

TRIBAL ELECTRIC SUPPLY COMPANY

Tel: 091- 9222609

Email: ceotesco17@gmail.com



Office of
Chief Executive Office
TESCO

No. TESCO/CEO/MIRAD/ 7124-27

Dated: 04/10/2023

Registrar NEPRA,
NEPRA Tower, Ataturk Avenue (East), G5/1, Islamabad.

Subject: APPLICATION FOR MODIFICATION & EXTENSION OF ELECTRIC POWER DISTRIBUTION LICENCE TO TRIBAL ELECTRIC SUPPLY COMPANY (TESCO) LIMITED AS DISTRIBUTION NETWORK OPERATOR

Reference: [1] NEPRA Letter No. NEPRA/DG(L)/LAD-10/9664 dated 27-07-2023
[3] NEPRA Letter No. NEPRA/R/LAD-10/9642-44 dated 12-08-2013

It is to inform that NEPRA through its letter dated 27-07-2023, directed TESCO to file an application for Licensee Proposed Modification of its Distribution Licence No. 22/DL/2013 issued dated 13-08-2013 in terms of the NEPRA Act and the NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021.

Accordingly, in pursuance of Regulation (10) & (13) of the NEPRA Licensing (Application, Modification, Extension, and Cancellation) Procedure Regulations, 2021, TESCO is submitting License proposed modification and extension (for a period of Ten years) application along with required documents.

The text of the proposed modification and the reasons in support of the proposed modification are attached herewith as Annex-E. A cross cheque No. 79008947 in the sum of PKR 36,84,579 (After income tax deduction), being the license application modification fee calculated in accordance with Schedule II of the NEPRA Licensing Regulations, 2021, is also attached (Annex-B).

Further to the above, the BoD TESCO has authorized the undersigned in its 47th BoD meeting held on 30-08-2023 vide Board Resolution No. 47/BOD/-R-24 to sign the application and take all the necessary actions regarding thereto (Annex-D).

Consequently, I Engr. Qazi Muhammad Tahir, Chief Executive Officer TESCO hereby request the honorable Authority for modification & extension of Electric Power Distribution Licence No. 22/DL/2013 issued to Tribal Electric Supply Company (TESCO) limited.

For any clarification of additional information or any other matter relating to this application Engr. Hammad Amer Hashmi (Director General MIRAD) TESCO (0330-5059090, email: dgmiradtesco@gmail.com) is designated as focal person.

Enc: As stated.

Copy to: -

1. Director General, MIRAD, TESCO Peshawar.
2. Company Secretary, TESCO Peshawar.
3. Master File.

Chief Executive Officer
TESCO

Forwarded please:
☒ For nec action ☐ for information

1. DG (Lic.)	2. DG (Admn./HR)
3. DG (M&E)	4. DG (CAD)
5. DG (Trf.)	6. Dir. (Fin.)
7. Dir. (Tech.)	8. Consultant
9. LA	10. Dir. (IT)

For kind information please
1. Chairman
2. M (Lic.)
3. M (Law)
4. M (Tech.)
5. M (Trf. & Fin.)

**Checklist as per NEPRA Licensing (Application, Modification, Extension, and Cancellation)
Procedure Regulations, 2021.**

Sr. No	Description	TESCO Remarks
1.	The type or category of License	1. Modification of Electric Power Distribution License as Distribution Network Operator 2. Extension of Electric Power Distribution License (for a period of Ten years) as Distribution Network Operator
2.	The proposed time-period of extension	Proposed time-period for extension is 10 years starting from Aug 13, 2033, to Aug 12, 2043.
3.	Prospectus	Attached as Annex-A
4.	Application fee as set out in schedule-II (Fee for Grant, Extension of Term or Modification of License)	Cheque Attached as Annex-B
5.	Affidavits: 1) Affidavit regarding correction of Distribution License petition information	Attached as Annex-C.
6.	Board Resolution	Attached as Annex-D.
7.	Text of the Proposed Modification & reason.	Attached as Annex-E.

1.1 Introduction

Tribal Electric Supply Company, TESCO, is a Public Limited Utility Company, responsible for the distribution of electric power to the population of all 7 Merged Districts formerly known as FATA and all corresponding FR-Regions of Pakistan as set out in TESCO's Distribution License no. 22/DL/2013, granted by NEPRA under the NEPRA Act on August 12, 2013. TESCO was incorporated in Pakistan under the Companies Ordinance Act 1984, on 2nd July 2004, in line with Government policy of unbundling and corporatizing Pakistan's power sector, because of restructuring of WAPDA's Power Wing after the enforcement of NEPRA Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997). TESCO's Distribution License No. 22/DL/2013 was issued by NEPRA on August 12, 2013, for the sale of power for the Period of Twenty Years.

The major objectives of the company include ensuring uninterrupted and stable power supply to all its customers along with state-of-the art customer care as well as establishing and operating reliable electricity distribution networks.

Currently, TESCO has 1,063 active employees responsible for distributing electricity to approximately 0.443 million consumers. The consumer mix comprises approximately 90.56 % domestic consumers (0.402 million) including residential consumers in both urban and rural areas, 6.67% commercial consumers (0.028 million) including business consumers such as markets, plazas, and offices in both urban and rural areas, 0.97% industrial consumers (0.004 million) and others 1.8% (0.009 million).

1.2 Vision, Mission of the Company

Company Vision:-

TESCO strives to achieve and maintain the highest degree of efficiency, reliability and responsiveness with focus on stakeholder satisfaction and generating economic activities in its area service through providing utility services to businesses.

Company Mission: -

Our mission is to provide a full-line electrical distribution that grows with our customers. We are dedicated to the safety and satisfaction of our employees and committed to our communities. We are committed to quality, values, and ethics.

Core Values of The Company:-

Our core values are integrity, honesty, synergy through team work, employee and public safety, innovation and continuous improvement in all spheres of the organization. We take ownership, initiative & responsibility for all our actions. The pursuit of these values creates opportunities for success and the potential to provide achieve the stakeholders' satisfaction. We are inspired to empower our people to utilize the best of their potential.

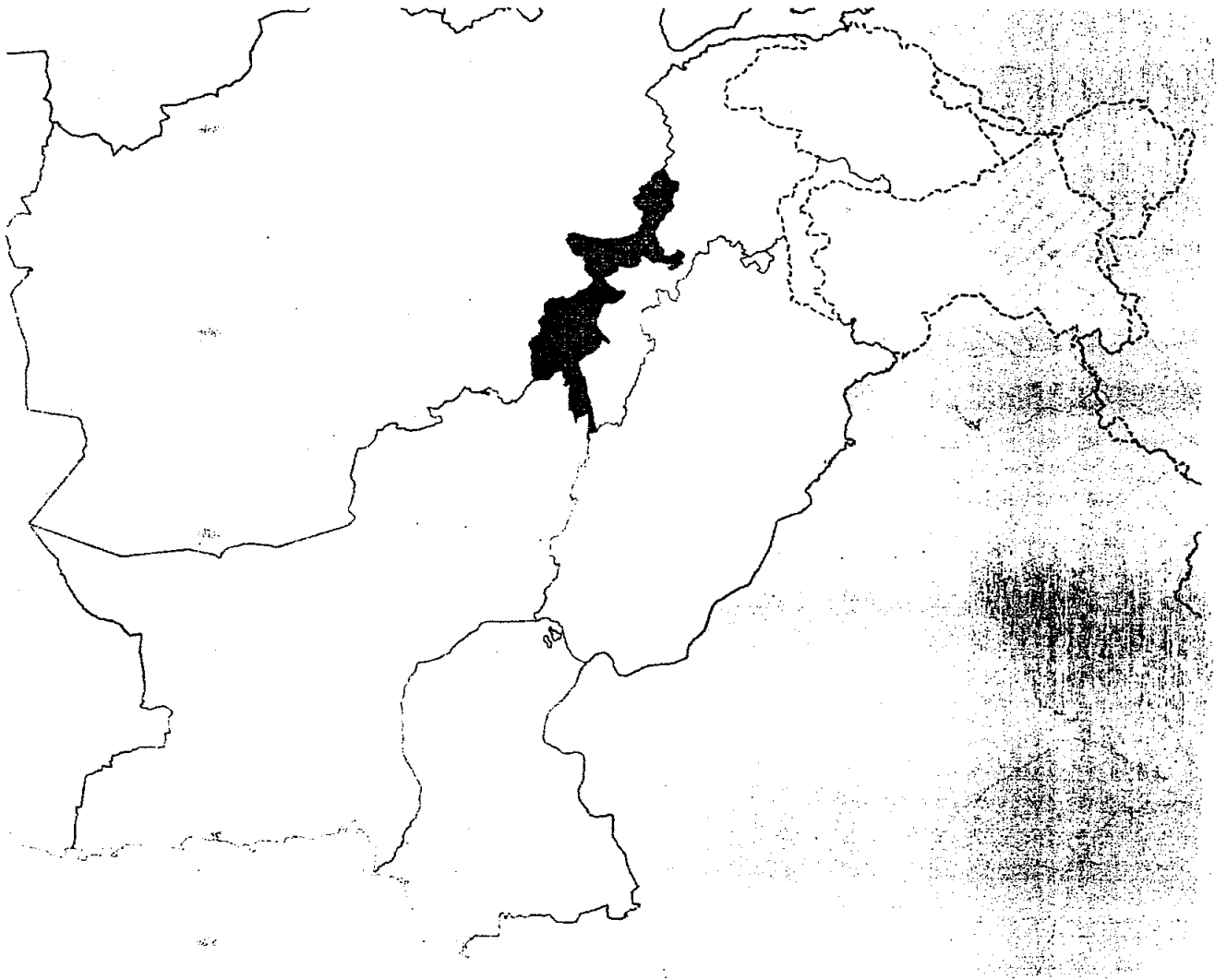
Strategic Positioning:

As the Power Sector of Pakistan is passing through another major reforms, by moving from Single Buyer market to a more open and more competitive Wholesale market. TESCO is all set to add value to the evolving wholesale competitive electricity market in line with Competitive Trade & Bilateral Contracting Market (CTBCM) regime. Towards this end, moving ahead of the single territorial electric power service provider within service territory; TESCO, as envisaged per CTBCM, has initiated transformation as multirole service provider as "Electric Power Supplier" and "Electric Power Distributer". As per regulation, TESCO shall, however, continue to be "Supplier of Last Resort" to ensure continued, uninterrupted, reliable and adequate power supply to any and all the customers at all times, within the Service Territory. As Electric Power Distributor, i.e., the Distribution Network Operator (DNO), TESCO pledges to provide interconnection facility and open access to its system for all intending Users (Market Participants) including, but not limited to, the eligible Generation Companies, Bulk Power Consumers, Traders, Competitive Electric Power Suppliers, Distributed Generation etc. at reasonable and affordable prices, without any favour or, otherwise, discrimination or restrictions. Taking natural monopoly wire-business role, the DNO, we understand the position requires us to ensure embedding principles of impartiality, non-discrimination and arm's length transaction even while dealing with Power Supplier arms of our own company.

Jurisdiction of Licensee on map of Pakistan.

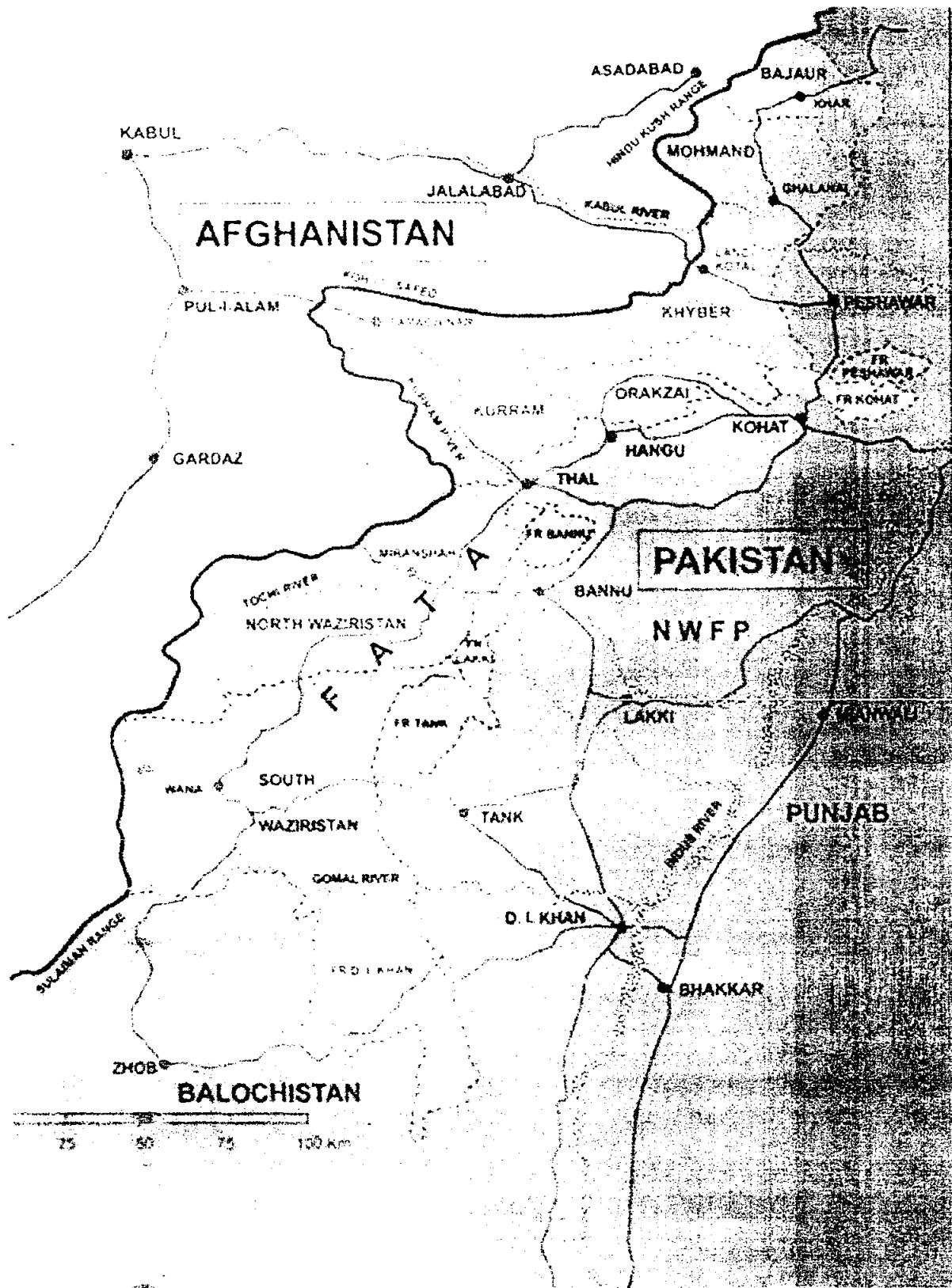
TESCO is providing electricity services at a Jurisdiction of about 27,000 sq. km. It is providing the Electric Power Supply to the whole region of Newly merged Districts (Former FATA) & corresponding FR Regions.

The Former FATA & Corresponding FR regions are represented here in red on map of Pakistan.



Jurisdiction of TESCO.

TESCO is providing electricity to Seven Merged Districts, District Bajaur, Mohmand, Khyber, Orakzai, Kurram, North Waziristan and South Waziristan and Six corresponding FR Regions are, FR Peshawar, FR Kohat, FR Bannu, FR Lakki, FR Tank and FR D.I.Khan.

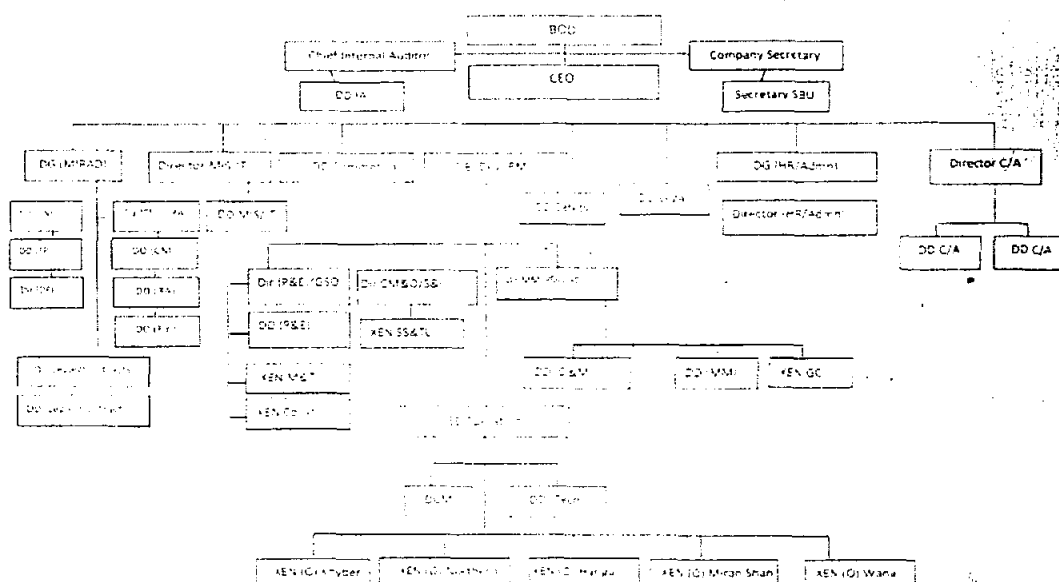


The Company's Profile.

Tribal Areas Electricity Supply Company Limited (TESCO) has been setup over the area of jurisdiction and electrical network of former FATA newly merged districts and corresponding FR regions. TESCO was incorporated on August 12, 2013. The Management and the Administration is entrusted to its Board of Directors (BOD) nominated by Ministry of Energy (Power Division), Islamabad after approval of Federal Cabinet headed by the Prime Minister of Islamic Republic of Pakistan under the umbrella of regulator i.e., National Electric Power Regulatory Authority (NEPRA).

Organogram:

The Company is whole owned by the Government of Pakistan and the Company is headed by the Chief Executive Officer and is Governed by the Board of Directors, approved by the Federal Cabinet on the recommendation of Power Ministry. MIRAD is the newly established setup of the Company approved by the Board of Directors.

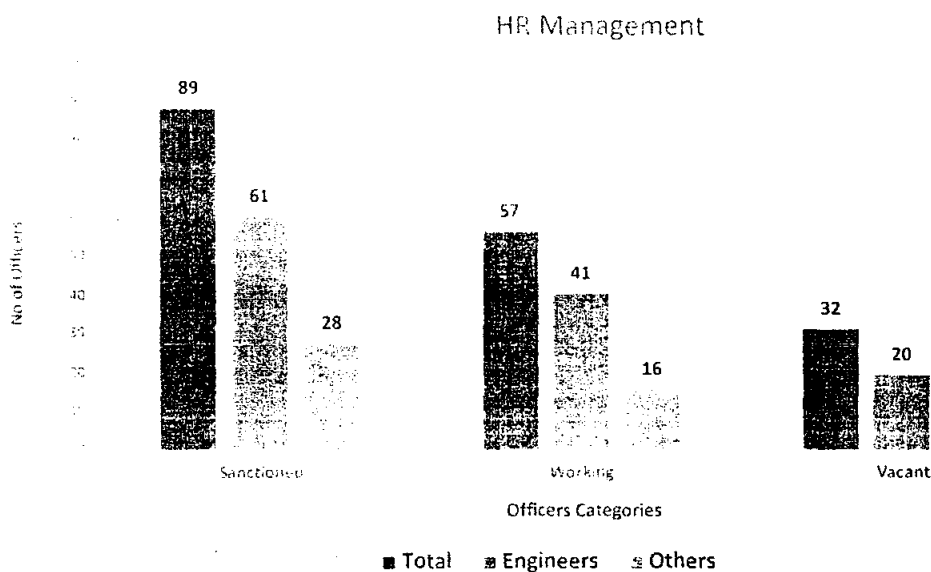


Officer's Strength (Both Technical & Non-Technical)

There are 89 total sanctioned positions of Officers Grade 17 & above, of which 61 are technical positions (Engineers) & 28 are of another category. Out of 89 sanctioned positions total 57 officers are working, of which 41 are of Engineering cadre & 16 are non-Engineers.

The Company's – Baseline

BASELINE INFORMATION



The total number of staff sanctioned is 2336, of which technical staff is 1274 and non-technical staff is 1062. Out of the sanctioned posts total working staff is 1019, of which technical staff is 632 and non-technical staff is 387.

Sr. No.	Post (Workers)	Sanctioned	Working	Vacant
1	Technical Staff	1274	632	642
2	Non-Technical Staff	1062	387	675
3	Total	2336	1019	1317

Overall TESCO Operation System.

TESCO distribution system is comprised of one circle, Five Divisions and Fourteen subdivisions, the details of other formations are here as:

Description	Circles	Divisions	Sub-divisions	R.O Office
Distribution	1	5	14	5
SS&TL	-	1	6	-
Construction	-	1	3	-
GSC	-	1	4	-
M&T	-	1	-	-
Store	-	1	-	-

Historical Category Wise Number of Consumers:

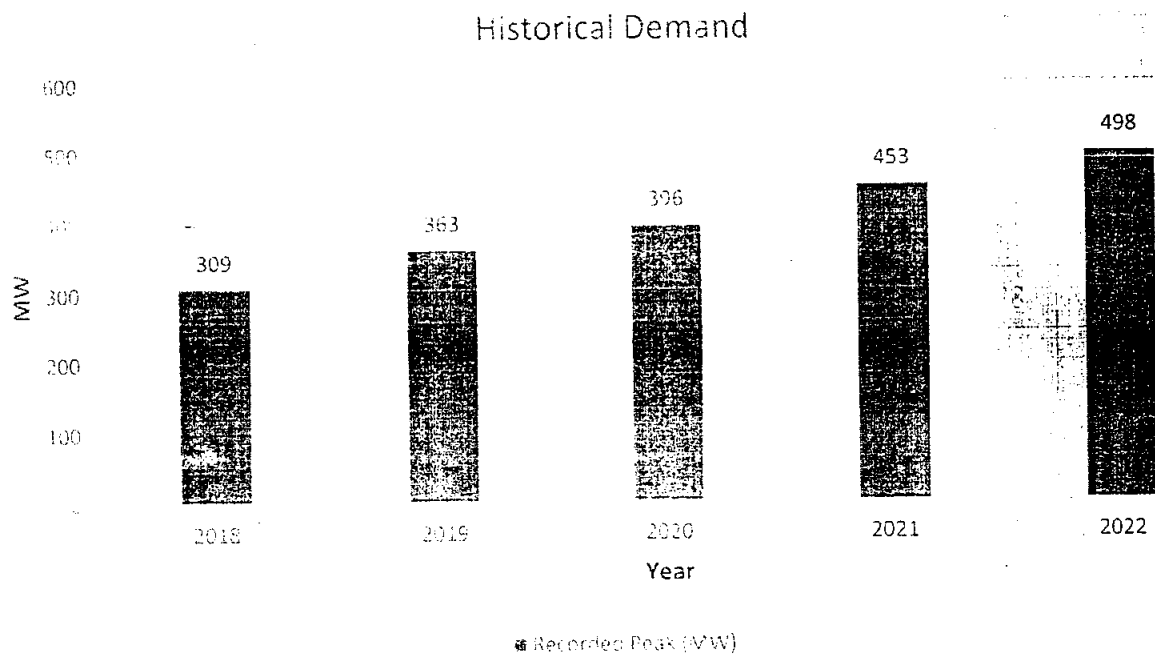
Financial Year	Domestic	Commercial	Small Industry	M&L Industry	Tube well	Bulk Supply	Public Light	Other	Total
2016-17	4,02,521	28,382	3,615	621	6,741	56	5	0	4,41,941
2017-18	4,02,209	28,625	3,575	693	6,118	57	5	1,119	4,42,401
2018-19	4,02,027	28,688	3,440	803	6,187	65	5	1,371	4,42,586
2019-20	4,02,004	28,790	3,356	915	6,194	67	5	1,434	4,42,765
2020-21	4,02,072	29,047	3,320	967	6,238	68	5	1,463	4,43,180
2021-22	4,02,084	29,763	3,291	1,071	6,252	72	5	1,608	4,44,146

Projections of Consumer Growth by Category:

Year	Domestic	Commercial	Public Light	Small Industries	M&L Industries	Tube Well	Bulk	Total
2022	4,03,692	29,763	5	3,291	1,071	6,252	72	4,44,146
2023	4,03,773	29,995	5	3,345	1,120	6,279	75	4,44,501
2024	4,03,853	30,229	5	3,400	1,171	6,306	79	4,44,857
2025	4,03,934	30,465	6	3,456	1,224	6,333	83	4,45,213
2026	4,04,015	30,703	6	3,512	1,280	6,360	87	4,45,569
2027	4,04,096	30,942	7	3,570	1,338	6,388	91	4,45,925
2028	4,04,177	31,183	7	3,628	1,399	6,415	95	4,46,282
2029	4,04,258	31,427	8	3,688	1,462	6,443	100	4,46,639
2030	4,04,338	31,672	9	3,748	1,529	6,470	105	4,46,997
2031	4,04,419	31,919	9	3,810	1,598	6,498	110	4,47,354

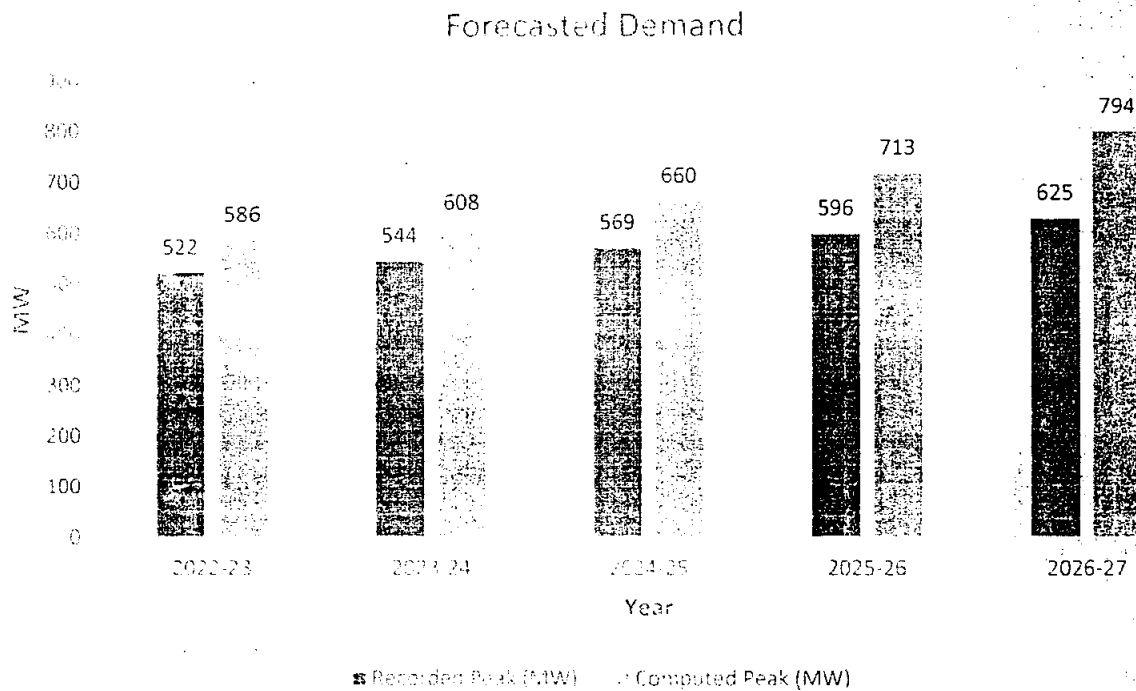
Historical Demand of TESCO:

TESCO historical demand over the course of last Five Years are:

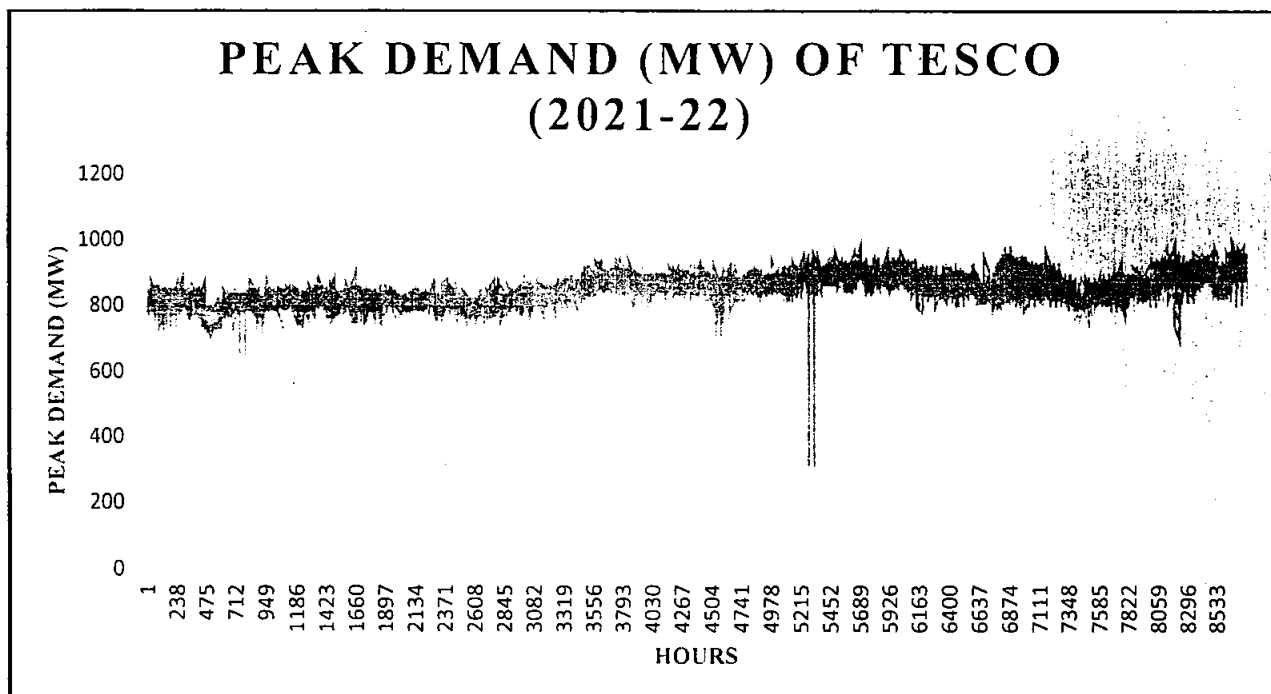


Projections of Demand (MW) of TESCO:

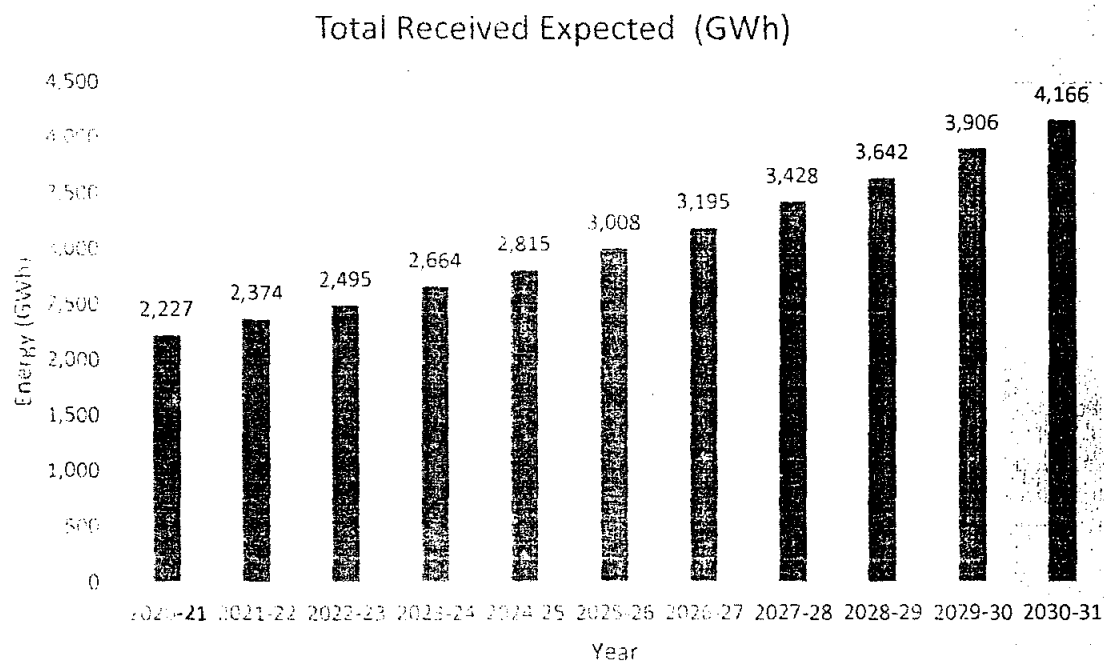
The Projection is based on latest PMS Study.



Peak Demand (MW) of TESCO:



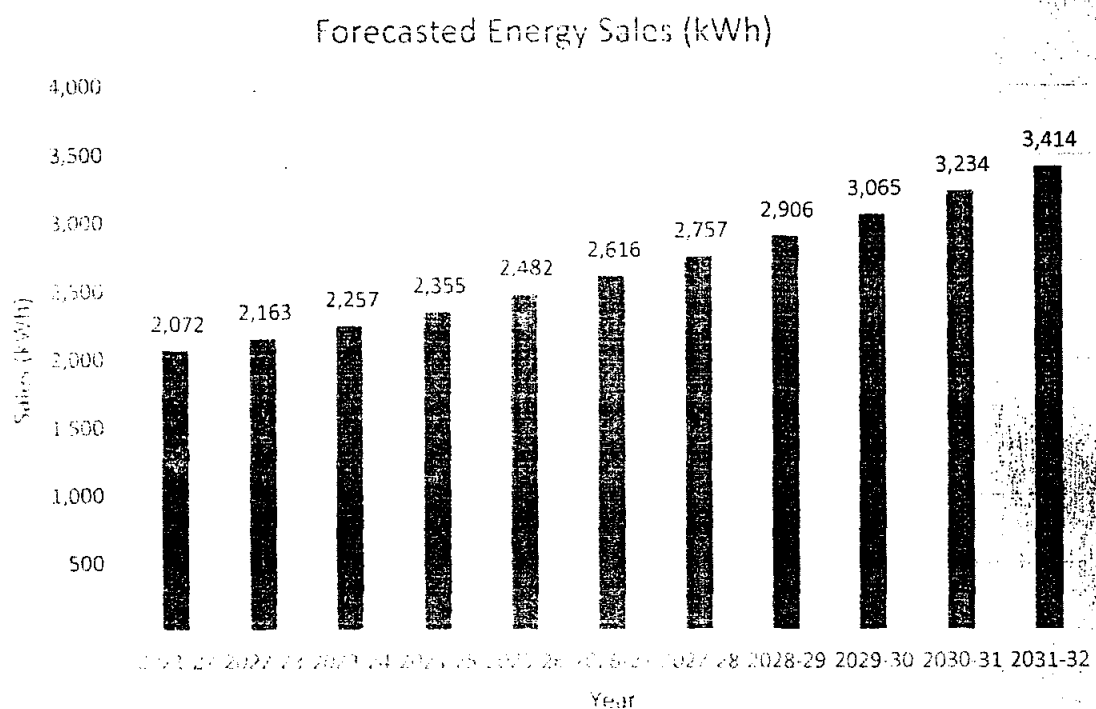
TESCO Yearly projections on the expected receiving of units:



Forecasted Energy Sales (GWh):

TESCO is the one of the very few DISCO who have a recorded and forecasted a double digit growth in energy sales of Small industries, Medium & Large Industries and BPCs. To match this growth TESCO is also expanding its network and strengthening its network system.

The Forecasted Energy sales is shown here as.

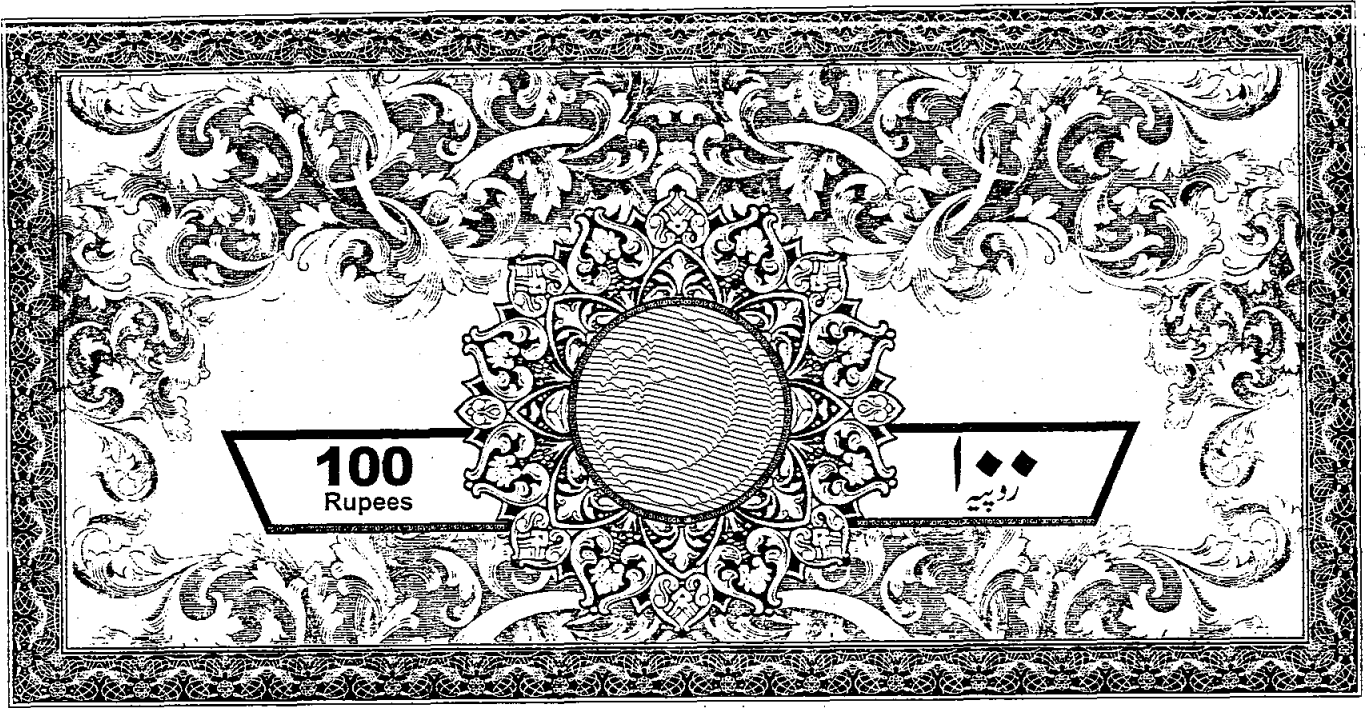
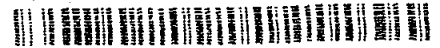


Profit & Loss Statement

TRIBAL AREAS ELECTRIC SUPPLY COMPANY LIMITED				
STATEMENT OF PROFIT OR LOSS				
FOR THE YEAR ENDED JUNE 30, 2022				
		2022	2021	2020
	Note	Rupees	Rupees	Rupees
Sale of electricity	20	29,316,105,494	32,112,510,759	30,065,772,009
Cost of electricity sold	21	47,385,756,801	23,192,335,474	22,601,407,426
Gross profit		-18,069,651,307	8,920,175,285	7,464,364,583
Other Income	22	1,253,694,191	1,401,645,819	966,603,053
		-16,815,957,115	10,321,821,104	8,430,967,636
Operating cost	23	7,117,773,641.53	4,764,551,677.00	5,212,766,913
Financial charges	24	225,061,203.64	55,212,016.00	15,279,829.40
		7,342,834,845	4,819,763,693	5,228,046,742
Profit for the year before taxation		-24,158,791,960	5,502,057,411	3,202,920,893
Provision for taxation	25	-	-	-
Profit for the year		-24,158,791,960	5,502,057,411	3,202,920,893
Earnings per share - Basic & diluted	26	-24,158,791.96	6,502,057.41	3,202,920.89

STATEMENT OF FINANCIAL POSITION:

TRIBAL AREAS ELECTRIC SUPPLY COMPANY LIMITED				
STATEMENT OF FINANCIAL POSITION				
AS AT JUNE 30, 2022				
		2022	2021	2020
	Note	Rupees	Rupees	Rupees
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	6	18,542,109,449	14,593,173,842	11,342,810,317
Long term advances	7	31,517,028	44,509,971	56,924,084
		18,573,626,477	14,637,683,813	11,399,734,401
CURRENT ASSETS				
Stores and spares		3,540,494,506	154,937,144	1,729,252,156
Trade debts	8	93,980,450,896	75,006,683,528	67,308,026,482
Advances and other receivables	9	8,655,416,048	11,496,113,371	4,501,126,108
Receivable from Government	10	18,629,042,936	20,570,110,627	18,391,515,757.00
Cash and bank balances	11	2,070,533,399	4,756,448,043	7,334,329,465
		126,875,937,785	111,984,292,713	99,264,249,968
TOTAL ASSETS		145,449,564,262	126,621,976,526	110,663,984,369
EQUITY AND LIABILITY				
SHARE CAPITAL AND RESERVES				
Authorized share capital:				
20,000,000 ordinary shares of Rs. 10/- each.		200,000,000	200,000,000	200,000,000
Issued, subscribed and paid-up capital	12	10,000	10,000	10,000
Deposit for share	13	427,164,244	373,922,759	373,922,759
Accumulated loss		-41,291,706,862	-17,132,914,902	-22,538,475,537
		-40,864,532,618	-16,758,982,143	-22,164,542,778
NON-CURRENT LIABILITIES				
Long term loan from Government of Pakistan	14	19,233,228,900	19,233,228,900	19,233,228,900
Long term loans	15	72,887,222	84,765,222	95,259,222
Deferred credits	16	7,033,492,196	6,673,837,992	5,113,992,150
		26,339,608,318	25,991,832,114	24,442,480,272
CURRENT LIABILITIES				
Consumers' security deposits	17	444,178,705	438,979,846	428,671,426
Current portion of long-term loans		85,200,018	73,322,018	62,828,018
Trade and other liabilities	18	159,445,109,841	116,780,462,916	107,894,682,432
		159,974,488,562	117,292,764,780	108,386,181,876
		145,449,564,262	126,525,614,751	110,664,119,370
CONTINGENCIES	19	0		

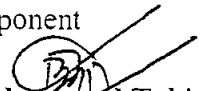



AFFIDAVIT

I, Engr Qazi Muhammad Tahir S/O Qazi Muhammad Tufail, Chief Executive Officer Tribal Areas Electricity Supply Company Ltd. having CNIC No.13101-9101070-9, duly authorized by the Board of Directors of Tribal Electric Supply Company Limited in its 47th BoD Meeting held on 30-08-2023 vide Board Resolution. 47/BOD/-R-24, do hereby, solemnly affirm and testify that the contents of the application for grant of Modification & Extension of Electric Power Distribution License as Distribution Network Operator are in accordance with Regulation (10) & (13) of the NEPRA Licensing (Application, Modification, Extension, and Cancellation) Procedure Regulations, 2021 and that the Annexed documents are true and correct to the best of my knowledge, belief on the basis of provided confirmations by the concerned formations put before me; and further declare that:

1. I am the Chief Executive Officer of the Tribal Areas Electricity Supply Company Ltd (TESCO) and fully aware of the affairs of the Company particularly to endorse application for grant of Modification and Extension of the Electric Power Distribution License.
2. Whatsoever stated in the application and accompanied documents is true and nothing has been concealed.

Deponent


Mr. Qazi Muhammad Tahir,
Chief Executive Officer TESCO

TRIBAL AREAS ELECTRICITY SUPPLY COMPANY		
Tele: 091-9213448 Fax: 091-9212950		Office of the Chief Executive Officer TESCO WAPDA House Peshawar
No <u>4304</u> /CEO/TESCO		Dated: <u>25/09</u> /2023


Director General Finance,
 National Electric Power Regulatory Authority (NEPRA)
 Ataturk Avenue (East), G-5/1
 Islamabad.

Subject: PAYMENT OF ELECTRIC POWER DISTRIBUTION LICENSE FEE.

Enclosed please find here with crossed cheque No. 79008947
dated: 25-09-2023 for Rs. 3684579/- (Thirty Six Lac Eighty Four Thousand
 Five Hundred and Seventy Nine only). The income tax deduction is made
 from your Gross amount @ 9%. Breakup is given below:

Gross Amount	=	4048988/-
Income Tax @ 9%	=	364409/-
Net Amount	=	3684579/-

D/A: As above.


 Director Corporate Accounts
 TESCO H/Q WAPDA House
 Peshawar.

TRIBAL AREAS ELECTRICITY SUPPLY COMPANY PESHAWAR

Tel# 091-9213448

Fax# 091-9212950

Email:- sec.tesco@gmail.com
secretary@tesco.gov.pk



Office of the
Company Secretary
Room 209-TESCO H/Q
WAPDA House Peshawar

No. 2366-67/Sec/BoD/TESCO


Dated. 13/09/2023

Subject: - **DECISION OF THE 47TH MEETING OF BOARD OF DIRECTORS, TESCO**

The 47th meeting of TESCO Board of Directors was held on 30/08/2023, wherein vide **RESOLUTION: 47/BOD-R-24**, the Board of Directors resolved to accord approval for submission of petition to NEPRA for the proposed modification in Distribution License of Tribal Areas Electricity Supply Company (TESCO). The Board further resolved to authorize the Chief Executive Officer, TESCO to sign the application and all necessary actions relating thereto.

The Board resolution was based on following confirmation by the management of TESCO;

- a) Certified that the case has been checked by the sponsoring officer and Chief Executive Officer and found complete in all respects for consideration of TESCO Board of Directors.
- b) All codal formalities have been complied with and no material information is withheld.
- c) The working papers present all facts of the case.


Company Secretary
TESCO, WAPDA House
Peshawar

Distribution:

1. The Chief Executive Officer, TESCO for information please.
- ✓ 2. DG (MIRAD), TESCO for information please.

No.	Reference No.	Existing Clause	Modification Requested	Reason
1	Article-I	Compliance with the Applicable Law: Save as expressly provided otherwise the provisions of the National Electric Power Regulatory Authority Licensing (Distribution) Rules 1999 (hereafter referred to as "Rules"), as amended from time to time, shall apply to this Licence.	This Article shall contain definitions of Act, Authority, Applicable documents, Commercial code, CTBCM, Connection Agreement, connection charges, Consumer, Distribution code, Distribution Service Rules, Distribution Eligibility Criteria Rules, Distribution facilities, Distribution regulations, Distribution/wire business, distribution services, distribution system, Distribution voltage, Grid code, Investment program, Distribution Investment Plan, Licensing regulations, license, licensee, National grid Company, Net metering regulations, Open access, Performance Standard Distribution Rules, Power Safety code, Service territory and Use of system charges.	For easy understanding of document, the definitions are necessary in the beginning of articles. Also, further definitions were added for further clarity.
2	Article-II	Definitions:	Compliance with the Applicable Law: a) The Licensee shall comply with the Applicable Law, as amended, or replaced from time to time, while performing its functions as Licensee. b) The Licensee shall be obligated to follow and comply with the Distribution Regulations in letter and spirit, as if all provisions of the said regulations are incorporated in the terms and conditions of this Licence	Article-I swapped with Article-II and further details are added for better clarity.
3	Article-III	3.1 This Licence is granted to the licensee to engage in the distribution business within the Service Territory	3.1 This Licence is granted to the Licensee to provide Distribution Services within its Service Territory, as provided in Schedule-I of this Licence on a non-discriminatory and non-exclusive basis, in accordance with the Act and relevant provisions of the Applicable Documents in a prudent, safe, reliable and efficient manner.	The article is re-produced again with further details, under the updated applicable laws and better clarification.
4	Article-IV	4.1 After the grant of the Generation Licence, the Licensee shall pay to the Authority the Licence fee, in the amount	The Licensee shall pay to the Authority the licence fee in the amount, time and manner as specified in the National Electric Power Regulatory	The article modification is requested because of updated National

		and manner set out in the National Electric Power Regulatory Authority (Fees) Rules, 2002	Authority (Fees) Regulations, 2021 as amended or replaced from time to time.	Electric Power Regulatory Authority (Fees) Regulations, 2021.
5	Article-V	Term and Renewal: 4.2: Unless suspended or revoked earlier, the Licensee may within ninety (90) days prior to the expiry of the term of the Licence, apply for renewal of the Licence under the National Electric Power Regulatory Authority Licensing (Application and Modification Procedures) Regulations, 1999 as amended or replaced from time to time.	5.2: Unless suspended or revoked earlier, the Licensee may within ninety (90) days prior to the expiry of the term of the Licence, apply for renewal of the Licence under the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021 as amended or replaced from time to time	The article modification is requested because of mistake in numbering, as the articles here is Article 5, but clauses shown are 4.1 & 4.2 as well as updated NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021.
6	Article-VI	6.1 The licensee shall charge only such tariff as is approved by the Authority from time to time.	6.1 The Licensee shall charge a person availing Distribution Services, only such tariff including Use of System Charges or Connection Charges as determined and approved by the Authority from time to time.	Modification requested Subject to the Open Access regulations
7	Article-VII	Exclusivity: Subject to the provisions of Section 22 of the Act the Licensee shall, during the term of this License, have the exclusive right to provide distribution service, make sales of electric power, make schemes, and engage in incidental	Subject to the provisions of Section 22 of the Act the Licensee shall, during the term of this License, have the right to provide distribution service, make sales of electric power, make schemes, and engage in incidental activities in the Service Territory, as per provision of Article 3.2(i).	Modification requested Subject to the provisions of Section 22 of the Regulation of Generation, Transmission and Distribution of Electric

		activities in the Service Territory, as per provision of Article 3.2(i).		Power Act, 1997, where exclusivity is omitted.
8	Article-IX	<p>Use of system and obligation to offer terms:</p> <p>9.1 The Licensee shall, within ninety days following the date of issue of the Distribution Licence, if and to the extent not covered in or comprising part of the tariff, prepare and submit to the Authority for approval, statements in a form approved by the Authority setting out the basis upon which the use of system charges and connection charges in each case, as part of the distribution business, shall be calculated (hereinafter referred to as the "charges statement") in all cases in such manner and with such details as shall be necessary to enable any licensee seeking to become a second-tier supplier in respect of the Service Territory to make a reasonable estimate of the charges which may be payable by such person for the use of system.</p>	<p>Obligation to Provide Open Access and Maintaining Quality of Services:</p> <p>9.1 The Licensee shall be obligated to provide Open Access to its Distribution System during the term of its Licence as mentioned in Article-5, within its Service Territory on a non-discriminatory basis and shall frame schemes in respect of the same.</p> <p>9.2 The Licensee shall comply with the applicable Performance Standards to ensure quality of Distribution Services by establishing and maintaining the standardized and non-discriminatory procedures for the timely provision of connections, Open Access, redressal of complaints, effective customer services and maintenance of Distribution System in accordance with provisions of the applicable rules, Distribution Regulations, Distribution Code, Grid Code and other Applicable Documents.</p>	<p>Modification requested subject to clause 21(2)(b) of National Electric Power Regulatory Authority Act 1997, amended from time to time & NEPRA Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022.</p>
9	Article-X	<p>Investment programs, acquisition, and disposal of assets:</p> <p>10.1 The Licensee shall not, except under a prior authorization acquire whether on ownership basis, lease, hire-purchase or other mode of possession or use, any</p>	<p>10.1 The Licensee shall develop and submit its five (05) years Investment Programme or Distribution Investment Plan to the Authority for its approval as stipulated in Section 32 of the Act, and in accordance with the Distribution Regulations and other Applicable Documents. The Licensee shall maintain and publicly make available the approved</p>	<p>Modification requested Subject to the provisions of Section 32 of the Regulation of Generation, Transmission and</p>

		<p>tangible or intangible asset of a nature or value inconsistent with or which is not expressly or by necessary implication stated in the Licensee's investment program approved by the Authority in accordance with its rules and regulations provided that until such time the Licensee's investment program is approved by the Authority in accordance with Rule 17(1), the licensee may acquire assets required for the operation and maintenance of the distribution system or assets of a value not exceeding ten per cent of the figure of the approved investment program of the Licensee for that year.</p>	<p>Investment Programme for satisfying its service obligations. The implementation status and any changes in the approved five (05) years Investment Programme shall be submitted to the Authority on an annual basis for its consideration and approval.</p>	<p>Distribution of Electric Power Act, 1997 amended, and NEPRA (Electric Power Procurement) Regulations, 2022.</p>
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11		<p>10.3 The Licensee shall not assume any responsibility for any encumbrance in relation to any asset unless the ownership thereof vests in the Licensee.</p>	<p>10.3 The Licensee shall not sell, dispose of, encumber or otherwise transfer any asset unless such sale, disposal, encumbrance or transfer of assets is properly documented and done in a manner that ensures transparency, value for money and in accordance with the approved policy of the Board of Directors for this purpose. Any sale, disposal of assets, encumbrance etc. shall be properly reflected in its books of accounts and accounted for its tariff determination.</p> <p>Provided that any proposed sale, disposal, encumbrance or transfer of assets amounting to more than ten percent (10%) of its total assets in a financial year shall require prior approval of the Authority.</p>	
12	Article-XII	Compliance with Environmental Standards:	Compliance with Health Safety and Environmental Standards	Modification requested Subject to the 21(2)(f) of NEPRA Act, 1997

		The Licensee shall conform to the Environmental standards as may be prescribed by the relevant competent Authority.	The Licensee shall follow the standards laid down by the Authority for distribution and transmission of electric power, including health, safety, and environmental protection in accordance with the Power Safety Code and such other instructions as may be issued by any Federal or Provincial Agency.	amended from time to time & Power Safety Code for licensees 2021.
13	Article-XIII	Accounting practice: The Licensee shall maintain separate accounts for its sale of power business and network business in addition to those provided in Rule 14(2).	The Licensee shall maintain accounts in the manner laid down by the Authority in the National Electric Power Regulatory Authority (Uniform System of Accounts) Regulations, 2022, as well as in accordance with relevant provisions of the Distribution Regulations and other Applicable Documents.	Modification requested subjected to the revised National Electric Power Regulatory Authority (Uniform System of Accounts) Regulations, 2022 and other revised regulations.
14	Article-XIV	Maintenance of record: 14.1 The Licensee shall keep complete and accurate record and the date in respect of all aspects of the distribution business and the second-tier supply business, in their original form. Three years after the issuance of this Licence the Licensee shall start maintaining the above-mentioned record in electronic form also. 14.2 Without prejudice to the provisions of the Rule 14(3), unless provided otherwise under the law or the applicable documents, all record and data shall be maintained for a period of five year after the creation of such record or data. The	13.1 The Licensee shall keep complete and accurate record and other data relating to the licensed activities including any contractual arrangements, agreements and any other information as may be specifically required by the Authority. 13.2 All records and data referred to above shall be maintained in good order and condition and by taking reasonable measures to ensure security of the data for a minimum period of five (05) years after the expiry of such record, arrangement, or agreement or for such further extended period as the Authority may specifically require under the Distribution Regulations. 13.3 The Authority shall have the right, upon forty-eight (48) hours prior written notice to the Licensee, to examine the records and data of the Licensee at any time during normal office hours.	Modification requested for easy tracing, transparency, accountability and security record, documents of the company.

		<p>Licensee shall not destroy or dispose off any such record or data after the aforesaid period without thirty days prior written notice to the Authority. The Licensee shall not dispose off or destroy any record or data which the Authority directs the Licensee to preserve.</p> <p>14.3 All record and data maintained in an electronic form shall, subject to just claims of confidentiality, be accessible by staff authorized by the Authority.</p>		
15	Article-XV	<p>Provision of information:</p> <p>15.1 The obligation of the Licensee to provide information to the Authority shall be in accordance with Section 44 of the Act.</p> <p>15.2 The Licensee shall be subject to such penalties as may be specified in the relevant rules made by the Authority, for failure to furnish such information as may be required from time to time by the Authority and which is or has been in the control or possession of the Licensee.</p>	<p>15.1 Any information required by the Authority from the Licensee, shall be provided in good faith ensuring that it is accurate, up-to-date and presented in a manner that is Distribution Licence Tribal Areas Electricity Supply Company Limited easily understandable and in accordance with Section 44 of the Act. The Licensee shall ensure that the correspondence with the Authority is made by a duly authorized person not below the rank of Chief Engineer.</p> <p>15.2 The Licensee shall be subject to such penalties as may be specified in the relevant Regulations made by the Authority, for failure to furnish such information as may be required from time to time by the Authority and which is or has been in the control or possession of the Licensee.</p>	Modification requested under the relevant clauses of NEPRA Act.
16	Article-XVI	<p>Interpretation of Licence:</p> <p>All disputes relating to the interpretation of the Licence will be decided by the Authority.</p>	<p>Interpretation of Licence:</p> <p>34.1 In accordance with the provisions of the Act, the Authority shall make the interpretation of any or all of the provisions of this Licence. The decision of the Authority in this regard shall be final.</p>	Modification requested for creating further clarity regarding

			34.2 Where any obligation under this Licence is expressed to require performance within a specified time limit, that obligation shall continue to be binding and enforceable after that time limit if the Licensee fails to perform that obligation within that time limit (but without prejudice to all rights and remedies available against the Licensee by reason of failure of the Licensee to perform within the specified time limit).	Interpretation of Licence.
17	Article- XVII	Nil	<p>Distribution Planning:</p> <p>17.1 The Licensee shall ensure that its Distribution System is planned, designed, implemented, reinforced, expanded, maintained and operated in a manner that fully complies with the Distribution Regulations, quality of service and achieving distribution Performance Standards, in compliance with the Act, the Grid Code, the Distribution Code and other Applicable Documents.</p>	Modification requested subject to the Distribution Planning Code, Grid code and other Applicable documents. Previously non-existent.
	Article- XVIII	Nil	<p>Obligations with Respect to CTBCM:</p> <p>18.1 The Licensee shall participate in the development of CTBCM in such manner as may be directed by the Authority from time to time. The Licensee shall, in good faith, work towards implementation and operation of the aforesaid competitive trading arrangement in advancing a goal of market liberalization in a manner and time period specified by the Authority.</p> <p>18.2 The Licensee shall ensure that it enters into necessary agreements as may be required under the Grid Code, Market Commercial Code, Distribution Code, or any other Applicable Documents. The Licensee shall carry out its obligations under these agreements in good faith and shall ensure non-discriminatory treatment to all electric power suppliers, consumers including bulk power consumers, generation companies and other licensees.</p>	Modification requested subject to the Detailed design of CTBCM, Commercial Code and Open Access regulation approved by the authority. Previously non-existent.

			<p>18.3 The Licensee shall establish and maintain market implementation and regulatory affairs department which shall be appropriately staffed for dealing with market related agreements, planning, regulatory affairs, matters related to CTBCM implementation and operations, or such other matters as may be directed by the Authority from time to time.</p> <p>18.4 The Licensee shall not indulge itself in discriminatory and anti-competitive practices and shall follow the directions of the Authority or Competition Commission of Pakistan in this regard.</p>	
	Article-XIX	Nil	<p>Net Metering:</p> <p>19.1 The Licensee shall ensure that it complies with the requirements and timelines specified in the Net Metering Regulations. Further, the Licensee shall submit periodic reports in such form and manner as may be required by the Authority with regard to compliance with the Net Metering Regulations. Subject to any further details required by the Authority, the Licensee shall submit a monthly report to the Authority specifying number of applications received along with the installed capacity, number of applications allowed along with the date of approval and status of installation of net metering facility, number of applications pending along with capacity thereof and reasons for delays, if any</p> <p>19.2: The Licensee shall establish adequate processes, checks and balances that may be necessary to ensure unnecessary delays in processing of net metering facility applications filed under the Net Metering Regulations are avoided and any persons responsible for any delays in this regard are held accountable.</p>	Modification requested subjected to the National Electric Power Regulatory Authority (Alternative & Renewable Energy) Distributed Generation and Net Metering Regulations, 2015. Previously non-existent.
	Article-XX	Nil	Compliance with the Grid Code and Distribution Code:	

			20.1 The Licensee shall comply with the relevant provisions of the Grid Code and Distribution Code as may be approved by the Authority, as amended or replaced from time to time.	Modification requested subjected to the National Electric Power Regulatory Authority Approved Grid Code & Distribution code.
	Article-XXI	Nil	<p>Complaints and Dispute Resolution:</p> <p>21.1 The Licensee shall make available complaint-handling mechanism that provide consumers, electric power suppliers, other licensees and generation companies with expeditious, fair, transparent, in-expensive, accessible, speedy and effective dispute resolution related to Distribution Services in accordance with the Distribution Regulations and other Applicable Documents.</p> <p>21.2 The Licensee shall maintain daily, weekly, monthly, quarterly and yearly data of all the complaints received, resolved and pending with the Licensee for resolution. The Licensee shall submit an annual report to the Authority regarding the complaints received, resolved and pending thereof.</p> <p>21.3 The Licensee shall develop and maintain an online complaint handling and tracking system that shall be updated in real time to inform the complainant regarding status of its complaint.</p>	Modification requested for better consumer services and
	Article-XXII	Nil	<p>Insurance</p> <p>22.1 The Licensee shall ensure that all its assets are adequately insured against possible risks in accordance with an assets insurance policy approved by its Board of Directors.</p> <p>22.2 All field workforce of the Licensee who may be vulnerable to life risks owing to their nature of work, shall be adequately insured.</p> <p>22.3 Any insurance claims shall be promptly made to the respective insurance company and realized appropriately.</p>	Modification requested for safety of equipment and human resource.

In pursuance of clause (13) of the NEPRA Licensing (Application, Modification, Extension, and Cancellation) Procedure Regulations, 2021, TESCO is submitting License proposed extension (for a period of Ten years) application along with required documents. The reason is to synchronize it with the already submitted Supplier License petition for a period of twenty years (currently under consideration of the Authority). Hence the time limit for both licenses will be extended until 2043.

Further to the above it will be in synchronization with other Eight DISCOs. All other Eight DISCOs submitted to the Authority recently an extension application for a period of twenty years, expiring 2043. Therefore it is prayed to the Authority for allowing TESCO petition and considering it for further extension of ten years.