



National Electric Power Regulatory Authority
ISLAMIC REPUBLIC OF PAKISTAN
Ataturk Avenue (East) Sector G-5/1, Islamabad.
Ph: 051-2013200, Fax: 051-2600021

Consumer Affairs
Department

TCD.04/ 4505-2022
August 19, 2022

Chief Executive Officer,
Multan Electric Power Company (MEPCO),
MEPCO Complex, WAPDA Colony,
Khanewal Road, Multan.

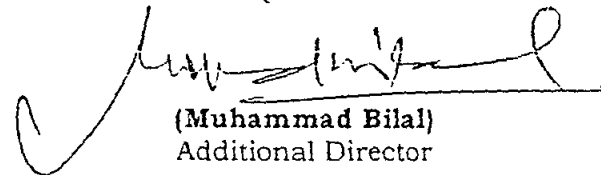
Faisalabad Electric Supply Company (FESCO)
Abdullah Pur, Canal Bank Road, Faisalabad.

Central Power Purchasing Agency Guarantee (CPPA-G) Limited
Plot No. 73-West, Shaheen Plaza,
Fazl-e-Haq Road, Blue Area, Islamabad.

Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MEPCO AGAINST
FESCO & CPPA-G REGARDING DECLARATION OF COMMON DELIVERY
POINT (CDP) AT CHANAR ENERGY LIMITED (COGEN POWER PLANT
LIMITED) FOR IMPORT/EXPORT OF POWER
CPPAG-02/01/2022

Please find enclosed herewith the decision of the NEPRA Consumer Complaints Tribunal dated August 19, 2022 regarding the subject matter for necessary action and compliance within thirty (30) days, positively.

Encl: As above


(Muhammad Bilal)
Additional Director

Copy to:

1. Managing Director, National Transmission & Dispatch Company (NTDC), 2nd Shaheen Complex, Egerton Road, Lahore.
2. C.E./Customer Services Director, MEPCO, MEPCO Complex, WAPDA Colony, Khanewal Road, Multan.
3. C.E./Customer Services Director, FESCO, Abdullah Pur, Canal Bank Road, Faisalabad.
4. Chief Technical Officer, Central Power Purchase Agency (Guarantee) Ltd, Shaheen Plaza, Plot No. 73-W, Fazale Haq Road, Blue Area, Islamabad.



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

Complaint No. CPPAG-02/01/2022

Chief Executive Officer,
Multan Electric Power Company (MEPCO),
MEPCO Complex, WAPDA Colony,
Khanewal Road, Multan.

..... Complainant

VERSUS

Faisalabad Electric Supply Company (FESCO)
Abdullah Pur, Canal Bank Road, Faisalabad.

..... Respondent No 1

Central Power Purchasing Agency Guarantee (CPPA-G) Limited Respondent No 2
Plot No. 73-West, Shaheen Plaza,
Fazl-e-Haq Road, Blue Area, Islamabad.

Date of Hearing: February 09, 2022
August 10, 2022

**On behalf of
Complainant:**

- 1) Mr. Javed Iqbal Gill, Chief Engineer (O&M) T&G, MEPCO
- 2) Mr. Yasir Farooq, Dy. Director (O&M) T&G, MEPCO
- 3) Mr. Shahzad, Executive Engineer (SS&T), MEPCO
- 4) Mr. Aziz ur Rehman, Executive Engineer (SS&T), MEPCO
- 5) Engr. Khalid Nazir, Chief Engineer (T&G), MEPCO
- 6) Mr. M. Arshad Dharala, DG (MIRAD), MEPCO
- 7) Rao Zulfiqar, SE (GSO) Sahiwal, MEPCO

FESCO:

- 1) Mr. Shabbir Ahmed, SE (GSO), FESCO
- 2) Mr. Muhammad Waqas Baig, SE (GSO), FESCO
- 3) Mr. Nasrullah Mehsar, XEN (SS&T), FESCO

CPPA-G:

- 1) Mr. Aijaz Mohsin, Manager (Technical), CPPA-G
- 2) Mr. Ghulam Nabi Korai Dy. Manager, CPPA-G
- 3) Mr. Bakht Khan Chandi, Asst. Manager, CPPA-G

NTDC:

- 1) Engr. Muhammad Sarmad Ahsan, DM (Tech), NTDC

Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MEPCO AGAINST FESCO & CPPA-G REGARDING DECLARATION OF COMMON DELIVERY POINT (CDP) AT CHANAR ENERGY LIMITED (COGEN POWER PLANT LIMITED) FOR IMPORT/EXPORT OF POWER

DECISION

This decision shall dispose of the complaint filed by Chief Executive Officer Multan Electric Power Company (hereinafter referred to as the "Complainant" or "MEPCO") against Faisalabad Electric Supply Company (hereinafter referred to as the "Respondent No.1" or "FESCO") & Central Power Purchasing Agency (Guarantee) Limited (hereinafter referred to as the "Respondent No.2" or "CPPA-G") under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act").



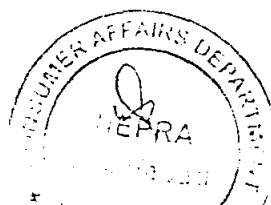
2. NEPRA received a complaint from MEPCO dated January 12, 2022 wherein the Complainant raised the issue of establishment of common delivery point for import/export of power between MEPCO & FESCO. MEPCO has submitted as under:

- (i) Earlier in the year 2003, a common delivery point (CDP) was declared at 132 kV Tandlianwala grid station of FESCO being net exporter of energy to MEPCO at the CDP. During 2019, before commissioning of Chanar Energy Limited (CEL), an intimation was made to CPPA-G by MEPCO to dedicate new CDP at 132 kV Sahiwal New grid station considering factual location of CEL. However, both the DISCOs i.e. MEPCO & FESCO were advised by CPPA-G after due consultation with National Transmission & Despatch Company (NTDC) to settle the issue amicably.
- (ii) Subsequently after commercial operation of CEL, 132 kV Sahiwal New grid station MEPCO was provisionally declared as CDP with mutual consent of concerned officials of FESCO & MEPCO during February, 2019. CPPA-G was requested by MEPCO to constitute a standing committee for meter reading at new CDP. Upon intimation by CPPA-G, a committee was formed by MEPCO during March, 2019 for meter reading at new CDP i.e. 132 kV Sahiwal New grid station along with consensus of FESCO. Accordingly meter readings were recorded jointly by MEPCO & FESCO officials during the period from February, 2019 to June, 2019, however, the same was discontinued by FESCO with effect from July, 2019 onwards.
- (iii) Thereafter, FESCO approached CPPA-G for declaration of CDP at CEL without consultation of MEPCO. The same was approved by CPPA-G on November 15, 2019 without inviting comments from MEPCO. The declaration of CDP at CEL was time and again raised before CPPA-G by MEPCO, however, it was rejected with the direction to implement earlier decision of CPPA-G.
- (iv) As per clause MR3 of distribution code, in the case of inter DISCOs 132kV or 11kV tie Line, the metering shall be provided at the outgoing terminal tower /pole of the existing Grid Station of the DISCO mostly exporting power to the other DISCO. Since MEPCO exported 44849672 units (95.06%) of the total energy to FESCO & imported 23139180 units (4.94%) of the total energy (w.e.f 03/2019 to 12/2021), so CDP at Channar Energy Limited Cogen Power Plant is not according to procedure and rules.
- (v) 132 kV Sahiwal New-Tandlianwala circuit via Chanar Energy Limited is under administrative control of FESCO and the line losses for the 56 km long circuit segment between Sahiwal New & CEL must be borne by FESCO in conjunction with no power evacuation agreement of MEPCO with CEL exists to date.

3. The subject matter was taken up with FESCO & CPPA-G and a hearing was held on February 09, 2022 at NEPRA Head Office, Islamabad which was attended by all the parties wherein the matter was discussed in detail. During the hearing, FESCO officials supported the arguments made by CPPA-G in favor of CDP established at CEL. During the hearing held on August 10, 2022, representatives of the NTDC also participated and replied questions of the NEPRA Consumer Complaints Tribunal.

4. CPPA-G in its verbal/written arguments submitted that:

- (i) MEPCO declared 132kV Sahiwal New Grid Station as Common Delivery Point (CDP) with approval of its CEO without consent of FESCO and CPPA-G; basically declaration of CDP between NTDC and DISCO or two DISCOs is under purview of NTDC/CPPA-G. Moreover, Energy Meters installed at Sahiwal New do not fulfil specifications of Secured Metering System (SMS) Metering, whereas, Energy Meters installed on transmission line side CEL-FESCO and CEL-MEPCO at CEL CGPP meet SMS metering requirements. Therefore Chanar Energy Limited was declared new CDP for recording import/export of power to FESCO/MEPCO and exchange of power between MEPCO and FESCO.
- (ii) On commissioning of an IPP through in & out arrangement of 220kV or 132 kV Circuit, it becomes an automatic Common Delivery Point under Connection code of NTDC.



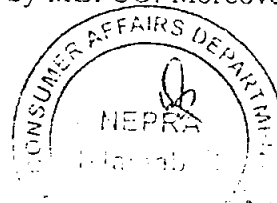
- (iii) MEPCO's version regarding establishment of new CDP was evaluated with due diligence in terms of all the available documentary evidence on the record and the issues raised by MEPCO were also considered as per standard practice.

5. FESCO vide letter dated June 16, 2022 submitted that previously established CDP at 132 kV Tandlianwala grid station was re-designated to CEL for import/export & exchange of energy between FESCO and MEPCO dated November 15, 2019 after due diligence in February, 2019. The following arguments were raised by FESCO:

- (i) The clause MR3 of Distribution Code is not applicable in the instant matter whereas the import/export of energy is bi-directional & rotational between FESCO & MEPCO at current CDP i.e. CEL. Distribution code and clause MR3 regarding metering requirement may be applicable where one stakeholder is permanent consumer and other is permanent supplier whereas in this particular case, position of power import / export between FESCO & MEPCO rotates many times in a month as per system requirements under the instruction of RCC Islamabad. Moreover, total power of Channar Power Plant is exported to National Grid System, so stance of MEPCO i.e. mostly power exported to FESCO is illogical.
- (ii) It is not true that MEPCO always exports Energy to FESCO rather MEPCO also imports supply from FESCO as and when required.
- (iii) The transmission losses are already being afforded by FESCO for evacuation of power towards CEL-FESCO circuit as per the standard practice.

6. The case has been examined in detail in light of the record made so available by parties, arguments advanced during the hearing and applicable documents. Following has been observed:


- (i) Multan Electric Supply Company (MEPCO) and Faisalabad Electric Supply Company (FESCO) was linked previously through a CDP point at 132kV Grid Station Tandlianwala (FESCO) to record import / export of power between both the Companies.
- (ii) A new IPP Channar Energy Limited having 22MW capacity was setup/energized on July 11, 2019.
- (iii) Channar Energy Limited power plant has been connected to the National Grid through in-out arrangement by 132kV line connecting 132kV FESCO Grid Station Tandlianwala and 132KV MEPCO Grid Station Sahiwal New.
- (iv) 132 kV Sahiwal New grid station MEPCO was declared a provisional CDP by MEPCO without consent of FESCO during February, 2019. In this regard, Energy readings were recorded jointly by MEPCO & FESCO officials for the period i.e. February, 2019 to June, 2019, however, later the same practice was discontinued by FESCO during July, 2019 onwards. Accordingly, FESCO approached CPPA-G for declaration of CDP at CEL and the same was approved by CPPA vide Notification dated November 15, 2019. However, MEPCO is of the view that CDP should be declared at 132 kV Sahiwal New grid station citing huge financial losses despite being net exporter of energy.
- (v) CPPA-G has based its understanding for installation of metering equipment that CDP between DISCOs is under purview of CPPA-G/NTDC in line with the standard practice. CPPA-G is further of the view that after commissioning of an IPP i.e. CEL through in/out arrangement of 220 kV or 132kV circuit, the same IPP is automatically designated as CDP under modalities of connection code of Grid Code. However, CPPA-G has ignored the provisions of Distribution Code. According to clause MR3 of Distribution Code, *'in the case of inter-DISCO 132 kV or 11 kV tie line, the metering shall be provided at the outgoing terminal tower/pole of the exiting Grid Station of the DISCO mostly exporting power to the other DISCO'* which is MEPCO in the instant matter. As per documentary evidence available on the record, MEPCO exported a larger quantum of energy i.e. 33,86,61,528 units at CDP bearing average line losses of 3.67 % for the period i.e. November, 2019 to January, 2022. However during the same period only 2,25,57,668 units were imported by MEPCO. Moreover, FESCO is of the

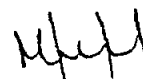



view that the clause MR3 of Grid code may be applicable where one stakeholder is permanent consumer and other is permanent supplier. This argument of FESCO is not based on facts. The provisions of MR3 are applicable in both cases i.e. import / export of energy between two DISCOs.

- (vi) The perusal of the record reveals that CPPA-G has based its notification dated November 15, 2019 regarding declaration of CDP at Channar Energy Limited only on the basis that energy meters installed at 132kV Sahiwal New Grid Station, do not fulfill specifications of SMS metering, and no other rationale has been given by CPPA-G for declaration of CDP at Channar Energy Limited.
- (vii) The 132kV Sahiwal New-Tandlianwala transmission line is under the control of FESCO and NEPRA allows O&M, Cost & ROA to FESCO. Therefore, charging of line losses of the transmission line to MEPCO is not justified.
- (viii) According to clause OC 4.2.1 of Grid Code, the points of connection between two DISCOs must be where one company's electrical facilities connect with other company's electrical facilities which is 132 kV Sahiwal New grid station in the instant matter as the 132 kV Sahiwal New-Tandlianwala transmission line is under administrative control of FESCO and the same jurisdiction concludes at terminal structure of 132 kV Sahiwal New grid station. Hence, the same can be designated as CDP being a point of connection between two DISCOs.

7. Foregoing in view, MEPCO is directed to provide metering installation having specifications of Secured Metering System (SMS) at 132kV Sahiwal New Grid Station and CPPA-G is directed to declare 132kV Sahiwal New Grid Station as CDP with immediate effect. Compliance report be submitted within thirty (30) days, positively.


(Lashkar Khan Qambrani)
Director (CAD)
(Member Consumer Complaints Tribunal)


(Moqem-Ul-Hassan)
Assistant Legal Advisor
(Member Consumer Complaints Tribunal)


(Nawced Hani Shaikh)
Director General (CAD)
(Convener Consumer Complaints Tribunal)

Islamabad, August 19, 2022.

