



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

**Consumer Affairs
Department**

TCD.06/ 1466 -2024
March 26, 2024

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

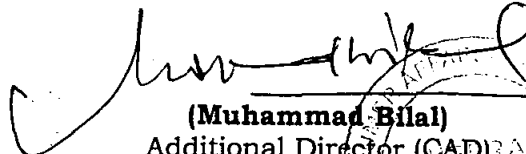
Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MR. NIZAM-UD-DIN NIZAMI, SENIOR OFFICER (GRID) M/S S.M.GROUP OF INDUSTRIES LIMITED, UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997, AGAINST MEPCO REGARDING PERMISSION OF STANDBY 20/26 MVA POWER TRANSFORMER AT VOLKA GRID STATION.**
MEPCO-NHQ-16845-09-22

Please find enclosed herewith the decision of NEPRA Consumer Complaints Tribunal dated March 26, 2024, regarding the subject matter for necessary action and compliance within sixty (60) days.

Encl: As above

Copy: -

1. C.E/ Customer Services Director,
Multan Electric Power Company (MEPCO),
MEPCO Complex, WAPDA Colony,
Khanewal Road, Multan.
2. Chief Engineer (Planning),
Multan Electric Power Company (MEPCO),
MEPCO Complex, WAPDA Colony,
Khanewal Road, Multan
3. Mr. Nizam-ud-Din Nizami, Senior Officer (Grid),
M/s S.M.Group of Industries Limited,
132 kV, S.M Foods Grid Station,
Volka Foods International,
3-KM BWP Bypass Road, Multan.
Ph: 061-201000 Ext: 1871/ 1872


(Muhammad Bilal)
Additional Director (CAD) RA
Islamabad
(CAD)



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No. MEPCO-NHQ-16845-09-2022

Mr. Nizam-ud-Din Nizami

..... **Complainant**

Senior Officer (Grid)

S.M. Group of Industries Limited

3-kM, Bahawalpur Bypass Road, Multan.

VERSUS

Multan Electric Supply Company (MEPCO)

..... **Respondent**

MEPCO Complex, WAPDA Colony,

Khanewal Road, Multan.

Date of Hearing/Meeting:

January 24, 2022

February 13, 2023

September 14, 2023

February 15, 2024

**On behalf of
Complainant:**

- 1) Mr. Nizam-ud-Din Nizami, S.M. Group
- 2) Mr. Asif Rasool Awan, S.M. Group
- 3) Mr. Basit Ali, Consultant Engineer, S.M. Group
- 4) Mr. Shaiq Rasheed, S.M. Group
- 5) Mr. Aamir Shafiq, S.M. Group

Respondents:

- 1) Mr. Noor Hassan, Chief Engineer (P&D), MEPCO
- 2) Mr. Kahlid Mahmood Chief Engineer, MEPCO
- 3) Mr. Furqan Zakria XEN, MEPCO

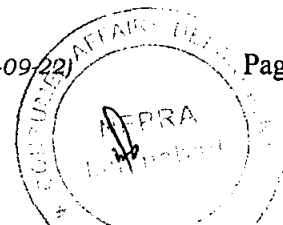
Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. NIZAM-UD-DIN NIZAMI SENIOR OFFICER (GRID) M/S S.M. GROUP OF INDUSTRIES LIMITED UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST MEPCO REGARDING PERMISSION OF 20/26 MVA STANDBY TRANSFORMER AT VOLKA GRID STATION.

DECISION

This decision shall dispose of the complaint filed by Mr. Nizam-ud-Din Nizami Senior Officer (Grid) S.M. Group of Industries Limited (hereinafter referred to as the "Complainant") against Multan Electric Power Company (hereinafter referred to as the "MEPCO") 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 Mr. Nizam-ud-Din Nizami dated September 15, 2022 wherein the Complainant raised the issue of installation of standby power transformer at 132 kV Volka Grid Station of which details are as under:

- i. An independent 132 kV grid station was constructed by the Complainant



after getting necessary approvals from MEPCO for receiving electricity supply against an electricity connection having load of (25) MW. The technical design comprising of two (2) numbers of 20/26 MVA power transformers were initially approved by MEPCO and (2) numbers of required transformer bays were accordingly constructed at Volka Grid Station. However, the same design was subsequently amended by MEPCO and the connection was energized during the year 2021 through (1) No. of 40 MVA power transformer.

ii. Being involved in the food processing business while getting electricity supply by means of standalone 40 MVA transformer, application of standby power transformer was sought from MEPCO by the Complainant during the year 2022, however, the same request was not processed by MEPCO. A separate bay for a standby transformer along with the allied equipment had already been installed at 132 kV Volka Grid Station as per the approved drawings.

iii. The Complainant was of the view that application of standby power transformer is required on urgent basis considering the requirement of uninterruptable electricity supply at the Complainant's premises currently dependent on a 40 MVA power transformer having no alternate power supply arrangement in case of any force majeure event. Resorting to essential condition for utilization of second/standby transformer only in emergent conditions, the Complainant requested to direct MEPCO to allow installation of standby power transformer in the already constructed transformer bay at Volka Grid Station.

3. The subject matter was taken up with MEPCO whereby MEPCO vide a letter dated December 12, 2022 submitted that the Complainant's industrial connection with (25) MW sanctioned load has already been energized through a new 31.5/40 MVA power transformer installed at the 132 kV independent Grid Station as the proposal regarding installation of old (2) Nos. of 20/26 MVA transformers was previously rejected by BODs of MEPCO. It was further submitted that the transformer bay along with all the allied equipment i.e. isolator, CTs, circuit breaker etc. are installed at the 132 kV Grid Station, however, provision for installation of standby power transformer is not provided in the Consumer Service Manual (CSM).

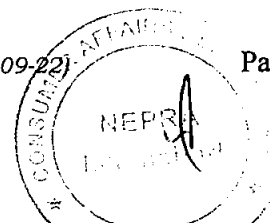
4. In order to deliberate the matter, a hearing was held on January 24, 2023 at NEPRA Head Office, Islamabad during which the Complainant remained absent while MEPCO was directed to submit its recommendations in connection with installation of standby power transformer at Volka Grid Station. Later, during a hearing held on September 14, 2023 at NEPRA Head Office, MEPCO was again directed to submit recommendations/point of view regarding installation of a standby 20/26 MVA power transformer at the Grid Station. In response, MEPCO vide letter dated October 11, 2023 submitted that the Complainant's request in the matter has not been entertained due to absence of any relevant SOPs or provisions in CSM. The report of MEPCO was shared with the Complainant. In response, the Complainant submitted that power outage problem will cause production loss to the Company if occurred due to power cable damage, scheduled testing and maintenance, mechanical problem in circuit breaker. The Company is one of the big exporters and is playing a helpful role in the economy of the country in the shape of dollars in return of export of food products. As a way to further examine the matter, another hearing was held on February 15, 2024 at NEPRA Head Office in presence of both the parties and the matter was deliberated at length.

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

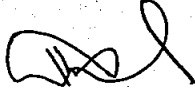
i. S.M. Group of Industries Limited approached MEPCO for consolidation and extension of existing load to a total of (25) MW for its industrial connection

under B-4 tariff located at 3-kM, Bahawalpur Road, Multan. In response, the application was approved by MEPCO during the year 2019 against which an independent 132 kV Volka Grid Station comprising of (2) numbers of 20/26 MVA transformer bays was constructed by the Complainant. Eventually, the connection was energized during the year 2021 by MEPCO through (1) No. of 31.5/40 MVA power transformer as the earlier technical design of old 20/26 MVA power transformers was amended by MEPCO during the year 2020.

- ii. Both the power transformer bays were completed by the Complainant before the energization of the connection along with all the allied equipment i.e. CTs, circuit breakers, isolators etc. out of which one transformer bay remained vacant. Later, the Complainant approached MEPCO for the technical approval for installation of a standby 20/26 MVA power transformer at the vacant bay with the similar scheme of arrangement, however the same was denied by MEPCO on the pretext of absence of any relevant policy or SOPs. The standby transformer was only to be utilized in emergent conditions as a replacement to provide continuity of electricity supply in order to safeguard the perishable food items and time constrained food processing at the Complainant's premises.
- iii. The clause 3.2.2 (a) of Transmission Planning Criteria and Standards of Grid Code (TPCS), 2023 clearly states that single contingency (N-1) involves the loss of '*Single transmission element*' i.e. a transformer etc. while '*No loss of load*' is allowed under such contingent conditions of transmission system. It is pertinent to mention here that under the same modalities of Grid Code, the system should be transiently & dynamically stable under single contingency.
- iv. Furthermore, the administrative approval was accorded by MEPCO in the instant matter with a condition that, '*proposed 132 kV interconnection scheme has been found inadequate to feed total 25MW load in both base case year (2020) and future case year (2023) due to overloading and network constraints at/around 132 kV SM food substation under N-1 contingency condition.*' Thus, the Complainant is forced not to use supply during the fault conditions as the existing line will become overloaded during N-1 contingency arising out of any unfavorable situation.
- v. Hence, the administrative approval reflects that MEPCO has implemented the N-1 contingency policy of the Grid Code in network arrangement. Accordingly, the Complainant could also be allowed to contribute in the implementation of Grid Code by avoiding loss of load in any emergent situation after installation of a standby 20/26 MVA power transformer. Moreover, Grid Code does not expressly prohibit installation of standby power transformer thus providing logical reasoning and flexibility in supplying uninterrupted electricity at the Complainant's premises.
- vi. It is pertinent to mention here that the metering of Complainant's connection is being performed on 132 kV level by MEPCO and while doing so in presence of a standby power transformer, no extra transformation losses will be borne by MEPCO. Hence, depriving the Complainant of reliable electricity supply in terms of disallowing standby transformer without any clear prohibition in the regulatory framework is not warranted. Furthermore, in order to prevent any misuse of electricity due to anticipated standby transformer, MEPCO being a distribution licensee must be cognizant of any technical/financial constraint which may arise after installation of standby power transformer.
- vii. NTDC had already approved installation of 2nd power transformer at 220/132kV Bahria Town Pvt. Ltd. Grid Station Rawalpindi on contingency basis.

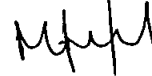


6. Foregoing in view, MEPCO is directed to approve the installation of 20/26 MVA power transformer in the vacant transformer bay of 132 kV Volka Grid Station after obtaining an undertaking from the Complainant that the same transformer shall be operated only in emergency situation for the continuity of electricity supply and without any other exception with prior written approval of MEPCO. Before energization, MEPCO is also advised to perform all the necessary tests in order to ascertain relevant technical parameters. All losses pertaining to the said transformer shall be borne by the Complainant. The Complainant shall ensure that MEPCO has access to visit the grid station without any prior notice at any time. MEPCO may if required install metering panels on cost deposit basis at the said grid station on outgoing feeders for verification of received and sent out units. Compliance report be submitted within sixty (60) days, positively.



(Lashkar Khan Qambrani)

Member Consumer Complaints Tribunal/
Director (CAD)



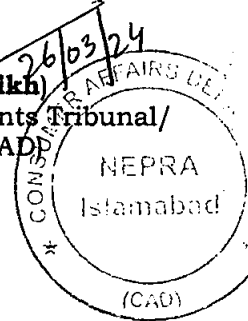
(Moqem-ul-Hassan)

Member Consumer Complaints Tribunal/
Assistant Legal Advisor (CAD)



(Naweed Illahi Shaikh)

Convener Consumer Complaints Tribunal/
Director General (CAD)



Islamabad, March 26, 2024