



Chief Technical Officer (CPPA-G)

No. CEO (CPPA-G)/DGM-R 8463-64

Dated: 9/8/2021

Registrar, NEPRA  
NEPRA Tower Atatürk Avenue (East)  
Sector G-5/1, Islamabad

Subject: **PROPOSAL FOR MODIFICATION OF TARIFF OF KOHALA HYDRO COMPANY (PVT.) LIMITED  
(TARIFF DETERMINATION DATED: 11<sup>TH</sup> OCTOBER 2018)**

Ref: (i) NEPRA Letter no. NEPRA/R/IPT-02/32836 dated 27.07.2021  
(ii) This office letter no. CEO (CPPA-G)/DGM-R/18198-201 dated 05.07.2021  
(iii) M/s KPCL letter no. KHCL-PKO-20210027-A dated 08.06.2021 & KHCL-PKO-20210019-A dated 17.05.2021

With Reference to above mentioned letter referred at (i), it is apprised that under the import regulation 2017 dated 23.06.2017 and as per the amendment in such regulation dated 21.07.2020, the following are required to be submitted to the Authority in set order for determination of rate for import of power as per the Regulation 3(2) and sub regulation 2(A) by the buyer.

It is pertinent to mentioned that the following requirements under the sub-regulation 2(A) are mentioned and attached with this letter.

S.No.	Sub-Regulation 2(A)	Available
1	The ground and facts giving rise to the modification of Rates;	Attached at (Annexure-A)
2	The modification or revision of Rates being sought, including comparative schedules of charges, costs, units, price and other items;	Attached at (Annexure-B)
3	A summary of evidence giving brief particulars of the data, facts and evidence in support of claim;	Attached at (Annexure-C)
4	A non-refundable application fee, equivalent to the fee for filing of tariff petition under National Electric Power Regulatory Authority ( Tariff Standard and Procedure) Rules, 1998 and other rules and regulation of the subject; and	Attached at (Annexure-D)
5	Any other information and documents as may be required by the Authority	If required will be made available to the authority.
6	Authorization letter of CPPA-G	Attached at (Annexure-E)

As per the regulation 3(2), CPPA-G has reviewed the requirement submitted by the seller specified in sub-regulation 2(A) and deemed appropriate that seller has fulfill the requirements for submission of their subject application to NEPRA.

Therefore, CPPA-G once again submitting the subject application to NEPRA (Authority) as per the import regulation 2017, for reviewing and processing. Moreover, the comments of CPPA-G on the subject matter are attached as "CPPA-G Comments" with the Modification Tariff Application in respect of 1124 MW Kohala Hydro Power Project.

For w/a Made  
— Adl. Dir. (I) / DL-II  
ME

10/8/21

Chief Executive Officer (CPPA-G)

Copy to:

1. Chief Technical Officer (CPPA-G), Islamabad.
- Master File.

copy to:  
ADG Genl.

Chairman  
— VC / P (M&E)  
— MU / CA  
— MLC / G

Original signed up to 1, 889, 674/-

12881  
10-8-2021



National Electric Power Regulatory Authority  
Islamic Republic of Pakistan

NEPRA Tower, Afakry Avenue (East) G-5/1, Islamabad

Phone: 9206500, Fax: 2600026

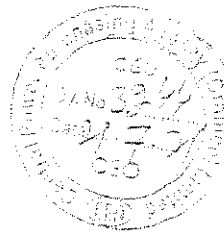
Website: [www.nepa.org.pk](http://www.nepa.org.pk), Email: [info@nepa.org.pk](mailto:info@nepa.org.pk)

OFFICE OF THE  
REGISTRAR

No: NEPRA/R/IPT-02/32836

July 27, 2021

Chief Executive Officer  
Central Power Purchasing Agency Guarantee Ltd  
Shaheen Plaza, Fazal-ul-Haque Road, Blue Area,  
Islamabad



Subject: Proposal for Modification of Tariff of Kohala Hydro Company (Pvt) Limited  
(Tariff Determination Dated: 11<sup>th</sup> October 2018).

This is with reference to Central Power Purchasing Agency Guarantee Ltd (CPPA-G)'s letter no. CEO(CPPA-G)/DGM-R/18198-201 dated 05.07.2021 forwarding thereunder the subject petition of Kohala Hydro Company Power Ltd (KHCPL) while referring to NEPRA Import of Electric Power Regulations, 2017 (IEPR-2017).

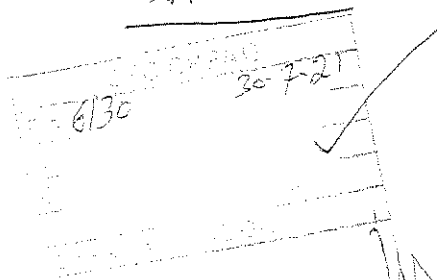
2. As such, through the petition forwarded by CPPA-G, KHCPL has requested for modification of rates approved by the Authority through Decision dated 11.10.2018 in the matter of 1124 MW Kohala Hydropower Project, AJK, therefore, the case falls within the scope of Regulation 3(2) of IEPR-2017 stipulating the procedure for filing application by the Buyer for modification of rates for import of power.

3. It is observed that no application has been filed by CPPA-G (Buyer) along with authorization in favour of the signatory as required in terms of Regulation 3(2) of NEPRA (Import of Electric Power) Regulations, 2017 (IEPR-2017). Instead an application submitted by the Seller before CPPA-G is forwarded to NEPRA.

4. Therefore, the subject letter submitted by CPPA-G is returned herewith in terms of Regulation 3(4) of IEPR-2017 along with its enclosures, in original, being non-maintainable.

5. CPPA-G may file, if so desired, the application for modification of rates approved by the Authority through Decision dated 11.10.2018 in the matter of procurement of power from 1124 MW Kohala Hydropower Project, AJK along with authorization in favour of signatory of the application on behalf of CPPA-G as well the documents/information and fee specified vide Regulation 3(2) read with Regulation 3(2)(A) of IEPR-2017.

Encl: As above



SO Technical
SO Finance
Manager ERP
DSM C&T
DSM S&D
Chief Information Officer
CS HR/Admn
Company Secretary
CEO
CFO
CTO

(Iftikhar Ali Khan)  
Director  
Registrar Office

30/7

No. CPPA-G/2017/CS/1244-47

2<sup>nd</sup> October, 2017

## BOARD RESOLUTION V / 33

### APPROVAL FOR FORWARDING THE TARIFF PROPOSALS OF HYDRO POWER PROJECTS (AZAD PATTAN – KOHALLA – MAHD) IN AZAD JAMMU & KASHMIR (AJ & K) SUBSEQUENT TO NEPRA'S IMPORT OF POWER REGULATIONS, 2017

A meeting of Board of Directors of Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) was held on 28<sup>th</sup> September 2017 at 2<sup>nd</sup> floor, Ministry of Water and Power, A Block, Pak Secretariat Islamabad.

The Board of Directors of Central Power Purchasing Agency Guarantee Limited (CPPA-G) has;

*Resolved that "CPPA-G be and is hereby authorized to issue Tariff proposals to Kohala Hydro Company (Pvt) Limited (EPC stage Tariff), Azad Pattan Power Private Limited (EPC stage Tariff), Muhl Power Company (Pvt) Limited (Feasibility stage Tariff) and other similar companies, in future with the conditions that: -*

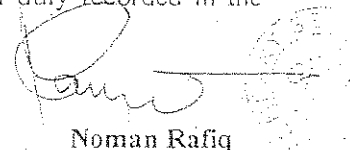
- a) *CPPA-G will forward the tariff without working on the tariff numbers mentioned in the Tariff proposal submitted by these Companies, However CPPA will contest the tariff proposal at the time of NEPRA hearing.*
- b) *CPPA-G shall provide the status of submission / short coming of documents/information provided by any Company with the Tariff Proposal as per sub-regulation (3) of Import of Electric Power Regulation, 2017*
- c) *ECC approved Tripartite PPA shall be signed between CPPA-G, NTDC and relevant Companies, with project related modification and changes relating to AJ&K location of Projects.*

*Further Resolved that "Subject to above conditions (a, b & c) Chief Executive Officer CPPA-G be and is hereby authorized to forward the Tariff proposals to NEPRA of the following companies as well as similar companies in future.*

- i) *Kohala Hydro Company (Pvt) Limited (EPC stage Tariff).*
- ii) *Azad Pattan Power Private Limited (EPC stage Tariff).*
- iii) *Muhl Power Company (Pvt) Limited (Feasibility stage Tariff).*

### CERTIFIED TO BE TRUE COPY

Certified that the above resolution was passed by the Board of Directors of Central Power Purchasing Agency (Guarantee) Limited in its 33<sup>rd</sup> meeting held on 28<sup>th</sup> September, 2017 and has been duly recorded in the minutes book of the Company.



Noman Rafiq  
Company Secretary

### Distribution:

- i. Chief Executive Officer, CPPA (G) Ltd.
- ii. Chief Financial Officer, CPPA (G) Ltd.
- iii. Chief Technical Officer, CPPA (G) Ltd.
- iv. Chief Legal Officer, CPPA (G) Ltd.

Chief Technical Officer (CPPA-G)

No. CEO/CPPA-G/DGM-R

18198-201

Dated: 5/7/21

The Registrar NEPA

NEPA Tower, Ataturk Avenue (East)

G-5/1, Islamabad

Subject: PROPOSAL FOR MODIFICATION OF TARIFF OF KOHALA HYDRO COMPANY (PVT.) LIMITED (TARIFF DETERMINATION DATED: 11<sup>TH</sup> OCTOBER 2018 NO: NEPA/PAR-124/15627-15629)

- Ref: (i) M/s KPCL letter no. KHCL-PKO-20210027-A dated 08.06.2021  
(ii) M/s KPCL letter no. KHCL-PKO-20210019-A dated 17.05.2021

M/s Kohala Hydro Power Company Limited vide above referred letters have submitted the proposal for Modification of Generation Tariff dated 11<sup>th</sup> October 2018 along with the conceptual study of Sewage Treatment Plants (STPs), for onward submission to NEPA (Authority).

Pursuant to the Import of Electric Power Regulation (IEPA-2017) of NEPA, the proposal for Modification of Generation Tariff in respect of Kohala Hydro Power Company is forwarded for your kind review and necessary action, please.

Moreover, the comments of CPPA-G are attached at (Annex-A).

Dy. General Manager  
(Renewable) (CPPA-G)

Copy to:

1. Chief Legal Officer, CPPA-G, Islamabad
2. Chief Financial Officer, CPPA-G, Islamabad
3. Chief Executive Officer, Kohala Hydro Power Project, Serena Business Complex, Islamabad
- Master File

For information Kula  
- Adl. Dir (I) / DR-II  
- MF  
copy to  
- AOG (Tr)  
- LAC R/P  
6/7/21  
cc: Chairman  
- M (TICA)  
- M (MSE)  
- M (LIC)

REGISTRAR  
Dy. No. 11522  
6-7-2021





# 科哈拉水电开发有限公司

KOHALA HYDRO COMPANY (PVT.) LTD

地址: 伊斯兰堡 Serena 商务楼一层 Address: L-5, Serena Business Complex, Islamabad

电话 Tel.: +92-51-8316688 传真 Fax: +92-51-8316688

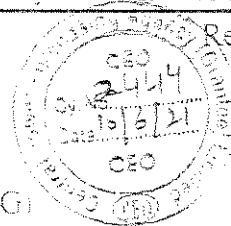
邮箱 E-mail: info.kohalahydro@cpsail.com

11.6.21
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Chief Executive Officer

Central Power Purchasing Agency Guarantee (CPPA-G)

Shaheen Plaza, Plot No. 73-West, Fazal-e-Haq Road, Blue Area, Islamabad.



Ref. No: KHCL-PKO-2021-027-A

Date: Jan 8, 2021

CEO	
CFO	
CLO	
Company Secretary	
CG HR/Admin	
Chief Information Officer	
DGM S&E	
DGM C&T	
Manager ERP	
SO Finance	

Subject: Proposal for Modification of Tariff of Kohala Hydro Company (Pvt.) Limited (Tariff Determination Dated: 11<sup>th</sup> October 2018 No: NEPRA/PAR-124/15627-15629)

Dear Sir,

This is with reference to your letter No. CEO(CPPA-G)/DGM-R/15125-26 dated 31<sup>st</sup> May 2021 on the subject cited above.

The Company submitted a Tariff Modification Proposal to CPPA-G on 17<sup>th</sup> May 2021 (hereinafter referred to as the "Tariff Proposal") for onward submission to NEPRA for modification of tariff to incorporate the costs related to construction of Sewage Treatment Plants (STPs). However, CPPA-G vide its letter referred above, returned the Tariff Proposal on the basis that "ECC has approved the Sewage Treatment Plants (STPs) and Water Bodies (WBs) for the Project and declared both as integral part of the Project..... Therefore, KHCL is requested to resubmit the proposal for Modification of Generation Tariff which includes all the requirements needed for modification necessary to evaluate both STPs and WBs".

In this regard, we draw your kind attention to the following;

1. At the outset, we believe that NEPRA (Import of Power Regulations) 2017, NEPRA (Tariff Standard and Procedures) Rules 1998 or NEPRA Act 1997 does not restrict a petitioner to submit a tariff modification proposal or tariff modification petition for the consideration of the Authority, as may be required. Therefore, we are unable to understand CPPA-G's requirement to include WBs as part of our Tariff Proposal. Furthermore, neither ECC decision nor the Tripartite Agreement between the Company, GoP and GoAJ&K entail that case for both STPs and WBs should be presented before the Authority for its consideration under a single tariff modification proposal.
2. The Tariff Proposal submitted to CPPA included discussions on WBs as per decision of the ECC, whereby the detailed feasibility study will be done by international consultant to be appointed by the Company with consent of PPIB and GoAJ&K. WBs will only be referred to the Authority for inclusion in Project Cost if construction of the WBs is found economically and technically feasible. Please note that appointment of international consultant and completion of detailed feasibility study, as directed by ECC decision and Tripartite Agreement, is a lengthy process and is not possibly achievable by the financial close deadline. Accordingly, at this point of time WBs

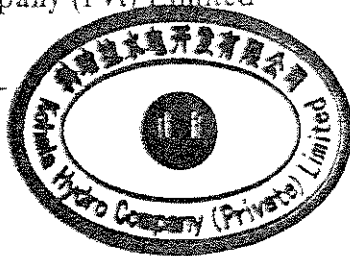
cannot be included as part of Tariff Proposal. As stated in our Tariff Proposal, Company reserve its rights to request for modification of Tariff in respect of Water Bodies based on the outcome of the feasibility study.

3. The Tariff Modification Proposal was submitted to CPPA-G under NEPRA (Import of Power) Regulations 2017 for onward submission to the Authority (Modification Petition) under section 31 of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 read with Rule 3 of NEPRA Tariff Standard and Procedure Rules, 1998 and all applicable provisions of other NEPRA laws. As per Regulation 3(3) of NEPRA (Import of Power) Regulations 2017, the "Buyer" (i.e. CPPA-G) is required to submit to the Authority within one month of the receipt of the Tariff Proposal from the "Seller" (i.e. KHCL).
4. Status of the Tariff Proposal was also discussed in the meeting held on 3<sup>rd</sup> June 2021 under Chairmanship of Managing Director PPIB to consider KHCL request for extension in LOS and to assess the time required by various entities to complete remaining activities for Kohala HPP. The said meeting was attended by representatives of GoAJ&K, CPPA-G, NTDC, KHCL and PPIB. While giving a details presentation on the progress, KHCL informed that it had submitted the Tariff Proposal based on the Conceptual Study of the STPs for Kohala HPP which was approved by Joint Committee constituted by PPIB the relevant notification and minutes are attached with Proposal. During the meeting CPPAG informed that they have returned the Proposal to KHCL with observations that KHCL should also include WBs in the Proposal. It was clarified that for STPs, KHCL carried out the Conceptual Study and based on that Tariff Proposal has been submitted so that it could be reflected in the Project cost. With regards to WBs, CPPA was informed that as per the decision of the Tripartite Agreement, KHCL will undertake Feasibility Study which may take a longer time, if Feasibility Study determines that WBs are technically and financially viable only then further work will be undertaken. Based on this clarification, CPPG agreed that the Tariff Proposal based on Conceptual Study for STP be resubmitted to CPPAG.

In light of the submissions set out above, we hereby resubmit the Tariff Modification Proposal and request CPPA-G to forward the proposal for Modification of tariff to NEPRA at the earliest, thereby enabling Kohala Hydro Company (Pvt) Limited to proceed further with the development of the Project and achieve financial closing.

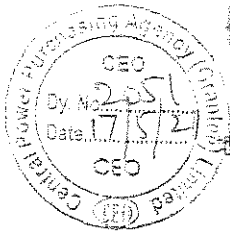
Respectfully submitted for and on behalf of:

Kohala Hydro Company (Pvt) Limited



Zhang Jun

CEO/Team Leader



# 科哈拉水电开发有限公司

## KOHALA HYDRO COMPANY (PVT.) LTD

地址：伊斯兰堡 Serena 商务楼三楼 Address: L6, Serena Business Complex, Islamabad

电话 Tel.: +92-51-8439616 传真 Fax: +92-51-8316688

邮箱 E-mail: info.kohalahydro@ctgsail.com

Date: May 17, 2021

Ref No. KHCL-PKO-20210019-A

Chief Executive Officer

Central Power Purchasing Agency Guarantee (CPPA-G)

Shaheen Plaza, Plot No. 73-West, Fazal-e-Haq Road, Blue Area, Islamabad.

**Subject: Proposal for Modification of Tariff of Kohala Hydro Company (Pvt) Limited (Tariff Determination Dated: 11th October 2018 No: NEPRA/PAR-124/15627-15629)**

Dear Sir,

1. Pursuant to NEPRA (Import of Electric Power) Regulations, 2017 and Section 31 of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 read with Rule 3 of the NEPRA Tariff Standards and Procedure Rules, 1998, proposal for Modification of Generation Tariff dated 11th October 2018, Ref No: NEPRA/PAR-124/15627-15629 is hereby submitted for CPPA-G's kind consideration and onward submission to NEPRA (the "Modification Petition").

2. The Modification Petition (including its annexures) are submitted in triplicate, together with:

CIO CPPAG	0. 17-5-21				
D# 3376	DGM(C)	DGM(H)	DGM(I)	DGM(J)	DGM(K)

a. Cheque No. 60160121 dated May 7, 2021 amounting to PKR 1,889,673/-/- (Pakistani Rupees One million eight hundred eighty nine thousand six hundred and seventy three only) after deducting withholding tax of PKR 164,319/- (Pakistani Rupees One hundred sixty four thousand three hundred and nineteen only) in favor of NEPRA, as the application fee for the Tariff Modification Petition;

Board Resolution of Kohala Hydro Company (Private) Limited; and

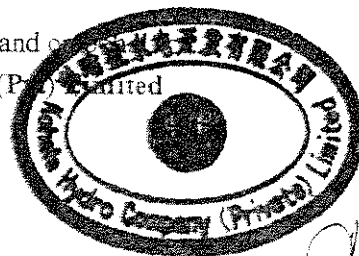
Affidavit of authorized representative of Kohala hydro Company (Private) Limited, Mr. Zhang Jun

3. In light of the submissions set out in Modification Petition and the information attached to the same, CPPA-G is kindly requested to forward the proposal for Modification of tariff to NEPRA in accordance with NEPRA (Import of Electric Power) Regulations, 2017, thereby enabling Kohala Hydro Company (Pvt) Limited to proceed further with the development of the Project and achieve financial closing.

Respectfully submitted for and on behalf of  
Kohala Hydro Company (Private) Limited

  
Zhang Jun

Chief Executive Officer  
Authorized Representative



CTO	
CFO	
CEO	
Company Secretary	
DG HR/Admin	
Chief Information Officer	
DGM SMD	
DGM CA&T	
Manager ERP	
SO Finance	
SO Technical	

网址 Website: <http://www.kohalahydro.com>

BEFORE  
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)

*THROUGH*

*CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED*  
*(AS "BUYER" UNDER NEPRA (IMPORT OF ELECTRIC POWER) REGULATIONS 2017)*

PROPOSAL FOR TARIFF MODIFICATION (MODIFICATION PETITION)

PURSUANT TO SECTION 31 OF REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION  
OF ELECTRIC POWER ACT, 1997

READ WITH RULE 3 OF  
NEPRA (TARIFF STANDARD AND PROCEDURE) RULES, 1998

BY

KOHALA HYDRO COMPANY (PRIVATE) LIMITED

A POWER PROJECT OF 1,124 MW

AT

AZAD JAMMU & KASHMIR, PAKISTAN

DATED: May 7, 2021

KOHALA HYDRO COMPANY (PRIVATE) LIMITED

ADDRESS: L6, SERENA BUSINESS COMPLEX KHAYABAN-E-SUHRAWARDY, G-5/1, ISLAMABAD.

PHONE #: +92 51 8439616

FAX #: +92 51 2287188

E-MAIL [INFO.KOHALAHYDRO@CTGSAIL.COM](mailto:INFO.KOHALAHYDRO@CTGSAIL.COM)

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COPY OF BOARD RESOLUTION

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科哈拉水电开发有限公司  
KOHALA HYDRO COMPANY (PRIVATE) LTD

Reference No.: KHCL-BR-028

Date: 6 May 2021

BOARD RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF  
OF KOHALA HYDRO COMPANY (PRIVATE) LIMITED ("COMPANY")  
THROUGH CIRCULATION DATED 6 MAY 2021

WHEREAS the board on behalf of the Kohala Hydro Company (Private) Limited, a company incorporated under the laws of Pakistan with its registered office located at Level 6 Serena Business Complex, Khayaban-e-Suharwardy, Islamabad wishes to authorize its Chief Executive Officer to be authorized signatories and to execute the below mentioned documents for and on behalf of the Company:

RESOLVED THAT MR. ZHANG JUN S/O ZHANG TIANEN, holding Passport No. PE1073272 in the capacity of Chief Executive Officer of the Company is hereby authorized to execute, negotiate and execute any and all other documents including security documents, service agreements, sale agreements, employment contracts, and to do all necessary regulatory filing and do all acts for obtaining approvals from the Securities and Exchange Commission of Pakistan or any other authority in accordance with the policies and requirements of the Company. Furthermore, Mr. Zhang Jun could represent the Company at Pakistani legal entities connecting with the activity of the Company in Pakistan. Mr. Zhang Jun shall act in accordance with the instructions of the shareholder/sponsors of the Company and do each and every task in accordance with the policies and regulations of the Company and the shareholders/ sponsors."

FURTHER RESOLVED THAT the Company be and is hereby authorized to file tariff proposal (including any review petitions, any motion for leave for review and motion for Recalculation, any modification Petition modification proposals and any Petition as defined under National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 or any other applicable Laws / rules/ regulations) for submission to Central Power Purchase Agency Guarantee Limited (the "CPPAG") / National Electric Power Regulatory Authority (the "NEPRA") for onward submission / determination of tariff in respect of its 1,124 MW Kohala Hydropower Project to be located at State of Azad Jammu & Kashmir (the "AJK") (the "Project") and in relation thereto, enter into and execute all required documents, make all filings and pay all applicable fees, in each case, of any nature whatsoever, as required.

FURTHER RESOLVED THAT in respect of filing a tariff proposal (including any review petitions and any motion for leave for review and motion for recalculation any modification Petition modification proposals and any Petition as defined under National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 or any other applicable Laws / rules/ regulations) for submission to CPPAG / NEPRA, Mr. Zhang Jun, Chief Executive Officer is hereby empowered and authorized for and on behalf of the Company to:



科哈拉水电开发有限公司  
KOHALA HYDRO COMPANY (PRIVATE) LTD

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- (i) review, execute, submit, and deliver the tariff proposal (including any review petitions and any motion for leave for review and motion for recalculation any modification Petition modification proposals and any Petition as defined under National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 or any other applicable Laws / rules/ regulations) and any related documentation required by CPPAG / NEPRA for the determination of tariff, including any contact, documents, power of attorney, affidavits, statements, letters, forms, applications, deeds, guarantees, undertakings, approvals, memoranda, amendments, letters, communications, notices, certificates, requests, statements and any other instruments of any nature whatsoever;
- (ii) represent the Company in all negotiations, representations, presentations, hearings, conferences and /or meetings of any nature whatsoever with any entity (including, but not limited to CPPAG / NEPRA, any private parties, companies, partnerships, individuals, governmental and/or semi-governmental authorities and agencies, ministries, boards, departments, regulatory authorities and/or any other entity if any nature whatsoever);
- (iii) sign and execute the necessary documentation, pay the necessary fees, appear before the CPPAG / NEPRA as needed, and do all acts necessary for completion and processing of the tariff proposal (including any review petitions and any motion for leave for review and motion for Recalculation any modification Petition modification proposals and any Petition as defined under National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 or any other applicable Laws / rules/ regulations) and procuring National Electric Power Regulatory Authority's tariff determination;
- (iv) appoint or nominate any one or more officers of the Company or any other person or persons, singly or jointly, in their discretion to communicate with, make presentations, represent the Company at NEPRA hearings;
- (v) do all such acts, matters and things as may be necessary for carrying out the purposes aforesaid and giving full effect to the above resolutions/resolution."

**FURTHER RESOLVED THAT** Mr. Zhang Jun, Chief Executive Officer, be and is hereby authorized to delegate all or any of the above powers in respect of the forgoing to any other officials of the Company as deemed appropriate.

**FURTHER RESOLVED THAT** any other act be performed or step be taken which may be ancillary and/or incidental to do that above and necessary to fully achieve the object of this resolution.

**FURTHER RESOLVED THAT** a certified copy of this resolution be provided to person or authority concerned.



科哈拉水电开发有限公司  
KOHALA HYDRO COMPANY (PRIVATE) LTD

AND FURTHER RESOLVED THAT any director of the Company shall have the authority to certify the copy of this resolution by placing his signature on the same."

By the Order of the Board:

Mr. Yao Feixiong  
Director  
Kohala Hydro Company (Private) Limited

Mr. Zhang Jun  
Director  
Kohala Hydro Company (Private) Limited

Mr. Wang Minsheng  
Director  
Kohala Hydro Company (Private) Limited

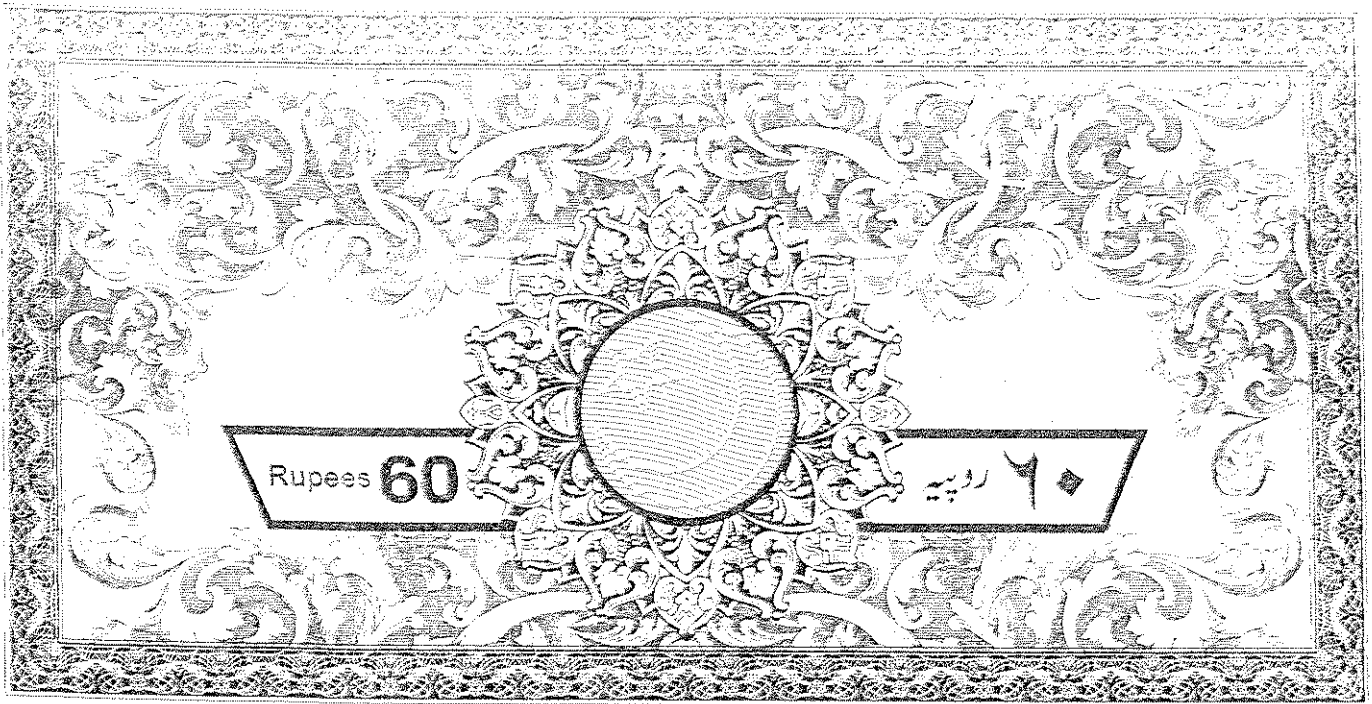
Mr. Zhang Xinlin  
Director  
Kohala Hydro Company (Private) Limited



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**COPY OF AFFIDAVIT**

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BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

1124 MW KOHALA HYDROPOWER PROJECT

**AFFIDAVIT**

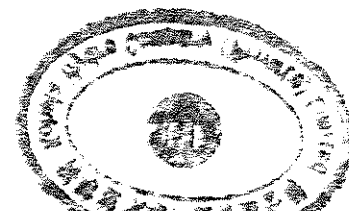
I Zhang Jun, Authorized Representative of Kohala Hydro Company (Private) Limited (KHCL), Level 6 Serena Business Complex, Khyaban-e-Suharwardy, G-5/1, Islamabad, Pakistan do hereby declare and affirm on oath as under:

1. That the accompanying application/petition for modification has been filed with National Electric Power Regulatory Authority and the contents of the same may kindly be read as an integral part of this affidavit.
2. That the contents of the accompanying application/petition for modification are true and correct to the best of my knowledge and belief, and nothing material or relevant thereto has been concealed, misstated or withheld therefrom.
3. That all further documentation and information to be provided by the Company in connection with the aforesaid application/petition for modification shall be true and correct to the best of my knowledge and belief.



Melody Market Islamabad

Madani Stamp Vendor



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## 1. DETAILS OF THE PETITIONER AND TARIFF MODIFICATION PROPOSAL

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### NAME AND ADDRESS

KOHALA HYDRO COMPANY (PRIVATE) LIMITED

Address: L6, Serena Business Complex  
Khayaban-e-Suhrawardy, G-5/1, Islamabad.

Phone #: +92 51 8439616

Fax #: +92 51 2287188

### REPRESENTATIVES OF KOHALA HYDRO COMPANY (PRIVATE) LIMITED

MR. ZHANG JUN

CHIEF EXECUTIVE OFFICER

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## 2. TARIFF MODIFICATION PROPOSAL (MODIFICATION PETITION)

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Kohala Hydro Company (Private) Limited (the "Petitioner", "KHCL", or the "Company") is a company established to own, construct, finance, commission and operate a 1,124MW hydro power project on BOOT basis (the "Project") located on Jhelum River in territories of the AJ&K. Since the Project is located in AJ&K, the Petitioner filed a Tariff Proposal to the Authority through "Buyer" i.e. Central Power Purchasing Agency (Guarantee) Limited under Regulation 3 of NEPRA (Import of Power) Regulations 2017. Accordingly, the EPC Stage Tariff Determination was awarded to the Petitioner on 2<sup>nd</sup> April 2018 (No. NEPRA/PAR-124/5351-5353) and pursuant to a review motion was revised on 11<sup>th</sup> October 2018 (No. NEPRA/PAR-124/15627-15629), (the "Reference Tariff").

In order to address the environmental related issues downstream of dam site, Environmental Protection Agency (EPA AJ&K) and GOAJ&K required construction of Sewage Treatment Plants (STPs) for Muzaffarabad City and other areas influenced by the Project, as detailed below. Pursuant to decision of the ECC meeting held on 02<sup>nd</sup> October 2019 and a Tripartite Agreement between GoP, GoAJ&K and the Company on 25<sup>th</sup> June 2020. This Tariff Modification Proposal is being submitted to incorporate the costs associated to construction of STPs in the Reference Tariff of the Project in line with the decision of ECC and Tripartite Agreement signed.

This Tariff Modification Proposal is hereby submitted to CPPA-G under NEPRA (Import of Power) Regulations 2017 for onward submission to the Authority (Modification Petition) under section 31 of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 read with Rule 3 of NEPRA Tariff Standard and Procedure Rules, 1998 and all applicable provisions of other NEPRA laws.

### 3. INTRODUCTION

#### *Introduction*

The Company hereby requests Central Power Purchasing Agency (Guarantee) Limited (the “CPPA-G”) to consider this Tariff Modification Proposal for onward submission to NEPRA (Modification Petition) in accordance with NEPRA (Import of Power) Regulations 2017 on the EPC stage tariff determination announced by the Authority vide its Case No NEPRA/PAR-124 dated 11<sup>th</sup> October 2018 (Decision of the Authority in the matter of Motion for Leave for Review filed by Central Power Purchasing Agency against NEPRA’s Decision dated 2<sup>nd</sup> April 2018).

KHCL is an ultimate subsidiary of China Three Gorges Corporation (the “CTG”), which is a State owned Entity of Government of China, and is one of the largest power companies in the World with an asset base of USD 123.8 billion as of 2019. Apart from the Project, CTG is also developing two other mega hydro power projects on Jhelum River, namely, the 720 MW Karot Hydropower Project which is currently in construction phase and the 640 MW Mahl Hydropower Project which is in development phase. CTG also has in operation three 50MW each wind power projects in Jhimpir, Sindh. All these projects are owned by an intermediate subsidiary of CTG called China Three Gorges South Asia Investment Limited (the “CSAIL”), in which the International Finance Corporation of the World Bank Group (the “IFC”) and China Silk Road Fund – owned by Government of China (the “SRF”) have 15% share each, with CTG holding a large chunk of 70%.

The Project was initially being developed by the Pakistan Water & Power Development Authority (the “WAPDA”), and was offered to Chinese investors/companies during President of Pakistan’s visit to China in October 2008, and an MOU was signed between CTG and GoP in 2008. KHCL was issued an LOI by PPIB in January 2009, after which it undertook all the necessary studies and obtained the requisite approvals from the concerned Authorities in Pakistan.

In August 2014 the Project was included in the “Actively Promoted Project” in the China-Pakistan Economic Corridor (CPEC) and has the distinction of being the only CPEC project in AJK.

Following are the Salient Features and Key Milestones of the Project

#### **Key Features**

- Total installed capacity: 1124 MW
- Main power station: 1100 MW (4x275 MW)
- Ecological Flow power station: 24 MW (2x12 MW)
- Location: 80 km from Islamabad, 30 km from Muzaffarabad
- Project Type: Run of River
- Total cost: US\$ 2.4 billion (As per NEPRA Determination)
- Tunnel Length: 2 x 17.4 km

- Plant Factor: 52.82%
- Construction period: 6.5 years
- EPC Stage Tariff 8.2345 Rs / kWh (7.85 Cents /kWh)

**Key Milestones**

- Issuance of LOS by PPIB Dec 31, 2015
- NOC for Environmental study by AJK EPA Dec 22, 2016
- Transmission Line Study approved by NTDC Mar 3, 2017
- Owner's Engineer hired Sep 8, 2016
- EPC Contractor hired Jan 21, 2017
- EPC Stage Tariff Determination Apr 4, 2018
- Review Determination Oct 11, 2018
- TPPA Signing Jun 25, 2020
- TPA Signing Jun 25, 2020
- GOP IA Initialing Jun 25, 2020
- GOAJK IA Signing April 23, 2021
- WUA Signing April 23, 2021

The Project is estimated to cost US\$ 2.4 Billion, and is the largest private sector investment being undertaken in the State of Azad Jammu & Kashmir having following benefits to GOAJK:

- The US\$ 2.4 Billion Kohala HPP will be transferred to GOAK free of cost after 30 years
- KHCL will pay GOAJK Rs. 2.5 billion annually on account of Water Use Charges (WUC)
- KHCL will pay around Rs 36 billion as taxes to GOAJK.
- Project will generate substantial economic activities in AJK.
- Provide employment opportunities for local people of the Project Area.
- Multiple and multi-pronged socio-economic benefits for the people of AJK.

#### 4. **GROUNDS FOR MODIFICATION PETITION**

##### (a) **Conditional Environmental Approval**

Conditional Environmental Approval (ENOC) was granted to the Company by Government of Azad Jammu and Kashmir Environment Protection Agency ("AJK EPA") on 22<sup>nd</sup> December 2016, copy is annexed at **Annexure "A"**. Key conditions which are relevant for this Modification Petition are highlighted below;

- i) The ecological flow (E-flow) downstream not to be below 30 m<sup>3</sup>/s. The E-flow as per original design was 15 m<sup>3</sup>/s.

- ii) **Creation of Waterbodies downstream.** The EPA anticipates that, due to reduced flow in lean period during operational phase of the Project, the aesthetic beauty of River Jhelum downstream would be seriously affected. In order to reclaim the aesthetics of river and to rule out the chances of its encroachment, minimize the possibilities of change in microclimatic conditions, providing facilities for recreational activities, promote tourism and enhancing livelihood opportunities; the Company is required to consider the option of creating/constructing at least 05 Waterbodies downstream.
- iii) The EPA AJK, in continuation or supersession of any of the conditions listed in the approval for the construction of KHPP, may impose additional conditions as and when the situation may warrant so.

Subsequent to the issuance of ENOC, meetings were held between the Company and EPA AJ&K to discuss the implementation of conditions imposed under the ENOC. The Company submitted an "Undertaking" on 18<sup>th</sup> July 2017, annexed at **Annexure "B"**, to confirm the acceptance of conditions and to reflect the understandings reached on some of the conditions.

With regards to construction of 5 waterbodies downstream, KHCL, along with its ESIA Consultant (Hagler Bailey Pakistan) and NESPAK, provided rationale stating that construction of waterbodies were considered in case of Neelum Jhelum Hydropower Project ("NJHPP"). For Jhelum River, the consultants furnished their opinion that construction of waterbodies is not technically feasible due to;

- i) high sediment load in the Jhelum River, any water body created in the riverbed will be filled up with sediment deposited in flood period;
- ii) flow of Himalayan river, any structure constructed will be smashed away during floods.

In the nutshell, it was explained that construction of waterbodies with gates may not be feasible both technical and financially. Based on above, EPA AJ&K agreed that the condition will be reviewed in line with outcome of the feasibility study for construction of waterbodies in River Neelum by NJHPP, followed by a feasibility study by KHCL by independent third-party to be engaged, if necessary and in consultation with EPA AJ&K.

#### **(b) NEPRA's Determination on Construction of Waterbodies**

During the proceedings of the "Motion for Leave for Review" on the EPC stage tariff determination announced by NEPRA on 2<sup>nd</sup> April 2018, representative of EPA AJ&K during the public hearing on 19<sup>th</sup> July 2018 pointed out that waterbodies are essentially required to be constructed downstream of the diversion weir of the Project to cope with future ecological issues including water requirements of the inhabitants. Based on the estimates for construction of waterbodies by NJHPP, the estimated cost for construction of 05 waterbodies was Rs. 12.975 Billion. A letter was also submitted by EPA AJ&K on 26<sup>th</sup> July 2017 to NEPRA to include the cost of waterbodies in the determination of EPC stage tariff for the Project.

The Authority in its decision on "Motion for Leave for Review" dated 11<sup>th</sup> October 2018 stated;

*"It is pertinent to mention here that the ecological flow downstream of the diversion for Kohala HPP has already been increased from 15 cumecs to 30 cumecs. The Authority considers that environmental protection is one of the most important aspects of the Project,*

*however, only those costs can be allowed which are incurred prudently to achieve this objective. The Project Company has been directed to undertake all works related to environmental protection, including the construction of water bodies provided they are financially and technically viable, within the budget approved for environment and ecology. It is advised to revisit the environmental requirements, especially the requirement of the water bodies and consider its alternate solutions, so that the Project Company can meet all requirements within the budget approved for Environment and Ecology. For the reasons mentioned above, the cost of water bodies seems to be an imprudent cost."*

Furthermore, on 6<sup>th</sup> November 2018, the Authority also responded directly to EPA AJ&K and on the same lines as stated in the aforementioned decision and further stated that;

*"5. The aforementioned decision of NEPRA Authority is based on the available information provided by the sponsors Company/Project Company. However, if there are any studies conducted by the AJK-EPA regarding the proposed water bodies which will be shared with NEPRA for further necessary action."*

#### **(c) Environmental Issues Raised in AJK & Suspension of Work**

Due to issues of NJHPP where E-flow was 9m<sup>3</sup>/s and it caused environmental degradation (sewage impact) of Muzaffarabad city and surrounding areas, the progress of Kohala development activities remained at halt as GOAJ&K and EPA AJ&K linked KHCL with NJHPP and required KHCL to further increase the E-Flow from 30 m<sup>3</sup>/s.

Since KHCL already mobilized contractor for the preliminary works which were halted due to the environmental issues raised. The stoppage of work caused enormous loss for each day on account of mobilization of around 200 Chinese and Pakistani Engineers, more than 150 machines/equipment, and other staff at site which remained idle due to the suspended land acquisition process.

#### **(d) Addendum of ENOC "Requirement of Sewage Treatment Plants (STPs)"**

The main reason behind GOAJ&K requirement to further increase E-flows was raw sewage of Muzaffarabad City entering in Jhelum River. Hence, the solution was not to increase E-flow but to develop and construct STPs.

GOAJ&K imposed additional condition and required KHCL to construct Sewage Treatment Plants (STPs) to off-set the potential impact of increase in Biological Oxygen Demand (BOD). This was communicated vide Letter Ref: EPA/3283-89/2018 dated Nov 28, 2018 (Addendum # 1) (Annexure "C"). Company Vide its letter Ref: KHCL-PKO-20180349-A dated Dec 17, 2018 (Annexure "D") elaborate on the Technical commercial and legal ground and requested withdrawal of addendum.

#### **(e) Extension in Environmental Approval**



The ENOC issued by DG EPA on Dec 22, 2016 expired on Dec 21, 2019, subsequently DG EPA on February 25, 2020 (Annexure "E") issued extension in the ENOC with amendment in condition A (Environmental Flow) & K (Construction of Water bodies & Sewage Treatment plant) which was not accepted by the Company and vide Letter Ref KHCL-PKO-20200017-A dated Mar 9, 2020 (Annexure "F"). It was requested to issue extension without any further condition since the environmental matters are already settled via ECC decision Oct 2, 2019. Hence, on Sep 3, 2020 the ENOC was extended without any new conditions and with the validity for a period of three years from the date of issuance of extension of ENOC Annexure "G".

**(f) Decision of the Economic Committee of Cabinet (ECC) on KHCL Issues**

Since the Project was delayed considerably due to environmental issues raised by Gov of AJ&K, Ministry of Energy (Power Division) submitted a case for resolution of the KHCL issues to the ECC for its consideration in the meeting held on 2<sup>nd</sup> October 2019. Copy of the PPIB letter dated 8<sup>th</sup> November 2019 is annexed at (Annexure "H"). relevant paras of the decision are reproduced below for ready reference;

*"(iii) The sewage Treatment Plants (STPs) and Water Bodies (WBs) as required for environmental mitigation measures are integral part of the Kohala project. Therefore, cost of STPs (including its study and detail engineering design) will be considered as part of the project cost to be approved by NEPRA under the tariff determination. Accordingly, Kohala Hydro Company Limited (KHCPL) will be provide funds for feasibility study, detail engineering design, land and construction of STPs. However, operation and maintenance of the STPs shall be responsibility of the Government of AJ&K. Feasibility study of Water Bodies will be done by an International Consultant and its cost will be borne by KHCPL. If construction of WBs is found to be technically and economically feasible, the cost of construction and detail engineering design of these WBs will be included in the project cost to be approved by NEPRA under tariff determination. The operation and maintenance of WBs will be responsibility of Government of AJ&K."*

**(g) Tripartite Agreement between GoP, GOAJ&K and KHCL**

In order to ensure that the Project could proceed for achievement of Financial Close, after approval by the ECC for resolution of the various issues including environmental related issues, a Tripartite Agreement was entered into between the Company, GoP and Gov't AJ&K on 25<sup>th</sup> June 2020, copy is annexed at Annexure "I".

The Tripartite Agreement concluded following position with respect to construction of STPs and WBs;

**"E. Sewage Treatment Plants & Water Bodies**

**i. Sewage Treatment Plants**

*The Parties agree that Sewage Treatment Plants (STPs), are integral part of the Kohala Project for environmental mitigating measures, to be constructed along River Jhelum from village*

*Sarran (dam site) of District Jhelum Valley to the meeting-point (Muzaffarabad City) where the Neelum River joins Jhelum River. Therefore, cost of the STPs (including feasibility study and detailed engineering design) will be considered as part of project cost to be approved by NEPRA under the tariff determination. The Company will accordingly provide funds for feasibility study, detail engineering design, land and construction of STPs. However, the construction, operation and maintenance of STPs shall be the responsibility of the GOAJ&K. For this purpose, the Feasibility Study and detail engineering design for the STPs shall be carried out by independent consultant to be financed by the Company. The feasibility study shall be supervised jointly by the Company, GOAJ&K and PPIB. The acquisition of land for STPs shall be the responsibility of the GOAJ&K and the Company shall be responsible for the costs of the land. However, GOAJ&K shall ensure that it will acquire the land at reasonable price in accordance with the applicable laws.*

*The Parties agree that ownership of STPs shall vest in Government of AJ&K and there shall be no obligation and liability on part of the Company in relation to operation and maintenance costs of STPs.*

*ii. Waterbodies*

*The Parties recognize that under the ENOC the Company is required to consider the option of creating/constructing Water Bodies (WBs) downstream of Kohala E-flow powerhouse. The Parties further agree that WBs are required for environmental mitigation measures as integral part of the Kohala Project as under:*

*The feasibility study of WBs will be done by an international consultant to be appointed by the Company, with the consent of GOAJ&K and PPIB, and its cost will be borne by the Company. If construction of WBs is found to be technically and economically feasible, the cost of construction and detailed engineering design of these WBs will be included in the project cost to be approved by NEPRA under tariff determination. The operation and maintenance of WBs will be responsibility of GOAJ&K. The Feasibility Study of WBs shall be supervised jointly by the Company, GOAJ&K and PPIB.*

*The Parties agree that ownership of WBs shall vest in Government of AJ&K and there shall be no obligation and liability on part of the Company in relation to operation and maintenance costs of WBs.*

*iii. Timelines*

*Timelines shall be fixed for all the above activities to be mutually agreed between the Parties."*

*Besides, KHCL agreed to increase the e-flow as well, which is mentioned in TPA as follows:*

*"D.Ecological flow: The minimum release of water below Kohala Dam will be made equivalent to 42 cumecs by maintaining the E-Flow of 30 cumecs and releasing additional flow of 12 cumecs from the spillway/bottom outlet/E-flow generator as become available in Jhelum River due to the diversion of Neelum River at Kishenganga Hydro-electric Plant."*

*After signing of the Tripartite Agreement, the Company executed PPA on June 25, 2020 and initialed GOP IA on Jun 25, 2020. Subsequently the Company executed GOAJK and WUA on*

April 23, 2021. The Letter of Support is valid upto June 30, 2021, the Company has requested for extension of LOS up-to Jun 30, 2022

**(h) Conceptual Study for Construction of STPs**

KHCL engaged NESPAK to conduct a Conceptual Study for development and construction of STPs to treat sewage of Muzaffarabad and other population centers from village Sarran (dam site) of District Jhelum Valley to the meeting-point (Muzaffarabad City) where the Neelum River joins Jhelum River.

The scope of work covered under the Conceptual Study is provided below;

- o Cost assessment of STPs;
- o Description of the design scale of the STPs;
- o Timeline to undertake various activities related to STPs such as prefeasibility study, feasibility study, detailed design, engineering, installation, testing and commissioning.
- o Location of STPs; and
- o Land required for the STPs.

The Updated conceptual study is attached as (Annexure "J")

The cost assessment for construction of STP's and allied infrastructure (pumping stations, force mains and gravity sewer) is based on assessment of tentative cost. Below is the breakup of estimated cost to be incurred for construction of STP's and allied infrastructure.

	Amount (PKR million)
<b>Cost of STPs</b>	
Muzaffarabad Zone	436
Scattered Settlements	196
Misc. cost (Design @ 2%, Supervision @ 2%, Contingency @ 3% and Escalation @ 5%)	69
<b>Total STPs Cost (details below)</b>	<b>701</b>
<b>Cost of allied Infrastructure</b>	
Muzaffarabad Zone	670
Scattered Settlements	54
Misc. COST (Design @ 2%, Supervision @ 2%, Contingency @ 3% and Escalation @ 5%) of STP cost excluding Land Cost)	86
<b>Total Cost of Allied Infrastructure (details below)</b>	<b>811</b>
<b>Grand Total (STPs and Allied infrastructure cost)</b>	<b>1,512</b>
Provision for Scope of Variation (15%) *	227
<b>Grand Total</b>	<b>1,739</b>

\* Based on minutes of the meeting of the Joint Committee for supervision of the Feasibility Study of STPs Ref No. 1(101) PP/B-9404/21/PRJ/O-55637 dated April 12<sup>th</sup>, 2021 and Ref No. 1(101) PP/B-9404/21/PRJ/O-55717 dated April 30<sup>th</sup>, 2021

Description	Design Flows (MGD)	Proposed STPs Technology	STP	Land	Total
(Million Rs.)					
<b>1. MUZAFFARABAD ZONE</b>					
Kashmiri Refugee Camp	0.08	Package CAS	36	1	38
JZ-I	0.1	Package CAS	42	2	43
JZ-II & CZ-I	0.82	Conventional CAS	300	55	355
Sub Total	1.00	-	378	58	436
<b>2. SCATTERED SETTLEMENTS</b>					
Gari Dupatta	0.094	Package CAS	42	0.56	42
Hattian Dupatta	0.022	Package CAS	20	0.56	21
Muhajir Colony	0.041	Package CAS	25	0.56	26
Thota Satellite Town	0.023	Package CAS	21	0.56	21
Tandali	0.015	Package CAS	17	0.56	17
Langer Pura-I	0.018	Package CAS	17	0.56	18
Langer Pura-II	0.037	Package CAS	25	0.56	25
Langer Pura-III	0.033	Package CAS	25	0.56	25
Sub Total	0.288	-	192	4	196
Miscellaneous Cost (Design @ 2%+ Supervision @ 2% + Contingencies @ 3% + Escalation @ 5%) of STP cost excluding Land Cost					68
<b>GRAND TOTAL</b>	<b>1.288</b>	<b>-</b>			<b>701</b>

Detailed break-up of the above cost estimates is provided below;

The capital cost of allied works including pumping stations, force mains and integrated gravity sewer lines is presented below;

Sr. No.	Description	Amount (million Rs.)
<b>1. Muzaffarabad Zone</b>		
i.	Disposal stations, Force mains and Gravity Sewer pipe line for JZ-II & CZ-I	670
	Sub Total	670
<b>2. Scattered Settlements</b>		
i.	Gravity sewer lines including Restoration of Road, Transportation, protection against Land Sliding at: a) Garri Dupatta b) Hattian Dupatta c) Tandali	54
	Sub Total	724
<b>3. Miscellaneous Cost</b>		86
<b>TOTAL</b>		<b>811</b>

**(i) Approval of Updated Conceptual Study by Joint Committee**

A Joint Committee for supervision of feasibility study of STPs was constituted by PPIB along with TORs on Feb 19, 2021. The Joint Committee comprised of nine (9) members from PPIB, GoAJ&K and KHCL, and chaired by MD PPIB, the Notification of the Joint Committee issued by PPIB is attached as Annexure "K". The Company Updated conceptual study which was shared with the members of the Joint Committee for their review and comments.

The Joint Committee held three meetings to discuss the Conceptual study and review the comments of the committee members as well and Company's response against the comments. The Minutes of the meetings are attached as Annexure "L".

In the 3<sup>rd</sup> meeting of Joint Committee which was held on 28<sup>th</sup> April 2021 the Revised updated conceptual study was approved by Joint Committee. The Committee stated that KHCL may approach NEPRA based on the Revised-Updated Conceptual Study Report of STPs for Tariff Modification.

## 5. PRAYER

In light of the foregoing and as per the decision of the ECC and Tripartite Agreement between GOP, GOAJ&K and the Company and approval of the Joint Committee, it is respectfully prayed that the Tariff Determination and the Order issued by the Authority vide its letter No. NEPRA/PAF-124/15627-15629 dated October 11, 2018 may kindly be modified in line with the ECC decision in meeting held on 2<sup>nd</sup> October 2019, and incorporate the following as approved Project Costs;

- a. Capital Cost for construction of STPs (including cost of Feasibility study and detailed design) on Jhelum River for Muzaffarabad City and scattered settlements on Jhelum River influenced by the KHCL Project. The estimated cost of PKR 1.679 Billion (summarized below) may be approved based on the Conceptual Study conducted by NESPAK (dated Jan 2021) subject to adjustment at COD as per actual costs incurred, based on documentary evidence provided by the Company.

Cost Head	Amount (Rs. Million)
Cost of STPs (Excluding Cost of Land)	638
Cost of Allied Infrastructure	811
Total Cost	1,449
Conceptual Study	3
Provision for Scope Variation	227
Total	1,679

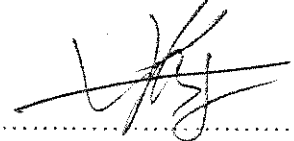
- b. Land required for STPs shall be arranged by GOAJ&K. any cost paid for acquisition of land for STPs is requested to be allowed as per actual at COD under the head "Land Acquisition & Resettlement". The land cost of PKR 62.87 million, as estimated in the Conceptual Study, may be included in the cost head "Land Acquisition & Resettlement" of additional land required for construction of STPs.
- c. As per the ECC decision on Waterbodies the feasibility study of WBs will be conducted by an international consultant and if construction of WBs is found to be technically and economically feasible, the cost of construction and detailed engineering design of these WBs will be included in the project cost to be approved by NEPRA under tariff determination. Currently, company is in the process of consultation with GOAJ&K and PPIB regarding the formation of committee to confirm appointment of international consultant and later approve the feasibility study report. Company reserves its rights to request for modification of Tariff in respect of Water bodies based on the outcome of the feasibility study.

Revised Tariff Table and comparison of Reference Tariff based on the revised project cost after incorporating estimated cost of Sewage Treatment plant including cost of feasibility Study detailed engineering design is attached as Appendix I to this Modification Petition.

The Company further request the Authority for early decision on this Modification Petition to enable the Project to achieve Financial Closing within the time period allowed under the LOS.

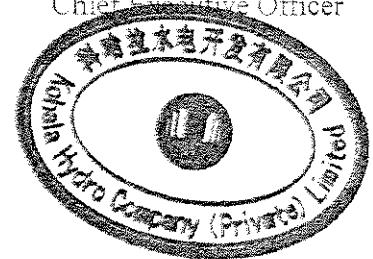
KHCL further reserves its right to adduce further and additional information.

For and on behalf of  
KOHALA HYDRO COMPANY (PRIVATE) LIMITED



.....  
Zhang Jun  
Chief Executive Officer

Dated: May 7, 2021



## APPENDIX — REVISED TARIFF TABLE AFTER MODIFICATION

Revised Tariff Table

Year	Variable OAM Pkg/yr	Wireless Charge WRT/kWh	Energy Charge		Post OAM		Finances	ROE	ROETC	Principal	Makeup	Signature	Capacity Charge	Toll
			Local	PRR/kWh	Foreign	Local								
1	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	855.1119	810.9403	7.3125	309.1129	9.53.0
2	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	901.9.63	767.0739	72.9961	3474.2916	9.543
3	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	95.8178	744.343	60.98.2	3443.8229	9.559
4	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	105.6132	658.1391	61.27.53	3443.1111	9.574
5	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	105.7159	598.8916	55.3440	345.1197	9.605
6	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	1130.0633	535.9850	48.8.48	345.1044	9.632
7	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	1.205.345	469.1009	42.1139	347.0416	9.663
8	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	1.273.4416	395.0167	33.0167	348.94.35	9.6948
9	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	1.348.4010	323.6713	27.3407	349.9.423	9.7274
10	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	1.427.5904	244.1618	19.6268	349.3713	9.7602
11	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	1.512.1259	159.8553	11.26.53	349.1139	9.7931
12	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	1.604.6140	70.4362	2.43.30	351.52	9.8272
13	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	9.8616
14	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	9.8958
15	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	9.9300
16	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	9.9642
17	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.0000
18	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.0360
19	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.0720
20	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.1080
21	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.1440
22	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.1800
23	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.2160
24	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.2520
25	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.2880
26	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.3240
27	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.3600
28	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.3960
29	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.4320
30	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.4680
31	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.5040
32	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.5400
33	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.5760
34	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.6120
35	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.6480
36	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.6840
37	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.7200
38	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.7560
39	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.7920
40	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.8280
41	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.8640
42	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.9000
43	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.9360
44	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	10.9720
45	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.0080
46	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.0440
47	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.0800
48	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.1160
49	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.1520
50	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.1880
51	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.2240
52	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.2600
53	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.2960
54	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.3320
55	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.3680
56	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.4040
57	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.4400
58	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.4760
59	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.5120
60	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.5480
61	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.5840
62	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.6200
63	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.6560
64	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.6920
65	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.7280
66	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.7640
67	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.8000
68	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.8360
69	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.8720
70	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.9080
71	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.9440
72	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	11.9800
73	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	12.0160
74	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	12.0520
75	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.5095	-	-	-	1.60.9013	12.0880
76	0.0480	0.4230	0.5531	0.5531	148.19.3	95.952	105.5340	310.441	310.					



## COMPARISON OF REFERENCE TARIFF AND REVISED TARIFF

	EPC Tariff Levelized	Revised Tariff after Modification Levelized	Variance Levelized
	1 - 30 years	1 - 30 years	1 - 30 years
V. O&M Foreign	0.0430	0.0430	-
V. O&M Local	0.1121	0.1121	-
Water Use Charge	0.4250	0.4250	-
Energy Charge (PKR/kWh)	0.5851	0.5851	-
F. O&M Foreign	143.1973	143.1973	-
F O&M Local	98.7982	98.7982	-
Insurance	105.5340	105.5340	-
ROE	317.7639	324.3973	7.1339
ROEDC	544.6875	546.5698	1.8823
Debt Component	1,198.2543	1,208.5443	10.2900
Simosure	36.3715	36.7378	0.3663
Capacity Charge (PKR/kW/M)	2,949.6072	2,969.2798	19.6726
Levelized Tariff PKR/kWh	3.2345	3.2853	0.0513
Levelized Tariff cents/kWh	7.3336	7.9026	0.0490