

Pak Matiari-Lahore Transmission Company (Private) Limited
巴基斯坦默蒂亚里拉合尔输电（私人）有限公司

PMLTC-COMMERCIAL-[86]

2nd April 2021

The Registrar,
National Electric Power Regulatory Authority,
NEPRA Tower, Ataturk Avenue-East G-5/1,
ISLAMABAD.

Subject: Pak Matiari-Lahore Transmission Company (Private) Limited ("PMLTC" or the "Company")
Petition for Modification of Tariff Determination Dated 04 December 2018

Dear Sir,

This is with reference to the decision of National Electric Power Regulatory Authority ("NEPRA" or "the Authority") vide letter No. NEPRA/TRF-433/PMTC-2018/18834-18836 dated December 04, 2018 (the "Order" or "Reference Tariff") in the matter of ± 660 kV High Voltage Direct Current 4,000 MW transmission line project ("Project").

The Company and National Transmission & Dispatch Company ("NTDC") has agreed to extend the Required Commercial Operations Date as defined in Article 1 of the Transmission Service Agreement dated May 14, 2018 from Twenty Seven Months (27) months to Thirty Three (33) months in accordance with the terms and conditions agreed in Memorandum of Understanding ("MOU") dated February 18, 2021 between the Company and NTDC. The Company has also initiated an amendments to the Transmission Services Agreement and Implementation Agreement both with NTDC and PPIB in accordance with the terms of MOU. These amendments will be signed by the Parties upon the approval of Economic Coordination Committee, which is in process. It is expected that such ECC approval will be granted very soon. Therefore, Reference Tariff or Order required to be modified as per the terms of amendments.

A Petition for Modification of Tariff Determination dated December 04, 2018 under Section 7 and 31 of the NEPRA Act and Rule 3 of the NEPRA (Tariff Standard and Procedure) Rules 1998 duly supported with all relevant documents in support of the Petition as well as amendments executed between NTDC, PPIB and the Company is hereby submitted to the Authority for its approval and modification of the Order in this regard.

We look forward for the Authority's early determination on the subject matter.

Best Regards

Yours truly

Wang Bo

CHIEF EXECUTIVE OFFICER

For Pak Matiari-Lahore Transmission Company (Private) Limited

Enclosure:-

1. Modification Tariff Petition
2. Board of Director resolution
3. Affidavit
4. Annexure A - T

Address: House No. 581, Block Z, Phase III, DHA, Lahore, Pakistan
Tel: +92-42-3574 6855 Fax: +92-42-3574 6869

for information & info M.
- Adl. Dir. C/101.
- MF
copy to:
- Adg. (Inf.)
- Secy. Tech.
- LAC/101
Chairman
- M/G/CA,
- M/G/101/102

Along with 1 x folder (supporting docs) and
original of Rs. 747,776/-

REGISTRAR
By: No. 6133
Date: 5/4/21



Industrial and Commercial Bank of China Limited
Lahore Branch, EEU House Gulberg

Cheque No 60161564



Date 0 0 M 2 M 0 Y 2 0 2 1

National Electric Power Regulatory Authority

Pay to the order of bearer

Seven Hundred Forty Seven Thousand Seven Hundred

Rupees

Seventy Six Only

PKR 747,776/-

PK56ICBK0030000000128709

PAK MATIARI LAHORE TRANSMISSION COMPANY (PRIVATE) LIMITED

Please do not write below this line

Signature

60161564088030010300000001287090000

Pak Matiari-Lahore Transmission Company (Private) Limited

巴基斯坦默蒂亚里拉合尔输电（私人）有限公司

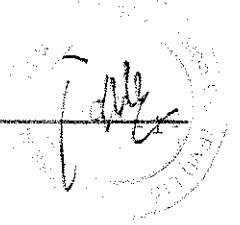
RESOLUTION OF BOARD OF DIRECTORS

Board of Directors of Pak. Matiari-Lahore Transmission Company (Pvt.) Limited hereby make the following resolutions in the board meeting held at Lahore on March 30th, 2021.

RESOLVED THAT Pak. Matiari-Lahore Transmission Company (Pvt.) Limited (a company incorporated under the laws of Pakistan with its registered office located at House No. 177-A, Street No.6, Phase-I, DHA, Lahore, Pakistan), Pakistan. Pak. Matiari-Lahore Transmission Company (Pvt.) Limited is hereby authorized to file review petition and the ancillary applications for any orders, determinations and/or decisions issued by National Electric Power Regulatory Authority (NEPRA) in respect of its ± 660 Kv 4000 MW with approximately 886 km of HVDC Transmission Line Project (the "Project") and in relation thereto, enter into and execute all required documents, make all filling and pay all applicable fees, in each case, of any nature whatsoever as required.

FURTHER RESOLVED THAT in respect of review petition and the ancillary applications for any orders, determinations and/or decisions issued by National Electric Power Regulatory Authority (NEPRA) under the applicable laws of NEPRA, Mr. Wang Bo as Chief Executive Officer be and is hereby empowered and authorized and/or has the power of attorney for and on behalf of the Company to:

1. Review, execute, submit and deliver the review petition under the applicable laws of NEPRA and related documentations required by the National Electric Power Regulatory Authority, including any contracts, documents power of attorney, affidavits, statements, letters, forms, applications, deeds, guarantees, undertakings, approvals, memoranda, amendments, communications, notices, certificates, requests and any other instruments of any nature whatsoever;
2. Sign and execute necessary documentations, pay the necessary fees, appear before the National Electric Power Regulatory Authority (NEPRA) as needed,



and to do all acts necessary for the completion and processing of the review petition;

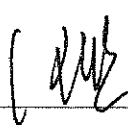
3. Do all such acts, matters and things as may be necessary for carrying out the purposes aforesaid and giving full effect to the above resolution(s).

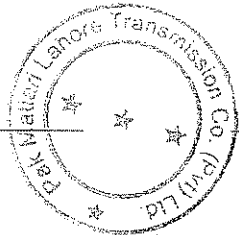
AND FURTHER RESOLVED THAT Mr. Wang Bo as Chief Executive Officer be and is hereby authorized to delegate all or any of the above powers in respect of the foregoing to any other officials of the Company as deemed appropriate.

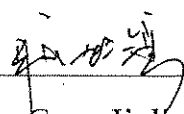
Board of Directors

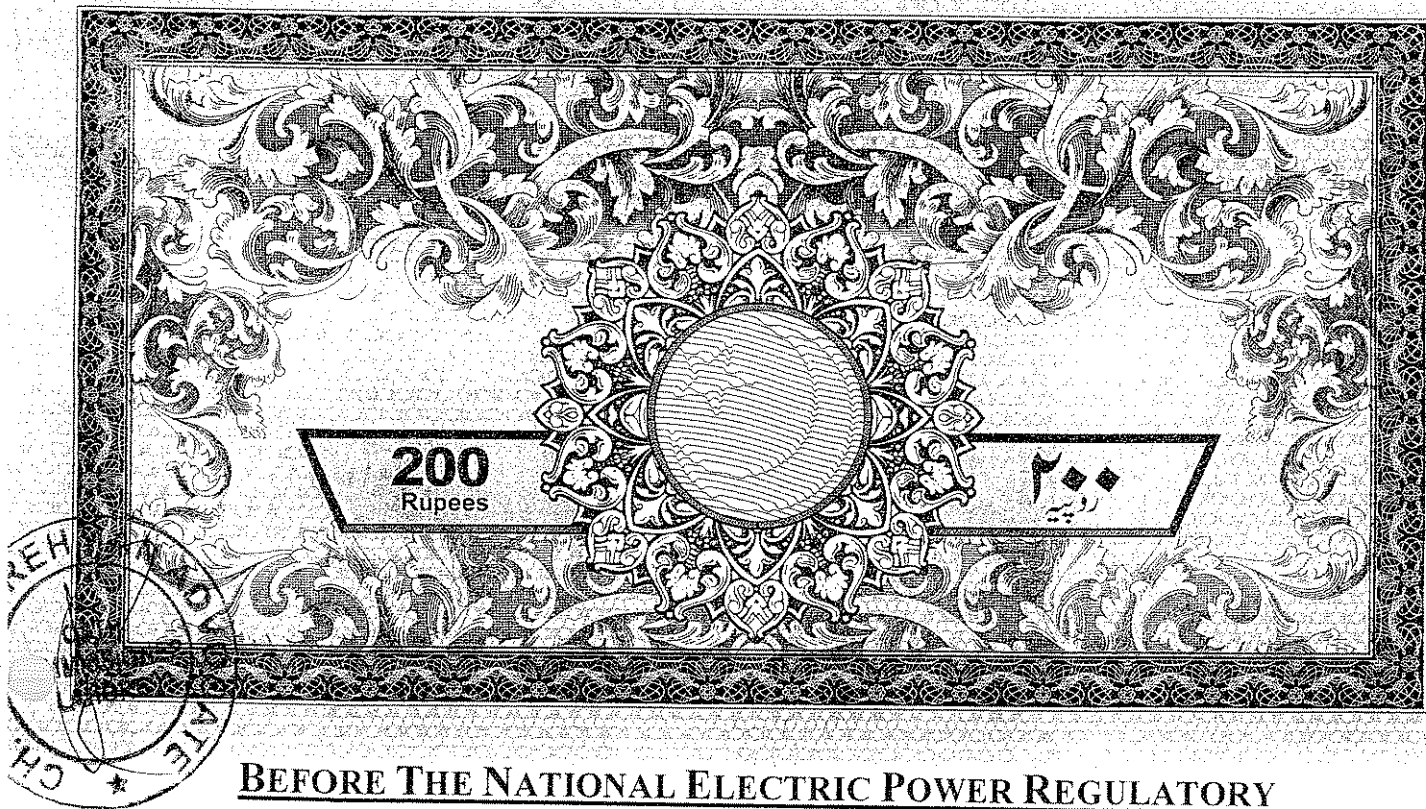
Pak. Matiari-Lahore Transmission Company (Pvt.) Limited.

Signature:


Wang Bo




Geng Jialing



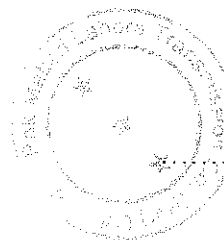
**BEFORE THE NATIONAL ELECTRIC POWER REGULATORY
AUTHORITY**

(REVIEW PETITION AND ANCILLARY APPLICATION)

AFFIDAVIT MR. WANG BO, Chief Executive Officer and authorized representative of Pak Matiari-Lahore Transmission Company (Private) Limited, House No. 177-A, Street No. 6, Phase-1, DHA, Lahore, Pakistan.

I, the above-named Deponent for and on behalf of Company, do hereby solemnly affirm and declare as under:-

1. That the above named titled review petition under Section 7 and 31 of the NEPRA Act and Rule 3 of the NEPRA (Tariff Standards & Procedure) Rules, 1998 and enabling provisions of law for reviewing /modification of tariff determination.
2. That the contents of the enclosed titled review petition, including all supporting documents are true and correct to the best of my knowledge and belief, and nothing material or relevant thereto has been concealed or withheld therefrom.



DEPONENT

VERIFICATION:

It is hereby verified on solemn affirmation at Lahore on April 1st, 2021, that the contents of the above Affidavit are true and correct to the best of my knowledge and belief, and that nothing material or relevant thereto has been concealed or withheld therefrom.

17/4/21

Pak Matiari-Lahore Transmission Company (Private) Limited
巴基斯坦默蒂亚里拉合尔输电（私人）有限公司

BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

IN THE MATTER OF

TARIFF DETERMINATION IN CASE NO. NEPRA/TRF-433/PMTC-2018/18834-18836 DATED
04 DECEMBER 2018 FOR PAK MATIARI-LAHORE TRANSMISSION COMPANY (PRIVATE) LIMITED'S ± 660
KV 4,000 MW HVDC TRANSMISSION LINE PROJECT FROM MATIARI, SINDH TO LAHORE, PUNJAB

PETITION FOR MODIFICATION OF TARIFF DETERMINATION DATED 04 DECEMBER 2018 UNDER
SECTION 7 AND 31 OF THE NEPRA ACT AND RULE 3 OF THE NEPRA (TARIFF STANDARDS &
PROCEDURE) RULES, 1998 AND ENABLING PROVISIONS OF LAW (REVIEW)

ON BEHALF OF

PAK MATIARI-LAHORE TRANSMISSION COMPANY (PRIVATE) LIMITED

DATED: [APRIL 02, 2021]

PAK MATIARI-LAHORE TRANSMISSION COMPANY (PRIVATE) LIMITED
ADDRESS: House No. 177-A, Street No. 6, Phase-I, DHA, Lahore, Pakistan
EMAIL: pakmltc@hotmail.com
PHONE # 042-35746855/65
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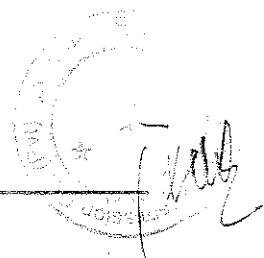


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1. DETAILS OF PETITIONER

1.1. NAME AND ADDRESS

Petitioner: Pak Matiari-Lahore Transmission Company (Private) Limited ("PMLTC" or the "Company")
Address: House No. 177-A, Street No. 6, Phase-1, DHA, Lahore, Pakistan
Email: pakmltc@hotmail.com
Phone: 042-35746855/65
Fax: 042-35746869

1.2. AUTHORIZED REPRESENTATIVE OF PMLTC

Name: Wang Bo
Designation: Chief Executive Officer

2. OVERVIEW

2.1. INTRODUCTION

PMLTC is a private limited company incorporated under the laws of Pakistan on September 16, 2015 under the Companies Ordinance, 1984 with its registered office located at the address mentioned in Section 1.1 above. PMLTC has undertaken the development of Pakistan's first ± 660 kV High Voltage Direct Current ("HVDC") transmission line project as an independent transmission company under the early-harvest projects of the China Pakistan Economic Corridor ("CPEC") framework. PMLTC's transmission line project is planned to realize bipolar operation with a bipolar power transmission capacity of 4,000 MW, over a line length of about 886 km from the sending end at Matiari Converter Station, Sindh to the receiving end at Lahore Converter Station, Punjab (the "Project"). In this regard, for the facilitation of the participation of the private sector in the transmission business, Government of Pakistan ("GoP") also formulated a Policy Framework for Private Sector Transmission Line Project, 2015 (the "Transmission Policy").

As a flagship Project based on HVDC transmission scheme, this HVDC Project will benefit the country by accommodating power demands of load centers, satisfying the medium to long term grid planning of Pakistan, optimizing resource allocation across the country and enabling power evacuation from south to its load center in the middle and north of Pakistan. The HVDC technology introduced by the Project for the first time in Pakistan, will provide economical solution for large distance bulk power transfer with minimum losses compared to HVAC lines and enhanced system reliability, and will provide indirect and secondary benefits to the country such as employment generation, improve standard of living and technology upgrading.

2.2. PMLTC TARIFF DETERMINATION

National Electric Power Regulatory Authority (the "Authority") based on the tariff petition filed by Private Power Infrastructure Board ("PPIB") vide its letter No. 6(618)PPIB/UT/TLP/FIN/0-45933 dated February 08, 2016 ("Tariff Petition"), initiated the proceedings under NEPRA (Tariff Standards and Procedure) Rules, 1998 (the "NEPRA Tariff Rules") and issued tariff determination for the Project vide letter No. NEPRA.TRF-331/PPIB-2016

/11318-11321 dated August 08, 2016 ("**Initial Tariff Determination**"). Subsequently, PPIB filed a Motion for Leave for Review against the Initial Tariff Determination vide letter No. 6(618)PPIB/TLP/FIN/0-47405 dated September 02, 2016 ("**Review Petition**"), based on which Initial Tariff Determination was subsequently revised through Authority's decision issued vide letter No. NEPRA/TRF-351/PPIB-2016/15960-15962 dated November 24, 2016 ("**Final Tariff Determination**").

Copies of Initial Tariff Determination and Final Tariff Determination have been enclosed herewith as "Annexure A" and "Annexure B", respectively.

In accordance with the provision of Clause 10 (Order) of Part VI (Eligibility Criteria and Terms and Conditions of Tariff) Paragraph (a) of the Final Tariff Determination, the relevant Special Purpose Transmission Company ("**SPTC**"), upon issuance of Letter of Intent ("**LOI**")/Letter of Support ("**LOS**") by the relevant agency i.e. PPIB in this case, was required to approach the Authority for the grant of special purpose transmission license along with a request for the acceptance of Final Tariff Determination.

Accordingly, after acquiring LOI on March 31, 2017 from PPIB, PMLTC submitted an application dated March 31, 2017 for grant of special purpose transmission license for the Project, which was granted by the Authority on February 19, 2018 vide license No. SPTL/03/2018 ("**Transmission License**").

A copy of the Transmission License issued by the Authority has been enclosed herewith as "Annexure C".

The Company submitted an application on April 07, 2017, for unconditional acceptance of the Final Tariff Determination ("**Tariff Application**"). The Tariff Application was reviewed considering the terms and conditions stipulated in the Final Tariff Determination of the Authority and associated requirements prescribed in the NEPRA Tariff Rules. PMLTC had provided to the Authority all necessary and relevant information / documents and was considered eligible for the grant of the Final Tariff Determination. Subsequently, the Authority vide its determination dated May 04, 2017, bearing ref. No. NEPRA/TRF-384/PMTC-2017/6223-6225 approved the Tariff Application and granted Final Tariff Determination and relevant adjustments/indexations therein to PMLTC ("**PMLTC Tariff Determination**").

A copy of the PMLTC Tariff Determination has been enclosed herewith as "Annexure D".

Subsequently, PMLTC vide its letter No. NEPRA/TRF-433/PMTC-2018 dated January 15, 2018 submitted the Modification Tariff Petition under Rule 3(1) of NEPRA Tariff Rules for modification of the PMLTC Tariff Determination ("**Modification Tariff Petition**") due to certain developments and requirements on account of reallocation of operations and maintenance cost.

To confirm the facts provided by PMLTC in the Modification Tariff Petition, the Authority sought views from National Transmission and Dispatch Company ("**NTDC**") through letter dated February 02, 2018. NTDC through its letter dated February 09, 2018 approved that they support the requested re-allocation of costs by PMLTC, and such re-allocation will not impact their ability to perform their obligations for the Project. Comments of PPIB were also sought by the Authority whereby PPIB fully supported the requested reallocation. Accordingly, the

Authority decided to allow re-allocation of USD 3 million from 'NTDC local O&M component' to 'PMLTC local O&M component'.

Since PMLTC had earlier opted for and was granted the PMLTC Tariff Determination, therefore the Authority approved modification of the PMLTC Tariff Determination vide letter No. NEPRA/JTRF-433/PMTC-2018/3691-3693 dated March 08, 2018 ("**Modified PMLTC Tariff Determination**"), and a similar modification was also reflected by the Authority in the Final Tariff Determination, to the extent of aforesaid reallocation of O&M cost only, vide letter No. NEPRA/TRF-351/PPIB-2016/4316-4318 dated March 16, 2018 ("**Modified Tariff Determination**").

A copy of the Modified PMLTC Tariff Determination has been enclosed herewith as "Annexure E".

During the proceedings of such notification of Modified Tariff Determination in the official gazette, the Authority observed that there were typographical errors in the "Order" part of the Modified Tariff Determination, which warranted correction. Therefore, in order to avoid the inconsistency between the "Order" part and tariff table, the Authority decided to correct errors in the "Order" part and subsequently issued an amended modified tariff determination vide letter No. NEPRA/TRF-433/PMTC-2018/18834-18836 dated December 04, 2018 ("**Amended Modified Tariff Determination**").

A copy of the Amended Modified Tariff Determination has been enclosed herewith as "Annexure F".

2.3. PROJECT DEVELOPMENT

The Company signed a Transmission Service Agreement ("**TSA**") with NTDC and Implementation Agreement ("**IA**") has also been signed with PPIB, Government of Pakistan ("**GOP**") each on May 14, 2018.

Copies of TSA and IA have been enclosed herewith as "Annexure G" and "Annexure H", respectively.

The Company has entered into a Facility Agreement with China Development Bank to avail debt financing for the Project, which was executed on November 09, 2018.

The Company achieved the Financial Close ("**FC**") on February 27, 2019, which was approved by PPIB through its letter No. 6(618)PPIB/TLP/19/Fin/O-52532.

Copy of the PPIB confirmation of FC has been enclosed herewith as "Annexure I".

The Company issued Notice to Proceed ("**NTP**") to China Electric Power Equipment and Technology Co. Ltd. ("**CET**"), its EPC contractor for commencement of EPC works on December 01, 2018 ("**NTP Date**").

A copy of Letter issuing NTP to EPC Contractor has been enclosed herewith as "Annexure J".

2.4. NEPRA ACT & NEPRA TARIFF RULES

Under the Section 7 and 31 of Generation, Transmission and Distribution of Electric Power Act (XL of) 1997 ("**NEPRA Act**") and Rule 3 and Rule 17 of the NEPRA Tariff Rules, NEPRA is responsible, *inter alia*, for determining tariffs and other terms and conditions for the supply of electricity by the generation, transmission and distribution companies and to recommend these to the Federal Government, subject to the need to comply with guidelines, not inconsistent with the provision of the NEPRA Act, laid down by the Federal Government. The Authority is also responsible for determining the process and procedures for reviewing tariff and recommending tariff adjustments.

2.5. SUBMISSION

Pursuant to the relevant provisions of the NEPRA Act and NEPRA Tariff Rules and in accordance with the Transmission Policy, the Company hereby submits to the Authority for modification and revision of the Amended Modified Tariff Determination ("**Instant Petition**") on the basis of the grounds mentioned below. The Instant Petition is being filed on the basis of *inter alia* discovery of new and important facts as detailed below.

The Pre-COD Tariff to be determined by the Authority ("**Pre-COD Tariff**") will become the base upon which payments will be made to the Company by NTDC during the applicable period before full COD.

Requisite information required by the Authority for processing this Instant Petition have been annexed herewith; however, the Company will be pleased to submit any further information or document as and when required by the Authority in connection with the determination. Furthermore, the Company would reserve the right to provide any further information, clarifications or interpretations to support its case under the Instant Petition if need so arises.

This Petition has been constructed in line with the information required to be filed under Rule 3 of the NEPRA Tariff Rules.

3. **FACTS AND GROUNDS FOR THE INSTANT PETITION**

MODIFICATIONS SOUGHT

Grant of Pre-COD Period

- i. As per Section 1.1 – Definitions “*Required Commercial Operations Date*” of TSA:-

“The date that is twenty-seven (27) months following the Construction Start Date, as such date may be extended pursuant to, Section 6.1, Section 6.5, Section 6.6(c), Section 7.7, Section 8.1(b), or Section 8.3(a)(ii) or by reason of a Force Majeure Event.”

The Company started the construction of the Project on December 1, 2018, achieved mechanical completion in October 2020, successfully completed Equipment Debugging, Sub-system Commissioning, Station Commissioning with Certificate of Readiness for Interconnection and Certificate of Readiness issued and moved into the stage of System Commissioning in December 2020. As per original schedule, aforesaid definition and allowed construction period in Final Tariff Determination, the Required Commercial Operations Date (“**RCOD**”) of the Project worked out to be March 1, 2021.

Copies of Certificates of Readiness issued by Independent Engineer has been enclosed herewith as “Annexure K”

However, unavailability of energy for testing, commissioning and operating the Project due to delay in commissioning of the generation projects being developed in the south, which were to feed energy in the Project for transmission, along with outbreak of COVID-19 pandemic, both the NTDC and the Company started facing various issues in achieving RCOD on time. Despite all the difficulties and limitations engulfing the Parties, both NTDC and the Company invested all their efforts to avoid such delay during such unforeseen event of COVID-19 and proceeded with the testing of the Project pursuant to the provisions of the TSA. However, testing the Project at high power is not possible due to aforesaid unavailability of prerequisite energy requirement.

Copies of Letters issued by Central Power Purchasing Agency (Guaranteed) Limited and NTDC has been enclosed herewith as “Annexure L”

Understanding the delay in the Project resulting from the above, NTDC and the Company started negotiations to overcome the impact of unavailability of energy and COVID-19. After numerous meetings and detailed deliberation, NTDC and the Company signed a Memorandum of Understanding dated February 18, 2021 (“**MoU**”) in good faith to extend the COD which is determined as September 1, 2021 (“**Extended COD**”) and gave an additional period from March 1, 2021 to the Extended COD (“**Pre-COD Period**”). An Addendum Agreement No. 1 to the TSA (“**TSA Addendum Agreement**”) to reflect the same changes will be signed once ECC approval is available. Following the same, PPIB and the Company will also sign an Addendum Agreement No. 1 to the IA (“**IA Addendum Agreement**”). The MoU, TSA Addendum Agreement and IA Addendum Agreement as initialed by the parties have been submitted to the Economic Coordination Committee (“**ECC**”) for its approval. The decision of the ECC shall be submitted to the Authority once received by the Company

- ii. As per TSA Addendum Agreement, the definition of RCOD is amended to:

"The date that is thirty-three (33) months following the Construction Start Date, as such date may be extended pursuant to, Section 6.1, Section 6.5, Section 6.6(c), Section 7.7, Section 8.1(b), or Section 8.3(a)(ii) or by reason of a Force Majeure Event."

In light of the above, it is humbly requested that the Authority may please approve the grant of the Pre-COD Period, as well as the payment and testing mechanisms stated in the TSA Addendum Agreement and IA Addendum Agreement.

MoU, IA Addendum Agreement and TSA Addendum Agreement has been enclosed herewith as "Annexure M", "Annexure N" and "Annexure O" respectively.

Approval of Pre-COD Transmission Service Charge

- iii. As per the provisions of the MoU and TSA Addendum Agreement, NTDC, the Company agreed that during the period from March 1, 2021 to the Extended COD which is determined as September 1, 2021:

".....the Project will trial run low load operations until the date NTDC can provide 2,200 MW on either of the monopole by May 1st, 2021 for high power test after success of system commissioning with low power.

Once the system commissioning with high power successfully completes, the Company shall be granted for trial run operation without performance liquidated damages for corresponding delay period up to three (03) months from COD....."

Further NTDC and the Company agreed to approach jointly to the Authority for determination of tariff to be paid during this period to the Company.

NTDC and the Company further agreed that during the period from March 1, 2021 to the Extended COD, the Project will transmit the power from Matiari Converter Station to Lahore Converter Station with Transmission Services Charge to be paid by NTDC as detailed below on the basis of the maximum demonstrated capability tested during low and high power tests. In addition, NTDC undertakes to provide 2,200MW on either of the monopole by May 1st, 2021 for high power test after success of commissioning with low power.

- iv. As per Clause V of the MoU and Section 5.1 of TSA Addendum Agreement, it has also been agreed between the Company and NTDC:

"Both parties agree that the detailed tariff payment during pre COD period (from 1st March to 31st August 2021) shall be paid as per the maximum demonstrated capability successfully tested (during low and high power test) in accordance with "NEPRA tariff determination dated 4th December 2018 for the first year" subject to approval of NEPRA" for which both NTDC & PMLTC will go to NEPRA for final approval with assistance of PPiB."

The Company further invites the attention of the Authority to the following Section IV Clause (xxiv) of Amended Modified Tariff Determination:

"Pre-COD energy transmission is allowed on terms and conditions to be mutually agreed and mentioned in Transmission Service Agreement (TSA). The Transmission Service Charge however should not exceed the rates as approved by the Authority in this tariff determination."

It may be noted that as per the TSA and TSA Addendum Agreement, the Company will invoice to NTDC, as per certificate issued for the low power test and high power test above instead of Design Transmission Capability of 4,000 MW while the Transmission Service Charge granted to the Company in the Amended Modified Tariff Determination was worked out on the basis of Design Transmission Capability of 4,000 MW. This will result in a serious loss to the Company of approximately Rs. 14,000 million calculated based on the assumption that NTDC provides the necessary power to the Company for relevant testing as agreed in the MoU and TSA Addendum Agreement on time.

Calculation of the minimum loss provided above has been enclosed as "Annexure P"

Therefore, it is humbly requested that the Authority may please confirm that the one-time adjustment, indexation adjustments and other adjustments/pass-through to be made/applicable at actual COD according to the Amended Modified Tariff Determination will cover the period of both the original construction period and Pre-COD period.

In addition, since PMLTC is unable to commission the Project at RCOD due to reasons cited above, and due to which it is unable to recover the tariff based on Design Transmission Capability of 4,000 MW, the Authority may please approve any loss incurred by the Company till the actual COD due to the arrangement provided above as an exceptional cost item within the Project cost to be determined as part of decision for one-time adjustment at COD. The loss may be calculated by the Authority as follows:

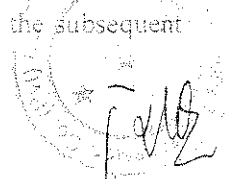
$$\begin{aligned} & \text{Loss due to delay in RCOD} \\ &= (4,000 \text{ MW} - \text{prevailing tested capacity}) \times \text{Pre} \\ & \quad - \text{COD Transmission Service Charge as adjudged by NEPRA} \end{aligned}$$

Where:-

Pre-COD Transmission Service Charge = Total Transmission Service Charge as per the Tariff Approval

Prevailing Tested Capacity = Maximum Demonstrated Capability successfully tested (during low and high power test) based on the terms of the MoU and TSA Addendum Agreement

- v. Accordingly, in order for the Company to meet its revenue requirements during the period from March 1 2021 to Extended COD and to raise an invoice to NTDC for Transmission Service Charge during this period, the Company hereby submits the following Pre-COD Transmission Service Charge for consideration and approval along with the relevant indexation for the month of March 2021 based on indexation/adjustment of the reference Transmission Services Charge components as provided in Amended Modified Tariff Determination for the quarter January 2021 to March 2021. It is clarified that, pursuant to the provisions of the Amended Modified Tariff Determination, the indexed tariff as worked out in the table below is worked out for the month of March 2021 only based on relevant indexation adjustments for the quarter January 2021 to March 2021. The application for the subsequent



adjustments shall be applied, by way of quarterly indexation applications, by the Company after the decision of the Authority of the Instant Petition.

Pre-COD Transmission Services Charge Components	Reference tariff as per Amended Modified Tariff Determination	Revised Jan-Mar 2021	Reference
Transmission Services Charge (Rs./kW/Hour)			
Foreign O&M	0.0441	0.0733	
Local O&M – ICT	0.0323	0.0420	
Local O&M – NTDC	0.0411	0.0534	
Land Lease	0.0073	0.0073	
Insurance	0.0409	0.0630	
Return on Equity	0.1680	0.2588	
Return on Equity during Construction	0.0388	0.0598	
Loan Repayment	0.3038	0.4865	
Interest Charges	0.2189	0.2921	
Sinosure	0.0250	0.0382	
Total	0.9202	1.3742	
Indexation Values			
Exchange Rate (Rs./USD)*	104.40	160.80	Annexure Q
US CPI (All Urban Consumers)**	241.38	260.47	Annexure R
CPI General - Local**	207.30	269.27	Annexure S
6 Month LIBOR*	1.14%	0.25763%	Annexure T

* Exchange rate and 6-M LIBOR are based on values at December 31, 2020.

** US CPI for the month of December 2020. Since Local CPI has been discontinued post June 2020, Local CPI for the month of June 2020 has been adopted. It is requested that it shall remain subject to readjustment retrospectively once an alternative index for Local CPI is announced by NEPRA.

- vi. The Authority may please note that there has been a significant change in the indexation parameters provided in the table above specifically the devaluation of Pak Rupee from PKR/USD 104.40 to PKR/USD 160.80, changes of local CPI from 207.30 to 269.27 and US CPI from 241.38 to 260.47, etc. since issuance of Final Tariff Determination. Since the consequence of the changes in indexation parameters is substantial and detrimental to the obligations of the Company towards its lenders, contractors and shareholders, it is therefore requested that till the time the final one-time adjustment of Amended Modified Tariff Determination at actual COD is processed and approved by the Authority, interim indexations on provisional basis are provided at the applicable PKR/USD, US CPI, Local CPI and LIBOR rates prevailing for the relevant quarters as opposed to the rates provided in the Amended Modified Tariff Determination (without prejudice to any future adjustment/refund).

4. PRAYER AND SUBMISSION

In view of the aforesaid facts and grounds, the Authority is humbly requested to accept this Instant Petition for modification of the Amended Modified Tariff Determination and may kindly review and approve the Pre-COD Period and Pre-COD transmission Service charge in the manner and to the extent detailed in this Instant Petition above.

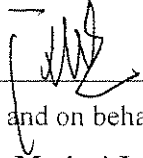
Any other relief may also kindly be granted

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The Company shall be pleased to provide any additional documents and information, clarification or explanation that may be required by the Authority in order to reach a just and equitable decision.

Wang Bo

Chief Executive Officer


For and on behalf of

Pak Matiari-Lahore Transmission Company (Private) Limited

