

Annex-II

National Electric Power Regulatory Authority
Registrar Office

No. NEPRA/TRF-100/LCL/6017

April 23, 2015

Subject: Petition for Determination of Tariff – 16 MW Waste Heat Recovery Renewable Energy Power Project – Lucky Cement Ltd.

Please refer to our ION dated 24.03.2015 enclosing therewith the Tariff Petition dated 19.03.2015 of LCL for comments of professionals; based on the received comments the shortcomings in the above said petition were communicated to LCL vide our letter dated 03.04.2015 (copy enclosed). In response thereof, LCL has submitted petition afresh along with supporting documents vide letter dated 17.04.2015 (received on 20.04.2015). The same is forwarded for comments that whether the provided information / documents by LCL are sufficient and satisfactory for admission of the instant petition or otherwise.

2. The deficient information in the tariff petition, if any, shall be classified that it is required under Rule 3(2) & (8) of NEPRA (Tariff Standards & Procedure) Rules, 1998 (Tariff Rules) (refer Minutes of ARM 13-280) or an additional information is required under Rule 4(2) of the Tariff Rules.

4. Being time bound case; the provision of requisite comments by 24.04.2015 shall be highly appreciated.

Encl: As above

23/4/15
(Ittikhar Ali Khan)
Deputy Registrar

1. Senior Advisor (Tech)
2. Senior Advisor (Tariff-I)
3. Legal Advisor (KIP)
4. SES to Registrar

The petition seems in compliance with rule 3 of Tariff Rules before may be placed before Authority for consideration.

Registery

For n/a H.

D/Reg 1/SAR

23/4/15

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Registery
23/4/15

For No. 05-05-15
Dated: 23/4/15

May 04, 2015

Subject: PETITION FOR DETERMINATION OF TARIFF-16 MW WASTE HEAT RECOVERY RENEWABLE ENERGY POWER PROJECT-LUCKY CEMENT LIMITED

1. This is with reference to the Registrar's Office ION No. NEPRA/TRF-100/LCL/6017 dated April 3, 2015 received by the concerned officer on April 29, 2015. Vide the instant ION, the subject mentioned tariff petition filed by Lucky Cement Limited (LCL) along with supporting documents was forwarded for comments that whether the information provided by the petitioner are sufficient and satisfactory for admission of the instant petition. In this regard, we would like to convey the following:

- The generation license for a captive power plant was issued to LCL on September 12, 2014
- The petitioner has submitted the EPC contract signed with SINOMA Energy Conservation Limited for the 10MW out of 16MW capacity which is operational since 2010.
- For the remaining 6MW capacity, the petitioner has submitted separate construction and supply contracts signed with Orient Energy System (Private) Limited.
- No O&M contract has been submitted and seemingly the same is being performed by the petitioner itself.
- Since the electricity is being generated from the waste heat hence no fuel component has been claimed by the petitioner. Only O&M component and RoE based on 100% equity financing has been claimed.
- Along with its petition, Lol issued to the petitioner by PESCO has been submitted. One of the term of the mentioned Lol was that the PESCO will file a power acquisition request to NEPRA as per NEPRA Interim Power Procurement (Procedure & Standards) Regulations for purchase of 20MW gas based power from LCL under NCPP policy.

2. As per the petition, the tariff is being claimed for 16MW of capacity out of which 10MW is already in place since 2010 and the remaining 6MW shall get operational by October, 2015. Being a captive power plant and in view of the aforementioned term of its Lol, it is suggested that the petitioner may be advised to approach PESCO to file power acquisition request to NEPRA in this regard.

Ali Feroz Khan
AD(T)

Senior Advisor (T-II)

Senior Advisor (T-I)

Registrar

For mfr. A.

By I/SAR

006

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Senior Advisor (T-II)
By No. 4056
Date: 5-5-15

Senior Advisor (T-II)
By No. 2259
Date: 4.5.15

Registrar 4912
By No. 05-05-15
Date



LUCKY
CEMENT

F/A

April 17, 2015

The Registrar,
National Electric Power Regulatory Authority
NEPRA Tower, Ata-Turk Avenue
Sector G-5/1
Islamabad

For information & m/a pl.
- D/Reg-I/SAR
cc: chair
Vc/r
M/
M/

Subject: PETITION FOR DETERMINATION OF TARIFF - 16 MW WASTE HEAT RECOVERY
RENEWABLE ENERGY POWER PROJECT

I, Intisar Ul Haq Haqqi, Director (Power Generation), Lucky Cement and duly authorized representative of M/s. Lucky Cement Limited by virtue of a board resolution dated 12th March 2015, hereby apply to NEPRA for determination of generation tariff for subject Waste Heat Recovery Based generation facility being constructed at Pezu, District Lucky Marwat, Khyber Pakhtunkhwa under Rule 3 of the National Electric Power Regulatory Authority Tariff (Standard and Procedure) Rules, 1998.

I undertake and confirm that the information provided in the attached supporting documents including the petition is true and correct to the best of my knowledge and belief. I also affirm that all further documentation and information to be provided by me in connection with accompanying petition shall be true to the best of my knowledge and behalf.

Referring to your letter No. NEPRA/TRF-100/LCL/4842 dated April 03, 2015 for some shortfalls in our petition, we have eliminated them in our petition and hope you will find details in order / as required.

A bank draft/pay order from HMB bearing No. 08641561 dated 17th April, 2015 in favour of National Electric Power Regulatory Authority amounting to Rs. 406,416/- (Rupees four hundred six thousand and four hundred sixteen only) is attached along with this application as tariff petition fee.

Thank you in advance for your kind consideration and look forward to your early approval and favourable response.



Signature
Name: Intisar Ul Haq Haqqi
Designation: Director, Power Generation

007

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Along with 02 copies, EPC contract, supply contract, construction contract and DDs. 4-6416-15

Registrar 4369
Dy No.
Dated 20-4-15

Lucky Cement Limited

C.A. Mahomed Ali Husein Society, A-Adh Husein Lane Street, Karachi-74200

For more information, please contact Mr. Intisar Ul Haq Haqqi, Director, Power Generation

F/B



Waste Heat Recover 16MW Power Project, Pezu

PETITIONER DETAILS

Licensee Name: Lucky Cement Limited

Authorized Representative: Intisar Ul Haq Haqqi, Director (Power Generation), Lucky Cement Limited

Business Office Address: 6-A, Mohammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi, in the Province of Sindh.

Telephone No: (+92-21) 37130123

Fax No: (+92-21) 34534302

UAN No: (+92-21) 111-786-555

Email: info@lucky-cement.com

Location of Plant: Pezu, District Lakki Marwat, in the Province of Khyber Pakhtunkhwa

Technology: Waste Heat Recovery Steam Generator (WHRSG - Renewable Energy)

Status: Partially Commissioned (10MW complete, 6MW under construction)

Expected Full Completion: October, 2015

GENERATION LICENSE (COPY ATTACHED)

No. SGC/104/2014

Dated September 12, 2014

RELIEF SOUGHT

Determination of Generation Tariff under the NEPRA Tariff (Standards and Procedure) Rules, 1998 for 16 MW Waste Heat Recovery Generation Facility located in Pezu, Khyber Pakhtunkhwa.

ATTACHMENTS

- a) Tariff Petition Fee
- b) Affidavit
- c) Board of Directors' Resolution
- d) Reference Tariff Table (Annex-iv)
- e) Copy of Generation License
- f) Copies of EPC contracts (10MW + 6MW) as Annexure-v

BACKGROUND

Lucky Cement Limited (hereafter referred to as LCL) is one of the largest producers and leading exporters of quality cement in Pakistan, with a production capacity of 7.75 million tons per annum. It is Pakistan's first company to export sizeable quantities of loose cement being the only cement manufacturer to have its own loading and storage terminal at Karachi Port.

LCL was incorporated in Pakistan on September 18, 1993 under the Companies Ordinance, 1984. The shares of the Company are quoted on all the three stock exchanges in Pakistan. The Company has also issued Global Depository Receipts (GDRs) which are listed and traded on the Professional Securities Market of the London Stock Exchange.

The registered office of LCL is located at Pezu, District LakkiMarwat in Khyber Pakhtunkhwa. The Company has production facilities at Pezu, District LakkiMarwat in Khyber Pakhtunkhwa and at Nooriabad, Main Super Highway in Karachi, Sindh.

PROJECT SUMMARY

LCL is currently constructing a 16 MW (10 MW + 6 MW) Waste Heat recovery power project (the "project") at its cement plant in Pezu. LCL has already installed a Waste Heat Recovery Steam Generator (WHRS) of 10.00 MW (Unit 1) at its Kiln, operating on coal. Another WHRS of 6.00 MW (Unit 2) is at an advanced stage of installation and is expected to achieve COD in October 2015. The combined Installed Capacity of the WHRS system would be 16.00 MW upon commissioning of Unit 2. LCL intends supplying around 15.00 MW Net Electric Power from the aforementioned WHRS to Peshawar Electric Supply Company Limited (PESCO) on take-and-pay basis. PESCO has already issued LOI dated February 14, 2012 for purchase of power at 132 kV from LCL premises in Pezu, and on the basis of this LOI of PESCO we have already been granted Generation License for our 16 MW WHR project.

The objective of the project is to produce electricity from the waste gases in the cement manufacturing process. Until now, almost all the waste heat from the clinker production process at the LCL Pezu Plant was vented to atmosphere; only a small portion of waste heat is recovered for pre-heating of raw inputs and drying of coal.

The successful completion of the project will allow relatively cheap electricity to be exported to the PESCO distribution network. The project activity will also contribute towards sustainable development of the following:

Environmental Development

- significant reduction in the emissions of Greenhouse Gases
- improvement of the local environment by reduction in temperature of the vented hot air
- conservation of local fossil fuel resources by avoiding fossil fuel based grid electricity

Socio-Economic Development

- creation of new permanent jobs during construction and operation phase
- addition to power generation capacity of Pakistan
- less health impact for the population through less emission of greenhouse gases and particles

Technology Development

- introducing modern technology in the country
- setting up an example of sustainable development to be followed by other cement factories

PLANT DETAILS

The project is located in Pezu, District LakkimMarwat, in the Province of Khyber Pakhtunkhwa. Exact location of the plant, with respect to its geographical coordinates, is: Latitude: N32°17'44.16" Longitude: E70°46'6" The satellite image of the location of our project is illustrated below:



Salient features of our Waste Heat Recovery power project are given hereunder:

Total Gross Capacity (Unit 1 + Unit 2)	16.000 MW ✓	
Auxiliary Consumption (Unit 1 + Unit 2)	0.934 MW ✓	
Net Capacity of the Generation Facility at Mean Site Conditions (Unit 1 + Unit 2) ✓	15.066 MW ✓	
	Unit No. 1	Unit No. 2
Installed Capacity ✓	1 x 10.00 MW	1 x 6.00 MW
Auxiliary Consumption of Unit ✓	0.500 MW	0.434 MW
Net Capacity of Unit ✓	9.500 MW	5.566 MW
Unit Make ✓	Sinoma China	HCTC China
Load Factor ✓	70%	60%
Average Load Factor ✓	66.25%	
Gross Annual Output ✓	92.856 GWh	
Net Annual Output ✓	87.433 GWh	
Primary Fuel ✓	No Fuel is required as the Generation Facility is based on Waste Heat Exhaust from Existing Internal Combustion (IC) Engines, Kiln and Preheater.	
Useful Life of the Project ✓	30 Years ✓	
Construction Period	9 Months	

As indicated above, LCL's 16MW WHR generation facility will consist of two (02) Steam Turbines. Our 10 MW - Unit 1 has been operational since 2010. The normal minimum operating life of a Steam Turbine is generally 30-35 years. Therefore, our generation facility is expected to supply power for at least 30 years from the date of commissioning of the 2nd unit which is expected in October 2015, and based on this we are requesting for determination of tariff for a tariff control period of 20 years, which is also consistent with the term of our Generation License.

PROJECT COST

The project is currently under construction and a major portion of the project cost has already been incurred. All costs associated with construction of Unit 1 have already been incurred and are full and final. Our Onshore and Offshore agreements for construction of Unit 2 have also been executed, and EPC contractor is mobilized at site and civil and mechanical works are in progress satisfactorily to meet the completion date / target. A detail of the project costs is attached as Annex -I. A summary of the cost of complete project is given hereunder:

Project Costs	Million US\$
Cost of power plant (Offshore)	19.450
Transportation – sea freight & Inland (including insurance)	0.515
Duties, taxes and other charges	0.709
Civil work of plant (Onshore)	2.118
Local fabrication	3.226
Insurance	0.171
Management fee and Project Development	3.207
Grid station and transmission line	2.967
Total CAPEX	32.363

Our EPC Agreements are segregated into 2 main parts, i.e. the Offshore agreement and the Onshore agreement. The Offshore agreement covers equipment supply, which is to be imported, and is hence priced and payable in US Dollars. The onshore agreement primarily covers civil works and fabrication, which is a local cost and is hence priced and payable in Pakistani Rupees.

ENERGY GENERATION

LCL has already gained considerable experience regarding operation of WHRSG projects since we have already partially commissioned the instant project. In our experience, waste heat recovery power generation systems have a typical annual load factor of around 70%. The down time of 30% is required to conduct scheduled as well as unscheduled maintenance of the system. The instant 16MW project is expected to operate at a weighted average annual load factor of 66.25% (i.e. 70% for our 10MW WHRSG and 60% for our 6MW WHRSG). Our 10MW WHRSG which is already operational, remains operational throughout the year (excluding the down time for scheduled and unscheduled maintenance), whereas our 6MW under construction WHRSG, will be operating depending upon power plant engines operation as per required electrical power / load by cement plant. Presently only 2 of the 4 cement lines supplying waste heat to the system are in use throughout the year, while the remaining 2 lines become useful at certain times during the year when our cement plant is operating at full capacity utilization and thus accordingly the power generation engines are operational. Hence, the expected annual energy to be available for sale to PESCO on take and pay basis is approximately 87 GWh, and the same has been used for the purpose of calculation of tariff in this petition.

FUEL COST COMPONENT

A major advantage of the Waste Heat Recovery technology is that there is no fuel component involved. The plant uses waste heat of the cement plant and engines exhaust gases to produce electricity, which would otherwise be vented into the air. Therefore, no fuel cost component is being claimed.

VARIABLE O&M COST

The variable O&M represents, consumption of imported spare parts as well as necessary foreign technical services during normal scheduled as well as unscheduled maintenance. Moreover, the variable portion of O&M includes consumables which are locally available. The variable O&M (22.22% of the total O&M) is further segregated into 50% foreign and 50% local component. The variable O&M cost includes variable O&M related to the plant as well as company interconnection facilities up to PESCO 132 KV grid station. A breakup of O&M expenses per annum is provided as Annex-II.

FIXED O&M COST

The fixed O&M cost comprises of 77.77% of our total O&M and consists of, salaries of staff and executives of plant operations, administration expenses, security, legal fees, audit, environmental monitoring, and major periodical overhauls. Most of the expenses incurred under this head will be denominated in Pakistani Rupees, therefore the Authority is requested to allow 80% of fixed O&M as a local component, whereas 20% of fixed O&M has been claimed as foreign component. Moreover, the fixed O&M cost includes "other manufacturing cost" which include the substantial cost of operation of Reverse Osmosis plant as well as the tube wells. As the water table is at plant site is very low and since there is no other source of water within the vicinity of the plant, LCL has no other option but to incur this cost. The fixed O&M cost includes fixed O&M related to the plant as well as company interconnection facilities up to PESCO 132 KV grid station. A breakup of O&M expenses per annum is provided as Annex-II.

INSURANCE DURING CONSTRUCTION

The Insurance during construction phase for our project is to be covered through an All Risk Insurance Policy. Insurance during construction will cover the insurance cost of Company's assets during construction and typically includes Construction All Risk Insurance, Terrorism Insurance, Business-Interruption, Marine and Inland Transit Insurance, and Comprehensive General Liability.

The Insurance during Construction has been assumed as US\$ 0.171 Million i.e. about 0.66% of our EPC cost.

INSURANCE DURING OPERATIONS

Our total operational insurance is expected to be around US\$ 0.971 Million per annum, i.e. around 3% of the project capital expenditure. The Authority is requested to allow the same for our operational period.

RETURN / FINANCIAL COST

Recently, in cases of renewable energy projects such as Wind and small Hydro, NEPRA has allowed internal rate of return (IRR) of 17% and 20% respectively. In case of small hydropower projects, the IRR of 20% frequently translates into Return on Equity (ROE) of around 23-25%. The Authority is requested to allow us the same rate of return as allowed to small hydropower projects, however, due to the relatively short construction period of our project, the required ROE of our

project is expected to be close to 21.5%. Therefore, the Authority is requested to allow us return on equity of 21.5%. Since our project is 100% equity financed and no debt has been used for financing of our project, 100% equity has been considered for the calculation of Return. The Return/ Financial cost component will be indexed quarterly with US\$/PKR exchange rate with reference exchange rate of 1US\$ = 103 rupees.

Further, it is submitted that the auxiliary power needs of LCL Pezu plant are fulfilled through gas fired engines and our current fuel (gas) cost for Power Generation at present fuel (gas) cost of Rs. 573/MnBtu is Rs. 6.0/kWh. We request the Authority that Rs. 6.0 out of the Return / Financial cost portion of our Capacity Purchase Price also be indexed with Gas Price, taking our current gas price of Rs. 573/MnBtu as reference. The breakup of the Return / Financial cost portion of our tariff for indexation purposes is therefore 6.0 + 2.20 = 8.20. If fuel (gas) cost is revised/raised, then according to gas cost component, this Rs. 8.20 factor be also revised/raised. For example, if gas price goes up to say Rs. 700/MnBtu, the new ROE component will be:

$$\text{Return/ Financial Cost(rev)} = [\text{GP(rev)}/\text{GP(ref)} \times 6.0] + 2.2$$

$$700/573 \times 6.0 + 2.2 = \text{Rs. 9.53 per KWhr}$$

The above formula would provide us reasonable cover against gas price inflation over time, which would be directly impacting our own power generation cost. In case, in the future the gas prices become exorbitantly high, our own power generation cost may become so high that it would no longer be commercially attractive to continue to supply power to PESCO, while cheaper energy is available through our own waste heat recovery system. Therefore, indexing part of our capacity purchase price would ensure that there is incentive over the long term for LCL to continue supplying power to PESCO.

INTERCONNECTION

The proposed Interconnection/Transmission arrangement for the project will be at 132 KV voltage, connecting the generation facility of LCL to 132 KV Pezu Grid Station of PESCO through transmission line measuring about eight (08) Km in length. LCL has agreed to finance the construction of interconnection/transmission line of the project. Further, in this regard the decision of Managing Director PEPCO has already been imparted to PESCO vide NTDC's letter dated December 27, 2011 (Annex-III). Relevant documentary evidences in this regard are also attached with the Annexure for consideration of the Authority. Based on the aforementioned, we have included the cost of 6.3 / 132 KV grid station and transmission line as part of our project cost, to be recovered over the life of the project. The 6.3 / 132 KV grid station and transmission line will be maintained and operated by PESCO as per Policy.

CARBON CREDITS

Being a renewable energy power project, our project qualifies for Carbon Credits under the Kyoto Protocol. Proceeds from Carbon Credits, if and when materialized, will be shared with the Power Purchaser as per policy.

INDEXATIONS

The following indexations will be applicable to each of the components of tariff:

Tariff Component	Quarterly Indexations
Variable O&M Local	Pakistan CPI
Variable O&M Foreign	US CPI and US\$/PKR Exchange Rate
Fixed O&M Local	Pakistan CPI
Fixed O&M Foreign	US CPI and US\$/PKR Exchange Rate
Insurance	US\$/PKR Exchange Rate
Return/ Financial Cost	US\$/PKR Exchange Rate and Gas Price

ASSUMPTIONS

The Reference Tariff has been worked out on the basis of following major assumptions:-

1. No Debt has been assumed in the project.
2. Reference exchange rate is Rs. 103/1 US\$. The actual average exchange rate during the construction of our Unit 1 (10 MW) plant was 80.9412.
3. Average Annual Load factor is 66.25%.

TARIFF TABLE

The tariff table is attached herewith as Annex-IV.

Project and Operational Cost with Tariff Summary

ANNEXURE - I

	PROJECT COST		OPERATIONAL COST		TOTAL COST		TOTAL TARIFF	
	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
TOTAL POWER GENERATION (KW)	10,000	10,000	6,000	6,000	16,000	16,000	-	16,000
COST OF POWER PLANT / GRID STATION	12,300,000	1,266,900,000	7,150,000	736,450,000	19,450,000	2,003,350,000	280,851,859	22,176,717
TRANSPORTATION - SEA FREIGHT	161,117	16,595,054	161,117	16,595,054	161,117	16,595,054	-	16,595,054
FROM PORT TO PLANT	95,131	7,700,000	254,175	20,000,000	269,306	27,700,000	-	27,700,000
INSURANCE COST INCLUDING TERMINAL INSURANCE IN TRANSIT @ 2%	64,439	6,637,178	144,553	15,361,000	144,553	17,623,721	-	17,623,721
INSURANCE DURING CONSTRUCTION	23,551	2,322,721	455,141	11,000,000	768,804	68,293,771	-	68,293,771
DUTIES, TAXES AND OTHER CHARGES	213,658	27,293,771	774,699	80,000,000	2,118,050	188,570,560	24,750,000	213,320,560
CIVIL WORK / (GRID STATION INCLD. LAND COST)	1,341,351	108,570,560	1,057,442	113,036,530	3,225,614	285,293,344	-	285,293,344
LOCAL FABRICATION	2,128,172	172,256,814	1,202,162	123,874,186	3,207,099	330,331,162	-	330,331,162
PROJECT DEVELOPMENT (MANAGEMENT FEE)	2,004,437	204,456,976	-	-	-	-	-	-
PROJECT COST	20,000,000	2,000,000,000	10,000,000	1,000,000,000	30,000,000	3,000,000,000	400,000,000	3,400,000,000
OPERATIONAL COSTS	-	-	-	-	-	-	-	-
INSURANCE	549,976	56,642,345	331,940	34,189,851	881,866	90,832,196	5,168,056	570,876
OPERATION COST PER ANNUM (@ 1.75 Cents/kWh)	1,010,431	104,074,349	519,650	53,523,971	1,530,081	157,598,360	5,255,600	1,620,233
MAINTENANCE COST PER ANNUM (@ 0.5 Cents/kWh)	288,695	29,355,540	148,471	15,292,563	437,166	45,028,103	5,285,600	527,318
PER ANNUM FIXED AND VARIABLE COST	1,849,102	193,072,829	800,061	83,006,485	2,649,163	272,654,663	15,709,256	2,821,819
TOTAL UNITS GENERATION / ANNUM [ANNUAL 365 DAYS]	10,000,000	10,000,000	6,000,000	6,000,000	16,000,000	16,000,000	16,000,000	16,000,000
POWER GENERATION COST (for Insurance Only) /kWh	0.01	0.58	0.01	1.15	0.01	1.04	0.10	0.10
POWER GENERATION COST (for O&M Only) /kWh	0.02	2.32	0.02	2.32	0.02	2.32	0.21	0.21
POWER GENERATION COST (Financial Cost) /kWh	0.07	7.03	0.08	8.25	0.07	7.45	0.75	0.75
TOTAL TARIFF (Rs. /kWh)	0.10	7.93	0.11	11.72	0.10	10.81	1.06	11.87
CONVERSION RATE USD - PKR	103	103	103	103	103	103	103	103

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OPERATIONS AND MAINTENANCE COST – LUCKY CEMENT WASTE HEAT RECOVERY PLANT 16 MW

Based on actual books for the year 2013-14 of our 10 MW WHR plant, following is a breakup of our O&M costs:

S.No.	Particulars	Rs./KWHr
1.	Store & Spares	0.78
2.	Oil, Lubricants & Chemicals	0.46
3.	Electricity Duty	0.03
4.	Salaries & Wages	0.68
5.	Repairs & Maintenance	0.09
6.	Other Manufacturing Costs	0.29
	TOTAL O&M COST	2.33

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OFFICE OF THE
CHIEF OPERATING OFFICER
CENTRAL POWER PURCHASING AGENCY
107- WAPDA HOUSE, LAHORE

No. CPPA/DT-IVF-141/ 823436

Dated : 28 /09/2011

Chief Executive Officer,
Peshawar Electric Supply Company,
PESHAWAR.

Subject:- Offer for Supply of 20MW Gas Based Power to PESCO by M/s Lucky Cement Limited, Pezu, District, Lakki Marwat, Khyber P.K, under Policy Framework for N-CPPs

This is with reference to Mr. Wajid Jawad, Chairman Export Promotion Bureau's request to Chairman WAPDA appended on the copy of this office letter dated 11.03.2011 (copy enclosed).

The undersigned had a meeting with Mr. I.H. Haqqi, Director Power Generation, M/s LCL in my office on 23.09.2011, together with Mr. Muhammad Tahir, Manager Technical-III (CPPA).

Mr. Haqqi intimated that PESCO has not taken any proper action in the subject matter besides CPPA's letter dated 11.03.2011 and subsequent reminder dated 04.04.2011. The only action taken in this regard is a letter dated 08.06.2011 written by Director (Mktg. & Tariff) PESCO to C.E (OP) T&G PESCO requesting to analyze feasibility of the offer of M/s LCL, upon which no action seems to be taken as yet.

The undersigned has, therefore, directed Mr. Muhammad Tahir, Manager Technical-III (CPPA), to visit works of M/s LCL at Pezzu on 06.10.2011, duly accompanied by PESCO's technical team for preliminary connectivity/feasibility study and submission of a comprehensive report thereupon to finalize the matter.

It is, therefore, requested that CE (OP) T&G, PESCO, CE (P&E) PESCO and Dir. (Mktg. & Tariff) PESCO may be directed to nominate their technical personnel to accompany Manager Technical-III(CPPA) for visit to M/s LCL, Pezzu on 06.10.2011 and prepare preliminary connectivity/feasibility study. Manager Technical-III(CPPA) will be arriving PESCO Headquarters in the morning of 06.10.2011 for the purpose.

(Rana Muhammad Anjad)
Chief Operating Officer (CPPA)

Copy to:-

1. Mr. Muhammad Tahir, Manager Technical-III. He is directed to reach PESCO Headquarters in the morning on 06.10.2011 to accompany PESCO's technical team to visit works of M/s LCL for preliminary connectivity/feasibility study.
2. Mr. I. H. Haqqi, Director Power Generation, M/s Lucky Cement Limited, 6-A, M. Ali Housing Society, A. Aziz Hashim Tabbu Street, Karachi-75350 (Fax No.021-4534302) with the request to depute their technical experts to coordinate CPPA/PESCO technical team during their visit to the works of M/s LCL, Pezzu, for preliminary connectivity study.

Subject:- Offer for Supply of 20MW Gas Based Power to PESCO by M/s Lucky Cement Limited (LCL), Pezu, District, Lakki Marwat, N.W.F.P under N-CPPs Policy

PUC: Technical Report dated 06.10.2011 jointly prepared by PESCO, CPPA and M/s LCL personnel regarding purchase of power from M/s Lucky Cement Limited.

PESCO

PREAMBLE

M/s Lucky Cement Limited (LCL) vide its letter dated 01.03.2011 addressed to MD PEPCO, offered to sell 20MW Gas-Based power to PESCO under N-CPP Policy from their Generation Facility at Pezu, District Lakki Marwat, N.W.F.P.

CPPA vide its letter dated 11.03.2011 provided a copy of M/s LCL's above referred letter to PESCO, indicating objectives of N-CPP Policy and status of purchase of power at HESCO and MEPCO, with the request to consider the case as per system demand and interconnectivity requirements and if found feasible, L.O.I to the Company may be issued enabling them to proceed further accordingly.

COMPANY'S APPROACH TO PESCO

M/s LCL, who have already signed PPA with HESCO for supply of 20MW Gas-based power under N-CPP Policy, approached PESCO vide its letter dated 18.03.2011 intimating that the Company has finished scheduling/planning to setup offered Generation Facilities at HESCO & PESCO and it would be completing both the assignments on fast-track-basis. The Company further requested PESCO to carry out connectivity study.

SLOW PROCESS OF CASE AT PESCO

Despite of CPPA's recommendation and Company's keen interest, communicated to PESCO during March, 2011, PESCO's personnel taken the only action i.e. writing of a letter by Dir. (Mktg. & Tariff) PESCO to C.E(Op.)T&G PESCO on 08.06.2011 requesting to analyze offer of the Company.

MEETING OF LCL'S REPRESENTATIVE WITH COO (CPPA)

Mr. I.H. Haqqi, Director Power Generation, M/s LCL held a meeting with COO (CPPA) in his office on 23.09.2011 together with Mr. M. Tahir, Manager Technical-III (CPPA) whereby he brought the situation in the notice of COO (CPPA) regarding slow process of M/s LCL's offer at PESCO. The COO (CPPA) directed Manager Technical-III to visit works of M/s LCL duly accompanied by PESCO's Technical Team for preliminary connectivity/feasibility study. The PESCO was informed of the instruction vide CPPA's letter dated 28.09.2011.

JOINT MEETING OF CPPA, PESCO & COMPANY'S PERSONNEL

In pursuance of COO (CPPA)'s instructions, a joint meeting was held in PESCO H/Q on 06.10.2011 comprising on the following:-

Continued & -

Name	Designation	Office
Mr. Muhammad Tahir	Manager Technical-III	CPPA
Mr. Fida Ahmad Khan	Manager (Marketing Tariff)	PESCO
Mr. Hassan Fazil	S.E (GSO)	PESCO
Mr. Tahir Moeen	Dy. Manager (P&E)	PESCO
Mr. Abdul Karim Khattak	Dy. Manager (P&I)	PESCO
Mr. Riaz Khan	Dy. Manager (GSC)	PESCO
Mr. M. Aslam	Dy. Manager (SS&I Bannu)	PESCO
Mr. Intisar-ul-Haq	Director Power Generation	Lucky Cement Ltd.

RECOMMENDATIONS OF JOINT COMMITTEE

The Joint Technical committee submitted its report vide PUC whereby the following parameters have been agreed:-

- (i) M/s LCL is agreed to extend loan for connectivity cost including 6.3/132kV Grid Station and Transmission Line, returnable by PESCO in 36 equal monthly installments together with mark-up.
- (ii) Since the power generation is based on Gas, is cheaper than RFO and indigenous fuel, therefore the Committee suggests to issue Letter of Intent (LOI) to M/s Lucky Cement Ltd after approval of competent Authority of PESCO.

WAY FORWARD

- (i) This is very first offer whereby a Company has offered for installation of a Generation Facility within the jurisdiction of PESCO under N-CPP Policy. HESCO, MEPCO and FESCO have entered into PPAs with eight (8), two (2) and one (1) N-CPPs for purchase of 115.10 MW, 26.55MW and 11.60 MW Gas-based power under N-CPP Policy respectively.
- (ii) As, the CPPA, PESCO and Company's Joint Technical Committee has recommended issuance of LOI to the Company, The approval of MD PEPCO is solicited directing PESCO as under:-
 - (a) Issue LOI to M/s Lucky Cement Ltd, taking into account its connectivity requirements including 6.3/132 KV grid station, 132 KV transmission line etc after negotiating with the firm on its offer for extending feasibility of loan returnable by PESCO in 36 equal monthly installments with mark up or without mark up.
 - OR
 - (b) Issue LOI to M/s Lucky Cement Ltd taking into account, connectivity requirements including grid station, and transmission line etc, through the resources of PESCO.

In this regard a draft letter has been prepared and is submitted for kind perusal and approval of MD PEPCO please.

Dir. Tech-III (CPPA)



National Transmission & Despatch Company

Tel. Pbx : (042) 9202211, Ext.2106
Tel: (042) 9204045
Fax : (042) 9203996

OFFICE OF THE
CHIEF OPERATING OFFICER
CENTRAL POWER PURCHASING AGENCY
107- WAPDA HOUSE, LAHORE

No. CPPA/MT-III/F-141/10 855-56

Dated : 19/12/2011

Chief Executive Officer,
Peshawar Electric Supply Company,
WAPDA House, Shami Road,
PESHAWAR.

Subject:- Offer for Supply of 20MW Gas Based Power to PESCO by M/s Lucky Cement Limited, Peshawar District, Lakki Marwat, Khyber.P.K under Policy Framework for N-CPPs.

This is with reference to *Technical Report dated 06.10.2011* jointly prepared by PESCO, CPPA and M/s LC personnel regarding purchase of power from M/s Lucky Cement Limited, whereby the Technical Committee has recommended issuance of Letter of Intent (LOI) to the Company.

The above mentioned Technical Report was submitted to MD PEPCO, who has directed to impart following instructions to PESCO:-

- (a) Issue LOI to M/s Lucky Cement Ltd taking into account its connectivity requirements including 6.3/132 K grid station, 132 KV transmission line etc after negotiating with the firm on its offer for extending facility of loan returnable by PESCO in 36 equal monthly installments with mark up or without mark up.
Or;
- (b) Issue LOI to M/s Lucky Cement Ltd taking into account, connectivity requirements including grid station, and transmission line etc, through the resources of PESCO.

In addition to above instructions of MD PEPCO, PESCO should also ensure the following:

- (i) M/s Lucky Cement Limited will be required to obtain Generation License from NEPRA clearly indicating name of Power Purchaser as PESCO.
- (ii) PESCO will be required to file a Power Acquisition Request to NEPRA as per NEPRA Interim Power Procurement (Procedures & Standards) Regulations 2005, for purchase of subject power from M/s LC under N-CPP Policy.

Copy to:-

(ARSHAD RAZA)
Chief Operating Officer (CPPA)

- ✓ 1. Mr. I. H. Haqqi, Director Power Generation, M/s Lucky Cement Limited, 6-A, M. Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi-75350

Delivered by hand.

19/12/2011

020

024

14



National Transmission & Despatch Company

TC 63

Tel. Pbx : (042) 9202211, Ext. 2106

Tel: (042) 9204045

Fax : (042) 9203996

OFFICE OF THE
CHIEF OPERATING OFFICER
CENTRAL POWER PURCHASING AGENCY
107- WAPDA HOUSE, LAHORE

No. CPPA/MT-III/F-141/ 11322-23

Dated : 27/12/2011

Chief Executive Officer,
Peshawar Electric Supply Company,
WAPDA House, Shami Road,
PESHAWAR.

Subject:- Offer for Supply of 20MW Gas Based Power to PESCO by M/s Lucky Cement Limited, P District, Lakki Marwat, Khyber.P.K under Policy Framework for N-CPPs.

This is with reference to this office letter No.CPPA/MT-III/F-141/10855-56, dated 14.12.2011 (copy encl) whereby following instructions of Managing Director PEPCO have been imparted to PESCO:-

- (a) Issue LOI to M/s Lucky Cement Ltd taking into account its connectivity requirements including 6.3/132 grid station, 132 KV transmission line etc after negotiating with the firm on its offer for extending facility loan returnable by PESCO in 36 equal monthly installments with mark up or without mark up.

Or;

- (b) Issue LOI to M/s Lucky Cement Ltd taking into account, connectivity requirements including grid station, and transmission line etc, through the resources of PESCO.

In this regard you are requested to please intimate progress achieved in the matter for the appraisal of Managing Director PEPCO.

DA/as above


(M. Ta
Manager Technical-III (CPI)

Copy to:-

Mr. I. H. Haqqi, Director Power Generation, M/s Lucky Cement Limited, 6-A, M. Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi-75350



PESHAWAR ELECTRIC SUPPLY COMPANY

PH# 091-9212334
Fax: 091-9212024
PESHAWAR

OFFICE OF THE
CHIEF EXECUTIVE PESCO
WAPDA HOUSE,

No 52-53 /

Dated 4/2/2012

✓ Mr. I. H. Haqi Director Power Generation,
M/s Lucky Cement Ltd., 6-A, M. Ali Housing Society,
A. Aziz Hashim Tabba Street,
Karachi-75350.

Subject: LETTER OF INTENT (LOI) PURCHASE OF 20 MW (GAS BASED)
POWER AT 132 KV BY PESCO FROM M/S LUCKY CEMENT
LIMITED, PEZU DISTRICT.

Ref:

- Chief Operating Officer (CPPO) vide letter No.CPPA/MT-III/F- 141/10855-56 dated 14.12.2011.
- Policy Framework approved by BOD PEPCO, received by GM (CPPO) No.GM/CPPO/F-75/2996-3015 dated 15.07.2009 for purchase of power by DISCOs from New Captive Power Producers (N-CPPs)
- In terms of the above referred policy frame work and approval of the PESCO BOD for processing of the offer of 20 MW power (gas based) at 132 kV Pezu Grid Station by M/s Lucky Cement Limited, Peshawar Electric supply Company (PESCO) hereby intends to issue this letter of intent to M/s Lucky Cement Limited, Pezu, Lakki Marwat, subject to the following conditions:
 - PESCO will not be bound to any obligations for entering into an agreement after issuance of this LOI.
 - PESCO will consider the same after detail technical, financial and administrative analysis of the offer.
 - The sponsor will get Generation License from NEPRA.
 - The sponsor will ensure Fuel supply arrangements from Sui Northern Gas Pipe Limited at its cost and risk.

cc. Chairman

CEO

COO

Director Technical

Director Finance

Gen Unit No I & II

- PESCO will file a Power Acquisition Request to NEPRA as per NEPRA Interim Power Procurement (Procedures & Standards) regulations 2005, for purchase of 20 MW Gas based Power, from M/s LCL under the N-CPP Policy. NEPRA will determine the Tariff in pursuance of their letter No. NEPRA/R/PAK-100/1208-18 dated 09.02.2012
- Central Power Purchase Agency (CPPA) will finalize the Power Purchase Agreement (PPA) in light of the policy guidelines (N-CPPs). PESCO will purchase electricity under (PPA) agreement on behalf of CPPA to incorporate the cost in ETR.
- The intended term of power purchase agreement would be 20 years from the Commercial Operation Date (COD) of the project, as per the following guide lines of the N-CPP Policy:
 - 1st Phase - 7 years Front loaded
 - 2nd Phase - 7 years free of Financial cost
 - 3rd Phase - 6 years extension if agreed mutually but free of financial cost
- M/s LCL will have to submit a performance guarantee for dispatch of electricity in the 2nd phase of the power purchase agreement i.e. 7 years free of Financial cost and in this effect a clause will be inserted into the draft Standard PPA circulated by CPPA, Lahore.
- This letter of intent (LOI) shall laps if the acceptance is not received at PESCO within one month.

(ENGR. MOHAMMAD WALI)

CHIEF EXECUTIVE OFFICER

PESCO PESHAWAR.

Copy to:

- Secretary Ministry of Water & Power Islamabad, for information please.
- Managing Director PEPSCO, 723 Wapda House Lahore, for information please.
- Chief Operating Officer (CPPA), 107-Wapda House Lahore, for

LUCKY CEMENT LIMITED
REFERENCE TARIFF FOR
16 MW WASTE HEAT RECOVERY POWER PROJECT AT PEZU

Year	Variable O&M Local	Variable O&M Foreign	Fixed O&M Local	Fixed O&M Foreign	Insurance	Return / Financial Cost	Total Tariff
	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh
1	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
2	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
3	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
4	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
5	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
6	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
7	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
8	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
9	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
10	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
11	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
12	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
13	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
14	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
15	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
16	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
17	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
18	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
19	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
20	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704
Levelized Tariff	0.2811	0.2811	1.6725	0.2952	1.1437	8.1968	11.8704

Payee's Account Only

VALID FOR SIX MONTHS
FROM THE DATE OF ISSUE

HMB/PO : 08641561
Date : 17-Apr-2015

HABIB METROPOLITAN BANK LTD.

Islamabad Branch
Islamabad

This payment order requires endorsement

Not Over PKR***406,416.00***

PAY NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

OR ORDER

Rupees four hundred and six thousand four hundred and sixteen
only

For Habib Metropolitan Bank Ltd.

PKR***406,416.00***

ATTORNEY

ATTORNEY

FORM NO:

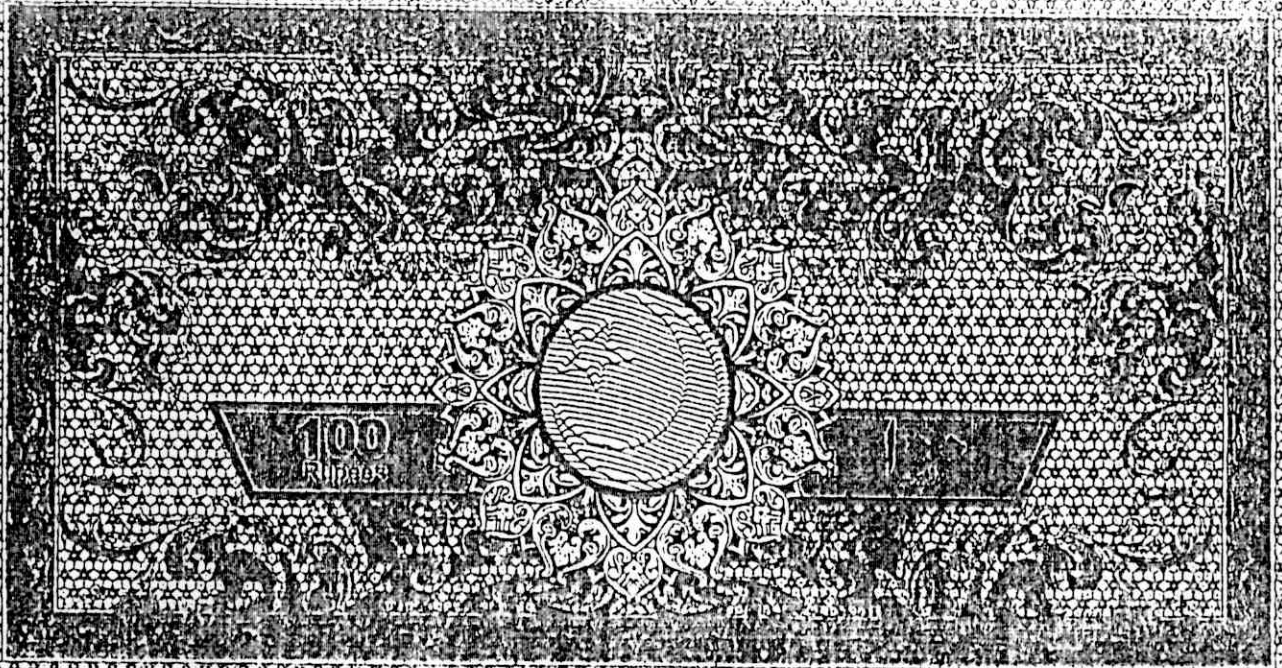
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F/C

18(a)

025
029



STAMP VENDOR
Licence No. 09, Shop No. 16, Block-14,
Karim Plaza, Gulshan-e-Iqbal, Karachi.

S. No. **057486** Date **04 MAR 2015**
Issued to With Address
Through With Address
Purpose **MUHAMMAD YAQOOB**
Value Rs. Attached **SA** Advocate
Stamps Vendor's Signature
Not For Used Bank Guaranty/will/divorce
Vendor Not Responsible Any Fake Documentation

FILE



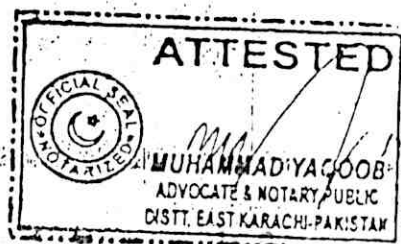
AFFIDAVIT

I, Intisar Ul Haq Haqqi, s/o Mr. Talib Ul Haq Haqqi, Pakistani National having CNIC # 61101-2014206-1 Director (Power Generation) of Lucky Cement Limited being duly authorized representative of Lucky Cement Limited, having its registered office at main Indus Highway Pezu Distt Lakki Marwat Khyber Pakhtunkhwa; Pakistan, hereby solemnly affirm that I have filed the accompanying Tariff Petition for the Financial Year 2015/2016. I declare that the contents of the accompanying Tariff Petition including all supporting documents are true and correct to the best of my knowledge and belief and that nothing has been concealed.

Verified on this 19th day of March, 2015

DEPONENT

[Signature]
Intisar Ul Haq Haqqi



026

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21 MAR 2015 030



EXTRACT OF RESOLUTION BY CIRCULAR
OF LUCKY CEMENT LIMITED
PASSED THROUGH CIRCULATION
ON MARCH 12, 2015

F/D

Approval for filing of tariff application and petition with NEPRA

RESOLVED that Board of Directors of Lucky Cement Limited ("Company") have hereby approved and permitted the Company to file the tariff application and petition with National Electric Power Regulatory Authority ("NEPRA") in respect of its 16 MW Waste Heat Recovery Power Project being set up on Main Indus Highway Pezu Distt, Lakki Marwat, Khyber Pakhtunkhwa, Pakistan and in relation thereto, enter into and execute any and all required documents, make all filings and pay all applicable fees, whatever it may be in each case, of any nature whatsoever as may be required.

FURTHER RESOLVED that in respect of tariff application and petition to be submitted to NEPRA Mr. Intisar Ul Haq Haqqi, the Director (Power Generation) of the Company, is the duly authorized representative on behalf of the Company for the purpose of filing the Tariff Petition and is hereby empowered and authorized for and on behalf of the Company to:

- I. Review, Execute, submit and deliver the Application (including any modification to the application) and related documentation required by NEPRA, Including any consents, contact, documents, power of attorney, affidavits, statements, letters, forms, applications, deeds, guarantees, undertakings, approvals, memoranda, amendments, letter, communications, notices, certificates, request, statements, and any other instruments of any nature whatsoever;
- II. Sign and execute necessary documentation, pay the necessary fees, appear before NEPRA as needed, and do all necessary things for the issuance of tariff for the Project by NEPRA;
- III. Represent and respond on behalf of the Company in the public hearings, to all of NEPRA's queries, NEPRA's case officer, NEPRA's registrar office, stakeholders and or interveners, and to attend pre and post hearing meetings; and
- IV. Do all such acts, matters, and things as may be necessary for carrying out the purposes aforesaid and giving full effect to the above resolution(s)."

CERTIFIED THAT THE ABOVE IS A
TRUE COPY OF THE RESOLUTION
BY CIRCULAR PASSED
ON MARCH 12, 2015

COMPANY SECRETARY

Karachi: March 12, 2015

Lucky Cement Limited

G-A. Muhammad Ali Housing Society, A. Aziz Hashim Tabha Street, Karachi-75150.
U.A.N: 111-786-555 T: (92-21) 34537390, 34530175, 34522554 R 34530450 F: 34534302 E: info@lucky-cement.com
URL: www.lucky-cement.com

Certified True Copy



National Electric Power Regulatory Authority
(NEPRA)
Islamabad – Pakistan

GENERATION LICENCE

No. SGC/104/2014

In exercise of the Powers conferred upon the National Electric Power Regulatory Authority (NEPRA) under Section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, the Authority hereby grants a Generation Licence to:

LUCKY CEMENT LIMITED


Incorporated under the Companies Ordinance, 1984 (XLVII of 1984) with
Company Registration No. I-01282, dated September 18, 1993

for its Waste Heat Recovery Based Generation Facility Located at Pezu,
District Lakki Marwat, In the Province of KPK

(Installed Capacity: 16.00 MW Gross ISO/Total)

to engage in generation business subject to and in accordance with the
Articles of this Licence.

Given under my hand this 12th day of September Two
Thousand & Fourteen and expires on 29th day of June Two
Thousand & Forty Five.


Registrar





F/A-2

March 19, 2015

The Registrar,
National Electric Power Regulatory Authority
NEPRA Tower, Ata-Turk Avenue
Sector G-5/1
Islamabad

SUBJECT: PETITION FOR DETERMINATION OF TARIFF - 16 MW WASTE HEAT RECOVERY
RENEWABLE ENERGY POWER PROJECT

I, Intisar Ul Haq Haqqi, Director (Power Generation), Lucky Cement and duly authorized representative of M/s Lucky Cement Limited by virtue of a board resolution dated 12th March 2015, hereby apply to NEPRA for determination of generation tariff for subject Waste Heat Recovery Based generation facility being constructed at Pezu, District Lakki Marwat, Khyber Pakhtunkhwa under Rule 3 of the National Electric Power Regulatory Authority Tariff (Standard and Procedure) Rules, 1998.

I undertake and confirm that the information provided in the attached supporting documents including the petition is true and correct to the best of my knowledge and belief. I also affirm that all further documentation and information to be provided by me in connection with the accompanying petition shall be true to the best of my knowledge and behalf.

A Bank draft/pay-order in favour of National Electric Power Regulatory Authority amounting to Rs. 406,416/- (Rupees Four Hundred Six Thousand and Four Hundred Sixteen) is attached along with this application as Tariff Petition Fee.

Thank you in advance for your kind consideration and look forward to your early approval and favourable response.

Signature

Name: Intisar Ul Haq Haqqi

Designation: Director, Power Generation

For information & use of

- D/Reg-2/SAR

Chf. to

- SAT-I

- SA (Tech)

- Dir (L-)

- M/F

029

033

24.03.15

Chairman
VC/M(LI)
M(T)
M(CA)
M(MAE)

Dr No. 24-03-15

Received by Mr. Intisar Ul Haq Haqqi

YBC

F/A-3

March 27, 2015

Subject: Petition for Determination of Tariff-16MW Waste Heat Recovery Renewable Energy Power Project

Reference is made to the Registrar's Office note No. NEPRA/TRF-100/4178 dated March 24, 2015 whereby the comments were sought regarding the completion of information for the admission of the subject petition. The petition comprises of one page application, board resolution, affidavit of trueness of information, pay order of required fee, one page cost summary and invoices of the incurred costs. No grounds or basis, as stated in the applicable law, of the petition and claims made therein has been submitted by the petitioner. Further, documents/contracts/agreements (EPC Contract, O&M Agreement etc) forming the basis of the claims have also not been provided.

Hence, the subject petition should not be admitted.

[Signature]

All Feroz Khan
AD(Tariff)

Registrar
By No. 3296
Dated 27-3-15

Senior Advisor (Tariff-II)

[Signature] 27/03/15

Senior Advisor
By No. 2024
Dated 27-03-15

Senior Advisor (Tariff-I)

[Signature] 27/3

Registrar

By No. 2698
Dated 27-3-15

030

034

F/A-4



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

Registrar

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

No. NEPRA/TRF-100/LCL/4542

April 3, 2015

Mr. Intisar ul Haq Haqqi,
Director, Power Generation
Lucky Cement Ltd.
House No. 6-A, Mohammad Ali Housing Society,
A. Aziz Hashim Tabba Street,
Karachi - 75350

Subject: Petition for Determination of Tariff - 16 MW Waste Heat Recovery Renewable Energy Power Project - Lucky Cement Ltd.

Please refer to your letter dated 19.03.2015 (received on 24.03.2015) submitting therewith the subject petition for determination of Generation Tariff pursuant to NEPRA (Tariff, Standards and Procedure) Rules, 1998 (Tariff Rules).

2. During the initial scrutiny of the subject tariff application to check the documentation requirement as required under Rule 3 of Tariff Rules, it is noted that the following information/documents required under Rule 3(2) of Tariff Rules have not been submitted with the subject petition:

Documents required under Rule 3 of NEPRA Tariff Rules

- i) The grounds giving rise to the petitioner's interest forming the basis of the petition and, where the petitioner is a licensee, the number and other relevant details of the licence as may be determined by the Authority from time to time as per requirement of Rule 3(2)(a) of Tariff Rules.
- ii) The grounds and the facts forming the basis of the petition as per requirement of Rule 3(2)(b) of Tariff Rules.
- iii) The relief or determination sought as per requirement of Rule 3(2)(c) of Tariff Rules.
- iv) Summary of evidence giving brief particulars of the data, facts and evidence in support of the petition as per requirement of Rule 3(2)(e) of Tariff Rules.
- v) Be supported with a summary of evidence giving brief particulars of the data, facts and evidence in support of the petition as per requirement of Rule 3(2)(e) of Tariff Rules.

3. Further LCL is also required to submit the firm (non-reopenable) competitive EPC price duly initialed/signed by the IPP/EPC Contractors.

Contd...P/2

-: 2 :-

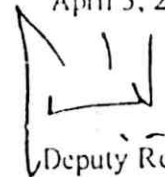
4. You are advised to submit the above mentioned documents/information within seven (07) days from the receipt of this letter. Please note that the subject petition is under scrutiny and shall deemed to be filed only upon submission of information/clarification by the petitioner as sought through this communication and through any subsequent communication in case if further observation/queries arise during this process.

(Iftikhar Ali Khan)
Deputy Registrar

No. NEPRA/TRF-100/LCL/4843

April 3, 2015

Forwarded for information, please.

 3/4/15
Deputy Registrar

Senior Advisor (Tariff-I)

Mr. Zain Ullah Shah, O.S. [to update the status]
Master File

For information:

1. Chairman
2. V.C. / Member (Licensing)
3. Member (Tariff)
4. Member (CA)
5. Member (M&E)

F/E

National Electric Power Regulatory Authority
(NEPRA)

No. NEPRA/Dir (Coord)/2013/1527

May 24, 2013

Subject: Minutes of the Authority Regulatory Meeting 13-280

Enclosed please find herewith the Minutes/Decision of the Authority Regulatory Meeting 13-280 held on May 16, 2013 regarding tariff petition for 17 MW Ranolia Hydropower Project, District Kohistan, Khyber Pakhtunkhwa, Sarhad Hydel Development Organization for information and further action immediately and within the timelines mentioned therein (if any).



(Muhammad Adnan Day)
Dy. Director (Coordination)

Distribution:

1. DG (Tech.)
2. DG (Tariff)
3. Sr. Adv. (Tariff)
4. Consultant (M&E)
5. Director (CAD)
6. Director (Tariff)
7. Registrar/Sponsor
8. Director (Licensing)
9. DD (Standards)
10. Regulatory Economist/DD (Implementation)
11. LA (I.I.P)
12. LA (Licensing)
13. AD (Implementation)

National Electric Power Regulatory Authority
(NEPRA)

Subject: - MINUTES/DECISIONS OF THE AUTHORITY REGULATORY MEETING 13-280 HELD ON MAY 16 2013 REGARDING TARIFF PETITION FOR 17 MW RANOLIA HYDROPOWER PROJECT, DISTRICT KOHISTAN, KHYBER PAKHTUNKHWA-SARHAD HYDEL DEVELOPMENT ORGANIZATION

A meeting of the Authority on the subject was held on May 16, 2013. Following Members of the Authority, professionals and officers participated in the meeting:

Authority	
Mr. Justice (R) Ahmad Khan Iashari	Chairman
Khawaja Muhammad Naeem	Vice Chairman/Member (Tariff)
Mr. Habibullah Khilji	Member (M & E)
Maj (Retd) Haroon Rashid	Member (CAD)
Participants	
Mr. Zaheer Mir	Senior Advisor (Tariff)
Syed Safeer Hussain	Registrar/Sponsor
Mr. Sajjad Muhammad Qureshi	Director (Tariff)
Mr. Jamal Sarwar	Regulatory Economist/DD (Implementation)
Mr. M. Adnan Dayar	Deputy Director (Coordination)
Muhammad Shafique	Legal Advisor (LLP)
M. Saqlain Arshad	Legal Advisor (Licensing)

The Authority considered the working paper submitted by the Registrar.

The sponsor briefed the Authority that the Ranolia Hydropower Project, Sarhad Hydel Development Organization (SHYDO) filed a tariff petition in accordance with NEPRA (Tariff Standards and Procedure) Rules, 1998. As per comments received from Tariff Division, the petition has been filed for EPC stage tariff based on a firm and final contract, which, according to the petitioner, has already been signed. However, a copy of this contract has not been provided. Further, copies of feasibility study and letter of the Panel of Experts (POE) have not been provided.

The sponsor informed that it was decided in Regulatory Meeting RM 13-105 held on February 26, 2013 that the Registrar shall return a petition to the petitioner for submitting the information and/or clarification(s) as required by the Tariff, Legal and Technical Sections during the initial scrutiny of the petition. Therefore, in view of the observations of Tariff Division, in conjunction with the Authority's decision of RM 13-105, the subject tariff petition was proposed to be returned along with filing fee to the petitioner with the advice to re-file the same, if desired so, after addressing the

shortcomings. Accordingly a draft letter was prepared and the same was submitted for approval of Vice Chairman.

The Vice Chairman forwarded the file to the Legal Advisor (LLP) for vetting of the draft letter. The Legal Advisor (LLP) submitted that the time period within which the petition could be returned had been lapsed. While examining the petition the office of Registrar has to satisfy itself as to fulfillment of requirements of rule 3(2) of the Rules, however, provision of EPC contract or feasibility study may not be a condition precedent within the ambit of such rules. However, the Authority is vested with the power to call for submission by the petitioner of any further supporting communication in terms of rule 4(2) of the Rules which area may not be within the purview of the office of the Registrar. The Legal Advisor (LLP) clarified that the Authority is not vested with any power for "return of petition", therefore, delegation of such power to the Registrar may not be relevant. Instead the Authority is empowered to call for any further information/communication and it may also refuse admission of any petition owing to non-provision of any information so desired. As such the DFA did not seem to be in order.

The Vice Chairman concurred with the opinion/suggestion of the LA (LLP) that the matter required to be placed before the Authority for consideration. The sponsor stated that this may tantamount to a review of the Decision taken in RM 13-105.

The sponsor further informed that owing to non-posting of tariff and legal professional(s) in the Registrar Office, the practice in-vogue is that the Registrar, after receiving the tariff petition sent copies of the same to the Director General (Technical), Tariff and Legal Professionals and Regulatory Economist for inviting their comments with regard to submitted petition. The comments of Tariff and Legal Professionals are very important to decide whether to admit the tariff petition or otherwise.

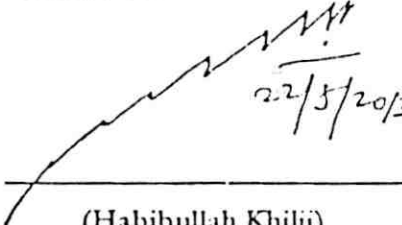
For better facilitation, the Authority may like to direct Legal and Tariff Professionals to furnish categorical recommendation regarding either to admit the petition with or without any condition(s) or not to admit the petition for want of certain information involving the Rule 4(2) of the Tariff Rules or otherwise.

The sponsor stated that the Authority may decide not to admit the Tariff Petition for want of information and to direct the petitioner to submit the same within 14 days of receipt of the letter failing which the Authority may refuse admission of the petition.

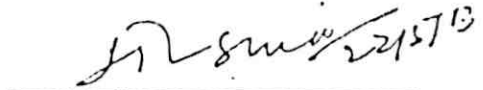
DECISION:

The Authority considered the working paper and decided as follows:

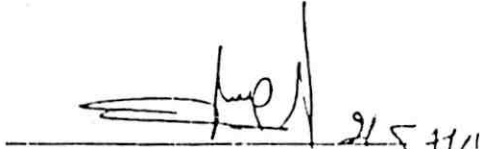
1. The shortcomings in the petition filed by the Ranolia Hydropower Project, Sarhad Hydel Development Organization (SHYDO), as highlighted by the Tariff Division, are to be communicated to the petitioner for submitting the requisite information within 14 days.
2. The case is to be resubmitted after receipt of the requisite information or for a decision as to admission or otherwise if the requisite information is not received within the stipulated time.
3. In future the lacking requisite information is to be communicated by the Tariff and Legal Divisions clearly mentioning that the required information/documents fall under the list of documents/information required under Rule 3(2)-8 of NEPRA (Tariff Standards and Procedure) Rules, 1998.


22/5/2013

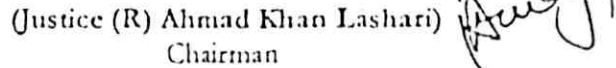
(Habibullah Khilji)
Member



(Maj. Retd Haroon Rashid)
Member


21/5/11

(Khawaja Muhammad Naeem)
Member


Justice (R) Ahmad Khan Lashari
Chairman

F/G

National Electric Power Regulatory Authority
Registrar Office

No. NEPRA/TRF-100/LCL/6017

April 23, 2015

Subject: Petition for Determination of Tariff – 16 MW Waste Heat Recovery Renewable Energy Power Project – Lucky Cement Ltd.

Please refer to our ION dated 24.03.2015 enclosing therewith the Tariff Petition dated 19.03.2015 of LCL for comments of professionals; based on the received comments the shortcomings in the above said petition were communicated to LCL vide our letter dated 03.04.2015 (copy enclosed). In response thereof, LCL has submitted petition afresh along with supporting documents vide letter dated 17.04.2015 (received on 20.04.2015). The same is forwarded for comments that whether the provided information / documents by LCL are sufficient and satisfactory for admission of the instant petition or otherwise.

2. The deficient information in the tariff petition, if any, shall be classified that it is required under Rule 3(2) & (8) of NEPRA (Tariff Standards & Procedure) Rules, 1998 (Tariff Rules) (refer Minutes of ARM 13-280) or an additional information is required under Rule 4(2) of the Tariff Rules.

4. Being time bound case; the provision of requisite comments by 24.04.2015 shall be highly appreciated.

Encl: As above

23/4/15
(Iftikhar Ali Khan)
Deputy Registrar

1. Senior Advisor (Tech)
2. Senior Advisor (Tariff-I)
3. Legal Advisor (KIP)
4. SES to Registrar

5/G-1

National Electric Power Regulatory Authority
Registrar Office

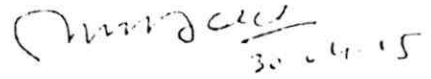
No. NEPRA/TRF-100/LCL/6630

April 30, 2015

Subject: Petition for Determination of Tariff – 16 MW Waste Heat Recovery Renewable Energy Power Project – Lucky Cement Ltd.

Please refer to this office ION No. 6017 dated 23.04.2015 (copy enclosed), the comments requested vide the referred ION on the subject Petition are still awaited. Being time bound case, the provision of comments in the matter may please be expedited.

Encl: As above


(Muhammad Ramzan)
Deputy Registrar

1. Senior Advisor (Tariff-I)
2. Legal Advisor (KIP)
3. SES to Registrar ✓

A

National Electric Power Regulatory Authority
Registrar Office

No. NEPRA/TRF-100/LCL/6017

April 23, 2015

Subject: Petition for Determination of Tariff – 16 MW Waste Heat Recovery Renewable Energy Power Project – Lucky Cement Ltd.

Please refer to our ION dated 24.03.2015 enclosing therewith the Tariff Petition dated 19.03.2015 of LCL for comments of professionals; based on the received comments the shortcomings in the above said petition were communicated to LCL vide our letter dated 03.04.2015 (copy enclosed). In response thereof, LCL has submitted petition afresh along with supporting documents vide letter dated 17.04.2015 (received on 20.04.2015). The same is forwarded for comments that whether the provided information / documents by LCL are sufficient and satisfactory for admission of the instant petition or otherwise.

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4. Being time bound case; the provision of requisite comments by 24.04.2015 shall be highly appreciated.

Encl: As above

1
23/4/15
(Ittikhar Ali Khan)
Deputy Registrar

1. Senior Advisor (Tech)
2. Senior Advisor (Tariff-I)
3. Legal Advisor (KIP)
4. SES to Registrar



Registrar

F/H

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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

No. NEPRA/R/LAG-251/10607-12

September 12, 2014

Mr. Intisar Ul Haq Haqqi
Director Power Generation
Lucky Cement Limited
6-A, Muhammad Ali Housing Society,
A. Aziz Hashim Tabba Street
Karachi

Subject: **Generation Licence No. SGC/104/2014**
Licence Application No. LAG-251
Lucky Cement Limited (LCL)

Reference: *Your letter No. LCL/PG/pezu-149, dated February 26, 2014.*

Enclosed please find herewith Determination of the Authority in the matter of Generation Licence Application of LCL along with Generation Licence No. SGC/104/2014 annexed to this determination granted by the National Electric Power Regulatory Authority to LCL for its 16.00 MW Waste Heat Recovery Based generation facility, located at Pezu, District Lakki Marwat, Khyber Pakhtunkhwa, pursuant to Section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).

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

Enclosure: **Generation Licence**
(SGC/104/2014)

Copy to:

1. Chief Executive Officer, Alternative Energy Development Board (AEDB), 2nd Floor, OPF Building, G-5/2, Islamabad.
2. Chief Executive Officer, NTDC, 414-WAPDA House, Lahore
3. Chief Operating Officer, CPPA, 107-WAPDA House, Lahore
4. Chief Executive Officer, Peshawar Electric Supply Company (PESCO), WAPDA House, Sakhi Chashma, Shami Road, Peshawar
5. Director General, Pakistan Environmental Protection Agency, Plot No. 41, Street No. 6, H-8/2, Islamabad.



(Naveed Jilani Sheikh) 12/09/14

CONTRACT
FOR
THE SUPPLY OF ENGINEERING AND EQUIPMENT
FOR
WASTE HEAT POWER GENERATION SYSTEM FOR
LUCKY CEMENT LIMITED
PEZU
BETWEEN
LUCKY CEMENT LIMITED
AND
SINOMA ENERGY CONSERVATION LTD.

CONTRACT NO. 441908

F/I

The Supplier shall be responsible for supplying a complete working Plant, including commissioning up to start up of the plant. The start up and commission activity shall be carried by the necessary manpower supplied by the LCL. The erection and installation work of PH Boiler at LCL premises shall be carried out by LCL under the supervision, and responsibility of Supplier, within the Supplier's scope of delivery as listed in Annex 5 (Division of Responsibility). If there are any Equipment or parts that are missing for normal plant operation, the Supplier shall still be responsible for supplying the missing Equipment or parts. LCL shall be responsible for supplying those items within LCL's scope as listed in Annex 5 (Division of Responsibility).

ARTICLE 4: CONTRACT PRICE

- 4.1 The Contract Price, calculated on the basis of FOB at Shanghai, China (INCOTERMS 2000 as amended) for the scope of supply specified in Article 3 (Scope of Supply) payable by LCL to SUPPLIER shall be U.S. Dollars Twelve Million Three Hundred Thousand Only (\$12,300,000).
- 4.2 The Contract Price excludes value added tax and import duties which may become payable upon importation or delivery of the Equipment imposed under the laws of the Pakistan as specified in Article 6 (Taxes and Duties) hereof.
- 4.3 The Contract Price is the total price of the Equipment and Engineering according to Article 3 (Scope of Supply) and is inclusive of seaworthy packing to the extent which is usual international practice for the supply of such goods and inclusive of any taxes, fees and charges levied in SUPPLIER's country.
- 4.4 The Contract Price shall be fixed and not be subject to any escalation within the time of delivery specified in Article 8 (Delivery), except for the event of variations under agreed variations as per Article 10 (Variations) hereof.

LCL CONSTRUCTION CONTRACT

BETWEEN

LUCKY CEMENT LIMITED

Main Indus Highway, Pezu, District Lucky Marwat, KPK, Pakistan

AND

ORIENT ENERGY SYSTEM (PVT) LTD

DATE: 29TH APRIL 2014

Contract Value PKR 80,000,000/
Page 40/113.



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SUPPLY CONTRACT DOCUMENT

BETWEEN

LUCKY CEMENT LIMITED .

Main Indus Highway, Pezu, District Lucky Marwat, KPK, Pakistan

AND ,

ORIENT ENERGY SYSTEM (PVT) LTD .

DATE: 29TH APRIL 2014



Contract Price
US \$ 7,150,000/-
P: 23/93.



2.

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044

048

National Electricity Power Regulatory Authority
(NEPRA)

No. NEPRA/Dir (Coord)/2015/1270

May 21, 2015

Subject: Minutes of the Authority Regulatory Meeting 15-380

Enclosed please find herewith the Minutes/Decision of the Authority Regulatory Meeting 15-380 held on May 14, 2015 regarding Petition for Determination of Tariff – 16MW Waste Heat Recovery Renewable Energy Power Project – Lucky Cement Ltd for information and to submit progress/ status report regarding decision of the Authority taken during the mentioned meeting.

2. An early response / action would be appreciated.



(Muhammad Adnan Dayar)
Director (Coordination)

Distribution:

1. Sr Advisor (Tech)
2. Sr Advisor (Tariff-I)
3. Sr Advisor (Tariff-II)
4. Sr Advisor (M & E)
5. Director (Tariff-I)
6. Director (Tariff-II)
7. Director (CAD)
8. Registrar / Sponsor
9. Director (Licensing)
10. Director (Media Affairs)
11. Director (Stand/Tech)
12. LA-LLP
13. LA-KIP
14. LA-(L & S) – Mr Nadi Nabi
15. AD (Implementation)

DD (T-II) is designated
Case Officer for processing
the case.

8-22/5

DD (T-II)

4568
21-5-15

**National Electric Power Regulatory Authority
(NEPRA)**

Subject: - **MINUTES/DECISIONS OF THE AUTHORITY REGULATORY MEETING 15-380
REGARDING PETITION FOR DETERMINATION OF TARIFF - 16 MW WASTE
HEAT RECOVERY RENEWABLE ENERGY POWER PROJECT - LUCKY CEMENT**

A meeting of the Authority on the subject was held on May 14, 2015. The following Members of the Authority, professionals and officers participated in the meeting:

Authority	
Brig (R) Tariq Saddozai	Chairman
Maj. (R) Haroon Rashid	Vice Chairman / Member (CA)
Mr. Himayat Ullah Khan	Member (M&E)
Participants	
Mr. Hassnain Zaigham	Senior Advisor (Technical)
Mr. Nadir Ali Khoso	Senior Advisor (M&E)
Syed Insaaf Ahmed	Senior Advisor (Tariff-I)
Mr. Aftab Alam	Director General (C&I)
Ms. Aisha Tassaduq	Director (Media Affairs)
Syed Safeer Hussain	Registrar / Sponsor
Mr. Imtiaz Hussain Baloch	Director (Licensing)
Mr. Muhammad Adnan Dayar	Director (C&I)
Mr. Muhammad Shafique	Legal Advisor (LLP)
Mr. Irtan Gill	Legal Advisor (KIP)
Ms. Nadia Nabi	Legal Advisor (L&S)
Ms. Sundas Khagan	Assistant Director (Coord)

The Authority considered the working paper submitted by the Registrar.

The sponsor stated that Lucky Cement Limited (LCL) has submitted the tariff petition for determination of generation tariff of its 16 MW Waste Heat Recovery based Generation Facility being constructed at Pezu, district Lucky Marwat Khyber Pakhtunkhwa. The petitioner has submitted the tariff petition while referring to Rule 3 of NEPRA Tariff (Standards & Procedure) Rules, 1998 (Tariff Rules).

The sponsor informed that LCL has stated that: *It is currently constructing a 16 MW (10 MW + 6 MW) Waste Heat recovery power project (the 'project') at its cement plant in Pezu. LCL has already installed a Waste Heat Recovery Steam Generator (WHRSG) of 10.00 MW (Unit 1) at its Kun, operating on coal. Another WHRSG of 6.00 MW (Unit 2) is at an advanced stage of installation and is expected to achieve COF in October 2015. The combined installed capacity of the WHRSG system would be 16.00 MW upon commissioning of Unit 2. LCL and it intends supplying around 15.00 MW Net Electric Power from the aforementioned WHRSG to Peshawar Electric Supply Company Limited (PESCO) on take-and-pay basis. PESCO has already issued LOI dated February 14, 2012 for purchase of power at 122 kV from LCL premises in Pezu, and on the said basis they have already been granted Generation Licence for their 16 MW WHR project.*

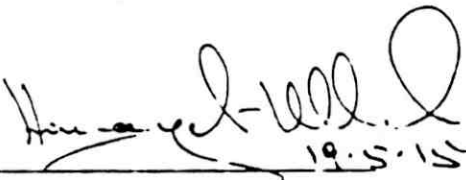
The sponsor explained that the subject tariff petition was forwarded concerned NEPRA professionals for their input/ comments. In response the comments received from the professionals are reproduced as follows:

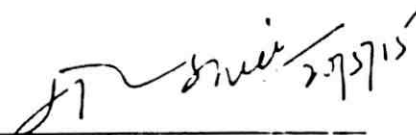
Section / Professional	Comments
Technical Division	<i>"It is noted that the information/documents submitted by LCL are sufficient and satisfactory as per requirement under Rule 3(2) & (3) of NEPRA Tariff (Standards & Procedure) Rules, 1998 (Tariff Rules)."</i>
I.A. (KIP)	<i>"The petition seems in compliance with rule 3 of Tariff Rules therefore may be placed before Authority for consideration."</i>
Tariff Department	<p><i>The generation license for a captive power plant was issued to LCL on September 12, 2014.</i></p> <p><i>The petitioner has submitted the EPC contract signed with SINOMA Energy Conservation Limited for the 10 MW out of 16 MW capacity which is operational since 2010.</i></p> <p><i>For the remaining 6 MW capacity, the petitioner has submitted separate construction and supply contracts signed with Orient Energy System (private) Ltd.</i></p> <p><i>No O&M contract has been submitted and seemingly the same is being performed by the petitioner itself.</i></p> <p><i>Since the electricity is being generated from the waste heat hence no fuel component has been claimed by the petitioner. Only O&M component and RoE based on 100% equity financing has been claimed.</i></p> <p><i>Along with its petition, LoI issued to the petitioner by PESCO has been submitted. One of the term of the mentioned LoI was that the PESCO will file a power acquisition request to NEPRA as per NEPRA Interim Power Procurement (Procedure & Standards) Regulations, 2005 for purchase of 20 MW gas based power from LCL under NCPP policy.</i></p> <p><i>As per the petition, the tariff is being claimed for 16MW of capacity out of which 10 MW is already in place since 2010 and the remaining 6 MW shall get operational by October, 2015. Being a captive power plant and in view of the aforementioned terms of its LoI, it is suggested that the petitioner may be advised to approach PESCO to file power acquisition request to NEPRA in this regard."</i></p>


The sponsor placed the subject tariff petition and working paper before the Authority for consideration and decision whether to admit LCL's subject Tariff Petition for further processing for determination of generation tariff of its 16 MW Waste Heat Recovery based Generation Facility being constructed at Pezu; to designate a Case Officer for processing of the subject Tariff Petition filed by LCL and to fix a date of hearing on subject tariff petition or otherwise.

DECISION OF AUTHORITY REGULATORY MEETING RM 15-320 HELD ON MAY 14, 2015

The Authority after detailed deliberations admitted the Tariff Petition submitted by Lucky Cement Ltd under Tariff Standards and Procedure Rules-1998 for determining Tariff of its 16 MW Waste Heat Recovery - Renewable Energy Power Project and appointed Senior Advisor (Tariff-I) to appoint a case officer for further processing of the case. The date of hearing shall be fixed in consultation with the coordination department.


(Himayat Ullah Khan)
Member


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


(Brig. (R) Tariq Saddozai)
Chairman

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)

NOTICE OF ADMISSION / PUBLIC HEARING

PETITION FILED BY LUCKY CEMENT LIMITED (LCL) FOR THE DETERMINATION OF TARIFF-16MW WASTE HEAT RECOVERY RENEWABLE ENERGY POWER PROJECT.

All stakeholders, interested/affected persons and the general public are notified that the Authority (NEPRA) has admitted the petition of Lucky Cement Limited (LCL) for consideration. The applicant has requested for determination of generation tariff for proposed sale of power to Peshawar Electric Supply Company (PESCO).

SALIENT FEATURES OF THE PETITION

1. The project is located at Pezu, District Lakki Marwat, in the Province of Khyber Pakhtunkhwa.
2. The petitioner seeks reference Levelized Tariff of Rs 11 8704 /kWh (US Cents 11 6329 /kWh)
3. Summary of the design and technical parameters of the project is as follows:

Power and Energy	Technology: Waste Heat Recovery Steam Generator (WHRSR-Renewable Energy)
	Status: Partially Commissioned (10MW complete, 6MW under construction)
	Installed Capacity: 16MW (10MW+6MW)
	Auxiliary Consumption 5.8375%
	Net annual energy for sale: 87GWh @ Plant Avg Load Factor of 66.25% (70%+60%)

4. Summary of CAPEX is as under:

Cost Head	Million US \$
Cost of Power Plant (Offshore)	19 450
Transportation-sea freight & inland (Including Insurance)	0 515
Duties, taxes and other charges	0 709
Civil work of plant (onshore)	2 118
Local fabrication	3 226
Insurance	0 171
Management fee and Project Development	3 207
Grid station and transmission line	2 967
Total Project Cost	32.363

5. Summary of operational costs per annum is as under:

Cost Head	Rs. /kWhr
Variable Operation and Maintenance cost	0.517726
Fixed operation and Maintenance Cost	1.812204
O&M (p.a.) for (10MW) Plant	2.329930
O&M (p.a.) for (6MW) Plant	0.20
Total O&M (p.a.)	2.53

6. The Petitioner has requested for approval of 20% IRR based Return on Equity 21.50%.
7. The Project is 100% equity financed and no debt has been used for financing of project.
8. Operational Insurance has been assumed at 3% of CAPEX Price. Insurance during Construction has been requested at 0.66% of EPC cost.
9. **The Authority has decided to hold a public hearing of the petition on....., 2015 (.....) at the NEPRA Tower, Islamabad.**
10. **You may participate in the proceedings of the tariff setting process in the following manner:**
11. In terms of rules 6 & 7 of NEPRA (Tariff Standards & Procedure) Rules, 1998, any interested person who desires to participate in the proceedings may file an intervention request within seven (7) days from the date of publication of this notice. Such intervention request shall state the name and address of the person filing the same, objections and the manner in which such person is or is likely to be substantially and specifically affected by any determination in the proceedings. The intervention request may also contain the contentions of the person making the same, the relief sought and the evidence, if any, in support of the case. In the intervention request, the intervenor may specifically admit, deny or explain the facts stated in the petition and may also state additional facts which are relevant and necessary for reaching a just and informed decision in the proceedings. The intervention request shall be signed, verified and supported by means of an affidavit in the same manner as in the case of the petition. The intervenor shall also serve a copy of the intervention request duly attested as true copy on the petitioner or his authorized representative and the petitioner may file a rejoinder to the intervention request which shall be filed before the commencement of the hearing.
12. Any person may also file the comments in the matter within seven (7) days of this publication and the Authority, if deemed fit, may permit participation of such person into the proceedings and may also consider those comments in the final determination.

All communications should be addressed to

Registrar NEPRA

NEPRA Tower, Ataturk Avenue, G-5/1, Islamabad.

Phone: 051-920 6500 Fax: 051-260 0026, E-mail office@nepra.org.pk

For further information and to download the petition and issues framed for hearing, please visit www.nepra.org.pk

Note: Admission of petition filed by LCL for determination of generation tariff is not to be construed as approval of NEPRA.

