



BEFORE
THE NATIONAL ELECTRIC
POWER REGULATORY AUTHORITY

APPLICATION FOR MODIFICATION OF GENERATION LICENCE NO. SGC/012/2002 DATED JANUARY 2, 2002

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 5, 2017



The Registrar


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

SUBJECT: APPLICATION FOR MODIFICATION OF GENERATION LICENCE NO. SGC/012/2002

I, Mr. Javed Iqbal, Chief Executive Officer, of Sitara Energy Limited (the "**Company**" or "**SEL**") am 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 modification of Generation License for the Company bearing No. SGC/012/2002 dated January 2, 2002 in respect of the Company's 87.82 MW power plant located at 33-KM, Faisalabad Sheikhupura Road, Faisalabad in the Province of Punjab, Pakistan (the "**Project**") 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 (Generation) Rules, 2000 (the "**Generation 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 370,260/- 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

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**EXTRACTS FROM
RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF
SITARA ENERGY LIMITED
DATED MAY 04, 2017**

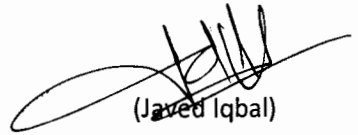


RESOLVED that Sitara Energy Limited (the "Company") shall apply for modification of its Generation License No. SGC/012/2002 dated January 2, 2002 (the "Generation License") in respect of the Company's 87.82 MW power plant located at 33-KM, Faisalabad Sheikhupura Road, Faisalabad in the Province of Punjab, 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 Generation License be made to NEPRA with regards to the Project (the "LPM").

RESOLVED FURTHER that Mr. 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

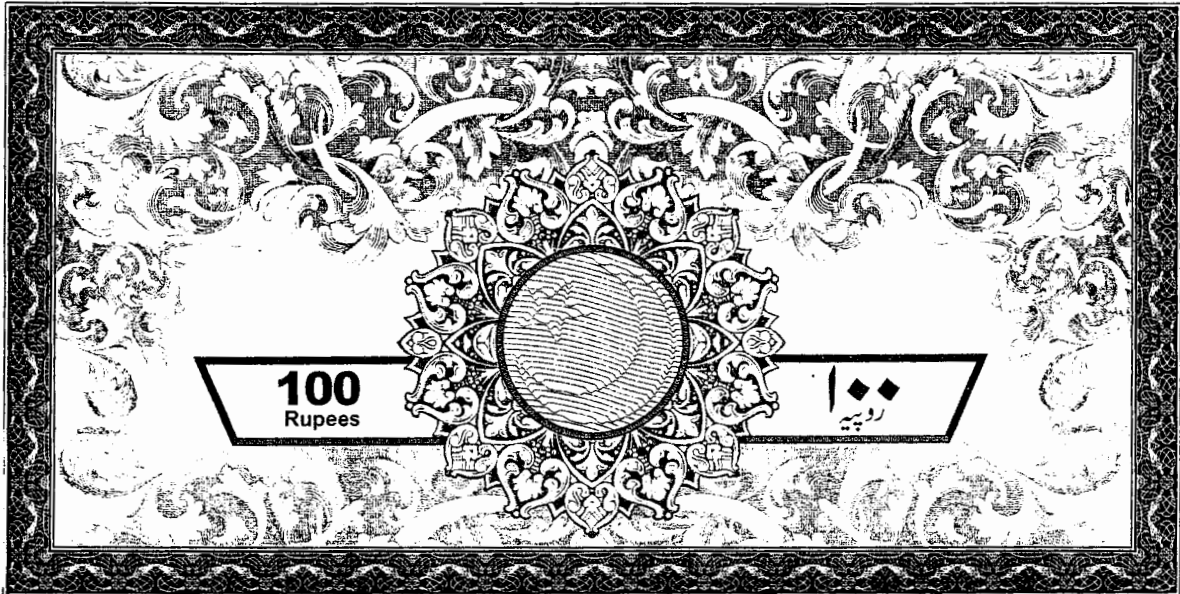
CERTIFIED, that, the above resolution was duly passed by the Board of Directors of Sitara Energy Limited in their meeting held on May 04, 2017, for which the quorum of directors was present.

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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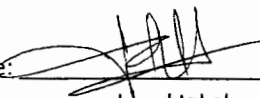


BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY


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 Generation Licence No. SGC/012/2002 dated January 2, 2002, 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




Anjum Mahmood Law
Fifth Floor
Nishtar Centre
05 MAY 2017



PETITION FOR LICENSEE PROPOSED MODIFICATION OF GENERATION LICENSE No.
SGC/012/2002 DATED 02.01.2002

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 (Generation) Rules 2000 (the “**Generation 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 modification of its Generation License (the “**LPM Application**”) in respect of its Generation License No. SGC/012/2002 dated 02.01.2002.

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.*

Rule 5 of the Generation Rules states as under:

Term and renewal of generation licence:

- (1) Except where an applicant for a generation licence consents to a shorter term, the term of a generation licence shall be commensurate with the maximum expected*

useful life of the units comprised in a generation facility demonstrated to the satisfaction of the Authority.

(2) Upon the expiry of the term of the generation licence, unless revoked earlier in accordance with these rules or the terms of the generation licence, the generation licence may be renewed by the Authority for such further term as it may deem appropriate in the manner provided for in the generation licence keeping in view the remaining maximum expected useful life of the units comprised in the generation facility, the performance of the licensee during the then expiring term and the interests of the consumers and the electric power industry as a whole.

- (B) Under Section 15 of the Act, NEPRA awarded a Generation License to Sitara Energy Limited for its Generation Facility at 33-KM, Faisalabad Sheikhpura Road, Faisalabad in the Province of Punjab, Pakistan.

2. **Sitara Energy Limited (the “Company” or “SEL”) request for modification in its Generation License:**

The Company is an 87.82 MW power plant located at 33-KM, Faisalabad Sheikhpura Road, Faisalabad in the Province of Punjab, Pakistan incorporated under the Companies Ordinance, 1984 and was established for the purposes of generation and sale of electric power. In 1995-96, SEL, initially, obtained license under Electricity Act, 1910 after satisfying the legal requirements. Later, pursuant to the reforms in power sector that also resulted in the establishment of NEPRA, the sole regulator of electric sector in Pakistan, SEL obtained licenses for its generation and distribution activities in accordance with the prevailing regulatory regime.

The Company was granted a Generation License No. SGC/012/2002 on January 2, 2002 by the Authority for the generation of electric power at 33-KM, Faisalabad Sheikhpura Road, Faisalabad in the Province of Punjab, Pakistan for a term of fifteen (15) years, the expiration date being January 1, 2017. Upon such expiry, the AMPR 1999 provides for the modification of a generation license, thereby inclusive of an extension in term of the generation license and the Generation Rules provide for the renewal of the generation license.

Therefore, in light of the provisions of NEPRA Laws, SEL requests the Authority to appropriately modify and further extend the term of SEL’s Generation License pursuant

to Regulation 10(2) of AMPR 1999, which provides that a licensee may propose to the Authority a modification in its license, read with Rule 5 of the Generation Rules and applicable provisions of NEPRA Laws, which provides that, upon expiry of the term of the generation license, the Authority may renew the generation license “for such further term as it may deem appropriate in the manner provided for in the generation license...”.

SEL’s Generation License has undergone two modifications, by way of Licensee Proposed Modification (“LPM”), pursuant to National Electric Power Regulatory Authority Licensing (Application and Modification Procedure) Regulations, 1999, dated 12.12.2013 and 21.09.2015, both modifying, *inter alia*, the installed capacity of the power plant and the Bulk Power Consumers of SEL.

It is pertinent to mention here that, via SEL’s Licensee Proposed Modification-II dated 21.09.2015 (“LPM-II”), the Authority has acknowledged the remaining useful life of the generation facility at the time of the LPM-II (a copy of the plant configuration in LPM-II has been annexed herewith) which, for the Authority’s convenience, has been reiterated below:

Units No.	Unit 1 - 8	Unit 9	Unit 10-21	Unit 22 - 25
Types of Technology	Diesel Engines	Diesel Engines	Gas Engines	Gas Engines
Remaining useful life of the Generation Facility at the time of this Modification-II dated September 21, 2015.	12 years	31 years	21 years	21 years

SEL is aware that it has inadvertently delayed the filing of application for modification of generation license, but kindly requests the Authority to condone the delay and in the interests of the consumers and the electric power market as a whole, allow SEL to continue generating electric power. Since the expiration of the generation license, the Company has been providing electricity to its consumers listed in its generation license and has been fully diligent in the performance of its services. SEL is dedicated in the

provision of its services and aspires to cater to the energy crisis currently being faced by Pakistan.

The requested modification would benefit consumers as it would ensure that generation capacity continues to be available and maintained. Moreover, there will be no adverse impact on the quality of service provided by SEL if this Application is accepted. Further, there will be no adverse impact on the performance of the Company. Additionally, as abovementioned, the request of the Company for the modification of the generation license also satisfies NEPRA's requirement under the Generation Rules that the plant and the equipment of the project will have a useful life.

In light thereof, SEL requests the Authority to kindly modify the generation license for a further period of fifteen (15) years to avoid any losses that SEL and its consumers might incur as a result of its generation facility being shut down.

The Generation License, together with the modifications and pleadings filed in respect of LPMs etc, may kindly be read as integral part of this application, which for the sake of brevity are deliberately not being restated.

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 Generation 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 its power purchase agreements with Bulk Power Consumers listed in its Generation License and subsequent modifications thereto.



Prayer:

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

- A. That the Authority may kindly approve the modification of SEL's Generation License for a further period of fifteen years commencing w.e.f. 01.01.2017;
- B. Allow SEL to continue its operations and performance in accordance with the Generation License, as amended till the subject Application is allowed and modification of SEL's Generation License for a further period of fifteen years commencing w.e.f. 01.01. 2017 is issued in favor of SEL;
- C. That the Authority may be pleased to treat the Company's request for modification of SEL's Generation 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 Generation License No. SGC/012/2002 dated January 2, 2002 in respect of 87.82 MW power plant located at 33-KM, Faisalabad Sheikhupura 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 Generation License No. SGC/012/2002 dated January 2, 2002 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