



**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
CONSUMER ELIGIBILITY CRITERIA (DISTRIBUTION LICENSEES)
2021**

NOTIFICATION

Islamabad,, 2021

S.R.O. — In exercise of the powers conferred by section 47 read with sub-section (2) of section 21 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997) and all other enabling provisions thereof, the National Electric Power Regulatory Authority is pleased to notify the following regulations.-

1. Short title commencement and jurisdiction.— (1) These regulations may be called the National Electric Power Regulatory Authority Consumer Eligibility Criteria (Distribution Licensees) Regulations, 2021.

(2) These regulations shall come into force at once.

(3) The Authority may amend the provisions of these regulations, either *suo moto* or at the request of any person or a licensee, as deemed appropriate.

2. Definitions.— (1) In these regulations, unless there is anything repugnant in the subject or context: —

- (i) “applicant” means any person who applies to a distribution licensee for provision of electricity connection and allied electric power service or modification in the existing electricity connection thereof;
- (ii) "applicable documents" means the rules, regulations, terms and conditions of any licence, registration, authorization, determination, any codes, manuals, directions, guidelines, orders or notifications issued or approved under the Act;
- (iii) “Common Distribution System” means the distribution facilities of a distribution licensee other than the Dedicated Distribution System or Sponsored Dedicated Distribution System;
- (iv) “connecting point” means the point where the dedicated distribution system of the applicant is connected with the existing common distribution system;
- (v) “Dedicated Distribution System” means that part of the distribution system, required for distribution of electric power for the sole consumption of the applicant and not for distribution or supply of electric power to any other consumer and shall comprise of the distribution system from the connecting point up to the inter-

connection point of the applicant including the metering and service wire and such other connection arrangements;

- (vi) “electricity connection” means a physical connection along with relevant meter and allied infrastructure installed by the relevant distribution licensee at the premises of a consumer to enable the consumer to connect with the distribution facilities of the distribution licensee at the premises of the consumer to enable the consumer to purchase or receive electric power from an electric power supplier in accordance with the Consumer Service Manual and other applicable documents;
- (vii) “Electric Inspector” means an Electric Inspector appointed under the Electricity Act, 1910 (Act No. IX of 1910);
- (v) “housing society” means any housing scheme developed or duly approved by the concerned government agencies or statutory development bodies;.
- (vi) “interconnection point” means the point where the metering installation and protection apparatus of the consumer is connected to the dedicated distribution system;
- (vii) “metering installation” means the metering and associated equipment required to be installed for recording consumption or usage of electric power of an applicant;
- (viii) “sponsor” means a person, entity, government development agency, developer of real estate or a housing society situated within the service territory of a distribution licensee that sponsors the development of a Sponsored Dedicated Distribution System for distribution of electric power in a specified area or to a specified group of consumers;
- (ix) “Sponsored Dedicated Distribution System” means a system to be developed by a Sponsor for an area where a Common Distribution System does not exist and is required to be developed for provision of electric power services.

(2) Words and expressions used but not defined in these regulations shall have the same meaning as assigned to them in the Act, the National Electric Power Regulatory Authority Licensing (Distribution) Regulations, 2021 and other applicable documents.

3. Eligibility criteria for consumers of distribution licensees.— (1) Following shall be the eligibility criteria for a consumer to obtain an electricity connection from a distribution licensee:

- (a) the applicant has filed an application in the form and manner provided in the Consumer Service Manual:

Provided that the distribution licensee shall make available on its website and in its offices the relevant application forms and information concerning all other requirements including guidelines for filing of the application by the consumers;

- (b) the applicant has deposited the charges for the proposed dedicated distribution system up to the inter-connection point including the metering installation (if applicable);

- (c) the applicant's wiring installation, transformation and protection equipment downstream of the inter-connection point has been tested and certified by the Electric Inspector to be in conformity with the relevant technical and safety standards;
- (d) the distribution licensee is satisfied with respect to the compliance of the technical and safety standards as per the operating codes, or manuals approved by the Authority;
- (e) the applicant has made payment of security deposit for the electricity connection as applicable;
- (f) no arrears of electricity bills are outstanding against the occupier or owner of the premises for which the applicant has sought the electricity connection;
- (g) where the applicant is a corporate entity, it must not have been declared as insolvent by any court of law;
- (i) the applicant has not been guilty of committing an offence of electric power theft under the law:

Provided that if a guarantee to the satisfaction of the licensee is provided to compensate for any loss to the licensee which may accrue due to dishonest abstraction of electric power or non-payment of bills, the applicant shall be eligible for the electricity connection;

(2) Sub-clause (1) of clause 3, shall not apply to consumers who are already connected to the licensee's distribution facilities or have applied for an electricity connection and have deposited the initial cost before issuance of these regulations.

(3) All charges to be deposited by an applicant shall be estimated in accordance with the prudent utility practices, the Consumer Service Manual and determinations of the Authority issued from time to time. In case of any changes in connection charges; the distribution licensee is required to apply to the Authority for approval of the same.

4. Extension and reinforcement of the Common Distribution System.— (1) If an extension/reinforcement is required to be made in the common distribution system within the service territory of the licensee in order to provide an applicant the connection as per Clause 3 above, the licensee shall carry out the required extension or reinforcement at its own cost in accordance with its investment programme approved by the Authority.

5. Development of a Sponsored Dedicated Distribution System.- (1) Where a Common Distribution system does not exist and a Sponsored Dedicated Distribution System is required to be developed for distribution of electric power for the sole consumption of a specified area or a specified group of consumers, the Sponsored Dedicated Distribution System shall be developed either by the Sponsor itself as per the approved standards of the distribution licensee or through the concerned distribution licensee subject to mutually agreed terms and conditions.

(2) The Sponsored Dedicated Distribution System other than service wire and meter may be converted into Common Distribution System on the request of the sponsor. In such case, the distribution licensee shall take over the system for its operation and maintenance purpose and

thereby the augmentation and extension shall be carried out by the distribution licensee without any charges from the Sponsor. Notwithstanding conversion of such system into Common Distribution System, it shall not form part of the assets of the distribution licensee, therefore, the distribution licensee shall not be obliged to reimburse the cost of the Sponsored Dedicated Distribution System to the Sponsor.

(3) A distribution licensee shall have the right to change the Sponsored Dedicated Distribution System into Common Distribution System in the best public interest subject to compensation for the system to the Sponsor as mutually agreed between the Sponsor and the distribution licensee or in case of disagreement the distribution licensee shall refer the matter to the Authority for decision.

(4) The Sponsor may engage in the business of distribution and supply of electric power within the Sponsored Dedicated Distribution System subject to the grant of licence by the Authority for the relevant activity and in accordance with the applicable documents.

6. Treatment of pending applications.- The existing consumers of the licensee or applicants who filed an application for electricity connection or modification prior to the notification of these regulations, shall be treated according to the Consumer Eligibility Criteria notified vide SRO 743(I)/2003 as amended from time to time.

7. Maintenance of Sponsored Dedicated Distribution System.- The Dedicated Distribution System of the consumers or the sponsors shall be maintained by the licensee up to the metering installation of the consumer or the sponsor as the case may be. However, the cost incurred for replacement of any equipment shall be borne by the consumer or the sponsor as the case may be.

8. Removal of Dedicated Distribution System (DDS): (1) Upon removal or replacement of a Dedicated Distribution System or any part thereof on account of permanent disconnection, extension / reduction of load, change of tariff, shifting of site etc., the distribution licensee shall retain the dedicated distribution system or any part thereof as the case may be if the material is not utilized for extension / reduction of load, change of tariff, shifting of site etc.; upon payment in the manner specified as under:

- (a) The monetary value of a dedicated distribution system or any part thereof shall be determined by taking useful life period as twenty years for calculation of depreciation for adjustment at the rate of 5% per annum (serviceable equipment i.e., transformer, structure etc.). However, in any case, the depreciated value of the material shall not be less than 10% of the initial cost; and
 - (b) The cost of removal of DDS if any, shall be borne by the consumer as per actual.
- (2) The payment of dedicated distribution system or any part thereof shall be made:
- (a) in lump sum after adjustment of any arrears/pending bills in case of permanent disconnection, within two months of the date of disconnection; or
 - (b) Through adjustment in cost demanded for new/additional equipment to be installed in the dedicated distribution system.

Provided however, if the value of the removed dedicated distribution system or any part thereof is greater than the cost demanded for the additional system, the adjustment shall be made by crediting the balance in future bills commencing with two months of the replacement of the system.

9. Conversion of Dedicated Distribution System.- (1) The Dedicated Distribution System other than service wire and meter may be converted into Common Distribution System on the written request of the owner. In such case, the distribution company shall take over the system for its operation and maintenance purpose and thereby the augmentation and extension shall be carried out by the distribution licensee without any charges from the owner. Notwithstanding conversion of such system into Common Distribution System, it shall not form part of the assets of the distribution licensee, therefore, the distribution licensee shall not be obliged to reimburse the cost of the Dedicated Distribution System to the owner:

(2) A distribution company shall have the right to change the Dedicated Distribution System into Common Distribution System in the best public interest subject to compensation for the system to the owner as mutually agreed between the owner and the distribution licensee or in case of disagreement the distribution licensee shall refer the matter to the Authority for decision.

10. Non-discriminatory and equitable treatment.- (1) A distribution licensee shall ensure that all applicants and consumers are treated in a non-discriminatory, fair, transparent and just manner.

(2) Where any applicant does not meet any part of the eligibility criteria, the distribution licensee shall explain the relevant deficiency in writing and provide sufficient opportunity to rectify the same to the applicant before a final decision on the application.

11. Consumer complaints and dispute resolution.- (1) The distribution licensee shall make available complaints-handling mechanisms that provide consumers or applicants with expeditious, fair, transparent, inexpensive, accessible, speedy and effective dispute resolution without unnecessary cost or burden.

(2) All complaints and disputes in respect of the administration of these regulations that are not addressed by the distribution licensees to the satisfaction of the consumer or applicant shall be referred to the designated department of the Authority for resolution.

12. Repeal of Consumer Eligibility Criteria 2003.- (1) Upon notification of these regulations, the Consumer Eligibility Criteria, 2003 notified vide S.R.O.743 (I)/2003 and subsequent amendments made therein shall stand repealed.

(2) The repeal of the Consumer Eligibility Criteria, 2003 and subsequent amendments made therein under sub-regulations (1) shall not adversely impact any rights or obligations accrued thereunder and these regulations shall be applicable only on such consumers which have made fresh application for a connection after notification of these regulations.
