



**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)**

**Publication of draft amendments to the National Electric Power
Regulatory Authority (Supply of Power) Regulations , 2015
for eliciting public opinion**

The National Electric Power Regulatory Authority (NEPRA) seeks to amend the National Electric Power Regulatory Authority (Supply of Power) Regulations, 2015, in exercise of powers conferred under Section 47 of the Regulation of Generation, Transmission and Distribution of Electricity Power Act, 1997 (XL of 1997). In this regard, the following notification is hereby published for eliciting public opinion. Comments may be sent to the Registrar (NEPRA) within 30 days of this publication.

NOTIFICATION

S.R.O. .- In exercise of the powers conferred by section 47 of the Regulation of Generation, Transmission and Distribution of Electricity Power Act, 1997 (XL of 1997), the National Electric Power Regulatory Authority hereby makes the following amendment(s) to the National Electric Power Regulatory Authority (Supply of Power) Regulations, 2015, notified vide S.R.O. 1134(1)/2015, namely:—

In the said Regulations –

- (1) In the first para, the words “read with section 7 and 23” shall be omitted;
- (2) In regulation 1, sub regulation (3) shall be substituted with the following, namely:-
“The purpose of these regulations is to establish a framework for the regulation of Distribution Licensee and Operation & Maintenance Operator under Operation & Maintenance Agreement”;
- (3) In regulation 2, sub clause (b) shall be substituted with the following, namely:-
“Applicable Documents” means the Act and the rules, regulations, license, registration, directives, codes, standards, guidelines, circulars, orders, determinations, documents, instruments, approvals and authorizations issued or granted from time to time by the authority in exercise of its powers under the Act”;
- (4) In regulation 2, sub clause (d) shall be omitted;
- (5) In regulation 2, sub clause (e) shall be omitted;
- (6) In regulation 2, sub clause (f) words “for supply to its consumers” shall be omitted;
- (7) In regulation 2, sub clause (h) shall be omitted;
- (8) In regulation 2, sub clause (i) shall be omitted;
- (9) In regulation 2, in sub clause (j) words “Distribution Company” shall be substituted with words “Distribution Licensee”;
- (10) In regulation 2, sub clause (k) shall be omitted;
- (11) In regulation 2, sub clause (l) shall be omitted;
- (12) In regulation 2, sub clause (m) shall be substituted with the following, namely:-
“Operation & Maintenance Fee” means a fee payable to the O&M Operator by the Licensee for the O&M services rendered on behalf of a Licensee and approved by the Authority”;
- (13) In regulation 2, sub clause (n) shall be omitted;

- (14) In regulation 2, in sub clause (o) words "Distribution Company" shall be substituted with word "Licensee" and after the word "operation and maintenance" comma shall be omitted and words "including but not limited to" shall be inserted;
- (15) In regulation 2, in sub clause (p) word "DISCO" shall be substituted with word "Licensee";
- (16) In regulation 2, sub clause (q) shall be omitted;
- (17) In regulation 2, sub clause ® shall be omitted;
- (18) In regulation, a new sub clause (ra) shall be inserted, namely:-

"Supplier Licensee" means an entity licensed to undertake supply business under section 23 (E) and 23 (F) of the Act;"
- (19) In regulation 2, in sub clause (s) after the word "portion" words "of premises" and after the word "Complex" comma shall be inserted followed by words "housing society or industrial estate";
- (20) Regulation 3 shall be omitted;
- (21) In regulation 4:-
- (i) Words "Host Distribution Company", "DISCO" and "Distribution Company" appearing in sub regulation (1), (4) and (6) shall be substituted with word "Distribution Licensee";
 - (ii) In sub regulation (i), words "eligibility criteria" shall be substituted with word "conditions" and word "prescribed" shall be substituted with word "specified";
 - (iii) In sub regulation (6), in sub clause (b) after the word "distribution" words "and supply" shall be inserted;
- (22) In regulation 5:-
- (i) In sub regulation (i), words "which does not fulfil the eligibility criteria within the ambit of regulation 4 for obtaining a distribution licence, and is interested to takeover or develop the distribution network in its respective area/territory or territory of a Distribution Company" shall be omitted;
 - (ii) In Proviso, words "Distribution Company" shall be substituted with word "Licensee";
 - (iii) In sub regulation (2) and (3) words "Host DISCO" shall be substituted word "Licensee";
- (23) Regulation 6 shall be omitted;
- (24) In regulation 7:-
- (i) Heading "General Conditions for Supply by the Authorized Agents" shall be substituted with the words "General Conditions for O&M Operator";
 - (ii) In sub regulation (i) words "for the supply of electric power by the Authorized Agents, following terms and conditions shall apply" shall be substituted with words "for the purpose of operation and maintenance services, following terms and conditions shall apply on O & M Operator";
 - (iii) In sub regulation (i), sub clause (a) after the words "state of the art" word "meters" shall be inserted;
 - (iv) In sub regulation (i), sub clause (b) words "Host DISCO" shall be substituted with word "Licensee";
 - (v) In sub regulation (i), sub clause (c) words "Authorized Agent" shall be substituted with words "O&M Operator";
 - (vi) In sub regulation (i), sub clause (f) shall be substituted with the following, namely:-
"An O&M Operator shall bill the end user on monthly basis, on behalf of the Licensee, and the billing statement must contain the same detailed information, as implemented by the Licensee in its service territory and approved by the Authority from time to time";
 - (iv) In sub regulation (i), sub clause (g) shall be omitted;

(25) Regulation 8 shall be omitted;

(26) A new regulation 8 A shall be inserted, namely:-

“8A. Tariff for Distribution and Supplier Licensees .—(1) A Distribution License or a Supplier Licensee shall file a petition for determination of tariff for respective distribution or supply business in the manner and procedure provided under NEPRA (Tariff Standards & Procedures) Rules , 1998 or any other rules and regulations framed in this regard”;

(27) A new regulation 8B shall be inserted, namely:-

“8B. Operation & Maintenance Fee — (1) Fee for Operation & Maintenance payable to O&M Operator shall include;

- allowance for distribution technical losses approved by the Authority for the area under O&M Agreement; and
- Prudent O&M cost (salaries & wages, maintenance expenses for repair & maintenance of distribution network ,and other administrative expenses, depreciation expenses and return on assets) incurred by O&M Operator and as approved by the Authority :

Provided that depreciation expenses and return on assets shall not be included in O&M Fee if the cost for developing distribution network has been recovered from the residents/members/occupants of Units”;

(28) Regulation 9 shall be omitted;

(29) A new regulation 9A shall be inserted, namely:-

“Tariff for Consumers in the Area served by O&M Operator - . (1) Under the O&M Agreement, the area served by O&M Operator shall remain the service territory of the Licensee and the residents/occupants/inhabitants of such territory shall remain the consumers of the Licensee.

(2) Consumer category wise tariff of the Licensee applicable in its service territory shall also be applicable to consumers in the area under O&M Agreement.

(3) Other terms and condition of applicable approved tariff of the Licensee shall also be applicable in the area served by O&M Operator.

(4) Electricity consumed in the common areas of the O&M Operator shall be metered separately. Such cost shall not be made part of individual electricity bills of the consumers and will be dealt bilaterally between O&M Operator and the consumers in the area of O&M Agreement”;

(30) In regulation 10 words “The Distribution Companies, Authorized” shall be substituted with words “The Licensee(s)”;

(31) In regulation 12, in third line words “Distribution Licensees, Authorized Agents, O&M operators and other persons ” shall be substituted with word “Licensee(s) and O&M Operator” and words “Distribution Licensees and such other persons” appearing in last line of regulation 12 shall be substituted with words “Licensee (s) and O&M Operator”;

(32) In regulation 13, words “Distribution Licensee, Authorized Agent, O&M Operator” shall be substituted with words “Licensee and O&M Operator”;

(33) In regulation 14, words “Distribution Licensee, Authorized Agent, O&M Operator” appearing in sub regulation (1) and (3) shall be substituted with words “Licensee and O&M Operator”;

(34) In regulation 16, words “Distribution Licensees” shall be substituted with word “Licensee(s)”;

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