



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/ADG(CAD)/TCD-03/18332-35

July 17, 2020

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

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY  
MASTER CITY (PVT.) LTD. AGAINST GEPCO UNDER SECTION  
39 OF THE REGULATION OF GENERATION, TRANSMISSION  
AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997  
REGARDING NON ENERGIZATION OF MASTER CITY**

Please find enclosed herewith Decision of the Authority (08 Pages) regarding the subject matter for necessary action and compliance within 30 days of the receipt of this Decision.

Encl: As above

  
17 07 20  
( Syed Safer Hussain )

**Copy to:**

1. C.E/ Customer Services Director,  
Gujranwala Electric Power Company (GEPCO),  
565/A, Model Town GT Road Gujranwala.
2. Chief Engineer (P&E),  
Gujranwala Electric Power Company (GEPCO),  
565/A, Model Town GT Road Gujranwala.
3. M/s. Master City (Pvt.) Limited  
Opposite Peoples Colony,  
Sialkot Bypass Road,  
Gujranwala



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

**Complaint No. GEPCO.05/01/2020**

M/s Master City (Pvt.) Limited  
Opposite Peoples Colony,  
Sialkot Bypass Road,  
Gujranwala.

.....

**Complainant**

**VERSUS**

**Gujranwala Electric Power Company Limited (GEPCO) ..... Respondent**  
565/A, Model Town, G.T Road,  
Gujranwala.

**Date of Hearing:** January 22, 2020

**On behalf of**

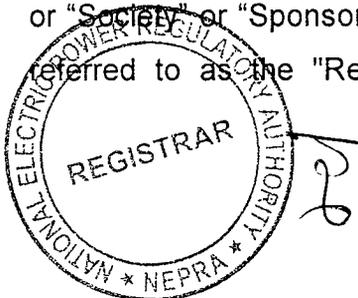
**Complainant:** 1). Shaikh Maqsood Iqbal, Chairman Master City  
2). Engr. Mian Abdul Haq, Consultant

**Respondent:** 1) Mr. Arshad Munir, Chief Engineer (P and D)  
2) Mr. Muhammad Junaid, Deputy Manager (P and D)  
3). Ch. Akbar Ali, Deputy Manager, (P and D)  
4). Mr. Muhammad Boota Goraya, Deputy Manager

**Subject:** **DECISION IN THE MATTER OF COMPLAINT FILED BY MASTER CITY (PVT.) LIMITED AGAINST GEPCO UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 REGARDING NON ENERGIZATION OF MASTER CITY**

**DECISION**

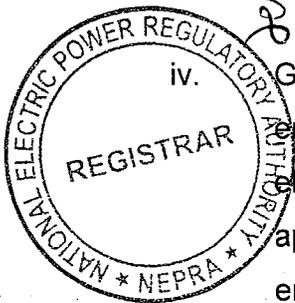
This decision shall dispose of the complaint dated January 06, 2020 filed by M/s Master City (Pvt.) Limited Gujranwala (hereinafter referred to as the "Complainant" or "Master City" or "Society" or "Sponsor") against Gujranwala Electric Power Company Limited (hereinafter referred to as the "Respondent" or "GEPCO") under Section 39 of the Regulation of



Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act").

2. The Complainant, in the complaints, inter alia stated that:

- i. Despite NEPRA's approval of "O&M Agreement" of GEPCO with Master City, GEPCO has been raising unprecedented and irrelevant objections and is unwilling by applying rules which are neither applicable for Bulk Supply Consumers nor for O&M Operators.
- ii. The underground network is ready for energization through an independent feeder which can cater the applied load of 4.5 MW till the construction of their own 132 kV Grid Station.
- iii. GEPCO has raised objection that total area of Master City has been increased, therefore; approval of layout plan of the entire colony must be provided by Gujranwala Development Authority (GDA) and if after GDA's approval, the load demand of total area is found above 20 MW, GEPCO will not energize the connection under O&M Agreement.

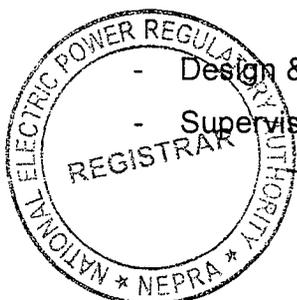


- iv. GDA has granted NOC on 25-11-2019 in which it was clarified that GEPCO may entertain the application of the developer for external electrification and electricity connections in the subject housing scheme up to the extent of approved area. However, GEPCO is still insisting that the network will not be energized without GDA Approval of the total area of Master City.

3. In order to proceed further into the matter, a Tribunal of three professionals of NEPRA was formulated under Section 11 of the NEPRA Act. The Tribunal conducted a site inspection on the January 22, 2020, in presence of GEPCO officials and the Complainant. The site inspection revealed that the area of the Master City has been extended in clusters; however, the Complainant has made demarcation showing approved and unapproved areas. Further the site inspection revealed that the approved and unapproved areas cannot be separated by constructing boundary walls because the road networks have been laid. The Tribunal also

conducted a hearing on the same day at GEPCO Head Office, Gujranwala. The hearing was attended by both the parties wherein the case was discussed in detail. During the hearing; the Complainant reiterated his earlier version and requested for installation of connection by GEPCO either on one point or through installation of individual connections by GEPCO only in the approved area of Master City Housing Society Gujranwala. The Complainant also agreed to provide 32-kanal land to GEPCO as per their agreement dated November 22, 2016 for construction of 132kV Grid Station.

4. In response, GEPCO in its written/verbal arguments has submitted that:
- i. Gujranwala Development Authority (GDA) approved M/s Master City Housing Scheme, Gujranwala on May 28, 2015 with an area of 2387-Kanals comprising upon Blocks A, B, C, D & E.
  - ii. M/s Master City Housing Scheme signed an agreement with GEPCO on November 22, 2016 for provision of electricity. The main features of the agreement are as under:
    - 4-acre (32 Kanal) land to be transferred to GEPCO for construction of 132kV Grid Station.
    - 2 Nos. 11kV feeders will be constructed as stop gap arrangement till completion of the 132 kV Grid Station.
    - The sponsor will never extend the system beyond the approved scheme without the approval of GEPCO along with approval from GDA etc.
  - iii. In the light of the mentioned agreement, GEPCO approved the external electrification case of M/s Master City on May 04, 2017 for an area of 2387-kanal (Blocks A, B,C, D & E) as per approval of GDA.
  - iv. A demand notice amounting to Rs. 34,083,000/- was issued on May 04, 2017 which was paid on May 08, 2017 with following major components:



- Design & Vetting charges @ 1.5% (Rs. 4,498,237)
- Supervision Charges @ 1.5% (Rs. 4,498,237)

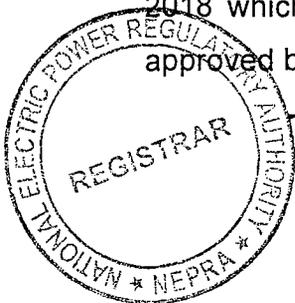
- Grid Sharing Cost for a load of 14.871 MW (Rs 18,335,943)
- v. Later on M/s Master City requested for 2 No 11kV feeders as stop gap arrangement till completion of independent 132 kV Grid Station which was approved by GEPCO on March 05, 2018.
- vi. The demand notice for design and vetting and supervision charges for independent feeders amounting to Rs. 1,393,278/- was issued March 05, 2018, which was paid by M/s Master City on March 08, 2018.
- vii. On November 26, 2018 M/s Master City submitted draft O&M agreement for a service area of 2387 kanal (as per approval of GDA) in the light of external electrification design approved by GEPCO.
- viii. The request of M/s Master City regarding draft O&M agreement was forwarded to NEPRA which was approved by NEPRA dated June 21, 2019.
- ix. Before signing the O&M agreement with M/s Master City, the site was visited by GEPCO as per SOP and found extension in the scheme without the approval of GDA. GEPCO further submitted that Master City has changed the design of electrification and extended its area to 4181 kanals against the already approved 2387 kanals.
- x. GEPCO officials informed that the shortcomings of Master City Gujranwala were shared with the sponsor; however, there was no response from Master City management.
- xi. GEPCO is ready for provision of electricity supply to Master City subject to the submission of revised approval from Civic Authority as per actual site position, revised approval of electrical distribution network from GEPCO, provision of 32-kanal land inside or near to the scheme free of cost in the name of GEPCO which will be returned upon completion/operation of independent 132 kV Grid Station, and provision of Bank Guarantee equal to 25% of the estimated cost of electrification of the phase they intend to electrify at one time.



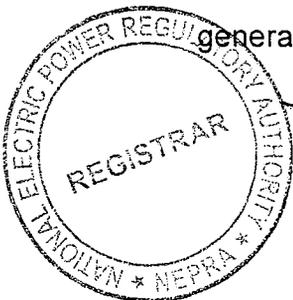
xii. GEPCO submitted that the Master City Gujranwala cannot be provided with electricity connection as the extension is in violation of PEPCO's SOP dated January 04, 2019 regarding the electrification of housing societies.

5. The case has been examined in detail in light of the documents provided by both the parties, arguments advanced during the hearing, site inspection and applicable law. Following facts have been observed:

- i. It is evident from the agreement executed between the parties on November 22, 2016 that the distribution network of the M/s Master City Gujranwala was to be laid down on cost deposit basis and was not limited to the approved area only. It was indicated that no further land will be demanded for 132 kV Grid Station if during the construction period, the area of the Master City is increased by including adjoining and contiguous land and after getting revised plan of the housing scheme approved from GDA, the case will be submitted by the sponsor to GEPCO for the approval of electrification of the additional area of the scheme.
- ii. The sponsor paid demand notice amounting to Rs. 34.083 million to GEPCO for external electrification on self execution for a load of 14.871 MW. The demand notice was paid on May 08, 2017. Further, as temporary arrangement supply from 2 No 11kV feeders, till completion of independent 132 kV Grid Station was approved by GEPCO on March 05, 2018. In this regard, the sponsor paid demand notice amounting to Rs. 1.39 million on March 08, 2018. The HT feeders have been constructed by the sponsor, however the same have not yet been energized by GEPCO due to some observations pertaining to approval of layout plan.
- iii. As per the agreement executed between the parties on November 22, 2016, the sponsor was required to obtain distribution license in case the load exceeds 20 MW. Subsequently, an O&M agreement was signed between the parties on February 15, 2018 which was forwarded to NEPRA by GEPCO on February 20, 2019 and was approved by the Authority on June 21, 2019.



- iv. GEPCO has raised objection that as per draft O&M agreement the service area of the Master City was 2387 kanals which was approved by the Gujranwala Development Authority (GDA). The sponsor has enhanced the area to 4181 kanals without approval of Gujranwala Development Authority. GEPCO has further observation that the sponsor has changed the electrification design.
- v. GEPCO is under obligation to electrify the area for which approval has been accorded by GDA. GDA has issued NOC in this regard vide letter dated November 25, 2019, whereby it has clarified to GEPCO to entertain the application of the developer for external electrification and provision of electricity connections in the scheme up to extent of the approved area as per the approved layout plan.
- vi. From the site inspection it reveals that the approved and unapproved area are intermingled and cannot be demarked and the unapproved area cannot be physically separated as road network has been laid. The apprehension of GEPCO seems valid for extension of electricity in unapproved area from the approved area therefore, SOP needs to be devised so as to ensure that only the residents of the approved area are granted electricity connections.
- vii. As per NEPRA Performance Standards (Distribution) Rules, 2005; certain time period is specified after payment of demand notice for provision of electricity connection. In the instant case, almost a period of three years has lapsed but electricity supply has not yet been provided by GEPCO.
- viii. According to the Consumer Eligibility Criteria (2003), electricity connection is the right of every citizen of Pakistan, subject to the fulfillment of the eligibility criteria. The objections raised by GEPCO pertain to GDA, whereas, GDA has already intimated GEPCO that electricity connection be provided to M/s Master City Gujranwala to the extent of approved area.
- ix. The people residing in the Master City are presently getting electricity through generators installed by the sponsor.

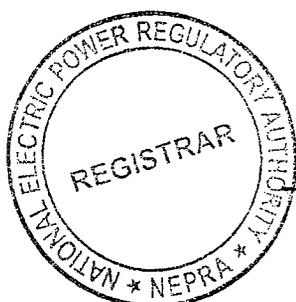


- x. GEPCO is denying provision of electricity supply on the basis of non-approval of layout plan of the whole society by GDA whereas, GDA has issued NOC for provision of electricity supply in the approved area therefore, non-provision of electricity supply to Master City by GEPCO has no justification.
- xi. Provision of electricity is a Fundamental Right of all citizens under Article 9 and 14 of the Constitution of Islamic Republic of Pakistan. Non-supply of electricity to a citizen, tantamount to deprivation of this Fundamental Right as well as violation of Article 8 of the Constitution which says that any law, custom or usage having the force of law that is inconsistent or abridges a Fundamental Right is void and inoperable. The provision of electricity has also been interpreted as a Fundamental Right by the Supreme Court of Pakistan.

6. GEPCO's main observation is, approval of revised layout plan of the whole society from Gujranwala Development Authority (GDA). The people residing in the Master City have the right to get electricity from GEPCO after completion of codal formalities. Since GDA has allowed GEPCO to entertain application of the developer for external electrification and provision of electricity connections in the scheme upto the extent of approved area; therefore, observation of GEPCO is unjustified. However, Master City is required to expedite the approval of its revised Layout Plan from GDA as soon as possible.

7. Foregoing, in view, GEPCO is directed to proceed in light of GDA's letter dated November 25, 2019 for provision of connections as per the GDA's approved Layout Plan subject to the following conditions:

- i. Connections will only be installed in the approved area of the Master City.
- ii. Master City will intimate to GEPCO about location of each individual connection.
- iii. GEPCO may carryout random checking to ensure that connections are only installed in the approved area.
- iv. Master City will submit an affidavit to GEPCO to the effect that no connection will be provided/extended in the unapproved area. If GEPCO



finds any connection in the unapproved area, GEPCO may disconnect the electricity supply of the Master City without any notice.

v. The provisions of NEPRA (Supply of Electric Power) Regulations, 2015 will be adhered to by the parties.

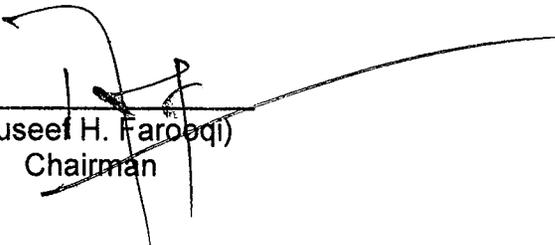
vi. The prescribed standards shall be followed by the Master City.

8. Compliance report be submitted within thirty (30) days:

  
16/7/2020  
\_\_\_\_\_  
(Rehmatullah Baloch)  
Member

  
\_\_\_\_\_  
(Saif Ullah Chattha)  
Member 16-7-2020



  
\_\_\_\_\_  
(Tauseef H. Farooqi)  
Chairman  
