



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

Registrar

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

No. NEPRA/DL/LAT-04/18033-44

December 17, 2015

Mr. Hassan Raza Abbasi,
Chief Executive Officer,
Sindh Transmission & Dispatch Company (Pvt.) Limited,
3rd Floor, State Life Building-3,
Dr. Zia-uddin Ahmed Road, Karachi.
Ph# 021-99207129.

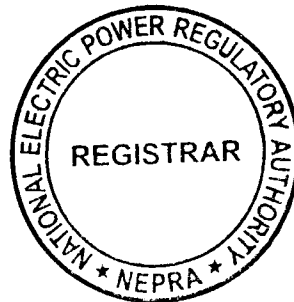
**Subject: Grant of Special Purpose Transmission Licence No: SPTL/02/2015
Licence Application No. LAT-04
Sindh Transmission & Dispatch Company (Pvt.) Limited (ST&DCPL)**

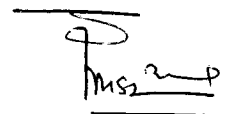
Reference: Your application vide letter No. CEO/STDC/NEPRA/2015(16) dated July 14, 2015, received on July 23, 2015.

Enclosed please find herewith Determination of the Authority in the matter of Special Purpose Transmission Licence application of Sindh Transmission & Dispatch Company (Pvt.) Limited along with Special Purpose Transmission Licence No. SPTL/02/2015 annexed to this determination granted by the National Electric Power Regulatory Authority (NEPRA) to Sindh Transmission & Dispatch Company (Pvt.) Limited (ST&DCPL) for its Special Purpose Transmission Line located in the Province of Sindh, pursuant to Section 19 of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).

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

**Enclosure: Transmission Licence
(SPTL/02/2015)**




17.12.15
(Syed Safeer Hussain)

Copy to:

1. Chief Executive Officer, NTDC, 414-WAPDA House, Lahore
2. Chief Operating Officer, CPPA-G, 107-WAPDA House, Lahore
3. Managing Director, Private Power Infrastructure Board (PPIB), 50 Nazim ud Din Road, F-7/4, Islamabad.
4. Chief Executive Officer, K-Electric Limited (KEL), KE House, 39-B, Sunset Boulevard, Phase II (Ext), DHA, Karachi.
5. Chief Executive Officer, Hyderabad Electric Supply Company Limited (HESCO), WAPDA Offices Complex, Hussainabad, Hyderabad.
6. Director General, Environment Protection Agency, Government of Sindh, Complex Plot No. ST-2/1, Korangi Industrial Area, Karachi.
7. Chief Secretary, Government of Punjab, Punjab Secretariat, Lahore.
8. Chief Secretary, Government of Sindh, Sindh Secretariat, Karachi.
9. Chief Secretary, Government of Khyber Pakhtunkhwa, Khyber Pakhtunkhwa Secretariat, Peshawar.
10. Chief Secretary, Government of Baluchistan, Baluchistan Secretariat, Quetta.

National Electric Power Regulatory Authority
(NEPRA)

Determination of the Authority
in the Matter of Application of Sindh Transmission and Despatch
Company (Pvt.) Limited for the Grant of Special Purpose
Transmission Licence

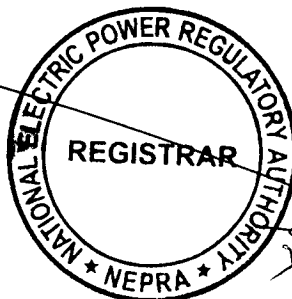
December 14, 2015
Case No. LAT-04

(A). Background

(i). The Govt. of Sindh (GoS) is setting up two Natural Gas based generation facilities with a cumulative Installed Capacity of 104.20 MW. The said generation facilities are located at SITE Nooriabad Deh KalloKhohar, Tehsil Taluka Thano Bola Khan, District Jamshoro.

(ii). The Authority had already granted Generation Licences to Sindh Nooriabad Power Company (Pvt.) Limited (SNPCPL) and Sindh Nooriabad Power Company Phase-II (Pvt.) Limited (SNPCPL-II) for the construction, ownership and operation of the above mentioned generation facilities through determination dated July 15, 2015. The GoS has planned that the electric power generated from the above generation facilities will be supplied to K-Electric Limited (KEL). In order to connect the said generation facilities to the system of KEL, GoS approached Hyderabad Electric Supply Company Limited (HESCO) and National Transmission and Despatch Company Limited (NTDC) for the construction of transmission facilities for transporting the electric power from the above mentioned generation facilities. However, both the entities expressed their inability to construct the said facilities with the target commissioning dates of the generation facilities due^{to} the non-availability of requisite funds.

(iii). In consideration of the above, the GoS decided to construct, own and operate the Transmission and Interconnection Arrangement for the above mentioned Generation Facilities itself. In order to implement the arrangement, GoS



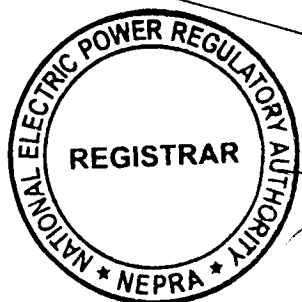
got incorporated a Special Purpose Vehicle (SPV) in the name of Sindh Transmission and Dispatch Company (Pvt.) Limited (ST&DCPL).

(B). Filing of Application

(i). In accordance with Section-19 of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 ("the NEPRA Act"), ST&DCPL submitted an application on July 23, 2015 requesting for the grant of Special Purpose Transmission Licence (SPTL).

(ii). The Registrar examined the submitted application to confirm its compliance with the NEPRA Licensing (Application and Modification Procedure) Regulations, 1999 ("the Regulations"). The Registrar observed that the application lacked some of the required information/documentation. Accordingly, ST&DCPL was directed for submitting the missing information/documentation. ST&DCPL completed the missing information/documentation on September 09, 2015. The Authority considered the matter in its Regulatory Meeting (RM-15-642), held on September 16, 2015 and found the form and content of the application in substantial compliance with Regulation-3 of the Regulations. Accordingly, the Authority admitted the application for consideration of the grant of the SPTL as stipulated in the Regulation-7 of the Regulations. The Authority approved the advertisement [containing (a). the prospectus; (b). a notice to the general public about the admission of the application of ST&DCPL], inviting the general public for submitting their comments in the matter as stipulated in Regulation-8 of the Regulations. The Authority also approved the list of the stakeholders for providing their comments or otherwise to assist the Authority in the consideration of the above mentioned application of ST&DCPL. Accordingly, the advertisement was published in one Urdu and one English National Newspaper on September 18, 2015.

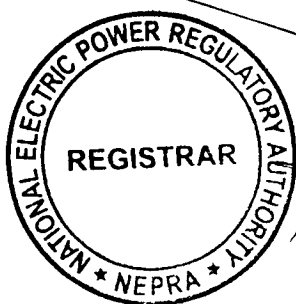
(iii). Apart from the above, separate letters were also sent to Government Ministries, their Attached Departments, Representative Organizations and Individual Experts etc. on September 22, 2015. The said stakeholders were directed for submitting their views/comments for the assistance of the Authority.



(C). Comments of Stakeholders

(i). In reply to the above, the Authority received comments from three (03) stakeholders. These included KEL, Environmental Protection Agency Government of Sindh (EPAGoS) and Pakhtunkhwa Energy Development Organization Government of Khyber Pakhtunkhwa (PEDO). The salient points of the comments offered by the above stakeholders are summarized in the following paragraphs: -

- (a). KEL in its comments stated that GoS is setting up two gas based Generation Facilities at Nooriabad industrial town, in District Jamshoro. The evacuation of power from the said generation facilities to the load center of KEL requires construction of a new 132 KV D/C Transmission Line (Measuring about 85-KM in length). The Authority is requested to grant SPTL to ST&DCPL so that the transmission line is available within timeline before commercial operations of the said generation facilities;
- (b). EPAGoS submitted that in compliance with the provisions of Sindh Environmental Protection Act, 2014 and EIA/IEE Regulations 2014, the company has submitted an Environmental Impact Assessment (EIA) report of its proposed project which is under review. The said process may require a time upto sixty (60) days to take decision after completing all codal formalities i.e. Public hearing and committee of expert meeting; and
- (c). PEDO stated the GoS has established ST&DCPL which plans laying a transmission facility connecting the two generation facilities being set up at SITE Nooriabad to KDA- 33 Grid Station of KEL. The proposed SPTL regime will not only enhance the existing capacity but will also result in installation of new transmission infrastructure for which reasonable tariff



may be allowed. The initiative is expected to revolutionize the power sector by reducing bottlenecks in the existing transmission network. With the timely laying of transmission lines power generation will be able to supply electricity in an efficient manner thus reducing the line losses. Through such initiatives, the country will gradually develop an efficient transmission and distribution system. In light of above, PEDO is supportive of the grant of SPTL for ST&DCPL.

(ii). The Authority considered the above comments of the stakeholders and found the same to be supportive except the observations of EPAGoS. In view of the said, the Authority considered it appropriate to seek perspective of ST&DCPL.

(iii). In consideration to the above, ST&DCPL submitted that after assessing the proposed project activities and investigating the project area the environmental consultant, Council for Works and Housing Research (CWHR) an institution of Ministry of Science and Technology, Government of Pakistan have concluded that the activities are undertaken as proposed and described in this report and the recommended mitigation measures and environmental management plan is adopted, the project will not result in any long term or significant impacts on the local community or the physical and biological environment of the project area. The EIA report is already in the final review of EPAGoS and after public hearing and received comments from stakeholders if any, EPAGoS will advise ST&DCPL the mitigation measures which will be complied.

(iv). Later on, ST&DCPL submitted a copy of the No Objection Certificate (NOC) issued by EPAGoS, confirming that the project will not have any adverse impacts on the environment. In view of the said, the Authority considered it appropriate to proceed further in the matter.



(D). Grant of SPTL

(i). Energy is fundamental input to economic activity, and thus to human welfare and progress. The importance of electricity in the development of the economy of any country is beyond any doubt. The economic growth of any country is directly linked with the availability of safe, secure, reliable and cheaper supply of electricity. In view of the said reasons, the Authority is of the considered opinion that for sustainable development all indigenous resources of power generation must be developed on priority basis (in the public and private sector, including Coal, Hydel, Natural Gas, Wind, Solar and other Renewable Energy resources).

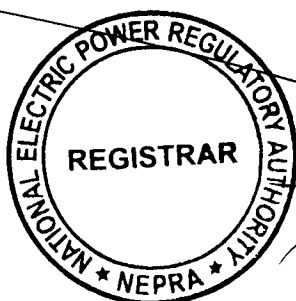
(ii). The Supply Chain of Electric Power Sector (i.e. Generation, Transmission and Distribution) is very capital intensive, requiring huge investment in all the segments. Traditionally, the power sector of Pakistan is dominated by Public Sector. However, with the passage of time the GoP has increased its expenditure on social sector thereby reducing fiscal space for the Power Sector. In consideration of the said, the GoP decided inviting Private Sector to invest in the Generation Business of the Electric Power Sector. The GoP has been able to attract considerable investment of the Private Sector through the implementation of the various Power Generation Policies. In view of the successful experience of the Independent Power Producers (IPPs), the GoP is now contemplating to invite Private Sector Investment in the Transmission Business of the Power Sector. In this regard, the GoP has already formulated "Policy Framework for Private Sector Transmission Line Projects 2015".

(iii). The Authority has observed that GoS is constructing two projects with a cumulative Installed Capacity of 104.20 MW through Public Private Partnership model. As explained above, the Authority has granted two separate Generation Licences to SNPCPL and SNPCPL-II, allowing supply to KEL. The said Generation Facilities are now in advance stage of construction.



(iv). In order to connect the above mentioned Generation Facilities to the network of KEL, the company i.e. ST&DCPL plans laying a 132 KV D/C Transmission Line for which it intends having a SPTL. The Authority has observed that SNPCPL and SNPCPL-II are developing the Generation Facilities with an estimated cost of U.S. \$136.00 Million. The timely completion of the Interconnection and Dispersal Facilities/Transmission Facilities from the said Generation Facilities to the network of KEL is critical for success of the said project failing which SNPCPL and SNPCPL-II will be facing serious damages. The timely completion of the Transmission Facilities will ensure the required flows of revenues which will be utilized inter alia to fulfill the debt obligations and ensure smooth and uninterrupted operation of the Generation Facilities. Any default or disruption in the revenue stream will create a difficult scenario for the project. In view of the said, a workable and robust Interconnection and Dispersal Scheme/Transmission Facility is mandatory to make the projects operational. Due to inability of HESCO and NTDC to construct interconnection and Dispersal Arrangement/Transmission Facilities an alternate arrangement was required. Accordingly, GoS through ST&DCPL decided to undertake the construction, ownership and operation of SPTL for the purpose of Interconnection and Dispersal Arrangement connecting SNPCPL and SNPCPL-II with 220/132 KV Grid Station of KEL. According to the proposed arrangement, the Interconnection and Dispersal Arrangement/Transmission Facilities will be constructed to connect the proposed 104.20 MW Generation Facilities of to SNPCPL and SNPCPL-II to 220/132 KV KDA-33 Grid Station of KEL. The proposal of ST&DCPL is in line with the policy of the GoP to allow Private Sector to invest in the Transmission Business. In this regard, the Authority has observed that Section-19 of the NEPRA Act empowers the Authority to grant SPTL in Public Interest, in the area of a National Grid Company i.e. NTDC authorizing the licensee to engage in the construction, ownership maintenance and operation of specified transmission facilities on certain terms and conditions.

(v). In consideration of the above, the Authority considers that the transmission of electric power from the proposed Generation Facilities using the proposed Transmission facilities of ST&DCPL will play a vital role in the economic activity and growth of industrial sector of the country. Therefore, approving the

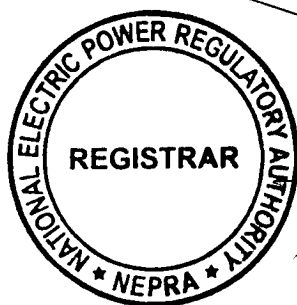


SPTL for ST&DCPL will serve the public interest as envisaged in Section-19 of the NEPRA Act. The Authority has observed that ST&DCPL has complied with the requirements of the relevant provisions of the NEPRA Act and the Regulations, therefore it qualify for the grant of SPTL.

(vi). About the term of the proposed SPTL, the Authority clarifies that transmission facilities (including electrical circuits, transformers and sub-stations) normally have a useful life of more than thirty years. As explained above, the proposed Interconnection and Transmission Arrangement/Transmission Facilities will be used for dispersal of Electric Power from the under construction Generation Facilities of SNPCPL and SNPCPL-II. The Authority at the time of grant of Generation Licences to SNPCPL and SNPCPL-II had fixed the term of the said licences to thirty (30) years from the Commercial Operation Date (COD). In view of the said, the Authority fixes the term of the proposed SPTL also to thirty (30) years from the date of its issuance.

(vii). Regarding the Tariff, it is hereby clarified that under Section-7(3)(a) of the NEPRA Act, the determining of tariff, rate and charges etc. is the sole prerogative of the Authority. The Authority directs ST&DCPL to charge only such tariff which has been determined, approved or specified by it.

(viii). The proposed Transmission Facilities for which ST&DCPL has sought a SPTL consists of overhead lines on lattice Steel Towers. In this regard, ST&DCPL has confirmed that proposed Transmission Facilities will be compliant with the requirements of the applicable environmental laws and policy. Further, ST&DCPL has also provided a copy of the NOC issued EPAGoS. Notwithstanding the said, the Authority makes it mandatory for ST&DCPL to comply with the environmental rules and regulations all the time without any exception. Further, the Authority directs ST&DCPL to submit a report on biannual basis confirming that its Transmission Facilities are operating in compliance with required Environmental Standards of the Environmental Protection Agency of GoS.



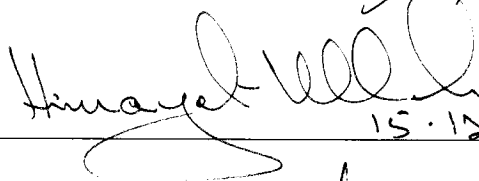
(ix). In consideration of the above, the Authority hereby approves the grant of SPTL to ST&DCPL on the terms and conditions as set out in the Licence annexed to this determination. The grant of SPTL will be subject to the provisions contained in the NEPRA Act, relevant rules, regulations framed there under and the Applicable Documents.

Authority

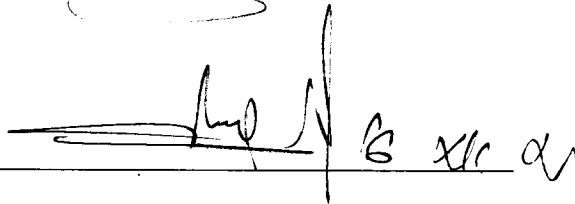
Syed Masood-ul-Hassan Naqvi
(Member)


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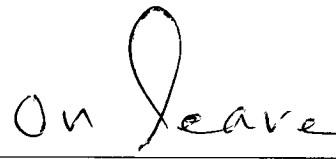
HimayatUllah Khan
(Member)


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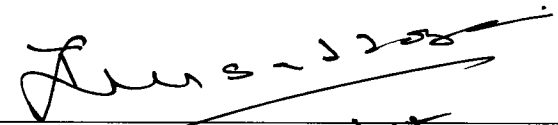
Khawaja Muhammad Naeem
(Member)

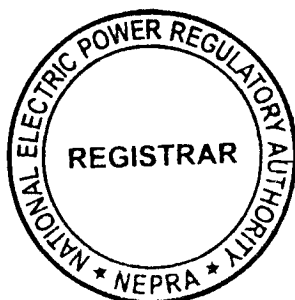

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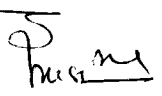
Maj. (R) Haroon Rashid
(Member)/(Vice Chairman)


On leave

Brig. (R) Tariq Saddozai
(Chairman)


15/12/15




17.12.15

**National Electric Power Regulatory Authority
(NEPRA)
Islamabad – Pakistan**

SPECIAL PURPOSE TRANSMISSION LICENCE

No. SPTL/02/2015

In exercise of the Powers conferred upon the National Electric Power Regulatory Authority (NEPRA) under Section-19 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, the Authority hereby grants a Special Purpose Transmission Licence to the company having particulars as follows:-

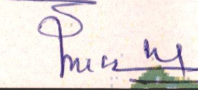
SINDH TRANSMISSION & DISPATCH COMPANY (PVT.) LIMITED

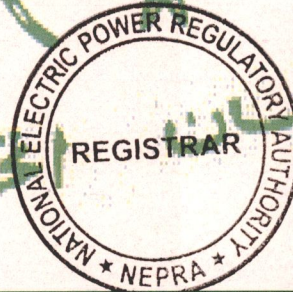
~~Incorporated under Section-32 of the Companies Ordinance, 1984 (XLVII of 1984) with Corporate Universal Identification No. 0091407, Dated January 07, 2015~~

for its Special Purpose Transmission Line Connecting the Generation Facilities of Sindh Nooriabad Power Company (Pvt.) Limited & Sindh Nooriabad Power Company-Phase II (Pvt.) Limited at SITE Nooriabad Deh Kallo Khohar, Tehsil & Taluka Thano Bola Khan, District Jamshoro to 220/132 KDA-33 Grid Station of K-Electric Limited located in the Province of Sindh

to engage in Transmission Business subject to and in accordance with the Articles of this Licence.

Given under my hand on 17th day of December Two Thousand & Fifteen and expires on 16th day of December Two Thousand & Forty Five.


Registrar 17.12.15



Article-1
Definitions

1.1 In this Licence unless there is anything repugnant in the subject or context:

(a). "**Act**" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997);

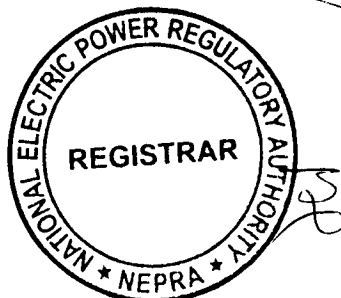
(b). "**Affiliate**" in relation to any person, means any person who owns or controls, or is owned or controlled by, or is under common ownership or control with, that person, and for the purpose of this definition:-

(i). "**control**" means the right, power or ability to influence or determine any decision in respect of the conduct of affairs of the person under control; and

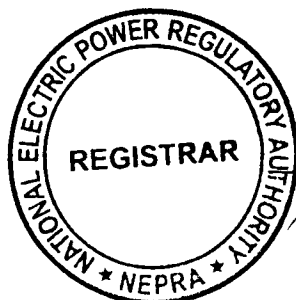
(ii). "**ownership**" means the ownership or the right to own the shares or voting securities of the person owned;

(c). "**Ancillary Services**" means the services ancillary or incidental to the safe, reliable, stable and efficient availability and utilization of electrical energy and net capacity and include without limitation, the following, namely:-

- (i). energy imbalance service;
- (ii). spinning reserve service;
- (iii). supplemental reserve service;
- (iv). reactive supply and voltage control service; and
- (v). regulation and frequency response service;



- (d). **"Applicable Documents"** means the NEPRA rules and regulations, the grid code and any document issued or instrument or determination made by the Authority under any of the foregoing or pursuant to the exercise of the powers of the Authority under the Act, 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.
- (e). **"Authority"** means the National Electric Power Regulatory Authority constituted under Section-3 of the Act;
- (f). **"CPPA-G"** means the Central Power Purchasing Agency Company (Guarantee) Limited;
- (g). **"KEL"** means K-Electric Limited and its successors or permitted assigns having granted a Distribution Licence No. 09/DL/2003, dated July 21, 2003 by the Authority under Section-20 & 21 of the Act;
- (h). **"Laws"** include all statutes, rules and regulations made pursuant thereto, judicial decisions, in each case as may be notified to the Licensee or its Affiliates;
- (i). **"Licence"** means this Special Purpose Transmission Licence;
- (j). **"Licensee"** means Sindh Transmission & Dispatch Company (Pvt.) Limited and its successors or assigns;



- (k). "NTDC" means National Transmission and Despatch Company Limited and its successors or permitted assigns which has granted a Transmission Licence (No. TL/01/2002, dated December 31, 2002 as amended from time to time) under Section-17 and Section-7(4) of the Act;
- (l). "Public Sector Entity" means any authority, agency, division or instrumentality of the Federal or Provincial Government or a local authority but does not include the Authority;
- (m). "Rules" means the National Electric Power Regulatory Authority rules made under Section-46 of the Act;
- (n). "SNPCPL" means Sindh Nooriabad Power Company (Pvt.) Limited and its successors or permitted assigns, granted a Generation Licence No. IGSP/63/2015, dated July 15, 2015 by the Authority under Section-15 of the Act for its generation facility located at SITE Nooriabad Deh Kallo Khohar, Tehsil & Taluka Thano Bola Khan, District Jamshoro;
- (o). "SNPCPL-II" means Sindh Nooriabad Power Company-Phase II (Pvt.) Limited and its successors or permitted assigns, granted a Generation Licence No. IGSP/64/2015, dated July 15, 2015 by the Authority under Section-15 of the Act for its generation facility located at SITE Nooriabad Deh Kallo Khohar, Tehsil & Taluka Thano Bola Khan, District Jamshoro;



(p). "Transmission Business" means the business of transmission of electric power carried on or to be carried on by the Licensee pursuant to and in accordance with the terms of this Licence in planning, development, construction and maintenance of the transmission facilities of the Licensee and operation of such facilities for the transmission of electric power including the inter-connection services;

1.2 Words and expressions used but not defined herein bear the meaning given thereto in the Act or in the Rules.

Article-2 **Grant of Licence**

2.1 This Licence is granted to the Licensee in terms of Section 19 of the Act and the Applicable Documents to construct, own, maintain and operate specified transmission facilities connecting the generating facilities of SNPCPL and SNPCPL-II to KDA-33 Grid Station (220/132KV) of KEL, as set out in Schedule-I to this Licence.

2.2 The details specific to the transmission facilities of the Licensee, including length of line, transmission line type (underground/overhead), connecting grids, technical limits, technical functional specifications and other information are set out in Schedule-II of this Licence.

Article-3 **Licence fee**

The Licensee shall pay to the Authority the licence fee, in the amount, manner and time specified in the National Electric Power Regulatory Authority (Fees) Rules, 2002 as amended from time to time.

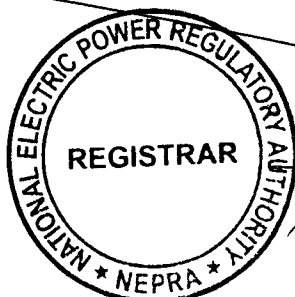


Article-4
Term and Renewal of Licence

- 4.1** This Licence is granted to the Licensee for a term of thirty (30) years from the date of its issuance.
- 4.2** Subject to the provisions of the National Electric Power Regulatory Authority (Application & Modification) Procedure Regulations, 1999 the Authority may renew this Licence for such further term as deemed appropriate.
- 4.3** While considering renewal of Licence the Authority may keep in view the performance of the Licensee during the then expiring term and the interests of consumers and the electric power industry as a whole.

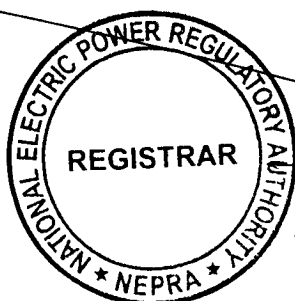
Article-5
Revocation and Suspension

- 5.1** Subject to Section-28 of the Act, the Authority may suspend or revoke this Licence upon the persistent failure of the Licensee to comply with the terms and conditions of the Licence.
- 5.2** The Authority shall determine, on a case to case basis, the degree of recurrence of a specific breach of any term or condition of this Licence, provided that a breach shall be deemed to be recurring on a daily basis where the effects of breach are continuing beyond the time of breach and no measures for rectification thereof are undertaken by the Licensee to the satisfaction of the Authority.
- 5.3** Subject to the provisions of sub articles-5.2 and 5.4, the occurrence of the following events shall constitute failure of the Licensee to comply with the terms and conditions of this Licence:-
- (a). failure of the Licensee to pay the licence fee when due;
 - (b). a breach by the Licensee of any of the provisions of the Applicable Documents which materially and adversely affects the



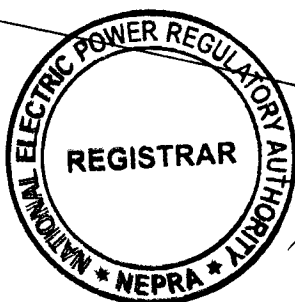
standards, price and quality of service, the reliability and integrity of the transmission facilities, distribution systems or any generation facility, or the safe and efficient operation of the electric power industry, save where such breach occurs without the willful or negligent default of the Licensee;

- (c). failure of the Licensee to prepare or adhere to any codes, programmes or manuals required to be prepared by the Licensee and, where applicable, obtain approval of the Authority, where such failure has a material adverse effect on the performance by the Licensee of its obligations under the Applicable Documents;
- (d). except for the purposes of an amalgamation, reconstruction or re-organisation of the Licensee approved by the Authority, the occurrence of any of the following events:-
 - (i). the passing of a resolution by the shareholders for the winding-up of the Licensee, with the majority required under the Companies Ordinance, 1984 (XLVII) of 1984, to give effect to such resolution;
 - (ii). the appointment of a receiver, official assignee or administrator of the affairs of the Licensee which appointment has not been set aside or stayed within ninety (90) days of the date of such appointment; or
 - (iii). the making by a court of competent jurisdiction of an order for the winding-up of the Licensee that has not been stayed or set aside within thirty (30) days of the date of the order;
- (e). abandonment by the Licensee of the operation of the Transmission Business or any part thereof;
- (f). the incurring by the Licensee of cumulative operating losses in an amount which materially and adversely affects, or is likely to affect, the financial viability of the Licensee and which disables or is likely to disable the Licensee from carrying out its Transmission



Business and the failure of the Licensee to implement measures for improvement of its financial position within the time limit and with the results specified in this behalf by the Authority;

- (g). the assignment or transfer of this Licence or the transfer, conveyance, loss or relinquishment by the Licensee of the ownership or control or the right to own, control or operate the Transmission Business or any material part thereof without an authorization in accordance with the provisions of the Act or this Licence, except where such transfer, conveyance, loss or relinquishment is effected pursuant to a contract approved by the Authority for the management or operation of the transmission facilities by a person other than the Licensee;
- (h). any statement or representation made or information provided by the Licensee in the application for this Licence or subsequently on the directions of the Authority or pursuant to any Applicable Documents proving to have been incorrect, inaccurate or misleading in any material aspect and having a material adverse effect on the ability of the Licensee to perform its obligations under this Licence or causing the Authority to issue or renew this Licence in the belief of the accuracy and correctness of such statement, representation or information irrespective of whether or not the Authority would have issued this Licence if it had knowledge of the inaccuracy of such statement, representation or information;
- (i). the exercise by the lenders, if any, of the Licensee of their remedies under the documentation relating to loans by such lenders in respect of the Transmission Business, where the exercise of the remedies renders the Licensee incapable of performing its obligations in its own right under this Licence or the Applicable Documents including, without limitation, the removal of the management of the Licensee from the control of the Transmission Business and the failure of the Licensee to obtain



approval of the Authority for the appointment of the successor management within one hundred and twenty (120) days after such removal;

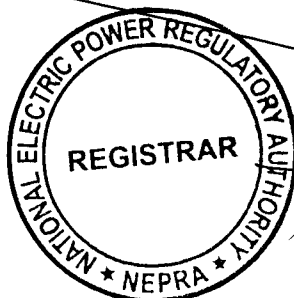
- (j). any default by the Licensee in the making of any payment, other than the Licence fee, required to be made by it under the Applicable Documents within ninety (90) days of the due date thereof; or
- (k). failure of the Licensee to comply with the objects, terms and articles of this Licence due to supervening impossibility notwithstanding the best efforts of the Licensee to comply, where such non-compliance continues for a period of ninety (90) days consecutively or for a cumulative period of one hundred and twenty (120) days in a calendar year.

5.4 Notwithstanding the provisions of this Article, the Authority shall not revoke or suspend this Licence where the Licensee demonstrates to the satisfaction of the Authority that the breach of the terms of the Licence is a direct result of the failure of the Licensee to obtain consent or its renewal except where such consent is not granted or renewed because of the failure or inability of the Licensee to comply with the laws in relation to such consent or renewal and without providing an opportunity of hearing.

5.5 Any decision to suspend or revoke this Licence shall be taken in accordance with the Act and the Applicable Documents.

Article-6
Procurement of Electric Power

6.1 The Licensee shall ensure that neither it nor any of its Affiliates or related undertakings on its own or in concert with others purchases electric power for the purpose of sale to a third party.



6.2 The Licensee shall not take any measure to prevent or unduly delay changes to Applicable Documents to which it is a party and are required for the development of competitive electricity market and complete and timely enforcement and operation of competitive electricity market.

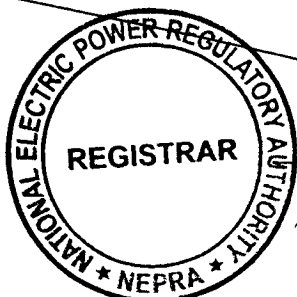
Article-7
Accounting Practices and Audit

7.1 Subject to and in accordance with the terms of this Licence, the Licensee shall prepare the accounts of its business and other businesses, if any, in accordance with the Act and the Applicable Rules.

7.2 The Licensee shall ensure that the Licensee and each of its Affiliates maintains accounting and financial reporting arrangements which enable separate accounts to be prepared for each separate business and showing the financial affairs of each such separate business as if it was a separate company so that the revenues, costs, assets, liabilities, capital, reserves and provisions of or reasonably attributed to, each separate business are separately identifiable in the books of the Licensee and its Affiliates from those of any other business, in sufficient detail.

7.3 The Licensee and any of its Affiliates shall:-

- (a). maintain and preserve the books of account and accounting records in respect of each financial year for a period of five(5) years; and
- (b). prepare on a consistent basis for such financial records in respect of each financial year, accounting statement comprising of a profit and loss account, balance sheet and a statement of source and application of funds, together with notes thereto, and showing separately in respect of each separate business and in appropriate detail the amounts of any revenue, costs, assets, liability, reserve or provision which has been either:



- (i). charged from or to any other business, whether or not a separate business, together with a description of the basis of that charge; or
- (ii). determined by apportionment or allocation between any separate business together with a description of the basis of the apportionment or allocation.

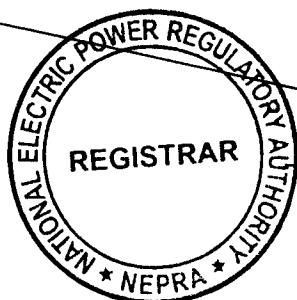
7.4 Without prejudice to the provisions of the Applicable Documents regarding the audit of the accounts of the Licensee, the Authority may, after giving the Licensee an opportunity to be heard in this regard, appoint independent auditors of national repute from amongst a panel of auditors specified in this behalf by the Authority through a notification in the official Gazette, for the audit of the accounts of the Licensee, where the Authority has reason to believe that the accounts provided to the Authority by the Licensee do not provide a complete, true and fair view of the Transmission Business or any separate business of the Licensee, provided that such audit shall be restricted to accounting matters under question and shall not be carried out more than once in a financial year.

7.5 The costs of audit as referred to in sub article-7.4 shall be borne by the Licensee.

7.6 The Licensee shall ensure that the accounting statements in respect of each financial year prepared under sub article-7.3 (b) and report of the Auditor in respect of each financial year are made available to any person requesting them at a price not exceeding fair copying charges.

Article-8 **Open Access**

8.1 Subject to Section-19 of the Act, the Licensee shall offer its transmission and inter-connection services to NTDC and others on such terms and conditions as may be determined by the Authority.



8.2 The Licensee in consultation with NTDC shall administer its transmission access (offer to connect) in a fair, transparent and open manner setting out rules, policies, procedures and charges as described in this Licence or Applicable Documents to be developed by the Licensee and approved by the Authority.

Article-9
Tariff

9.1 The Licensee shall submit to the Authority a petition for the determination of tariff in respect of its Transmission Business within one eighty days (180) days of the grant of this Licence. The Authority shall determine tariff of the Licensee pursuant to NEPRA (Tariff Standards and Procedure) Rules, 1998.

9.2 The Licensee shall make available to general public the tariff specifying the rates, charges and other terms and conditions for transmission and inter-connection services determined by the Authority.

Article-10
Grid Code

The Licensee shall comply with the provisions and terms & conditions of the Grid Code prepared by the NTDC and approved by the Authority as amended from time to time.

Article-11
Compliance with Distribution Codes

11.1 The Licensee shall comply with the relevant provisions of the Distribution Code of the concerned distribution licensee to the extent applicable to the Licensee in the discharge of its obligations under this Licence.



11.2 The Licensee shall comply with any request of a distribution company with respect to its obligations to comply with the Distribution Code as long as such compliance by the Licensee is not in violation of the Grid Code.

Article-12
Functional Separation

12.1 The Licensee shall ensure that none of its core businesses shall be held or carried out through any Affiliate or related undertaking of the Licensee.

12.2 The Licensee shall ensure that any of the businesses of the Licensee other than core businesses (non-core activity) shall be held by or through wholly owned subsidiaries of the Licensee.

Article-13
Commercial Code

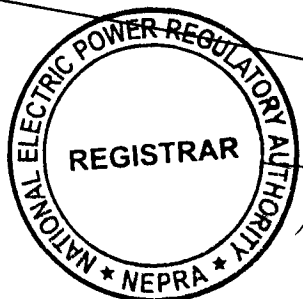
The Licensee will comply with all relevant provisions in the Commercial Code approved by the Authority relevant to transmission, reliable operation, balancing and Ancillary Services and provision of information to CPPA-G.

Article-14
Acquisition and Disposal of Assets

The Licensee shall not, except under prior authorisation of the Authority, sell or dispose in any manner any tangible assets comprised in the transmission facilities or any intangible assets accruing or likely to accrue to the Licensee from the Transmission Business.

Article-15
Compliance with Performance Standards

The Licensee shall comply with the relevant provisions of the National Electric Power Regulatory Authority Performance Standards (Transmission) Rules 2005 as amended from time to time.



Article-16
Security Standard and Quality of Service

16.1 The Licensee shall plan, construct, own, operate and maintain its transmission facilities in accordance with the Grid Code and subject to the approval of the Authority.

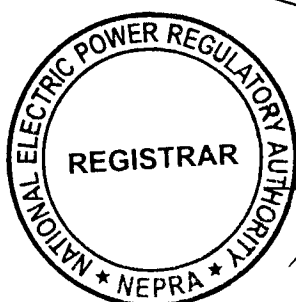
16.2 Within three (03) months after the end of each financial year the Licensee shall submit to the Authority a report providing details of the performance of the Licensee during the previous financial year in maintaining the security, availability and quality of service of its transmission facilities.

16.3 The criteria referred to in Article-16.2, against which the performance of the Licensee will be measured will be set out in a statement drawn up consistent with NEPRA Performance Standards (Transmission) Rules, 2005 and approved by the Authority in consultation with the Licensee.

16.4 The Authority may following consultation with the Licensee and, where appropriate with other licensees, issue directions relieving the Licensee of its obligations under Article-16.1 in respect of certain parts of the transmission facilities of the Licensee.

Article-17
Compliance with Environmental Standards

The Licensee shall conform to the environmental standards as may be prescribed by the relevant competent authority from time to time.



Article-18
Availability of Resources

18.1 The Licensee shall at all times act in a manner to ensure that it has sufficient management and financial resources to enable it to:

- (a). carry out the Transmission Businesses; and
- (b). comply with its obligations under this Licence, the Act and the Applicable Documents.

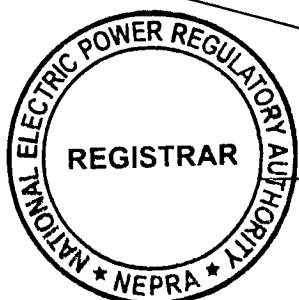
18.2 No later than two (02) calendar months following the beginning of each financial year, the Licensee shall submit a statement in writing to the Authority informing the Authority of its ability (or inability as the case may be) to fulfill its obligations under Article-18.1.

18.3 The Licensee shall, as soon as it becomes aware, notify the Authority of any circumstances that may prevent it from fulfilling its obligations under Article-18.1.

Article-19
Industry Standards and Codes of Conduct

19.1 The Licensee shall participate in such measures and activities as may be initiated by the Authority for the development of industry standards and uniform codes of conduct.

19.2 The Licensee shall be obliged to comply with such industry standards and uniform codes of conduct which may be specified by the Authority as having a bearing on the safety, reliability, stability, integrated operability and efficiency of the whole or a material part of the electric power system.



Article-20
Insurance

The Licensee may obtain and maintain such policies of insurance as deemed fit and appropriate in accordance with the prudent utility practices.

Article-21
Maintenance of Records

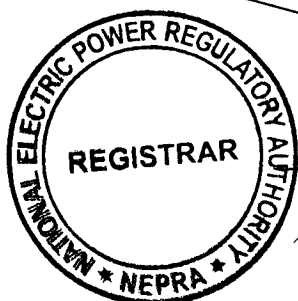
21.1 The Licensee shall keep complete and accurate records and data in respect of all aspects of each of its separate businesses. All such records and data shall, unless provided otherwise under the Laws or the Applicable Documents, be maintained for a period of five (05) years after the creation of such record or data.

21.2 The Authority may authorize its any officer/professional staff to inspect documents, record and data as may be necessary to carry out the purposes of the Act and the Applicable Documents, at any time without prior notice to the Licensee.

21.3 For the purposes of sub article-21.2, the authorized officer/professional staff shall have full and free access to any premises, place, documents or work station and may make copy of relevant record, information and data as may be necessary for the purposes of the Act and the Applicable Documents. The Licensee shall provide all reasonable facilities and assistance to ensure the effective exercise of the right of inspection.

Article-22
Safety to Public

The Licensee shall plan, design, operate and maintain its transmission facilities in such a manner so as not to endanger public life or property.



Article-23
Health and Safety of Employees

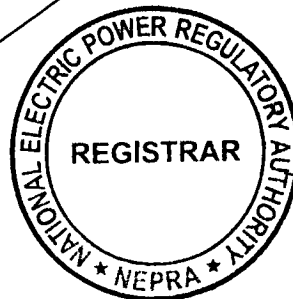
The Licensee shall arrange and maintain appropriate machinery in respect of the health and safety of the employees of Licensee at work.

Article-24
Provision of Information to the Authority and General Public

Pursuant to Section-44 of the Act, the Licensee shall furnish to the Authority, in such manner and at such times as the Authority may require, such information and shall procure and furnish such reports, as the Authority may require and deem necessary.

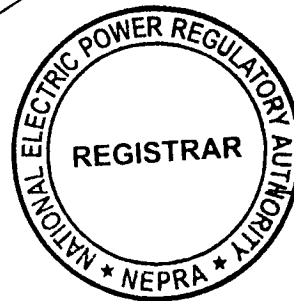
Article-25
Interpretation of the Licence Provisions

The Authority shall, in accordance with the provisions of the Act make the interpretation of any or all of the provisions of this Licence. The decision of the Authority in this regard shall be final.



SCHEDULE-I

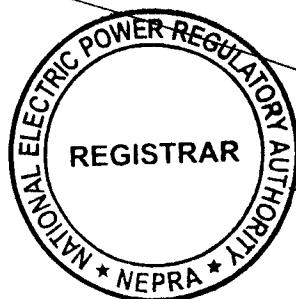
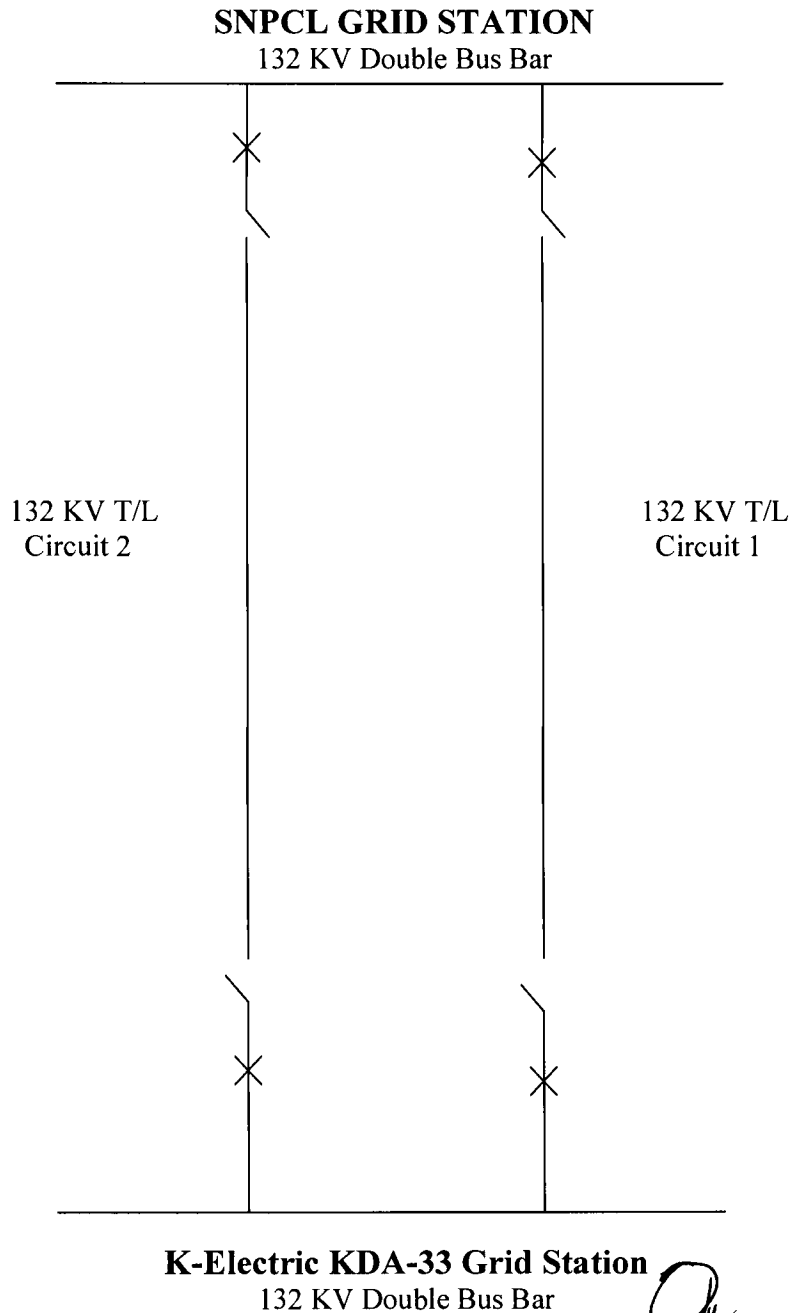
The Specified Transmission Facilities the Licensee is allowed to construct, own, maintain and operate for connecting the generation facilities/power plants of Sindh Nooriabad Power Company (Pvt.) Limited and Sindh Nooriabad Power Company Phase-II (Pvt.) Limited with 220/132 KV KDA-33 Grid Station of K-Electric Limited is set out in this Schedule *Q1*



Route of the Transmission Facilities of the Licensee
From the Generation Facilities of Sindh Nooriabad Power
Company (Pvt.) Limited & Sindh Nooriabad Power
Company Phase-II (Pvt.) Limited to 220/132 KV KDA-33 Grid
Station of K-Electric Limited

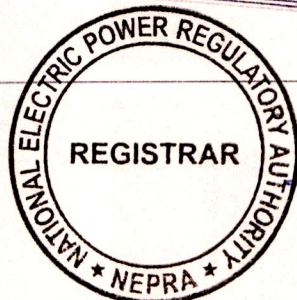
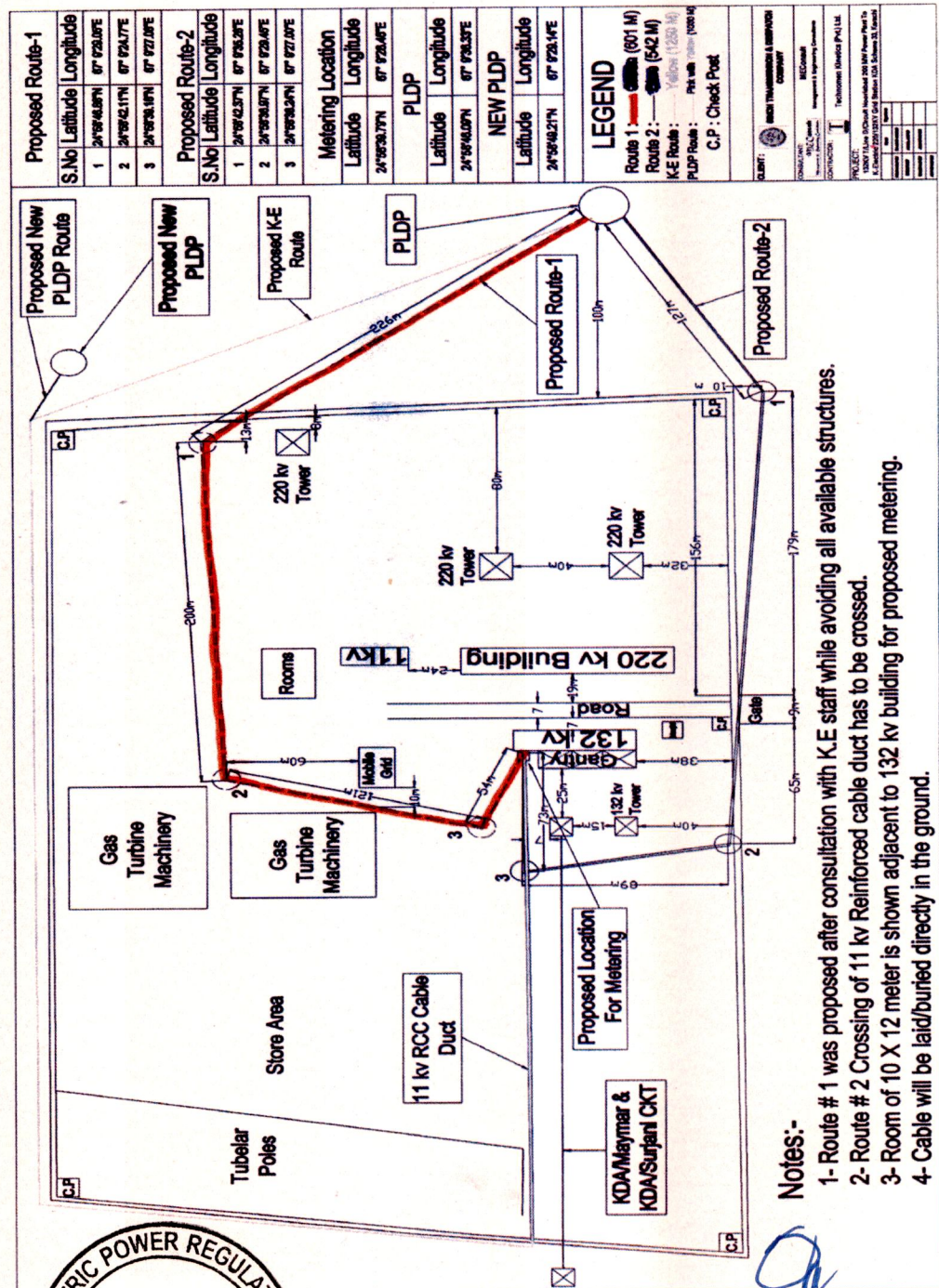


Schematic Diagram of The Transmission Facilities
From the Generation Facilities of Sindh Nooriabad Power
Company (Pvt.) Limited & and Sindh Nooriabad Power
Company Phase-II (Pvt.) Limited to 220/132 KV KDA-33 Grid
Station of K-Electric Limited



Interconnection Arrangement
For Dispersal of Electric Power From the Generation
Facilities of Sindh Nooriabad Power Company (Pvt.) Limited
& and Sindh Nooriabad Power Company Phase-II (Pvt.)
Limited to 220/132 KV KDA-33 Grid Station of K-Electric
Limited

STDC 132 KV TRANSMISSION LINE INTERCONNECTION WITH K-ELECTRIC



SCHEDULE-II

The details specific to the Transmission Facilities of the Licensee, including length of line, transmission line type (underground/overhead), connecting grids, technical limits, technical functional specifications and other information are described in this Schedule.



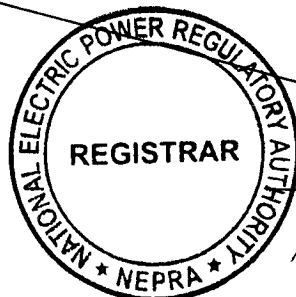
Detail of Transmission Facilities of the Licensee

(A). General Information

(i).	Name of Company/ Licensee	Sindh Transmission & Dispatch Company (Pvt.) Limited
(ii).	Registered/Business Office of the Company/Licensee	Energy Department, 3rd Floor, State Life Building No.3, Dr. Ziauddin Ahmed Road, Karachi in the Province of Sindh
(iii).	Location of the Transmission Facilities	From Sindh Nooriabad Power Company (Pvt.) Limited & and Sindh Nooriabad Power Company Phase-II (Pvt.) Limited located at Nooriabad to KDA-33 Grid Station (of K- Electric Limited located near Karachi) in the Province of Sindh.
(iv).	Type of Transmission Facilities	Overhead Transmission Line (T/L)

(B). Transmission Facilities

(i).	Type of Transmission Facilities	Overhead Transmission Line on Lattice Steel Towers and few Monopoles.
(ii).	Transmission Line	Double Circuit (D/C)
(iii).	Connecting Grid	From outgoing Bus Bar of SNPCL to Existing K- Electric KDA-33 Grid Station
(iv).	Voltage Level	132 KV
(v).	Length of Transmission Line	85-KM
(vi).	Type of Conductor	ACSR Rail Conductor



(C). Bill of Quantity (BOQ) for the T/L

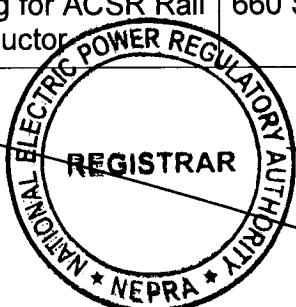
(i).	Type of Tower	ZM Series (i.e. ZM-1, ZM-30° & ZM-60°)
(ii).	Tower Type ZM-1	330 No.
(iii).	3-Meter Leg Extension for ZM-1	30 No.
(iv).	6-Meter Leg Extension for ZM-1	70 No.
(v).	Tower Type ZM-30°	25 No.
(vi).	3-Meter Leg Extension for ZM-30°	08 No.
(vii).	Tower Type ZM-60°	20 No.
(viii).	3-Meter Leg Extension for ZM-60°	08 No.
(ix).	Pole Type SPA	12 No.
(x).	Pole Type SPD	05 No.
(xi).	Pole Type SPG	03 No.
(xii).	Grounding Set	790 No.

(D). Conductor & Earth Wire

(i).	Length of ACSR Conductor	520 KM
(ii).	Earth Wire (9-MM)	86 KM

(E). Hardware for Conductor

(i).	Single Suspension Fitting for ACSR Rail Conductor	2052 Sets
(ii).	Single Tension Fitting for ACSR Rail Conductor	660 Sets



(iii).	Mid Span Joint for ACSR Rail Conductor	185 No.
(iv).	Repair Sleeve Joint for ACSR Rail Conductor	50 No.
(v).	PG Clamp for ACSR Rail Conductor	954 No.
(vi).	Stock Bridge Damper for ACSR Rail Conductor	4740 No.

(F). Hardware for Earth Wire

(i).	Single Suspension Fitting for Earth Wire	342 Sets
(ii).	Single Tension Fitting for Earth Wire	53 Sets
(iii).	Mid Span Joint for Earth Wire	80 No.
(iv).	Repair Sleeve Joint for Earth Wire	NIL
(v).	Stock Bridge Damper for Earth Wire	790 No.

(G). Insulators

(i).	Disc Insulators (80 KN FOG)	16416 No.
(ii).	Disc Insulators (100 KN FOG)	5088 No.

