

Ref: KAPCO/2022/K-3/L-006
October 24, 2022

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Dear Sir,

The Company's Power Purchase Agreement dated June 27, 1996 (as amended) (Original PPA) completes its term on even-date (October 24, 2022); and consequently the Company will not sell electric power to the Power Purchaser under the terms of the Original PPA. The Company's generation license was renewed by the National Electric Power Regulatory Authority (NEPRA) on September 8, 2022 for a term of three years (expiry date September 24, 2024).

The Company takes this opportunity to provide the following updates:

- a) The Company has submitted an application for Reference Generation Tariff (Tariff Petition), under the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 and the rules and regulations made thereunder including the NEPRA (Tariff Standards and Procedure) Rules, 1998 before NEPRA on even-date (October 24, 2022).
- b) The Power Purchaser and the Company have agreed to enter into a new power purchase agreement for sale and purchase of electric power. The term of the new power purchase agreement is being proposed by the Company to be five years, subject to applicable legal and regulatory formalities, including approval of the generation tariff by NEPRA pursuant to the Tariff Petition.
- c) As NEPRA has yet to arrive at a determination in respect of the Tariff Petition and the Original PPA will expire on even-date, the Company has requested NEPRA vide application dated October 24, 2022 for grant of Provisional Tariff Approval for the interim period for, inter alia, meeting technical, operational and dispatch requirements of the Power Purchaser and the system.

You are requested to disseminate the information to the Members of the Exchange accordingly.

Yours faithfully,
for Kot Addu Power Company Limited

A. Rath

A. Anthony Rath
Company Secretary

Copy to:

- Executive Director/HOD, Offsite – II Department, Supervision Division, SECP, Islamabad

