

BEFORE
THE NATIONAL ELECTRIC
POWER REGULATORY AUTHORITY



APPLICATION FOR MODIFICATION OF DISTRIBUTION LICENCE NO. 12/DL/2006 DATED NOVEMBER 17, 2006

IN RESPECT OF

87.82 MW power plant located at 33-KM, Faisalabad Sheikhpura Road, Faisalabad in the Province of
Punjab, Pakistan

Dated: 05.05.2017

Filed for and behalf of:
SITARA ENERGY LIMITED

Through:
RIAA BARKER GILLETTE
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33-K.M. Sheikhpura Road,
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Tel: 92-41-4689270, 4689271.
Fax: 92-41-4689269

May 05, 2017

The Registrar

National Electric Power Regulatory Authority
NEPRA Tower, Ataturk Avenue (East), Sector G-5/1
Islamabad, Pakistan.



**Sitara
Energy
Limited**

SUBJECT: APPLICATION FOR MODIFICATION OF DISTRIBUTION LICENCE NO. 12/DL/2006

I, Mr. Javed Iqbal, Chief Executive Officer, of the Sitara Energy Limited (the "**Company**" or "**SEL**") is the duly authorized representative on behalf of the Company by virtue of a Board Resolution dated 04.05.2017, appended herewith, hereby apply to the National Electric Power Regulatory Authority ("**NEPRA or Authority**") for the renewal of Distribution License for the Company bearing No. 12/DL/2006 dated November 17, 2006 in respect of the Company's 87.82 MW power plant located at 33-KM, Faisalabad Sheikhpura Road, Faisalabad in the Province of Punjab, Pakistan (the "**Project**") hereby apply to the National Electric Power Regulatory Authority (NEPRA) for the modification of its Distribution Licence No. 12/DL/2006 pursuant to Regulation 10(2) of National Electric Power Regulatory Authority (NEPRA) Licensing (Application and Modification Procedure) Regulations, 1999 (the "**AMPR 1999**") read with Rule 5 of the Licensing (Distribution) Rules, 1999 (the "**Distribution Rules**").

I certify that the documents-in-support attached with this application are prepared and submitted in conformity with the provision of National Electric Power Regulatory Authority (NEPRA) Licensing (Application and Modification Procedure) Regulations, 1999, and undertake to abide by the terms and provisions of above-said regulations. I further undertake and confirm that the information provided in the attached documents-in-support is true and corrected to the best of my knowledge and belief.

A pay order in the sum of Rupees 1,851,300/- being the non-refundable application processing fee calculated in accordance with Schedule-II to National Electric Power Regulatory Authority Licensing (Application and Modification Procedure) Regulations, 1999, is also attached herewith.

(Javed Iqbal)
Chief Executive Officer
Sitara Energy Limited

A/

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**EXTRACTS FROM
RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF
SITARA ENERGY LIMITED
DATED MAY 4, 2017**



RESOLVED that Sitara Energy Limited (the “Company”) shall apply for modification of its Distribution License No. 12/DL/2006 dated November 17, 2006 (the “Distribution License”) in respect of the Company’s 87.82 MW power plant located at 33-KM, Faisalabad Sheikhpura Road, Faisalabad in the Province of Punjab, Pakistan (the “Project”), and in relation thereto, sign all requisite documentation, pay all applicable fees and undertake all other necessary and ancillary acts and deeds.

RESOLVED FURTHER that an application for Licensee Proposed Modification of its Distribution License be made to NEPRA with regards to the Project (the “LPM”).

RESOLVED FURTHER that Mr. Javed Iqbal S/O Haji Abdul Ghafoor, bearing CNIC No. 33104-5656681-9, the Chief Executive Officer of the Company and Mr. Sarosh Javed S/O Javed Iqbal, bearing CNIC No. 33104-8867016-5, the Director of the Company, be and are hereby authorized to sign the LPM and any documentation ancillary thereto, represent before and provide any information required by the National Electric Power Regulatory Authority in relation to the LPM, do all lawful acts and deeds necessary and ancillary for the processing, completion and finalization of the LPM, and authorize legal advisors to represent the Company before the National Electric Power Regulatory Authority in respect of the LPM.


CERTIFIED TO BE TRUE COPY


(Javed Iqbal)
Chief Executive Officer
Sitara Energy Limited

CERTIFICATION

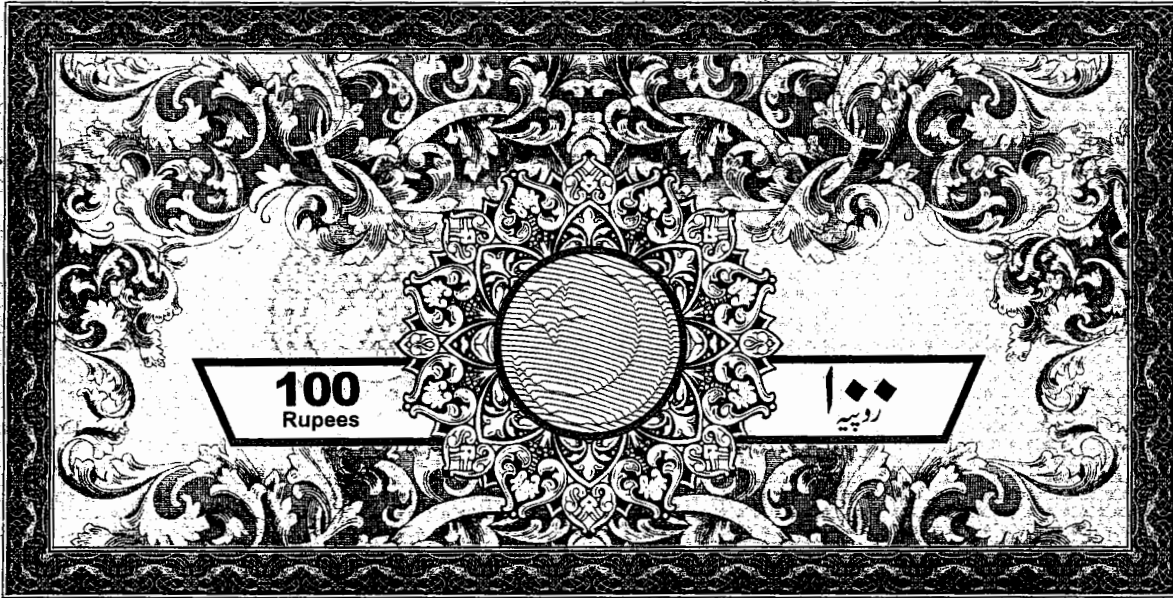
CERTIFIED, that, the above resolution was duly passed by the Board of Directors of Sitara Energy Limited in their meeting held on May 4, 2017, for which the quorum of directors was present.

FURTHER CERTIFIED, that the said resolution has not been rescinded and is in operation and that this is a true copy thereof.


(Javed Iqbal)
CHIEF EXECUTIVE OFFICER
SITARA ENERGY LIMITED

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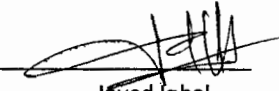


BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

AFFIDAVIT

I, Mr. Javed Iqbal S/O Haji Abdul Ghafoor, bearing CNIC No. 33104-5656681-9 being duly authorized by Sitara Energy Limited, hereby solemnly affirm and declare on oath that the contents of the accompanying application of Sitara Energy Limited for the modification of its Distribution Licence No. 12/DL/2006 dated November 17, 2006, including all attached documents-in-support, are true and correct to the best of my knowledge and belief and that nothing has been concealed.

DEPONENT

Signature: 
Name: Javed Iqbal
Dated: 05.05.2017



ATTESTED

Anjam Mahmood Awan
Advocate
Oath Commissioner
District Court Faisalabad

05 MAY 2017



PETITION FOR LICENSEE PROPOSED MODIFICATION OF DISTRIBUTION LICENSE No.
12/DL/2006 DATED 17.11.2006

ON BEHALF OF
SITARA ENERGY LIMITED

1. **Legal Basis:**

- (A) Sitara Energy Limited in pursuance of, *inter alia*, Regulation 10(2) of NEPRA (Application and Modification Procedure) Regulations, 1999 (the “**AMPR 1999**”) read with Rule 5 of Licensing (Distribution) Rules 1999 (the “**Distribution Rules**”) and other applicable provisions of the Regulation of Generation Transmission and Distribution of Electric Power Act, 1997 (the “**Act**”), Rules, Regulations and applicable documents (collectively “**NEPRA Laws**”) submits this Application for Licensee Proposed Modification of its Distribution License (the “**LPM Application**”) in respect of its Distribution License No. 12/DL/2006 dated 17.11.2006 (the “**License**”).

Regulation 10(2) of AMPR 1999 states as under:

A licensee may, at any time during the term of the licence, communicate to the Authority a licensee proposed modification setting out:

- a) The text of the proposed modification;*
- b) A statement of the reasons in support of the modification; and*
- c) A statement of the impact on tariff, quality of service and the performance by the licensee of its obligations under the licence.*

The Rule 5 of the Rules state as under:

5. Terms and renewal:

(I) Except where an applicant for distribution licence consents to a shorter term, the term of a distribution licence shall not be less than twenty years.

(2) Upon the expiry of the term of the distribution licence, unless revoked earlier in accordance with these rules or the terms of the distribution licence or unless not provided for in the distribution licence, the distribution licence may be renewed by the Authority for such further term as may be deemed appropriate by the Authority in the manner provided for in the distribution licence, keeping in view the performance of the licensee during the previous term and the interests of the consumers and the electric power industry as a whole.

- (B) Under Section 20 of the Act, NEPRA awarded a Distribution License to Sitara Energy Limited to engage in distribution business to the extent of ownership, maintenance and control of the isolated distribution system provided in the License for the distribution of power generated and distributed to the consumers as per the Generation License No. SGC/012/2002 dated 02.01.2002 for its Generation Facility at 33-KM, Faisalabad Shekhupura Road, Faisalabad in the Province of Punjab, Pakistan and second-tier supply authorization in respect of consumers listed in the License.

2. **Sitara Energy Limited (the "Company" or "SEL") request for modification of its Distribution License:**

- (a) The Company holds a Distribution License No. 12/DL/2006 dated 17.11.2006 as well as a Generation License bearing No. SGC/012/2002 dated 02.01.2002 for its 87.82 MW power plant located at 33-KM, Faisalabad Shekhupura Road, Faisalabad in the Province of Punjab, Pakistan.
- (b) Pursuant to Regulation 10(2) of AMPR 1999, Rule 5 of NEPRA Distribution Licensing Rules and Rule 5 of NEPRA Generation Licensing Rules, respectively, the Company is eligible to apply and seek an extension of its respective Distribution License and Generation License.
- (c) It is stated that simultaneously with this LPM Application, the Company is also filing an LPM Application seeking modification and extension of term of Generation License, which may be read as integral part of this LPM Application. Through its aforesaid LPM Application for the extension of term of generation license, the Company has requested NEPRA to extend the term of Generation License for a further period of fifteen (15) years.

- (d) Article 5 of the Company's Distribution License No. 12/DL/2006 dated 17.11.2006 state that:

Article 5 Term & Renewal of License

The term of this License shall become co-terminus with the validity of generation License No. SGC/012/2001 dated January 2, 2002, issued to Sitara Energy Limited or up to the date on which all the consumers mentioned in Schedule-II of this License stop purchasing power on a permanent basis from the Licensed SPP, whichever is earlier.

- (e) Article 5 of the License provides that the term of the Distribution License shall be co-terminus with the validity of SEL's Generation License No. SGC/012/2002 dated 02.01.2002 which means that the Distribution License was valid up to January 1, 2017.
- (f) While the appropriate time for the filing the LPM Applications for the extension of respective Generation License and Distribution License terms was on or before 2 January 2017, the Company inadvertently and unintentionally failed to file the same earlier and begs the learned Authority to kindly consider this LPM Application and condone the delay, if any. It is respectfully submitted that the delay was on account of oversight.
- (g) SEL hereby requests the learned Authority to consider and accept the request for the modification of its Distribution License in pursuance of Regulation 10(2) of AMPR, 1999, which provides that a licensee may propose a modification in its license, read with Section 5 of the Licensing (Distribution) Rules 1999, which provides that upon expiry of the distribution license, the Authority may renew the distribution license *"for such further term as may be deemed appropriate by the Authority in the manner provided for in the distribution license, keeping in view the performance of the licensee during the previous term and the interests of the consumers and the electric power industry as a whole."*
- (h) SEL requests the Authority to kindly consider the interests of SEL consumers and the electric power industry as a whole and while adjudicating this Application, allow SEL to continue distributing electric power. SEL is devoted to undertake its distribution business and aspires to cater to the energy crisis currently being faced by Pakistan.
- (i) The requested modification would benefit consumers as it would ensure that generation capacity of SEL continues to be available and maintained. Moreover, there

will be no adverse impact on the quality of service provided by SEL if this LPM Application is accepted. Further, there will be no adverse impact on the performance of the Company.

- (j) Additionally, SEL would like to bring to the Authority's attention that SEL is a meticulous service provider and has complied with the Performance Standards and Distribution Code prescribed by the Authority and the Environmental Standards.
- (k) In light thereof, SEL requests the Authority to please modify the distribution license to avoid any losses that SEL and its consumers might incur as a result of its distribution facilities being discontinued.

3. **Impact of the Proposed Modification:**

3.1 **Impact on Tariff**

As the learned Authority would appreciate, the proposed amendments would not impact the tariff of the Company.

3.2 **Impact on Quality of Service**

The Company certifies that the quality of service and the performance by the Company under the Distribution License shall not be affected on acceptance by NEPRA of this LPM Application. As mentioned above, the Company has been fully diligent and dedicated in the performance of its services and aspires to cater to the energy crisis currently being faced by Pakistan.

3.3 **Impact on the obligations of the Company under the License**

The proposed modification would facilitate the Company in fulfilling its obligations under the License and continue the distribution of electric power to its consumers.



Prayer:

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

- A. That the Authority may kindly approve the modification of SEL's Distribution License for a term corresponding to the extended term of SEL's Generation License which is being sought through a separate petition for modification filed together with this Petition;
- B. During the pendency and adjudication of this Petition, the Company humbly requests the learned Authority to kindly allow it to continue to perform distribution activities and undertake distribution business;
- C. That the Authority may be pleased to treat the Company's request for Licensee Proposed Modification of SEL's Distribution License expeditiously and 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 SEL shall remain available to assist the Authority in further queries/clarifications.

Sincerely,
Sitara Energy Limited
05.05.2017

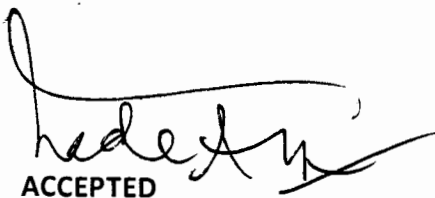


VAKALATNAMA


I, Javed Iqbal, S/O Haji Abdul Ghafoor, bearing CNIC No. 33104-5656681-9, hereby appoint and constitute **Mr. NADIR ALTAF, Mr. HASEEB RAO AND Ms. MICHELLE SHAHID** of **M/S RIAA Barker Gillette** to appear and act for Sitara Energy Limited as our legal advisors in connection with preparation, filing and follow up of the application before the National Electric Power Regulatory Authority for the modification of its Distribution License No. 12/DL/2006 dated November 17, 2006 in respect of 87.82 MW power plant located at 33-KM, Faisalabad Sheikhpura Road, Faisalabad in the Province of Punjab, Pakistan and represent us in connection therewith.

The above mentioned legal advisors, or any of them, are also authorized to do all acts and things necessary for the processing, completion, acceptance and finalization of the application for modification of Distribution License No. 12/DL/2006 dated November 17, 2006 with the National Electric Power Regulatory Authority.


Dated: 05.05.2017



ACCEPTED



RIAA Barker Gillette
68 NAZIMUDDIN ROAD, F-8/4
ISLAMABAD
UAN: 111-LAWYER



(Javed Iqbal)
Chief Executive Officer
For and on behalf of
Sitara Energy Limited

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