



Registrar

**National Electric Power Regulatory Authority
Islamic Republic of Pakistan**

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad.
Tel: +92-51-9206500, Fax: +92-51-2600026
Web: www.nepa.org.pk, E-mail: registrar@nepa.org.pk

No. NEPRA/DG(M&E)/LAD-03/14391

September 12, 2024

Chief Executive Officer,
Gujranwala Electric Power Company Limited (GEPCO),
565/A, Model Town, G.T Road,
Gujranwala

**SUBJECT: ORDER OF THE AUTHORITY IN THE MATTER OF SHOW CAUSE NOTICE
ISSUED TO GEPCO UNDER REGULATION 4(8) & 4(9) OF NEPRA (FINE)
REGULATIONS, 2021, ON ACCOUNT OF FAILURE TO EXECUTE
EARTHING/GROUNDING OF HT/LT POLES/STRUCTURES IN ITS SERVICE
TERRITORY**

Please find enclosed herewith, the Order of the Authority (total 12 page) in the subject matter for information and compliance.

Enclosure: As above

Wasim Anwar Bhinder
(Wasim Anwar Bhinder)



National Electric Power Regulatory Authority

ORDER

**IN THE MATTER OF SHOW CAUSE NOTICE ISSUED TO GEPCO UNDER
REGULATION 4(8) AND 4(9) OF NEPRA (FINE) REGULATIONS, 2021, ON
ACCOUNT OF FAILURE TO EXECUTE EARTHING/GROUNDING OF HT/LT
POLES/STRUCTURES IN ITS SERVICE TERRITORY.**

1. Gujranwala Electric Power Company Limited (GEPCO) (the "Licensee") was granted a Distribution License (No. 04/DL/2023) by the National Electric Power Regulatory Authority (the "Authority") on 09.05.2023, for providing Distribution Services in its Service Territory as stipulated in its Distribution License, pursuant to section 21 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 ("NEPRA Act").

Background:

2. During the investigation conducted by NEPRA with respect to Fatal Accidents in DISCOs, it was observed that the distribution facilities of DISCOs such as poles/structures lack earthing/grounding which is one of the major causes of the occurrence of fatal accidents. The Authority while taking notice of such serious safety hazards directed the Licensee vide letter dated June 07, 2022, followed by reminders dated July 06, 2022, and August 02, 2022, to submit the data pertaining to the total number of poles/structures, the number of poles/structures already earthed/grounded, and the number of poles/structures to be earthed/grounded. Accordingly, the Licensee submitted the required information vide its email dated August 11, 2022.
3. The Authority after carefully examining the data submitted by the Licensee called the CEO of the Licensee vide letter dated September 26, 2022, for a meeting/hearing via Zoom at NEPRA Head Quarter with the direction to come up with a comprehensive plan along with specific timelines pertaining to the execution of earthing/grounding of HT/LT poles/structures in its service territory, in order to avoid fatal accidents in the future. The Authority also directed that the Licensee shall submit the response to specific queries/questions including, SOP of the Licensee pertaining to earthing/grounding of the poles/structures, scope of earthing in the contracts at the time of their installation, checking of poles/structures grounding at the time of handing over of the system from construction to operation departments, tackling these hazards in the absence of proper earthing/grounding, and the time required to execute the earthing/grounding of 100% of the remaining poles/structures.
4. In response, the Licensee vide its letter dated September 29, 2022, submitted that a proposal has been presented before the BoD of GEPCO for the engagement of private contractors for providing earthing/grounding to the structures. The Licensee further submitted that it is trying its best to complete this job by the end of June 2023. Moreover, it was observed that the Licensee submitted the details of steel structures

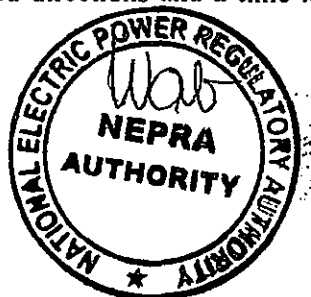
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only, however, the Licensee should have submitted the details of PCC poles too along with its plan, which the Licensee failed to do. The detail of structures already earthed and to be earthed as submitted by the Licensee is as under:

Total Number of HT/LT Structures	Details of HT Structures			Details of LT Structures			Total Number of HT/LT Structures have Earthing	Total Number of HT/LT Structures to be Earthed
	Total Number of HT Structures	HT Structures have Earthing	HT Structures to be Earthed	Total Number of LT Structures	LT Structures have Earthing	LT Structures to be Earthed		
231,361	106,102	95,492	10,610	125,259	112,733	12,526	208,225	23,136

5. The aforementioned meeting/hearing was held on October 04, 2022, wherein, the Authority directed the Licensee to submit complete details of PCC poles and steel structures with and without earthing/grounding. The Authority further directed the Licensee to submit a comprehensive plan of the execution of earthing/grounding of poles & structures along with concrete timelines. Moreover, the Authority also desired that the Licensee should provide a mechanism on how they will efficiently perform the execution of task within the minimum possible time. A letter dated October 28, 2022 containing all above directions was sent to the Licensee.
6. In addition to above, NEPRA Regional Office, Gujranwala, also reported and affirmed that in past contracts, the scope of earthing/grounding was only included in Steel Structures. However, in the latest contracts, the scope of earthing/grounding was included in both the Steel Structures and PCC poles, and the same is present in the field too. The Regional Office further highlighted that Steel Structures installed in the past had earthing/grounding, however, the same has become ineffective due to deterioration and change of moisture contents at the sites over the passage of time. The same was also endorsed by the Licensee in its submitted replies.
7. In response to NEPRA's letter dated October 28, 2022, the Licensee vide its letter dated November 07, 2022, submitted its response against the aforementioned directions & queries of the Authority. The Licensee submitted that the revised plan is under preparation & will be discussed & approved by BoD GEPCO and thereafter will be submitted to NEPRA. After that, vide various telephonic reminders, the Licensee was directed to submit a detailed plan duly approved by BoD GEPCO for consideration of the Authority. Finally, the Licensee vide its letter dated December 29, 2022, again submitted the details of its steel structures only along with its execution plan which will be completed in five years time.
8. The plan submitted by the Licensee was reviewed, and it was noted with concern that this time the number of steel structures had increased from 231,361 to 250,977, which again raises questions about the data authenticity and surveys being conducted by the Licensee. Non-finalization of the exact number of steel structures even after a lapse of six months clearly indicates the seriousness of the Licensee towards inculcating a safety culture in its service territory. Furthermore, the five years execution plan only for structures seems irrational. This means that only 50,000 structures per year or 4,000 structures per month will be grounded by the Licensee, which shows the level of commitment of the Licensee towards the rectification of such serious safety hazards.
9. In addition to above, the Licensee did not submit anything pertaining to earthing of PCC poles, despite repeated directions and a time-lapse of almost six months. Non-



submission of details of PCC poles by the Licensee indicates that it does not have any plan to execute this important task. The Licensee is only consuming time and applying delaying tactics in the implementation of the project as till date the on-ground performance of the Licensee is zero. It is a matter of record that despite repeated and continuous correspondence, the Licensee failed to produce any concrete plan indicating specific timelines for executing the earthing/grounding of HT/LT poles & structures on a war footing basis. The Licensee also failed to submit progress so far being achieved by it in this regard. The Licensee should have understood that the operation of poles/structures without earthing/grounding in the field is highly dangerous and can lead to the occurrence of fatal accidents at any time.

10. Therefore, the Authority decided to initiate legal proceedings against the Licensee under the NEPRA Fine Regulations, 2021.

Explanation:

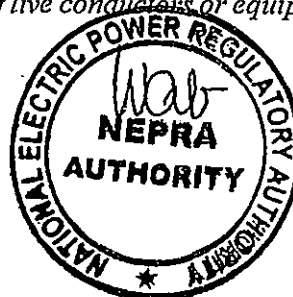
11. In view thereof, an explanation was served to the Licensee under Regulation 4(1) and 4(2) of NEPRA (Fine) Regulation, 2021, vide NEPRA's letter dated April 27, 2023, on account of violation of Performance Standards, Distribution Code, Power Safety Code, and other applicable documents.
12. The Licensee vide its letter dated June 26, 2023, submitted its response. Furthermore, in order to satisfy the requirement of law, a hearing in light of Regulation 4 (5) of NEPRA (Fine) Regulations, 2021, was held on July 19, 2023, wherein, CEO of the Licensee along with his team participated and made submissions.

Show Cause Notice

13. The Authority considered the submissions of the Licensee and after detailed deliberations rejected the response submitted by the Licensee against the Explanation served upon it and directed to issue Show Cause Notice (SCN) to the Licensee under Regulation 4(8) & (9) of the NEPRA (Fine) Regulations, 2021 on account of violation of Performance Standards, Distribution Code, Power Safety Code, and other applicable documents.
14. Accordingly, NEPRA vide letter dated January 02, 2024, issued a SCN to the Licensee upon failure to execute earthing/grounding of HT/LT poles/structures in its service territory. The salient points of the served SCN are as follows:
 3. "WHEREAS, pursuant to section 21(2)(f) of the NEPRA Act, the Licensee is required to follow the performance standards laid down by the Authority for distribution and transmission of electric power, including safety; and
 4. WHEREAS, pursuant to Rule 4(g)(ii), Overall Standards 7-Safety of NEPRA Performance Standards (Distribution) Rules:

"A distribution company shall ensure that its distribution facilities do not cause any leakage of electrical current or step potential beyond a level that can cause harm to human life, as laid down in the relevant IEEE/IEC Standards; prevent accessibility of live conductors or equipment; and prevent

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development of a situation due to breakdown of equipment which results in voltage or leakage current that can cause harm to human life, property and general public including without limitation, employees and property of the distribution company."

5. **WHEREAS**, according to clause SR 4, Safety Management Criteria of Distribution Code:

b. "A distribution company shall ensure that its distribution facilities do not cause any leakage of Electrical Current or Step Potential beyond a level that can cause harm to human life, as laid down in the relevant IEEE/IEC Standards; prevent accessibility of live conductors or equipment; and prevent development of a situation due to breakdown of equipment which results in voltage or leakage current that can cause harm to human life, property and general public including without limitation, employees and property of the distribution company."

6. **WHEREAS**, as per clause DDC 4, Design Code- Earthing of Distribution Code:

"...The earthing of a distribution transformer, the neutral, and body of the transformer should be connected to ground rods as per IEC and PSI Standards Design Specifications. Earthing of Consumer Service and its meter shall be as per design standards adopted by the Licensees; and consistent with IEC, and IEEE Standards. The earth resistance of the distribution transformers and HT/LT structures/poles shall not be more than 2.5Ω and 5Ω respectively."

7. **WHEREAS**, pursuant to clause PR 1 Protection System Practices and System Co-ordination of Distribution Code:

"The Licensee shall follow suitable and necessary provisions regarding protection system practices and co-ordination such as the following but not limited to achieve the aims of proper functioning of the distribution system of the Licensee at all times:

h. ...Provide protective earthing devices."

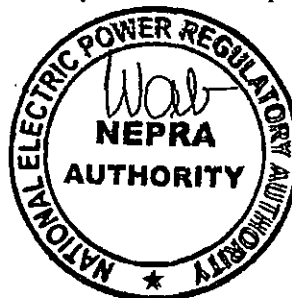
8. **WHEREAS**, as per clauses 12.2.4 and 12.2.5 of Chapter 12 of the Consumer Service Manual:

"12.2.4. The earthing systems installed shall be dimensioned and regularly tested to ensure protection from shock hazards.

12.2.5. The steel structure installed on the public places shall be earthed at one point through steel/copper conductor, in accordance with the DISCO laid down procedures."

9. **WHEREAS**, the Authority issued an Explanation to the Licensee under Regulation 4(1) and 4(2) of NEPRA (Fine) Regulation, 2021 on April 27, 2023, on account of failure to execute earthing/grounding of HT/LT poles/structures in its service territory. The salient points of the said Explanation are reproduced below:

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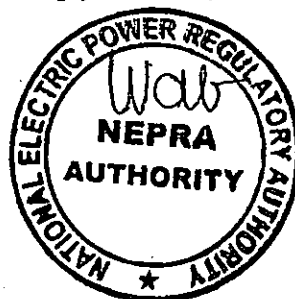
9. **“WHEREAS**, during the investigation conducted by NEPRA with respect to fatal accidents in DISCOs, it was observed that the distribution facilities of DISCOs particularly HT/LT poles/structures lack earthing/grounding which is one of the major causes of the occurrence of fatal accidents. The Authority took notice of such serious safety hazards and directed to obtain data from all the DISCOs including the Licensee, with respect to the total number of HT/LT poles/structures, the number of HT/LT poles/structures already earthed/grounded, and the number of HT/LT poles/structures to be earthed/grounded. The same was obtained vide Licensee’s Email dated August 11, 2022, and the detail is as under:

Total Number of HT/LT Poles/ Structures	Details of HT Poles/Structures			Details of LT Poles/Structures			Total Number of HT/LT Poles/ Structures have Earthing	Total Number of HT/LT Poles/ Structures to be Earthed
	Total Number of HT Poles/ Structures	HT Poles/ Structures have Earthing	HT Poles/ Structures to be Earthed	Total Number of LT Poles/ Structures	LT Poles/ Structures have Earthing	LT Poles/ Structures to be Earthed		
231,361	106,102	95,492	10,610	125,259	112,733	12,526	208,225	23,136

The above table shows that GEPCO only submitted the detail of steel structures, but not PCC Poles.

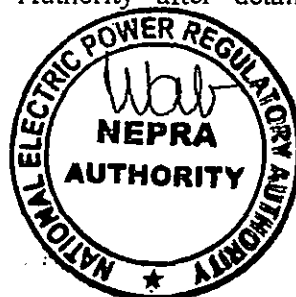
10. **WHEREAS**, NEPRA vide letter dated September 26, 2022, while issuing the notice of hearing/meeting directed the Licensee to submit a comprehensive plan along with specific timelines for the execution of the earthing/grounding of the remaining poles/structures along with certain queries of the Authority. In response, the Licensee vide its letter dated September 29, 2022, submitted that a proposal has been presented before BoD GEPCO for the engagement of private contractors for providing earthing/grounding to the structures. The Licensee further submitted that it is trying its best to complete this job by the end of June 2023. In this regard, it was observed that the Licensee submitted the details of steel structures only, however, the Licensee should have submitted the details of PCC poles too along with its plan, which the Licensee failed to do; and
11. **WHEREAS**, a hearing/meeting on the matter was also held on October 04, 2022, wherein the representatives from all DISCOs including CEO GEPCO participated. During hearing/meeting, the Authority directed all DISCOs along with the Licensee to submit complete details of PCC Poles and steel structures with and without earthing/grounding. The Authority further directed the Licensee to submit a comprehensive plan of the execution of earthing/grounding of poles/structures along with concrete timelines. The Authority also desired that DISCOs should provide a mechanism on how they will efficiently perform the execution task within the minimum possible time. However, the Licensee did not submit anything in this regard; and
12. **WHEREAS**, vide NEPRA’s letter dated October 28, 2022, the Licensee was again directed to submit the said information in the light of observations highlighted by NEPRA. In response, the Licensee vide its letter dated November 07, 2022, submitted its reply, wherein, the Licensee agreed upon

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some queries raised by NEPRA and submitted that it has noted all for compliance. The Licensee further submitted that the revised plan is under preparation & will be discussed & approved by BoD GEPCO and will be submitted to NEPRA as soon as it got approved. Thereafter, vide various telephonic reminders, the Licensee was directed to submit a detailed plan duly approved by BoD GEPCO, for consideration of the Authority. In response, the Licensee vide its letter dated December 29, 2022, again submitted the details of its steel structures only along with its execution plan which will be completed in five years time. It is pertinent to highlight that this time the number of steel structures has been increased from 231,361 to 250,977, which again creates a question mark in the data authenticity and surveys being conducted by the Licensee. Non-finalization of the exact number of steel structures even after a lapse of six months clearly indicates the seriousness of the Licensee towards inculcating a safety culture in its service territory. Furthermore, the five years execution plan only for structures seems irrational. This means that only 50,000 structures per year or 4,000 structures per month will be grounded by the Licensee, which shows the level of commitment of the Licensee towards the rectification of such serious safety hazards; and

13. **WHEREAS**, the Licensee did not submit anything pertaining to earthing of PCC poles, despite repeated directions and a time-lapse of almost six months. Non-submission of details of PCC poles by the Licensee indicates that it does not have any plan to execute this important task. The Licensee is only consuming time and delaying the implementation of the project as till date the on-ground performance of the Licensee is zero. The Licensee should have realized that operation of poles/structures without earthing/grounding in the field is highly dangerous and can lead to the occurrence of fatal accidents at any time; and
14. **WHEREAS**, it is a matter of record that despite repeated and continuous correspondence, the Licensee has failed to produce any concrete plan indicating specific timelines for executing the earthing/grounding of HT/LT poles & structures on a war footing basis. The Licensee has also failed to submit progress so far being achieved by it in this regard. Hence, it can be said that the Licensee has, prima facie, violated Section 21(2)(f) of the NEPRA Act, Article 11 of the Distribution License read with Rule 4(g) of the NEPRA Performance Standards (Distribution) Rules, Clause 4 of Safety Requirements, Clause 4 of Design Code & Clause 1 of Protection Requirements of the Distribution Code and Clause 12.2 of Chapter 12 of the Consumer Service Manual; and
10. **WHEREAS**, the Licensee was given fifteen (15) days to either admit or deny the occurrence of the said violations and submit a reply against the aforementioned Explanation, failing which it shall be presumed that the Licensee has nothing to say in its defense and the Authority shall proceed based on available record in accordance with NEPRA Act, Rules, and Regulations; and
11. **WHEREAS**, the Licensee submitted its response vide its letters dated June 26, 2023, against the Explanations served, and a hearing in the matter was also held on August 17, 2023. Consequently, the Authority after detailed deliberations



concluded that the Licensee has failed to provide any satisfactory reply to the Explanation served to it; and

12. **WHEREAS**, the Licensee has failed to satisfy the Authority with its replies and prima facie, has committed the violations of Section 21(2)(f) of the NEPRA Act, Article 11 of the Distribution License read with Rule 4(g) of the NEPRA Performance Standards (Distribution) Rules, Clause 4 of Safety Requirements, Clause 4 of Design Code & Clause 1 of Protection Requirements of the Distribution Code and Clause 12.2 of Chapter 12 of the Consumer Service Manual. Therefore, the Authority hereby rejects the response of the Licensee against the Explanation served, and an Order dated January 02, 2024, is attached herewith, mentioning the reasons of rejection; ...”

15. In response, the Licensee vide its letter dated January 11, 2024 submitted its reply. The salient points of the same are as follows:

“Paragraphs 1 - 8:

Being based on the provision of the Act and Rules, Regulations, Codes and the Consumer Service Manual framed thereunder, the contents of paragraphs 1-8 of the letter No. NEPRA/DG(M&E)/LAD-03/150 dated January 02, 2024, are agreed and admitted.

Paragraphs 9:

Content of the paragraph 9 are agreed. However, it is clarified that the data with regard to the Steel Structures provided was based on sample survey and careful assessment of already earthed HT/LT Steel Structures. We draw kind attention towards our letter No. 5056-61/O&M/Dist. Dated 22/07/2022 (Annex-1 whereby tentative number of P.O Poles and Steel Structures / Steel Poles, at 340,510 and 231,361, respectively was provided. It was further submitted that assignment of Fixed Asset Tagging, as contracted with M/S Crowe Hussain Chaudhury & Co. was in progress and that the correct numbers and details will be available upon completion of the said assignment.

Paragraphs 10:

The contents of the instant paragraph are agreed and admitted. It is, however, clarified and reiterated that the submissions made in GEPCO's letter No. 24868-69 dated September 29, 2022, referred in this instant paragraph, were all in good faith and correct to the best of our knowledge, belief, available data, sincere assessments and actual efforts made in place. It may also be submitted that GEPCO's priority towards providing earthing on Steel Structures is based on the record/statistics of fatalities whereby the electrocution incidents happened due to short circuit/fault current through HT/LT Steel Structures. However, the said fact based sincere emphasize may kindly not be construed as undermining or declining on the required earthing of the PCC poles.

Paragraphs 11:

Agreed and admitted.

Paragraphs 12 & 13:

The contents of instant paragraph are agreed and admitted. It is, however, apprised that the GEPCO's letter No. 58648-49 dated December 29, 2022,

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referred in this instant paragraph also detailed statement of facts, summarized as under:

- i. That, the detailed survey for checking status & effectiveness of already installed permanent earthing within distribution network, especially steel structures revealed existence of earthing with 01 out of 20 steel structures.
- ii. That, out of existed permanent earthing approximately 01 out of 05 met the prescribed, standard limits.
- iii. That, the decline below the prescribed standard limits has been caused by significant depletion of underground water level, thus requiring comprehensive revision in length of Earth Rod, method and design of earthing system.
- iv. That, the total number of steel structures as finally assessed was 250,977 (HT 125,718 and LT 125,259).

Keeping in view the above details, it was submitted that the project for earthing shall be undertaken in phased manner. The Phase-1, to be undertaken in year 2022-23, included detailed preliminary works including the detailed survey, revision in design and rechecking of earth resistance values to determine conformity to the prescribed standards. The Phase-2 to Phase-5 aimed at completion of earthing/grounding of all 250,977 steel structures during the period from 2023-24 to 2026-27. The said plan was based on realistic evaluation of in-house manpower, supervisory capacity and possibility of availability of contractors suitable for the job.

Further, GEPCO's letter No. 18367-69/GMO/08/2023 dated August 25, 2023 further details were submitted for consideration of the honorable Authority. It was submitted that, out of total 250,977 steel structures, 50,195 met the prescribed limit of whereas 200,782 steel structures were either not-earthed or did not meet the said prescribed limit of less than 5 ohms. It was also stated that 95,147 H Type PCC Poles do not have earth point, whereas 159,000 PCC Spun Poles existed without earthing. It was further submitted that earthing of 200,782 HT/LT steel structures will be completed by August 31, 2026, and that the earthing of PCC (spun poles) will be taken up after completing earthing of steel structures. In the meanwhile, strict directions for must earthing of all new installed structures/poles were issued for compliance.

Paragraphs 14:

In the light of details submission made against Paragraphs 12 & 13 (Page 3 of 4) above, failure to submit plan indicating timelines and progress so being achieved is denied. Without prejudice to the actual installation of earthing at un-earthed steel structures, the status as submitted in GEPCO's above referred letter dated August 25, 2023, is not only in line with approach submitted in various previous letter but is also evident of serious and good faith efforts of GEPCO's management.

For satisfaction of the honorable Authority to serious efforts of GEPCO's management, it is further submitted that tenders for the purpose floated in the recent past have now been evaluated and, accordingly, case for final approval

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of the GEPCO BOD; covering earthing of 82,160 steel structures by June 30, 2024 at a cost of Rs.902 million has been finalized.

It is further submitted that earthing of 33,236 general duty distribution transformers is also in progress to be completed by June 30, 2024. This shall cover earthing of over 65,000 steel structures/PCC Poles, in addition to the above-mentioned earthing of steel structure.

Paragraphs 10:

Agreed and admitted.

Paragraphs 11:

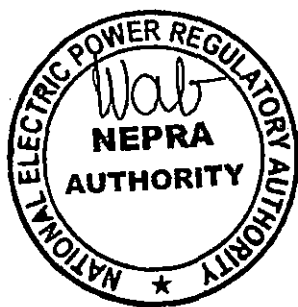
To the extent of submission of reply to the Explanation agreed and admitted. However, without prejudice to the conclusion drawn by the honorable Authority, it is reiterated that the plans and timelines submitted by GEPCO are based on earnest assessment of the quantum of work involved and available institutional execution capacity. While serious concerns and dissatisfaction of the honorable Authority on the apparent slow progress is well understood; it is respectfully submitted that the apparent slow progress has been caused by involved procedural/approval requirements, gathering of as much as possible authentic data and applicable due diligence and GEPCO's management has made all good faith efforts and actions in an attempt to come up to the satisfaction of honorable Authority. It is also assured that no any intentional or deliberate delaying tactics were ever in place. Now that, as already submitted, the case for final project approval of the GEPCO BOD is in place, we assure the honorable Authority of the best efforts to complete the Phase-i earlier than submitted timelines of August 2026.

Paragraphs 12:

Detailed submissions made in the preceding paragraphs are reiterated. We also expect from the honorable Authority kindly help, guide and advise GEPCO for earliest possible execution and completion of earthing of all steel structures and PPC poles to the satisfaction of honorable Authority.

Paragraphs 13:

Detailed submissions made in the preceding paragraph are evident of the fact that the GEPCO now stand passed the initial and hectic procedural / approval requirements and, therefore, the matter of earthing of HT/LT steel structures and PCC Poles is entering execution phase. It is further admitted that the progress so far made would have not been possible without the concerted and continuous directives and follow-up of honorable Authority and relevant personnel of Authority and GEPCO. It is also, very respectfully, opined that any pecuniary injunction at this stage will be counterproductive and distractive of the focus; thus, not in the best interest of cherished objective, and steady progress so far made thereto by GEPCO, of providing earthing/grounding for each and every structure/ pole within GEPCO distribution network. Any penalty, as proposed, shall also impede financial ability of GEPCO for funding of projects including the earthing/ grounding project."



16. In order to fulfill the requirement of law, the Authority decided to provide an opportunity of hearing to the Licensee in light of Regulation 4(11) of NEPRA (Fine)

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Regulations, 2021, before finalizing the proceedings in the matter. Therefore, the hearing in the matter of SCN issued to the Licensee was held on May 13, 2024, wherein, CEO GEPCO along with his team, made the following submissions:

- i. Currently, we have completed 20% of earthing/grounding of HT/LT poles/structure. Moreover, we have issued circle/division-wise tenders for further execution of the tasks and hopefully, a total of 40% earthing/grounding will be completed by June 2024.
- ii. We have set the targets of daily execution and will complete the whole task by December 2025. Meanwhile, if any fatality would be occurred due to lack of earthing/grounding, then GEPCO will be responsible for the same.

Findings/Analysis:

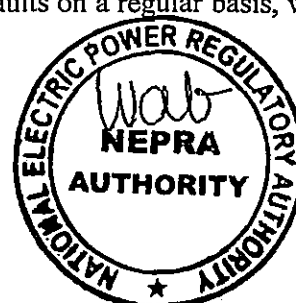
17. The Licensee has submitted that the previous number provided to NEPRA was based on a sample survey. The revised tentative number (poles – 340,510 & structures – 231,361) was also submitted vide letter dated 22.07.2022. The Licensee also submitted that after detailed survey, they found only 01 proper earthing out of 20 structures due to depletion of underground water level. Therefore, after final assessment the number of steel structures comes out to be 250,977 (HT 125,718 & LT 125,259). The Licensee has further submitted that priority towards providing earthing on steel structures is based on the record/statistics of fatalities occurred due to short circuit/fault current through HT/LT steel structures.

The Authority after examining the submissions of the Licensee observes that the Licensee has taken this task in a very casual manner. Finalization of a number even after a lapse of almost 02 years indicates the level of seriousness of the Licensee to complete this task. The Licensee should understand the sensitivity of this issue as it has admitted by itself that a number of fatalities occurred due to leakage current through steel structures. Being a prudent utility, the Licensee should have planned such priorities to execute earthing of structures in first phase a lot earlier rather than after initiation of legal proceedings by NEPRA. If this approach is continued on the Licensee's part, then no one can stop the occurrence of fatalities due to lack of earthing especially in monsoon season. Hence, it can be said that the Licensee's submissions are not justified.

18. The Licensee has submitted that the project shall be undertaken in a phased manner. The Phase 1 in year 2022-23 includes detailed survey, revision in design, and rechecking of earth resistance values. The phase 2 to 5 aimed at completion of earthing/grounding of all 250,977 steel structures during the period from 2023-24 to 2026-27.

The Authority has considered the submissions of the Licensee and is of the view that despite repeated directions by the Authority to expedite the execution of task and reduce the completion time, the Licensee has still stood on its previous stance and is not ready to complete the assignment as early as possible. Moreover, spending more than one year in conducting surveys, review of design, and rechecking of earth resistance values shows a lethargic attitude of the Licensee towards execution of the task. Being a distribution company, these activities should be regularly performed during the preventive maintenance and identify faults on a regular basis, which it failed to do so.

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The Licensee should have started execution in FY 2022-23 so that the maximum number of structures could be earthed so far in order to avoid fatalities, however, the Licensee has failed to even think like that. This all illustrates the Licensee's poor performance and intentions towards the completion of this project.

19. The Licensee has submitted that tenders for the said purpose floated in the recent past have now been evaluated and accordingly, the case for final approval of the GEPCO BoD, covering earthing of 82,160 steel structures by June 2024 at a cost of Rs. 902 million has been finalized. The Licensee has also submitted that earthing of 33,236 general duty transformers is also in progress to be completed by June 2024 which will also cover the earthing of over 65,000 steel structures in addition to the above.

The Authority has gone through the submissions of the Licensee and noted with concern that floating of tenders even after a lapse of almost 02 years is highly unjustified and shows the commitment of the Licensee to avoid fatal accidents due to lack of earthing. The number of structures given by the Licensee to be earthed by June 2024 are almost 40% of the total. The Licensee should have at least floated tenders for all steel structures so that the same could be earthed in one go. Overall, the plan of the Licensee is poor and far behind the targeted timelines that the Authority had given during the meeting in Oct 2022.

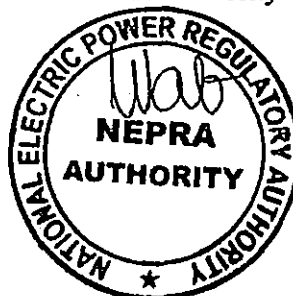
20. The Licensee has submitted that serious concerns and dissatisfaction of the honorable Authority on the apparent slow progress is well understood, however, it is caused due to procedural/approval requirements, gathering of as much as possible authentic data, and applicable due diligence. The Licensee has further submitted that now it has stand passed the initial and hectic procedural/approval requirements and therefore, the matter of earthing of structures and poles is entering in its execution phase.

The Authority after considering the submissions of the Licensee observes that the reasons given by the Licensee on account of slow progress are not invalid. The Licensee should have been proactive and started all such activities in a timely manner so that all such reasons could have been addressed well in time. Now the claim of the Licensee that it is entering into execution phase is too late and is the result of the continuous push by NEPRA in form of meetings, letters, and ultimate legal proceedings. All this indicates the poor commitment of the Licensee towards the execution of earthing/grounding of HT/LT structures.

21. **Decision**

- i. After due deliberations and taking into account the submissions/arguments made by the Licensee during the hearing and in light of the NEPRA Act, NEPRA (Fine) Regulations, 2021, and other applicable documents, the Authority is of the considered opinion that the Licensee has failed to provide any satisfactory reply to the Show Cause Notice served to it, therefore, the Authority hereby decides to impose a fine amounting to PKR 10,000,000/- (Ten Million) on the Licensee due to its failure pertaining to 100% execution of earthing/grounding of its HT/LT poles/structures in its service territory. The Authority hereby further directs the Licensee to earth/ground all remaining (100%) steel structures within three months and PCC Poles within one year. Failure to comply with the directions of the Authority may leads towards further

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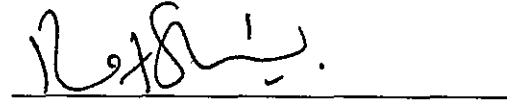


penalty on the Licensee which will be decided after the completion of specified timelines.

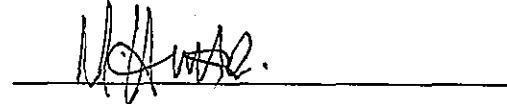
- ii. The Licensee is directed to pay the fine amount of PKR 10,000,000/- (Ten Million) in designated bank of the Authority within a period of 15 days from the date of issuance of this order and forward a copy of the paid instrument to the Registrar Office for information, failing which the Authority may recover the amount due under section 41 of the NEPRA Act as arrears of the land revenue or through any other appropriate legal means in addition to taking any other appropriate legal action against the Licensee for non-compliance.

AUTHORITY

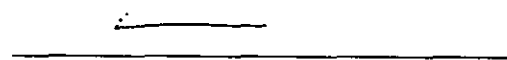
Rafique Ahmed Shaikh
Member (Technical)



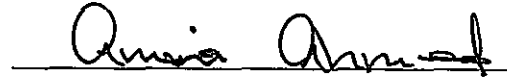
Engr. Maqsood Anwar Khan
Member (Licensing)



Mathar Niaz Rana (nsc)
Member (Tariff & Finance)



Amina Ahmed
Member (Law)



Waseem Mukhtar
Chairman



Dated 12.09, 2024

