation and information to be provided by me in connection with the accompanying application for the modification of our Generation License will also be true to the best of my knowledge and belief.

KARACHI
01.01.2017



02 JAN 2017


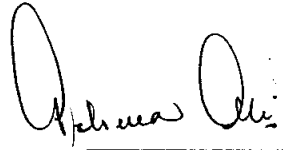
Ashiq Ali
 DEPONENT

VAKALATNAMA

We, Lotte Chemical Pakistan Limited, (the "Company"), hereby appoint and constitute M/s MR. NADIR ALTAF, SAIRA KHALID KHAN, HASEEB RAO AND MICHELLE SHAHID Advocates to appear and act for us as our advocates in connection with the Licensee Proposed Modification Application (the "LPM") filed in respect of its Generation License # No. SGC/93/2013 (the "License") under NEPRA laws with the National Electric Power Regulatory Authority (NEPRA).


I/We also authorize the said Advocates or any one of them to do all acts and things necessary for the processing, completion and finalization of the Petition with NEPRA.

For and on behalf of
Lotte Chemical Pakistan Limited



[Authorized signatory]

ACCEPTED



RIAA BARKER GILLETTE
ADVOCATES & CORPORATE COUNSELLORS
68 NAZIMUDDIN ROAD, F-8/4,
ISLAMABAD, UAN: 111-LAWYER

BEFORE
THE NATIONAL ELECTRIC POWER
REGULATORY AUTHORITY

PETITION FOR LICENSEE PROPOSED MODIFICATION OF LICENSE
No SGC/93/2013

ON BEHALF OF
LOTTE CHEMICAL PAKISTAN LIMITED

Dated: 02.01.2017

Submitted by:

<p>LotteChemical Pakistan Limited <i>EZ/1-P-4, Eastern Industrial Zone, Port Qasim, Karachi-74200</i></p>	<p style="text-align: right;">Legal Consultants RIAA BARKER GILLETTE Advocates & Corporate Counselors 68, Nazimuddin Road, F-8/4, Islamabad Tel: 051-111-LAWYER, Fax: 051-2850444 www.riaabg.com</p>
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PETITION FOR LICENSEE PROPOSED MODIFICATION OF LICENSE No SGC/93/2013

ON BEHALF OF

LOTTE CHEMICAL PAKISTAN LIMITED

1. Legal Basis

1.1 Lotte Chemical Pakistan Limited (the "Company" or "LCPL") in pursuance of *inter alia*, Regulation 10(2) of the (Application and Modification Procedure) Regulations, 1999 (the "AMPR") and other applicable provisions of the Regulation of Generation Transmission and Distribution of Electric Power Act, 1997 (the "Act"), Rules, Regulations and applicable documents submits this Licensee Proposed Modification Application (the "LPM") in respect of its Generation License # No. SGC/93/2013 (the "License").

2. Background

2.1 LCPL is a public limited company and is *inter alia* engaged in the business of manufacturing pure Terephthalic Acid a raw material used by textile and packaging industry, having its facilities at Port Qasim, Karachi.

2.2 In order to ensure reliable power supply to its above manufacturing facilities, LCPL decided to set up a 48.10 MW co-generation Power Plant adjacent to it. For this purpose, a separate legal entity was incorporated in the name of Lotte PowerGen (Private) Limited ("LPGPL").

2.3 LPGPL in accordance with Section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997, (hereafter the "NEPRA Act") filed an application on June 01 2013, requesting for the grant of the Generation License for the above mentioned facilities. The Authority approved the grant of the Generation License to LPGPL which were subject to the provisions contained in the NEPRA Act, relevant Rules and Regulations.

2.4 Through a Scheme of Arrangement approved by the Honorable High Court of Sindh filed, *inter alia*, under sections 284 and 287 of the Companies Ordinance, 1984, the LPGPL got amalgamated into LCPL (the "Amalgamation") vide Order of the High Court of Sindh at Karachi dated 29

January 2015 sanctioning the Scheme of Arrangement for the Amalgamation of LPGPL in to LCPL.

- 2.5 In light thereof the Authority vide letter No. NEPRA/D (Lic)/LAG-212/124 dated 06.01.2016 allowed the change of licensee from Lotte Powergen (Private) Limited to Lotte Chemical Pakistan Limited, copy appended herewith as **(Annex-B)**. The aforesaid decision needs to be appropriately reflected in the generation license.

3. LCPL request for modification in the license:

The aforesaid license now needs to be modified on account of the following developments:

- 3.1 The existing license, restricts LCPL to sell power only to Bulk Power Consumer. After the Amalgamation, LCPL having surplus energy intends to offer the same to other consumers including but not limited to K-Electric (previously known was KESC). An NOC/Permission to sell surplus Power to K-Electric from the Sui Southern Gas Company Limited is appended herewith as **(Annex-C)**.
- 3.2 The learned Authority is therefore, requested to grant permission to LCPL to sell power to K-Electric and to other bulk power consumers. It is understood that the relevant entity will comply with the regulatory requirement(s) and seek consent for the procurement of power and approval of the terms and conditions for the procurement as per the applicable regime and NEPRA laws.

4. Text of the Proposed Modification

- 4.1 The following changes should kindly be made in the license:

- (i) It is understood that the being a utility, the name of "K-Electric Limited" is not required to be specifically added in the list of consumers. The learned Authority is required to take decision which is just and fair in these circumstances;
- (ii) In Schedule-I "Interconnection/Transmission Scheme for Dispersal of Power from the Generation Facility/Cogeneration Power Plant" the

name of K-Electric Limited may be added before the 'Bulk Power Consumers ('BPCs'), if and to the extent it is deemed appropriate;

- (iii) In Schedule -I "Information Regarding Distribution Network for Supply of Power to Bulk Power Consumer" the name of K-Electric Limited should be changed/modified before Bulk Power Consumer, if and to the extent it is deemed appropriate.
- (iv) In Schedule – I "Information Pertaining to the Bulk Power Consumer" the name of the name of K-Electric Limited may be added before Bulk Power Consumer. In the table below the relevant information should be added below particularly in part(s) (i) (iv) and (v), if and to the extent it is deemed appropriate.
- (v) It is understood that the being a utility, the name of "K-Electric Limited" is not required to be specifically added in the list of consumers. However, if so deemed appropriate and required under the law, the sale to Bulk Power Consumer(s) may be replaced with the name of K-Electric Limited, in Schedule –II.

5. Rationale for Proposed Modification:

5.1 Kindly note that the Proposed Modification shall be in public interest as it will enable the Company to supply to K-Electric, the excess/surplus generation which shall result to benefiting the general public and consumers at large. The Proposed Modification is in compliance with the applicable laws, in particular Regulation 10(5) of the Regulations, and:

- (i) Does not adversely affect the performance by the Company of its obligations;
- (ii) does not cause the Authority to act/acquiesce in any act or omission of the licensee in a manner contrary to the provisions of the NEPRA Act or the rules or regulations made pursuant to the NEPRA Act;
- (iii) is or is likely to be beneficial to the consumers; and
- (iv) It is reasonably necessary for the licensee to effectively and efficiently perform its obligations under the Generation License;

6. Impact of the Proposed Modification:

6.1 Impact on Tariff

As the learned Authority would appreciate, the proposed amendment does not impact the tariff in any manner.

6.2 Impact on Quality of Service and the Performance by the Company/Licensee

The Company certifies 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 "Application for the Proposed Modification of the License".

6.3 Impact on the obligations of the Company under the License

The proposed modification would facilitate the Company in fulfilling its obligations under the License.

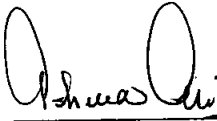

PRAYER

License Proposed Modifications Petition

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

- A. That the Generation License may kindly be issued in the name of Lotte Chemicals Pakistan Limited, pursuant to the approval of NEPRA in light of the High Court decision and NEPRA letter No. NEPRA/D (Lic)/LAG-212/124 dated 06.01.2016.
- B. That the Authority shall approve the modifications proposed in its generation license for the development of the Project.
- C. That the Authority may be pleased to treat the Company's request for the grant of this LPM on a non-discriminatory basis.
- D. 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,
Lotte Chemical Pakistan Limited

2 January 2017



Sui Southern Gas Company Limited

Sales/NOC/PG-1421
15-11-2016

Mr. Adnan Samdani
Director Finance & Company Secretary
M/s. Lotte Chemical Pakistan Limited
Plot No. EZ/1/P-4 Eastern Industrial Zone
Bin Qasim
Karachi.

Subject: **NOC/Permission to Sell Surplus Power to K-Electric
From approved Gas load of 09 MMCFD (38 MW) for Captive
Generation Customer No. 5371775743 at Plot No. EZ/1/P-4
Eastern Industrial Zone Bin Qasim Karachi.**

This is with reference to your letter dated August 26 2015.
We are pleased to inform that your request to sell surplus power to K Electric
from approved gas based Captive Power Generation has been approved by SSGC
subject to following conditions:

1. You will undertake to take RLNG (on as and when available basis) for the portion of surplus power failing which gas supply for volume utilized for selling of Power will be disconnected and NOC will also be cancelled.
2. The NOC is subject to availability of mechanism / infrastructure for supply of surplus power to K-Electric.
3. Gas supplies would be on as and when available basis.
4. NOC will be subject to cancellation in case of any directives from Government of Pakistan.
5. No outstanding gas bills/invoice to-date would be allowed.
6. No direct litigation against SSGC will be carried out by you.
7. Gas supply deposit will be updated by you for full volume of gas.
8. The NOC is subject to use of gas in high efficiency system for Captive power generation.

Yours sincerely,

Dr. Ejaz Ahmed
A/SGM (CS)

For: Managing Director