



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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

December 26, 2016

Registrar

No. NEPRA/R/DL/LAD-38/17009-17

Col (Retd) Adil Jahan
Secretary DHA,
Defence Housing Authority,
Main Office Complex,
Sector A, Commercial Area, Phase VI,
Lahore Cantt.

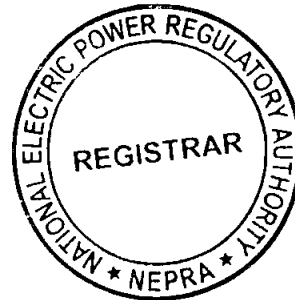
Subject: **Grant of Distribution Licence No. 23/DL/2016**
Licence Application No. LAD-38
Defence Housing Authority Lahore Phase-XII (EME Sector)

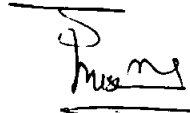
Reference: *Your application vide letter No. 235/DHA-EME/CE(Civ), dated 12 March, 2015 received on 12 March, 2015.*

Enclosed please find herewith Distribution Licence No. 23/DL/2016 granted by National Electric Power Regulatory Authority (NEPRA) to Defence Housing Authority Lahore Phase-XII (EME Sector), pursuant to Section 20, 21 of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XI of 1997) and Regulation 4(3) of NEPRA (Supply of Electric Power) Regulations, 2015. Further, the determination of the Authority in the subject matter is also attached.

2. Please quote above mentioned Distribution Licence No. for future correspondence.

Enclosure: Distribution Licence (23/DL/2016)




26.12.16
(Syed Safer Hussain)

Copy to:

1. Secretary, Cabinet Division, Government of Pakistan, Islamabad.
2. Secretary, Ministry of Water and Power, A-Block, Pak Secretariat, Islamabad.
3. Secretary, Ministry of Housing & Works, B-Block, Pak Secretariat, Islamabad.
4. Chief Executive Officer, NTDC, 114 WAPDA House, Lahore.
5. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPAG), 6th Floor, Shahheed-e-Millat Secretariat, Jinnah Avenue, Blue Area, Islamabad.
6. Chief Executive Officer, Lahore Electric Supply Company (LESCO) 22-A, Queen Road, Lahore.
7. Director General, Environment Protection Department, Government of Punjab, National Hockey Stadium, Ferozpur Road, Lahore.
8. Managing Director, Pakistan Electric Power Company (Private) Limited (PEPCO), 721 WAPDA House, Mall Road, Lahore.

National Electric Power Regulatory Authority
(NEPRA)

Determination of the Authority
in the Matter of Application of Defence Housing Authority
Phase-XII (EME) Sector, Lahore for the Grant of Distribution
Licence

December 21, 2016
Case No. LAD-38

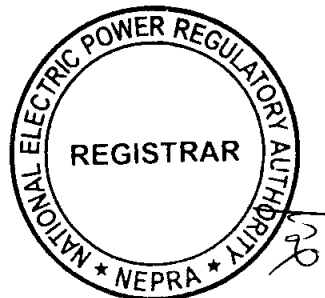
(A). Background

(i). In accordance with the provisions of Section-7 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as "NEPRA Act"), the Authority is mandated to regulate the provision of electric power services by generation, transmission and distribution companies.

(ii). In consideration of the above, the Authority has granted distribution licenses to ten (10) ex-WAPDA distribution companies (herein after referred to as "DISCOs"), K-Electric Limited and Bahria Town (Private) Limited (Rawalpindi/Islamabad) for engaging in the business of distribution services within their service territories.

(iii). Prior to grant of distribution licenses to the DISCOs, there were certain entities including housing societies, shopping plazas/malls, industrial estates and complexes etc. which were involved in re-sale of electricity after obtaining one point supply from host DISCO such as Defence Housing Authority, Phase-XII (EME Sector), Lahore (herein after referred to as "DHA (EME) Sector").

(iv). In order to regulate the distribution business of the above mentioned entities involved in re-sale of electric power after obtaining one point supply from host DISCOs, the Authority has notified the NEPRA (Supply of Electric Power) Regulations, 2015. The NEPRA (Supply of Electric Power) Regulations, 2015 envisage criteria for the grant of distribution licence to the aforementioned entities.



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(B). Filing of Application

(i). Pursuant to Section-20 of the NEPRA Act, DHA (EME) Sector submitted an application for the grant of distribution licence on March 12, 2015 for its 15.00 MW distribution facility located at 14-KM, Multan road, Thokar Niaz Bhaig, Lahore, Punjab in respect of its distribution facilities in its blocks A,B,C,D,E,F,G,H,J, J(commercial) and D(extension).

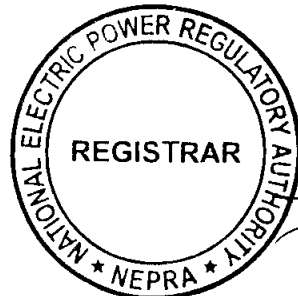
(ii). The Registrar examined the application and found the same as non-compliant with the NEPRA Licensing (Application and Modification Procedure) Regulations, 1999 ("the Regulations"). In view thereof, the Registrar directed DHAEME to submit the missing/required information/documents as stipulated in Regulation-6(1) of the Regulations. DHA (EME) Sector submitted the required information/documentation on May 05, 2015.

(iii). Thereafter, the Registrar submitted the application/case for consideration of the Authority. The Authority considered the application/case in its regulatory meeting held on June 09, 2015 and admitted the same for the grant of distribution licence as stipulated in Regulation-7 of the Regulations.

(iv). The Authority approved the advertisement containing (a). the prospectus of the company and (b). a notice to the general public regarding admission of the application of DHA (EME) Sector, to invite the general public for their comments in the matter as provided in Regulation-8 of the Regulations.

(v). The Authority also approved the list of interested/affected parties for inviting comments or otherwise for the assistance of the Authority as stipulated in Regulation-9(2) of the Regulations. Accordingly, a notice of admission was published in one Urdu and one English national newspaper on June 14, 2015 for seeking comments of the stakeholders/interested/affected parties.

(vi). In addition to the above, separate letters were also sent to government ministries, their attached departments, representative organizations and individual experts etc. on June 17, 2015 to seek their views/comments in the matter for assistance of the Authority.



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(C). Comments of Stakeholders

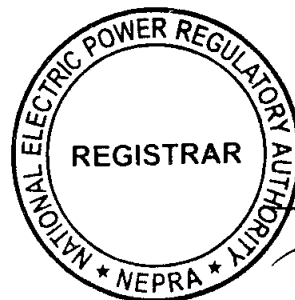
(i). In response to the above, the Authority received comments from only two (02) stakeholders including Board of Investment and Quetta Electric Supply Company Limited (QESCO). Both the stakeholders supported the grant of distribution licence to DHA (EME) Sector. The main points of the comments offered by the said stakeholders are summarized as under:-

- (a). Board of Investment submitted that it supports grant of distribution licence to DHA (EME) Sector subject to fulfillment of all codal formalities and requirements; and
- (b). QESCO stated that it has no reservation to the grant of distribution licence to DHA (EME) Sector.

(ii). In view of the above, the case was required to be processed further however, it was kept pending till finalization of the NEPRA (Supply of Electric Power) Regulations, 2015 which were notified on November 11, 2015.

(iii). In terms of Regulation-4 of the NEPRA (Supply of Electric Power) Regulations, 2015, any Housing Colony, Housing Society, Industrial Estate or a Complex receiving electric power from host DISCO, at a common delivery point for further delivery to its residents/occupants may obtain a Distribution Licence if it fulfills the eligibility criteria prescribed in the NEPRA (Supply of Electric Power) Regulations, 2015 and other applicable documents. Regulation-4(3) of the NEPRA (Supply of Electric Power) Regulations, 2015 stipulates that in order to obtain a Distribution Licence under these Regulations, load of the applicant's existing/proposed Distribution Facility shall not be less than 20.00 MW and the applicant shall have its own 132 KV grid station.

(iv). Accordingly, DHA (EME) Sector was asked to provide documentary proof regarding the ultimate load requirements and availability of own grid station as required under Regulation-4(3) of the NEPRA (Supply of Electric Power) Regulations, 2015.



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(v). DHA (EME) Sector vide its letter dated December 18, 2015 submitted that its ultimate load is 38.42 MW and accordingly a 132/11 KV GIS Grid Station with 2x20/26 MVA power transformers has been designed.

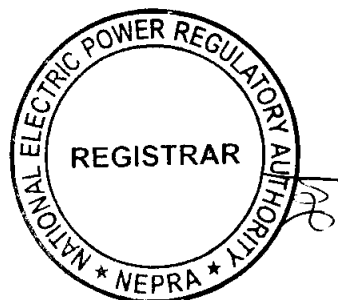
(vi). Considering the fact that there is a change in the submitted information, the Authority in its Regulatory Meeting held on March 09, 2016 approved the addendum to the already published notice. The addendum was published in the press on April 07, 2016 to reflect the changes in the information. In response, the Authority did not receive any comments from the stakeholders.

(vii). In view of the above, the Authority considered it appropriate to process the distribution licence application of DHA (EME) Sector for consideration for grant of distribution licence in terms of the NEPRA Act, the Regulations and the NEPRA (Supply of Electric Power) Regulations, 2015.

(D). Analysis of the Authority

(i). The Authority has examined the entire case in detail including the information provided by DHA (EME) Sector along with the distribution licence application. The main features of the application are explained as under:

- (a). EME Co-operative Housing Society Limited was registered under the Co-operative Societies Act, 1925 on April 26, 1987 with the office of the Registrar Cooperative Societies Islamabad. Total area of the EME Co-operative Housing Society Limited is 634 Acres. EME Co-operative Housing Society Limited is located at 14-KM Multan Road, Thokar Niaz Baig, Lahore.
- (b). EME Co-operative Housing Society Limited was granted one point bulk supply by Area Electricity Board/WAPDA on November 07, 1995 under C-2 tariff, having sanctioned load of 4.00 MW and fed through independent 11 KV EME Feeder from 132 KV Chung Grid Station, Lahore.

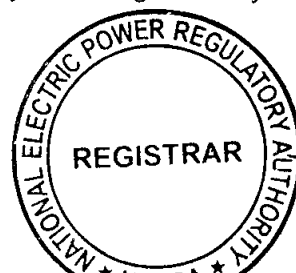


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- (c). Irrigation and Power Department, Govt. of Punjab granted EME Co-operative Housing Society Limited licence to engage in the business of supplying energy through a notification No.U.S.(P)(I&P)4-30/95 dated October 08, 1995 under Section-28 of the Electricity Act, 1910.
- (d). In order to engage in the business of supplying energy, the agreement between EME Co-operative Housing Society Limited and Govt. of Punjab was signed on October 10, 1995.
- (e). EME Co-operative Housing Society Limited was also registered in the office of the Deputy District Officer Cooperative/Circle Lahore with effect from June 22, 2006. Later on, the EME Co-operative Housing Society Limited was merged with Defence Housing Authority, Lahore under the name of DHA Lahore, EME Sector with effect from August 23, 2006 through an office order No.RCS/H/L-255/2008-13 dated November 29, 2006 from the office of the Registrar, Cooperative Societies Punjab, Lahore. Since January 2015, the DHA Lahore, EME Sector has been renamed as DHA Lahore Phase-XII vide ION No. 20601/DHA dated January 05, 2015.

(ii). The Authority observes that Section-24 of the NEPRA Act requires that a distribution License is not to be granted to the person unless it is a company registered under Companies Ordinance, 1984. DHA (EME) Sector has been merged into Defence Housing Authority, Lahore and by virtue of Section-3 of the Defence Housing Authority Ordinance, 2002 it is a corporate body having a perpetual succession and common seal, with the power to enter into contracts, sue and be sued in its name. Therefore, DHA (EME) Sector being a statutory corporation, is eligible under Section-24 of NEPRA Act to apply for the distribution licence.

(iii). Further, Regulation-11 of the NEPRA (Supply of Electric Power) Regulations, 2015, specifically provides that any housing society established



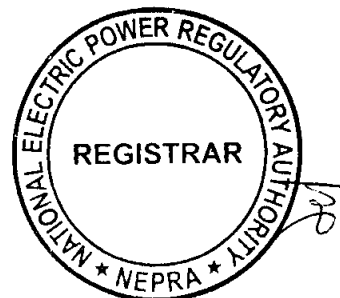
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under any statute, qualifying to be granted a distribution licence, may be exempted from the requirement of being a company as stipulated under Section-24 of the NEPRA Act. Hence, DHA (EME) Sector is exempted from the requirements of submission of certificate of incorporation and Memorandum and Articles of Association required under Regulation-3(5)(a) of the Regulations regarding their application to the Authority for grant of distribution licence.

(iv). Regulation-4(3) of NEPRA (Supply of Electric Power) Regulations, 2015, stipulates that in order to obtain a distribution licence, the load of applicant's existing/proposed distribution system shall not be less than 20.00 MW and the applicant shall have its own 132 KV grid station.

(v). DHA (EME) Sector is getting electricity in bulk from LESCO for further distribution to its members, including 2200 domestic, 250 commercial and 96 tube well/offices/street lights/flats under its own distribution arrangement. The sanctioned load of DHA (EME) Sector is 15.00 MW whereas, ultimate load is 38.42 MW. LESCO vide its letter no. 17894/DRW/228 dated May 03, 2016 has categorically approved a 132/11 KV GIS dedicated grid station with 1x20/26 MVA power transformer which will be constructed according to the WAPDA Standard Design & Specifications. Although the aforementioned power transformer can meet the load requirements of more than 20.00 MW however, to meet the ultimate load requirement, DHA (EME) Sector will require the approval of LESCO for another 1x20/26 MVA power transformer. LESCO has not sanctioned/approved the ultimate load of DHA (EME) Sector. The commissioning and energization of the grid station will be carried out by DHA (EME) Sector whereas, transmission line will be constructed by LESCO. After energization, the grid station will be handed over to LESCO for O&M. DHA (EME) Sector will remain the owner of the grid station. The O&M cost will be borne by DHA (EME) Sector. At present, tendering of grid station is in process.

(vi). Regarding billing and revenue collection, the Authority has observed that DHA (EME) Sector has chalked out a procedure which comprises of meter reading, preparation and distribution of electricity bills and preparing list of defaulters and issuing disconnection orders.



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(vii). The Authority has observed that DHA (EME) Sector has established a complaint centre which is properly managed and operated round the clock on shift basis. The staff receives complaints and takes immediate corrective action. DHA (EME) Sector has also installed standby generators to provide power to its consumers/customers during load shedding and in case of break downs.

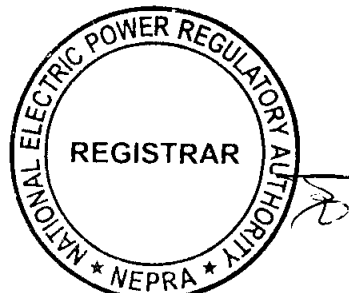
(viii). In view of the above, DHA (EME) Sector fulfils the eligibility criteria as laid down in the Regulations-4(3) of the NEPRA (Supply of Electric Power) Regulations for grant of distribution licence to housing societies/colonies.

(ix). DHA (EME) Sector is already operating its own distribution system within its own area prior to issuance of distribution licence to LESCO. Article-3 of the distribution licence of LESCOs deals with the service territory and in terms of Article 3.2.(i)(b), the service territory of DISCOs shall not include the areas in the use of housing colonies, plazas/complexes, and other bulk purchasers, at the option of the organizations or bodies representing the occupiers or owners thereof, which were already operating their own distribution systems within the said areas on the date of issue of the distribution licence. Therefore, the area for which DHA (EME) Sector has requested for the grant of distribution licence stands excluded from the service territory of LESCO and modification in the distribution licence of LESCO is not required.

(E). Grant of Distribution Licence

(i). In terms of Section-20 of the NEPRA Act, every person involved in the activity of distribution of electricity is required to have a distribution licence from the Authority. In terms of Rule-3(1) of the NEPRA Licensing (Distribution) Rules, 1999 (herein after referred to as the Rules), the Authority may grant a distribution licence to any person to engage in the distribution business within the service territory.

(ii). The objective behind the formation of NEPRA was to have an independent regulatory body to improve the efficiency and availability of electric power services while protecting the interests of consumers, producers and



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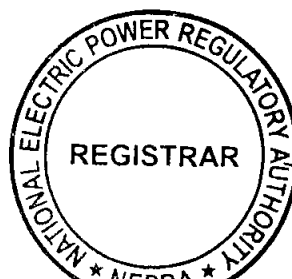
sellers, and to promote competition in power sector activities.

(iii). A person is issued a distribution license under Section-20 of the NEPRA Act subject to conditions specified in the Act and as may be imposed by the Authority. Section-21 of the NEPRA Act states that a distribution licensee shall have the exclusive right to provide, for such period as may be specified in the license, distribution service and to make sales of electric power to consumers in the territory specified in the license. Proviso to Section-21 of the NEPRA Act empowers the Authority to allow a generation company to make sales of electric power to bulk power consumer within the territory of a distribution company.

(iv). The Authority is of the considered opinion that exclusivity of a distribution licensee is not inherent and absolute. Section-21 of the NEPRA Act makes it categorically clear that a distribution licensee possesses the exclusive right for such period as may be specified in the license meaning thereby the Authority is the competent body to determine the exclusivity and the term of exclusivity if any. Further, proviso to Section-21 of the NEPRA Act negates the exclusivity of a distribution licensee by allowing sales of electric power by another licensee within the territory of a distribution company. Therefore, the Authority decides that exclusivity of a distribution company as envisaged in Section-21 of the NEPRA Act is not in definitive terms.

(v). The Authority believes that competition is the best guarantee of customers' interests. The Authority is also conscious of the fact that exclusivity given to a distribution company for delivery and sales of electric power limits the competition. In a market structure wherein the wire business as well as retail business is handled by a single distribution company, conflict of interest makes the distribution company wary of losing its retail segment to competition. The wire business by nature is a monopolistic and regulated-return earning business. Retail supply, on the other hand, is more conducive to provide consumer choice in the form of multiple suppliers.

(vi). Once competition is ensured in the retail business, distribution companies can compete with each other to attract the consumers. This would



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motivate cost cutting through increase in efficiency and innovation which would in turn lead to expansion of output as well as reduction in price; improvement in the quality of service; as well as wider options in choosing suppliers. All these benefits would result in an increase in consumer welfare. In view of foregoing, the Authority has decided to grant DHA (EME) Sector an exclusive right only with respect to distribution facilities in its service territory. The Authority may allow any other licensee to make sales to consumer(s) within the service territory of DHA (EME) Sector.

(vii). The term of a distribution licence is fixed in accordance with Rule-5(1) of the Rules. According to the Rules, except where an applicant for distribution licence consents to a shorter term, the term of a distribution licence shall not be less than twenty (20) years. The Authority considers that in order to make the distribution licence of DHA (EME) Sector consistent with other distribution licenses issued in the past, the term of the distribution licence of DHA (EME) Sector is fixed as twenty (20) years from the date of its issuance.

(viii). To determine tariff, rates, charges and other terms and conditions for supply of electric power services by the generation, transmission and distribution companies, the Authority directs DHA (EME) Sector to file the tariff petition within ninety (90) days of issuance of this distribution licence. However, till pendency of the approval of its tariff, DHA (EME) Sector shall not charge from its consumers, tariff higher than that of the host DISCO (i.e. LESCO) for the corresponding slabs/categories of the consumers.

(ix). In accordance with Section-21 of the NEPRA Act, read with Rule-9 of NEPRA (Distribution) Rules, 1999, within ninety (90) days of the issuance of this Licence, the Licensee shall submit a Consumer Service Manual for the approval of the Authority. In view thereof, the Authority directs DHA (EME) Sector to prepare a comprehensive consumer service manual within ninety (90) days of the issuance of this licence and submit the same for approval of the Authority.

(x). Foregoing in view, the Authority hereby approves the grant of distribution licence to Defence Housing Authority, Phase-XII (EME Sector), Lahore

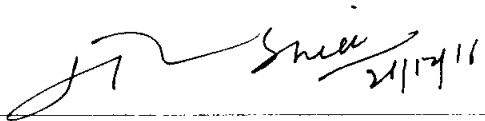


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on the terms and conditions set out in the distribution licence annexed to this determination. The grant of distribution licence will be subject to the provisions contained in the NEPRA Act, relevant Rules, Regulations framed there under and other applicable documents.

Authority

Maj. Rtd. Haroon Rashid
(Member)


21/12/11

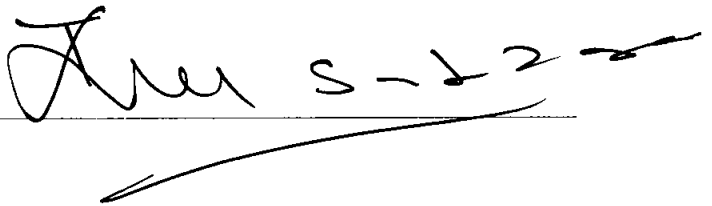
Syed Masood-ul-Hasan Naqvi
(Member)

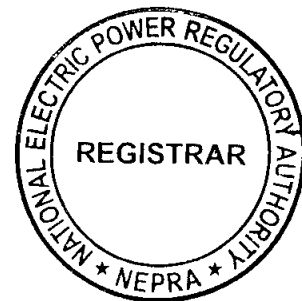

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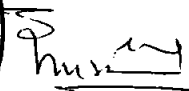
Himayat Ullah Khan
(Member/Vice Chairman)

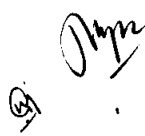
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Tariq Saddozai
(Chairman)






26.12.11



**National Electric Power Regulatory Authority
(NEPRA)
Islamabad – Pakistan**

DISTRIBUTION LICENCE

No. 23/DL/2016

In exercise of the Powers conferred upon the National Electric Power Regulatory Authority (NEPRA) under Section-20, 21 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), and Regulation-4(3) of the NEPRA (Supply of Electric Power) Regulations, 2015, the Authority hereby grants Distribution Licence to:

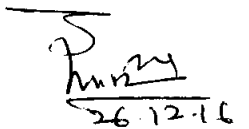
**DEFENCE HOUSING AUTHORITY LAHORE PHASE-XII (EME
SECTOR)**

Incorporated under Section-3 of the Defence Housing Authority Ordinance 2002

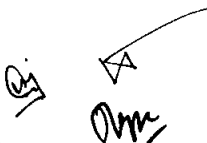
for its Distribution Facilities located at 14-KM, Multan Road, Thokar Niaz Baig Lahore in the Province of Punjab

to engage in distribution business subject to and in accordance with the Articles and Schedule-I & II of this licence.

Given under my hand on 26th day of December Two Thousand & Sixteen and expires on 25th day of December Two Thousand & Thirty Six


26.12.16
Registrar

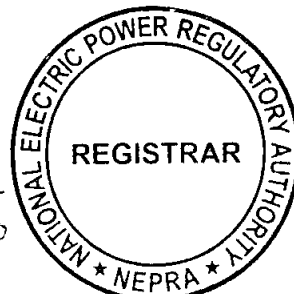




Article-1
Definitions

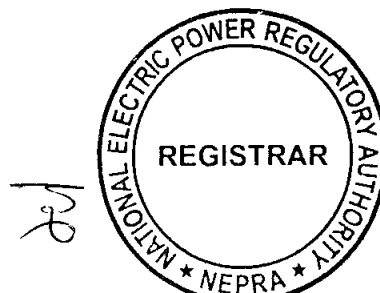
1.1 In this Licence:-

- (i). "Act" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 ("XL of 1997");
- (ii). "Authority" means the National Electric Power Regulatory Authority constituted under Section-3 of the Act;
- (iii). "Applicable Documents" means the Act, the NEPRA rules and regulations, any documents or instruments issued or determinations made by the Authority under any of the foregoing or pursuant to the exercise of its powers under the Act, the Grid Code, the applicable Distribution Code, the Consumer Eligibility Criteria if any, or the documents or instruments made by the Licensee pursuant to its Distribution Licence, in each case of a binding nature applicable to the Licensee or, where applicable, to its affiliates and to which the Licensee or any of its affiliates may be subject;
- (iv). "BSS" means British Standards Specifications;
- (v). "Competitive Trading Arrangement" means bilateral contract arrangements;
- (vi). "Consumer" means a person or his successor-in-interest who purchases or receives electric power from the Licensee for the consumption and not for delivery or re-sale to others, including a person who owns or occupies a premises where electric power is supplied;
- (vii). "Consumer Eligibility Criteria" means the National Electric Power Regulatory Authority Consumer Eligibility Criteria, 2003 as amended from time to time;

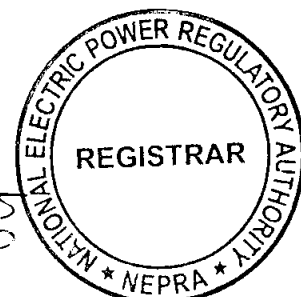


- (viii). "Distribution" means the ownership, operation, management or control of distribution facilities for the movement or delivery or sale to consumers of electric power but shall not include the ownership, operation, management and control of distribution facilities located on private property and used solely to move or deliver electric power to the person owning, operating, managing and controlling those facilities or to tenants thereof;
- (ix). "Distribution Code" means the distribution code prepared by LESCO and approved by the Authority in accordance with the Rule-15 of the Rules as amended from time to time;
- (x). "Distribution Facilities" means electrical facilities operating at the distribution voltage and used for the movement or delivery of electric power.
- (xi). "Distribution System" means the distribution facilities situated within the Service Territory owned or operated by the licensee for distribution of electric power including, without limitation, electric lines or circuits, electric plant, meters, interconnection facilities or other facilities operating at the distribution voltage, and shall also include any other electric lines, circuits, transformers, sub-stations, electric plant, interconnection facilities or other facilities determined by the Authority as forming part of the distribution system, whether or not operating at the distribution voltage;
- (xii). "Grid Code" means the grid code prepared by the national grid company or in the absence of the national grid company by the transmission licensees pursuant to the transmission licenses and approved by the Authority, as from time to time revised with the approval of the Authority;
- (xiii). "IEC Standards" means the standards of International Electro-technical Commission;

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- (xiv). "IEEE Standards" means the standards of the Institute of Electrical and Electronics Engineers;
- (xv). "Law" means the Act, relevant rules and regulations made there under and all the applicable documents;
- (xvi). "LESCO" means Lahore Electric Supply Company Limited;
- (xvii). "Licensee" means **Defence Housing Authority Lahore Phase-XII (EME Sector)** the holder of this Licence for carrying out the distribution business, through its distribution system, and shall include its legal successors and assigns duly approved by the Authority;
- (xviii). "NTDC" means National Transmission & Despatch Company Limited;
- (xix). "Performance Standards" means the National Electric Power Regulatory Authority Performance Standards (Distribution) Rules, 2005 as amended from time to time;
- (xx). "Service Territory" means the area specified in Schedule-I and Schedule-II of this Licence within which the Licensee is authorized to conduct its distribution business;
- (xxi). "Transmission Facilities" means electrical transmission facilities including electrical circuits, transformers and sub-stations operating at or above the minimum transmission voltage but shall not include, (a). electrical circuits forming the immediate connection between generation facilities and the transmission grid to the extent that those circuits are owned by a generation company and are directly associated with that company's generation facilities and (b) specified facilities operating at or above the minimum transmission voltage which the Authority, upon an application by a licensee under Section-20 determines, shall be owned and operated by a distribution licensee;



1.2 Words and expressions used but not defined herein shall bear the meaning given thereto in the Act, or in the rules or regulations issued under the Act.

Article-2
Applicability of Law

This licence is issued subject to the provisions of the Applicable Law, as amended from time to time.

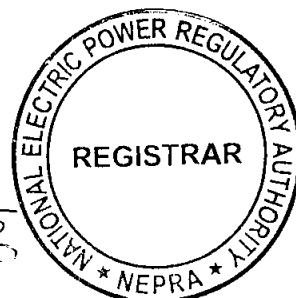
Article-3
Grant of Licence

3.1 The licence is granted to the Licensee to engage in the business of distribution within the Service Territory in accordance with duties and responsibilities of a distribution licensee under Section-21 of the Act.

3.2 At the time of grant of this licence, where the line part of a Distribution System owned/operated by LESCO, as its existing Distribution System operating at 11 KV or less is located within three (03) meters of spatial distance on either side of the 11 KV Distribution System of the Licensee, such 11 KV Distribution System of the Licensee shall be converted into underground system where such proximities exist, in accordance with Distribution Code or relevant international standards including BSS, IEC Standards or IEEE standards etc.

3.3 The Licensee shall provide right of way to LESCO or NTDC in case LESCO or NTDC intends to expand their distribution/transmission networks through the Service Territory of the Licensee for erecting/laying the distribution facilities/transmission facilities for providing distribution and transmission services to areas located adjoining to Services Territory of the Licensee.

3.4 The Licensee shall not alter or modify its 11 KV Distribution System as authorized in Schedule-I and Schedule-II of this Licence, without prior approval of the Authority.



Article-4
Licence fee

The Licensee shall pay to the Authority the Licence fee on annual basis in accordance with the National Electric Power Regulatory Authority (Fees) Rules, 2002 as amended from time to time.

Article-5
Term and Renewal

5.1 The term of this Licence shall be twenty (20) years from the date of its issuance.

5.2 Unless suspended or revoked earlier, the Licensee may within ninety (90) days prior to the expiry of the term of this Licence apply for renewal of this Licence under the NEPRA Licensing (Application and Modification Procedure) Regulations, 1999 as amended form time to time.

Article-6
Tariff

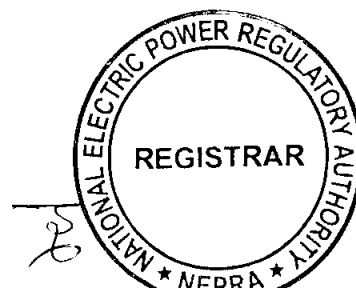
6.1 The Licensee shall charge only such tariff from its consumers as approved by the Authority.

6.2 The Licensee shall submit a formal tariff petition to the Authority within ninety (90) days of grant of this licence in the manner and procedure prescribed under the relevant rules and regulations.

6.3 Till the approval of tariff, the Licensee shall not charge from its consumers tariff higher than that of LESCO for the corresponding slabs/categories of consumers.

Article-7
Competitive Trading Arrangement

7.1 The Licensee shall participate for the development of a Competitive Trading Arrangement 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 the manner and time period specified by the Authority. Provided that any such participation shall be subject to any contract entered between the Licensee and another party with the approval of the Authority.

7.2 Any variation or modification in the above-mentioned contracts for allowing the parties thereto to participate wholly or partially in the Competitive Trading Arrangement shall be subject to mutual agreement of the parties thereto and such terms and conditions as may be approved by the Authority.

Article-8
Duties and Responsibilities of the Licensee

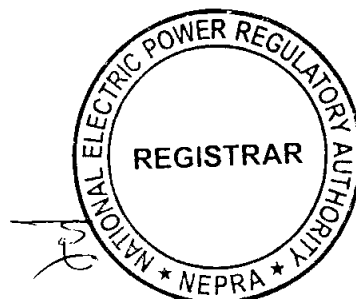
8.1 The Licensee shall have the exclusive right to provide only distribution facilities for delivery of electric power in the Service Territory subject to provisions of Section-21, 22 and 26 of the NEPRA Act.

8.2 The Authority may allow any generation/distribution company to make sales of electric power to one or more Consumers in the Service Territory of the Licensee.

Article-9
Obligation to Connect and Supply

9.1 The Licensee shall be responsible to provide electric power services and make sales of electric power within its Services Territory on a non-discriminatory basis to all its Consumers who meet the Consumer Eligibility Criteria.

9.2 Except those under the provisions provided in the Act, Rules and Regulations made there under and other Applicable Documents, the Licensee shall not, in any manner whatsoever, discontinue or attempt to discontinue electricity distribution service or take any measure which may adversely affect the quality of electric power services to its consumers for the reasons such as non-observance of bye-laws of the housing society, its rules, regulations and policies etc.



9.3 Subject to the provisions of the Act, Rules, Regulations or any other Applicable Documents, the Licensee shall not in any manner whatsoever make electric power services conditional to its Consumer for fulfillments of any other contractual obligations.

Article-10

Use of System and Obligation to offer Terms for the Provision of Wheeling

Within ninety (90) days, following the date of issuance of the distribution licence, the Licensee shall, submit along with the tariff petition 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 in all cases in such manner and with such detail as shall be necessary to enable any licensee seeking to make sales to consumer(s) in the Service Territory of the Licensee.

Article-11

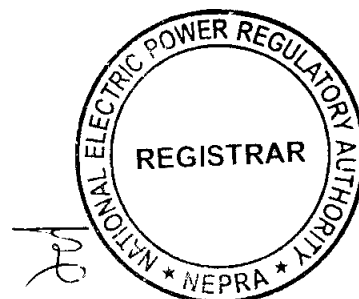
Purchase of Electricity in Bulk

Unless directed otherwise by the Authority, the Licensee shall have the option to either purchase electricity in bulk from LESCO or from any other source of its choice including self-generation. In case of the self-generation, the provisions of Section-15 of the Act shall be applicable to the Licensee.

Article-12

Investment Programmes, Acquisition and Disposal of Assets

12.1 The Licensee shall not, except under a prior authorization of the Authority, acquire whether on ownership basis, lease, hire-purchase or through any other mode of possession or use any tangible or intangible asset of a nature or value inconsistent with or which is not expressly or by necessary implication stated in the investment programme of the Licensee approved by the Authority in accordance with its rules and regulations.



12.2 Until such time the investment programme of the Licensee is approved by the Authority in accordance with Rule-17(1) of NEPRA Licensing (Distribution) Rules, 1999, the Licensee may acquire assets required for the operation and maintenance of the Distribution System or assets of a value not exceeding ten percent (10%) of the figure of the approved investment programme of the Licensee for that year.

12.3 The Licensee shall not, except under a prior authorization of the Authority, sell or dispose of in any manner any tangible assets comprised in the Distribution System or an intangible assets accruing or likely to accrue to the Licensee from the distribution business in a manner inconsistent with or which is not expressly stated in the investment programme of the Licensee approved by the Authority in accordance with its rules and regulations, provided that until such time the investment programme of the Licensee is approved by the Authority in terms of Rule-17(1) of the NEPRA Licensing (Distribution) Rules, 1999, the Licensee may dispose of or sell assets, value not exceeding ten percent (10%) of the figure specified in the approved investment programme of the Licensee for that year.

12.4 The Licensee shall not assume any encumbrance in relation to any asset unless the ownership thereof vests in the Licensee.

Article-13

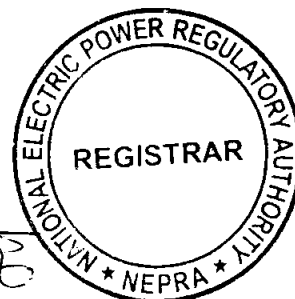
Compliance with Performance Standards and Distribution Code

The Licensee shall comply with Performance Standards, Distribution Code, Grid Code and other Applicable Documents as prescribed by the Authority from time to time, to the extent applicable.

Article-14

Compliance with Safety Standards

14.1 The Licensee shall comply with the relevant safety standards as prescribed by the Authority from time to time including safety standards mentioned in the Performance Standards or Distribution Code, to the extent applicable.



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14.2 In case, no such standards are prescribed in the Performance Standards or Distribution Code, then the Licensee shall comply with any relevant international standards including BSS, IEC standards or IEEE standards.

Article-15
Compliance with Environmental Standards

The Licensee shall comply with the environmental standards as may be prescribed by the relevant competent Authority from time to time.

Article-16
Accounting Practice and Compliance of Uniform System of Accounts

The Licensee shall maintain separate accounts of its Distribution Business and shall comply with the provisions of the National Electric Power Regulatory Authority (Uniform System of Accounts) Rules, 2009.

Article-17
Provision of Digitized Plotting and Maintaining a Digitized Map

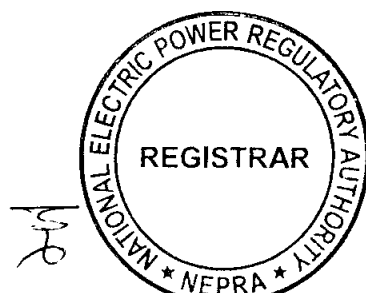
The Licensee shall provide to the Authority, updated digitized plotting/maps of its Distribution System (both 11 KV and 230/400 Volts) within one month of the issuance of the Licence. The Licensee shall also on the first day of July of every year provide to the Authority with an updated map showing 11 KV, 230/400 Volts Distribution System clearly demarcating the extensions made in the immediate proceeding year.

Article-18
Maintenance of Record

18.1 The Licensee shall keep complete and accurate record and the data in respect of all aspects of each of its separate business, in their original form. Three (03) months after the issuance of this Licence, the Licensee shall start maintaining the above mentioned record in electronic form as well.

18.2 Without prejudice to the provisions of the Rule-14(3) of NEPRA Licensing (Distribution) Rules, 1999, unless provided otherwise under the law or the applicable

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documents, all record and data shall be maintained. The Licensee shall not destroy or dispose of such record or data without obtaining prior written approval of the Authority.

18.3 The Authority may authorize any officer/professional staff to inspect documents in record, data as may be necessary to carry out the purpose of the Act and the applicable documents at any time without prior notice to the Licensee.

18.4 For the purpose of sub Article-17(3), the authorized officer/professional staff shall have full time access to any premises, place, documents or computer and make copy of the relevant record, information and data as may be necessary for the purpose of the Act and the applicable documents. The Licensee shall provide all reasonable facilities and assistance to ensure the effective exercise of the right of inspection.

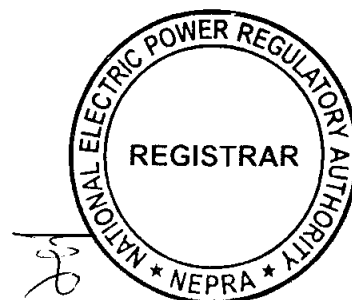
Article-19
Provision of Information

19.1 The obligation of the Licensee to provide information to the Authority shall be in accordance with Section-44 of the Act read with Rule-20 of NEPRA Licensing (Distribution) Rules, 1999.

19.2 The Licensee shall be subject to such penalties as may be specified in NEPRA Licensing (Distribution) Rules, 1999 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.

Article-20
Consumer Service Manual

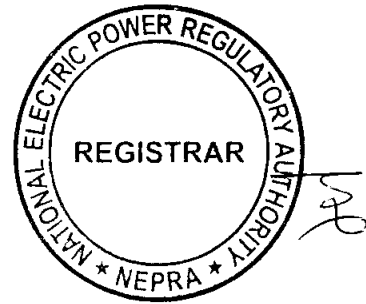
In accordance with Section-21 of the Act read with Rule-9 of NEPRA Licensing (Distribution) Rules, 1999, within ninety (90) days of the issuance of this Licence, the Licensee shall submit a Consumer Service Manual for the approval of the Authority.



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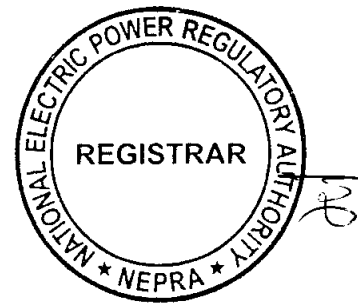
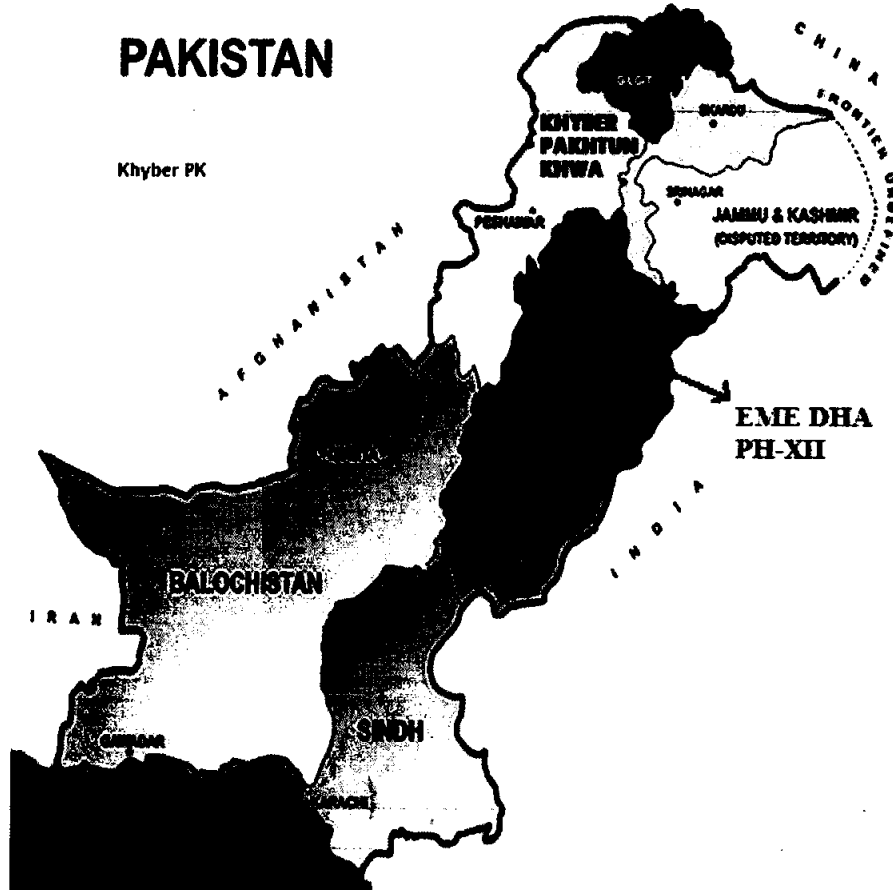
SCHEDULE-I

The Details of Territory (i.e. Geographical Boundaries) of the Licence within which the Licensee is Authorized to Conduct its Distribution Business.



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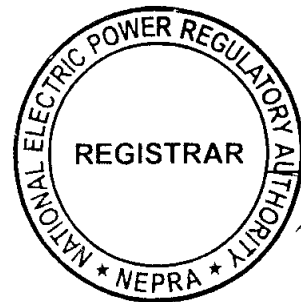
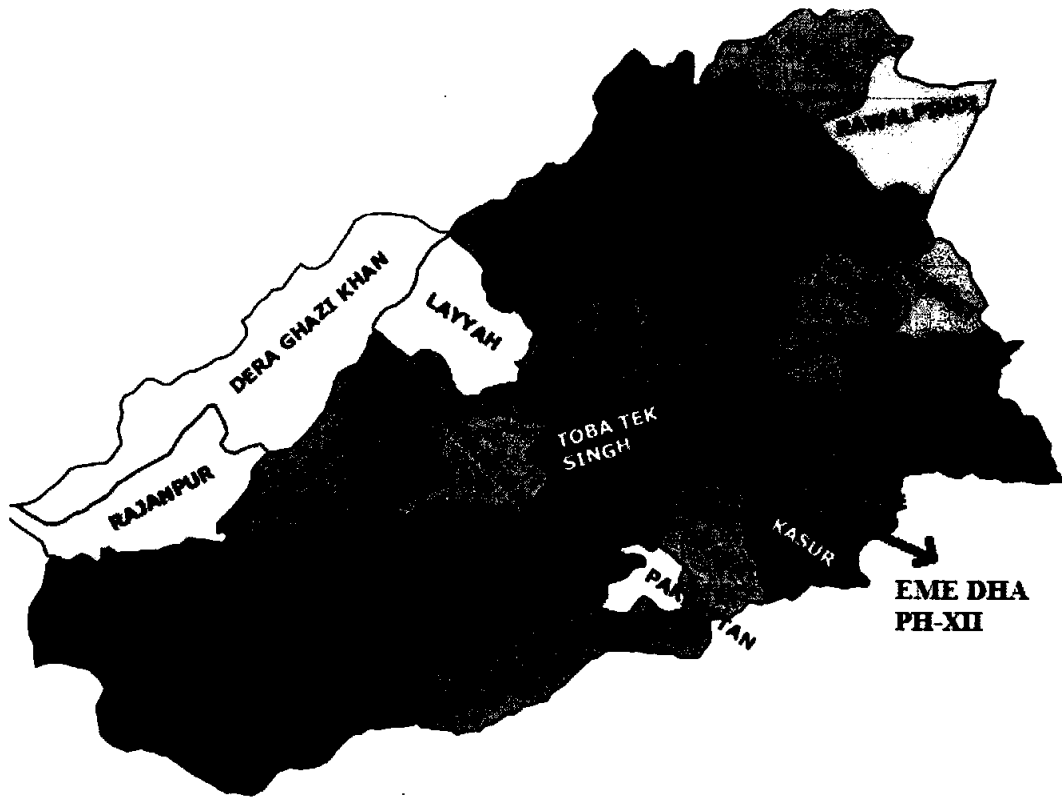
**Location of the Licensee/ Defence Housing Authority Lahore
Phase-XII (EME Sector) on the Map of Pakistan**



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Distribution Licence
For Defence Housing Authority Lahore
Phase-XII (EME Sector)
14-KM, Multan Road; Thokar Niaz Baig
Lahore, in the province of Punjab

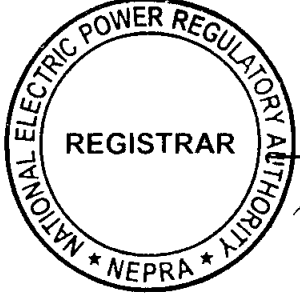
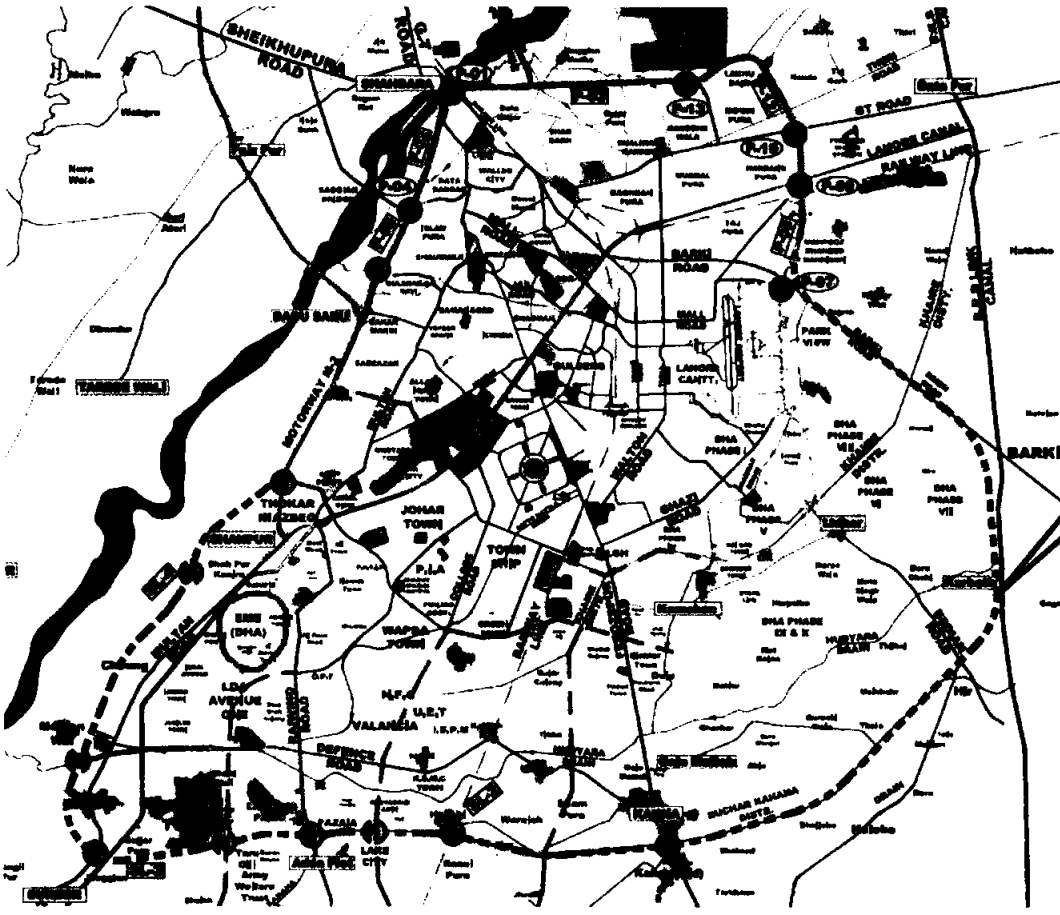
**Location of the Licensee/ Defence Housing Authority Lahore
Phase-XII (EME Sector) on the Map of the Province of Punjab**



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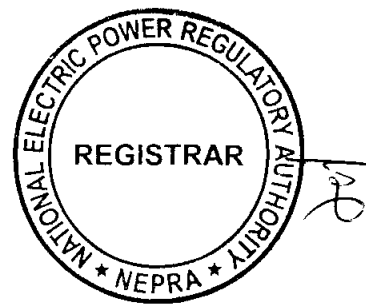
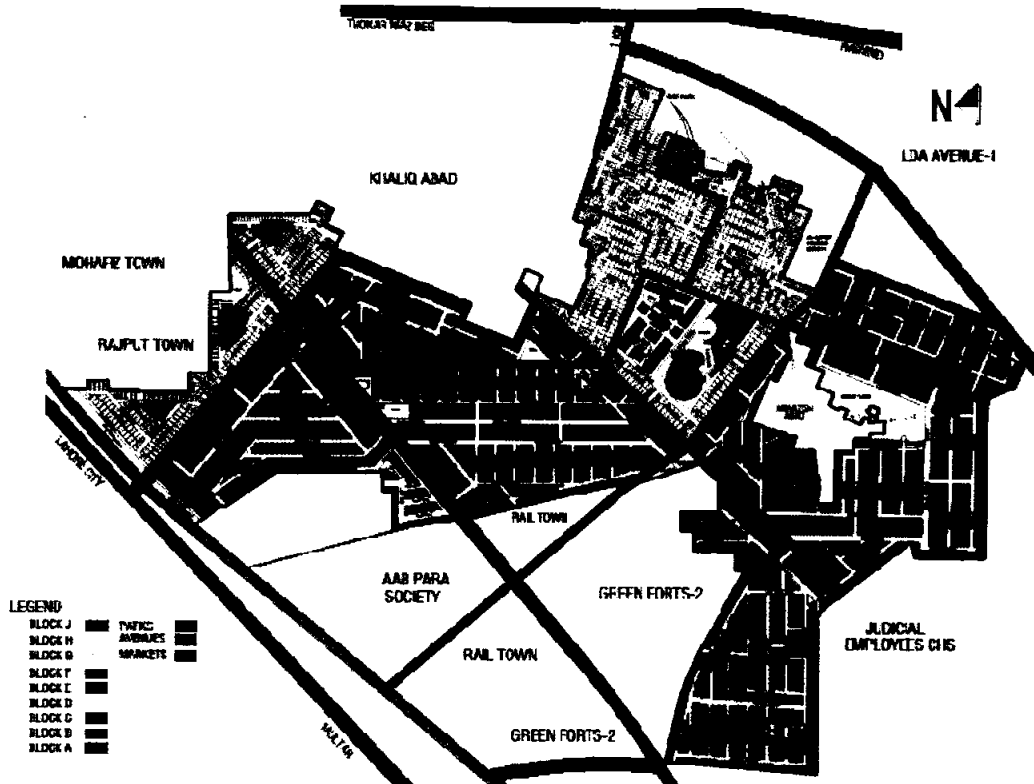
Distribution Licence
For Defence Housing Authority Lahore
Phase-XII (EME Sector)
14-KM, Multan Road, Thokar Niaz Baig
Lahore, in the province of Punjab

**Location of the Licensee/Defence Housing Authority Lahore
Phase-XII (EME Sector) on the Map of Lahore**



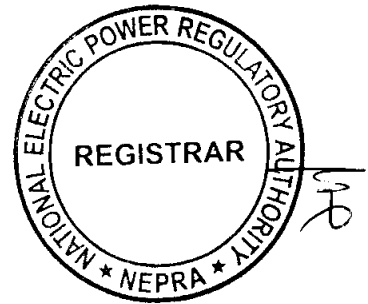
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**Territorial Map of the Distribution Facility of the Licensee/
Defence Housing Authority Lahore Phase-XII
(EME Sector)**



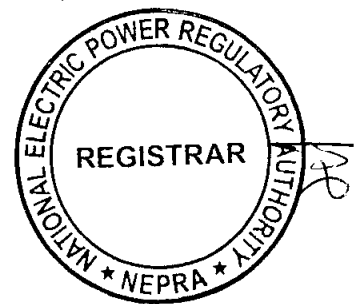
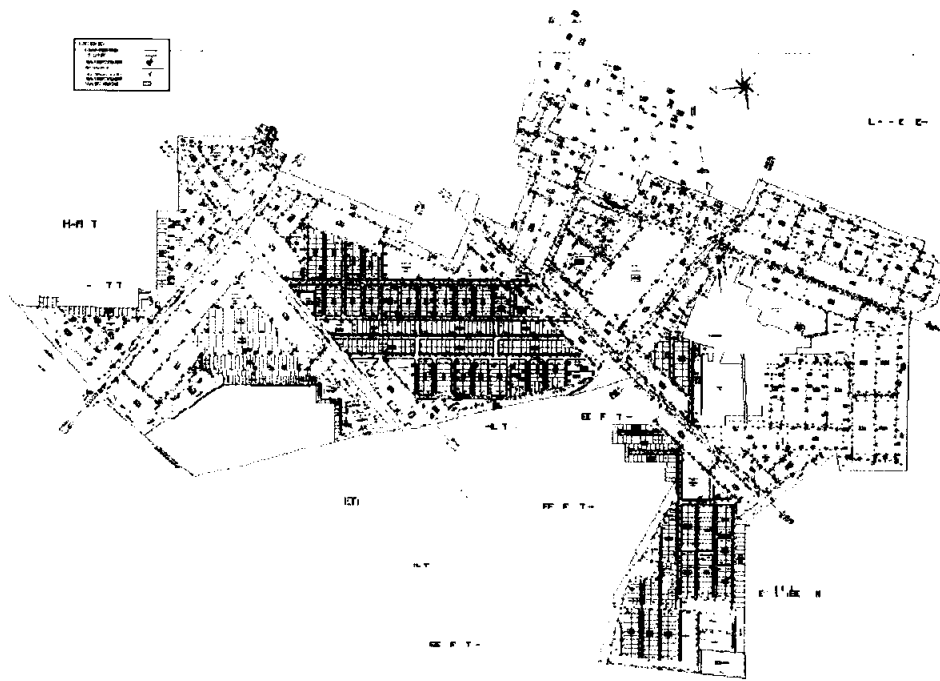
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[Feeder Map(s)]
of Distribution Facilities
of the Licensee/Defence Housing Authority Lahore Phase-XII
(EME Sector)



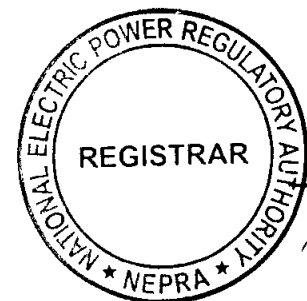
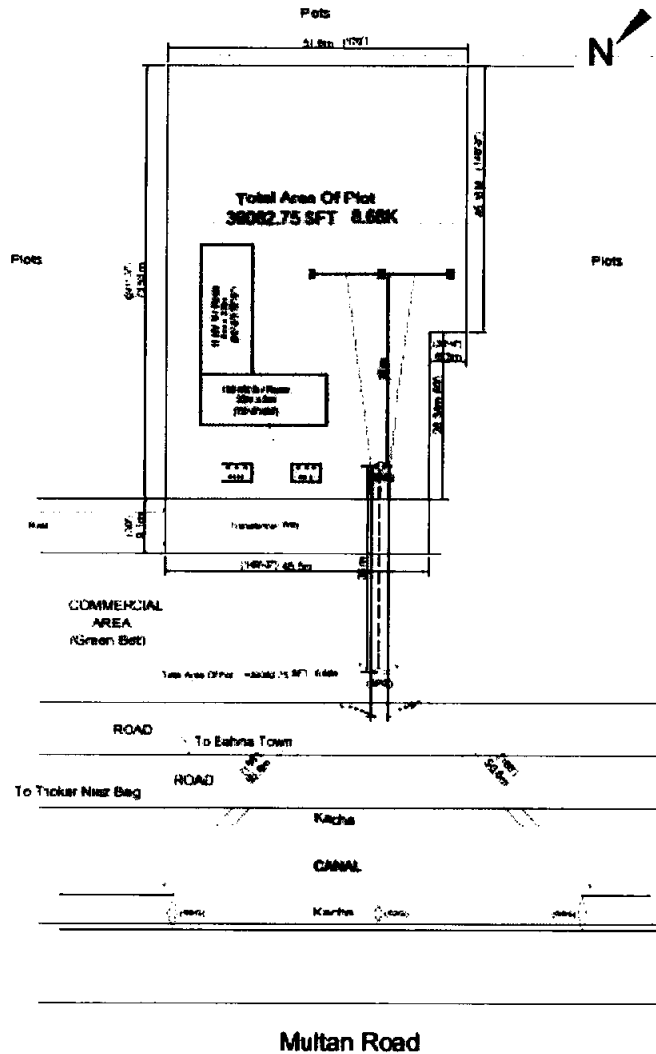
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**Feeders Lay out of the Distribution Facility of the Licensee/
Defence Housing Authority Lahore Phase-XII
(EME Sector)**



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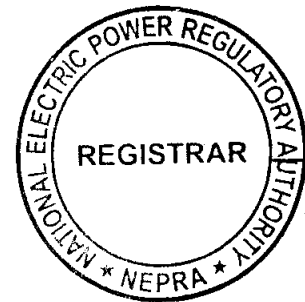
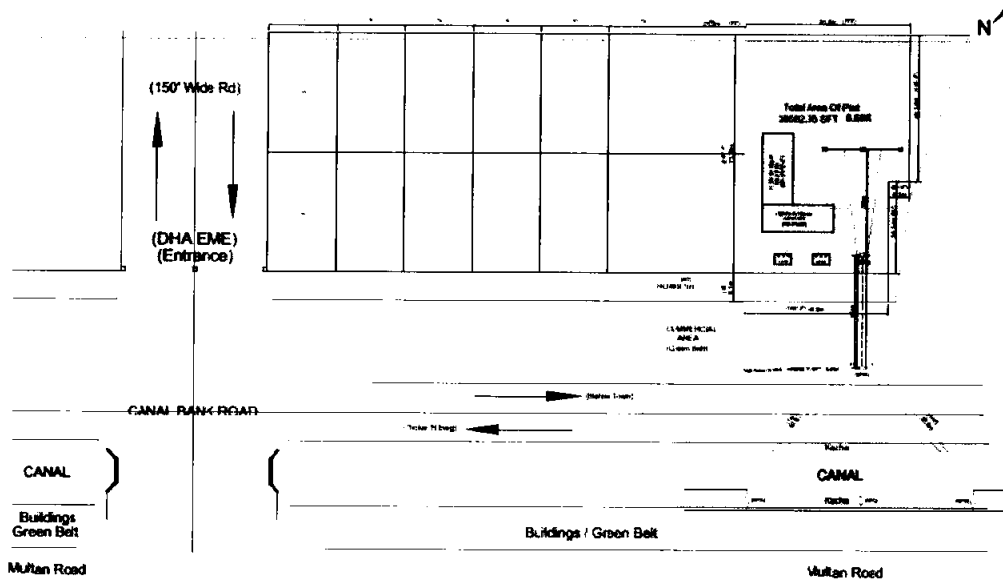
**General Layout of the Distribution Facility of the Licensee/
Defence Housing Authority Lahore Phase-XII
(EME Sector)**



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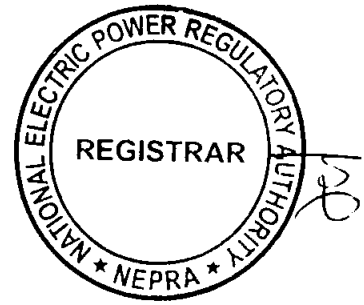
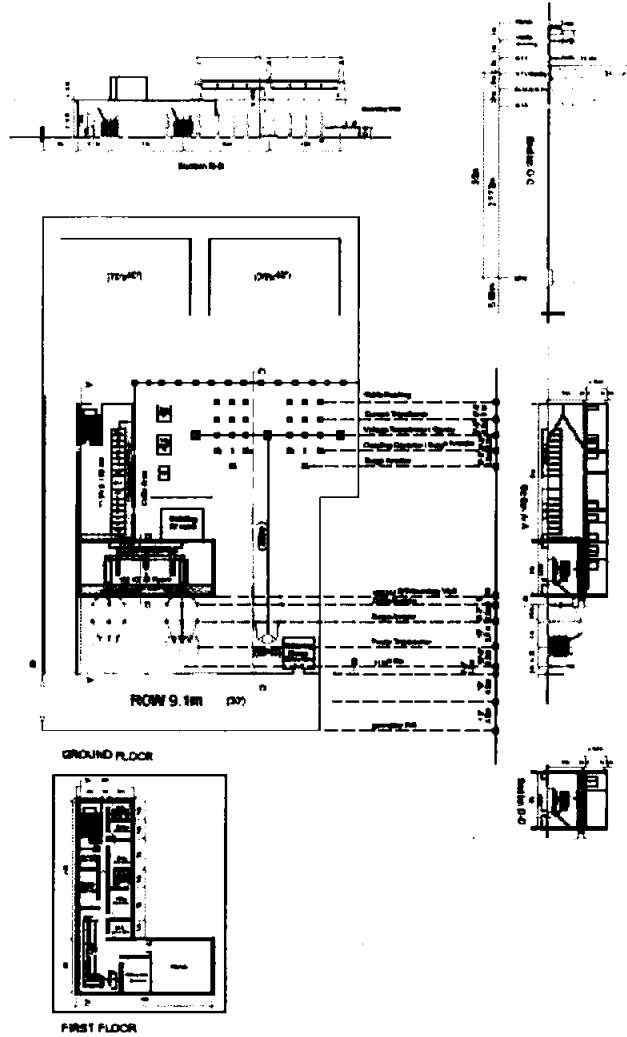
Distribution Licence
For Defence Housing Authority Lahore
Phase-XII (EME Sector)
14-KM, Multan Road, Thokar Niaz Baig
Lahore, in the province of Punjab

**Site Plan of the Distribution Facility of the Licensee/ Defence
Housing Authority Lahore Phase-XII
(EME Sector)**



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**Switchyard Layout of the Proposed Grid Station of the
Licensee/ Defence Housing Authority Lahore Phase-XII
(EME Sector)**

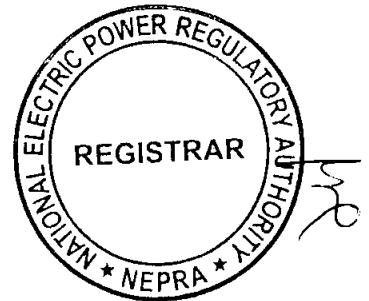


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SCHEDULE-II

The Details of the Distribution Facilities [including length of feeder(s), feeder type (underground/overhead)] and other specific details pertaining to the Distribution System linked with the Licensee/Defence Housing Authority Lahore Phase-XII (EME Sector)



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DETAILS OF DISTRIBUTION SYSTEM

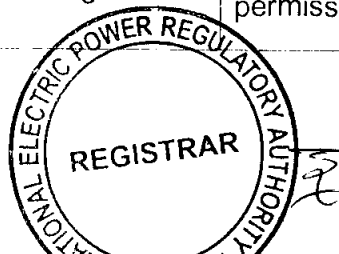
A. General Information

(i).	Name of Company	Defence Housing Authority Lahore Phase-XII (EME Sector)
(ii).	Registered/Business Office of the Company	Sector-A, Commercial Area, Phase VI, Lahore Cantt Lahore
(iii).	Location of the Distribution Facilities	14-KM, Multan Road, Thokar Niaz Baig, Lahore

B. Distribution Network System

(a). Block-A,B,C,D,E,F,G,H &J

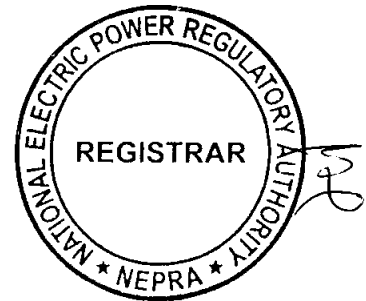
(i).	Type of Distribution System (Over Head Lines/Underground Cables)	Over Head Lines	
(ii).	Voltage level	11 KV	
(iii).	Type of HT Conductor	Osprey/DOG	
(iv).	Type of LT Conductor	Wasp/Ant	
(v).	No. of Feeders (Over head)	Six (06)	
(vi).	Length of each Feeder	Feeder No.	Length in KM
		1	5.4
		2	7.24
		3	6.38
		4	1.15
		5	6.93
(vii).	Regulation	Voltage Level	11 KV/400V/220 V with permissible Limit of $\pm 2.5\%$



		Frequency Level	50 Hz \pm 3%
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(b). Block-J (Commercial) & D (Extension)

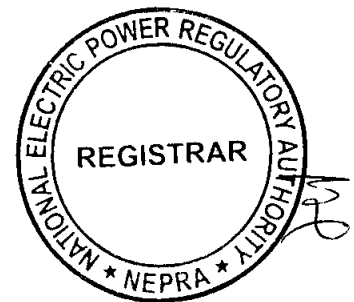
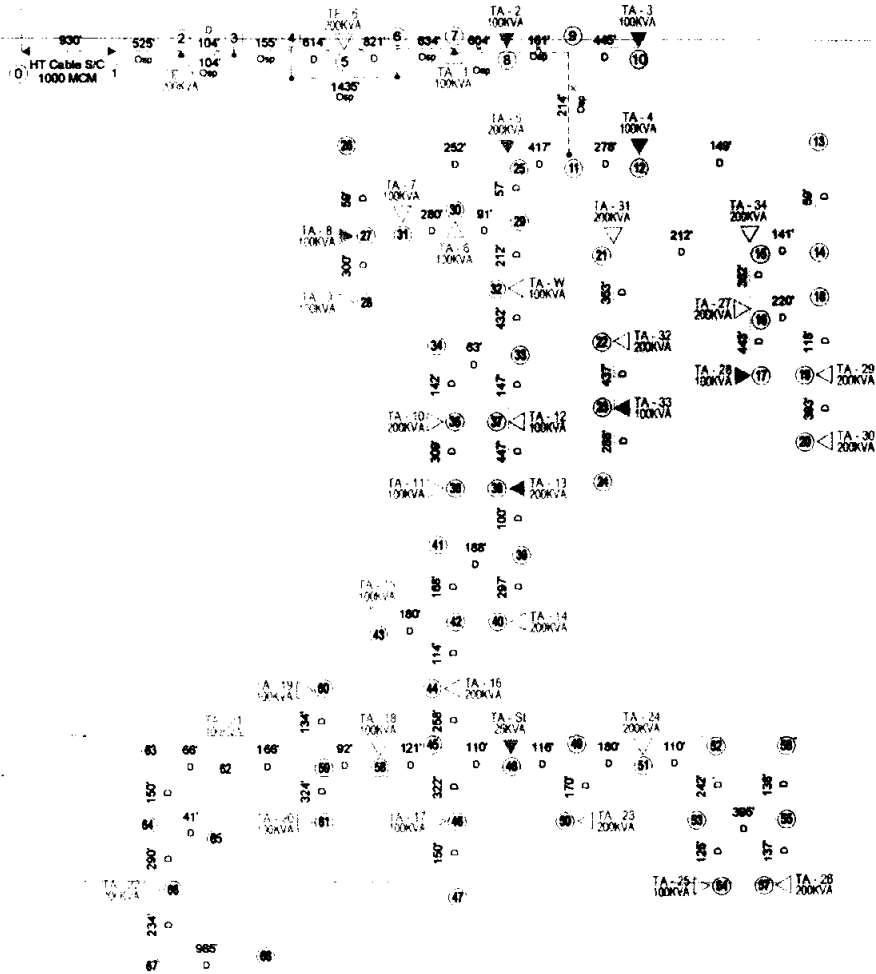
(i).	Type of Distribution System (Over Head Lines/Underground Cables)	Under Ground Cable	
(ii).	Voltage level	11 KV	
(iii).	Type of HT Cable	500 mm ² S/C AL/XLPE/AWA/PVC/PVC Cable	
(iv)	Type of LT Cable	300 mm ² 4-core AL PVC/PVC Cable, 185 mm ² 4-core AL PVC/PVC Cable	
(v).	No. of Feeders/Cables	Two (02)	
(vi).	Length of each Feeder/ Cable	Feeder No.	Length in KM
		7	2.1
		8	1.5
(vii).	Regulation	Voltage Level	11 KV/400V/220 with permissible Limit of \pm 2.5%
		Frequency Level	50 Hz \pm 3%



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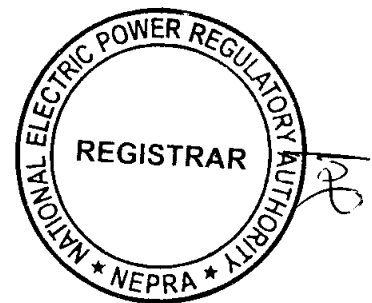
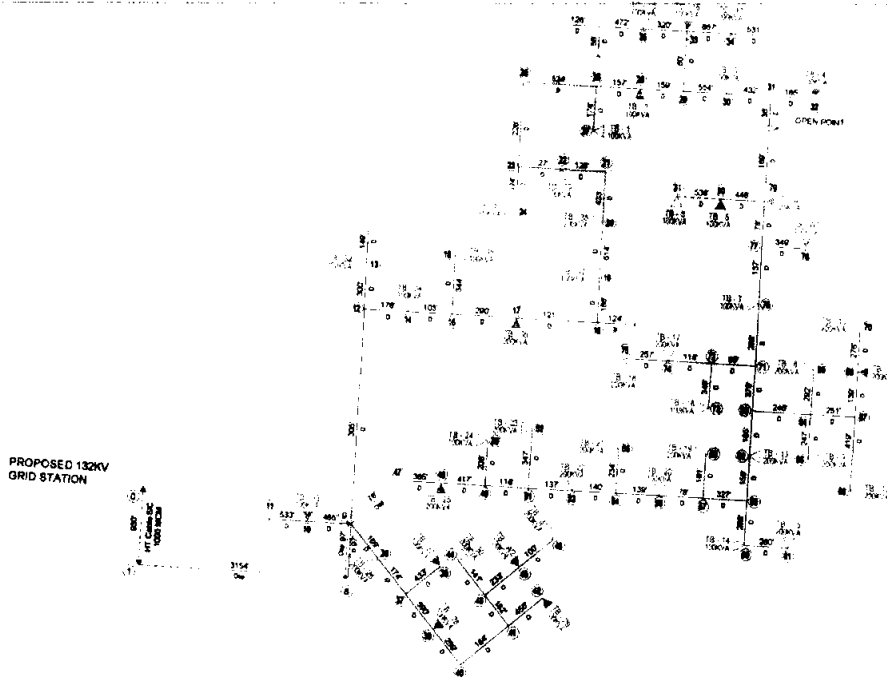
**Feeder No.1 Single Line Diagram of the Distribution Facility of
the Licensee/ Defence Housing Authority Lahore Phase-XII
(EME Sector)**

PROPOSED 132KV
GRID STATION



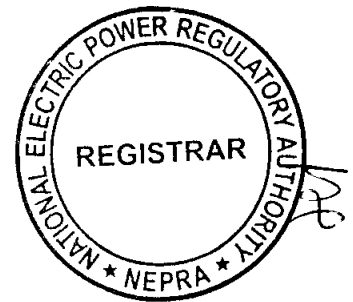
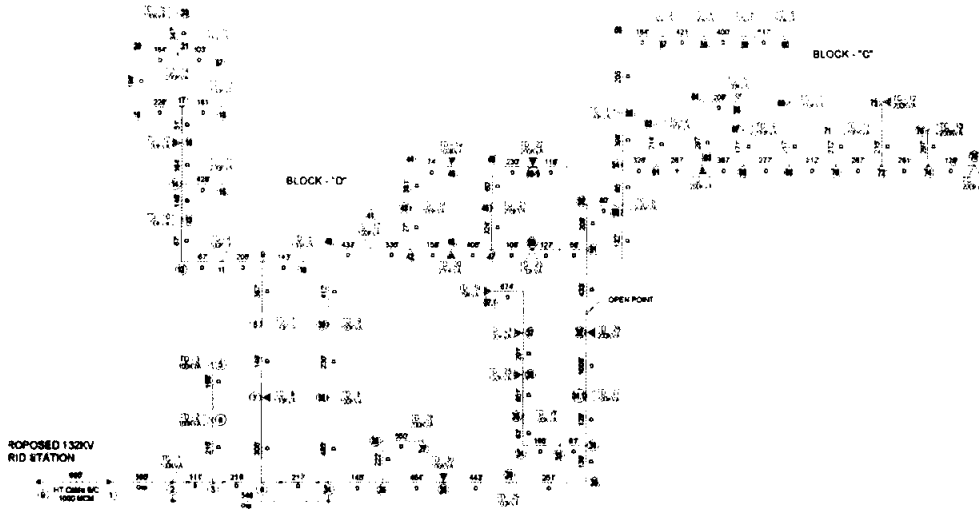
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**Feeder No.2 Single Line Diagram of the Distribution Facility of
the Licensee/ Defence Housing Authority Lahore Phase-XII
(EME Sector)**



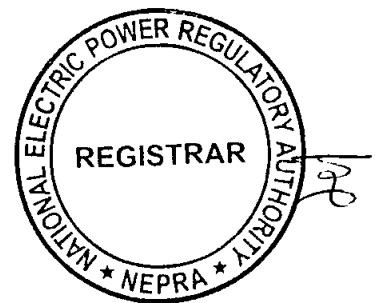
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**Feeder No.3 Single Line Diagram of the Distribution Facility of
the Licensee/ Defence Housing Authority Lahore Phase-XII
(EME Sector)**



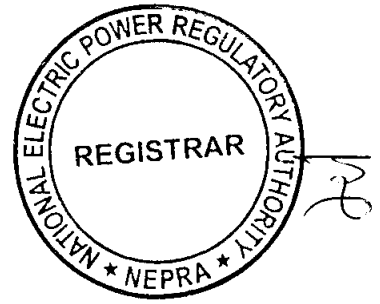
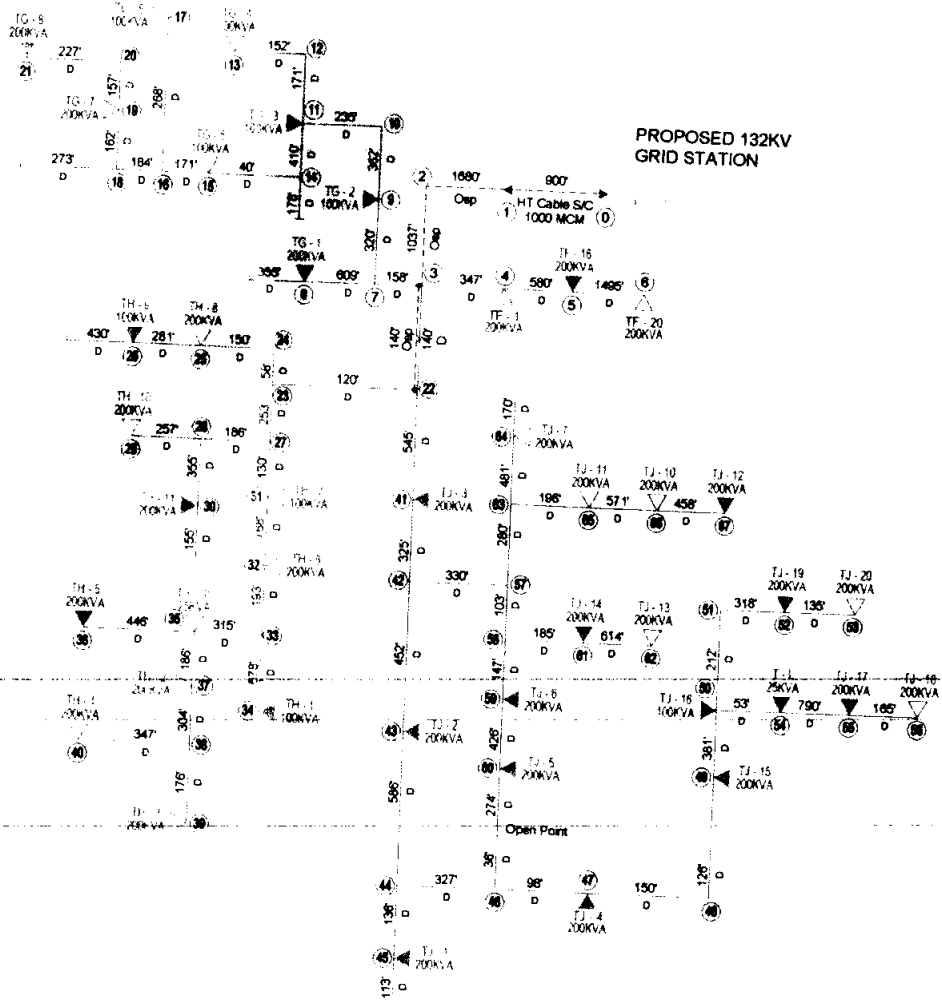
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**Feeder No.5 Single Line Diagram of the Distribution Facility of
the Licensee/ Defence Housing Authority Lahore Phase-XII
(EME Sector)**



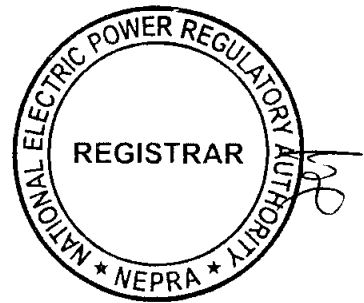
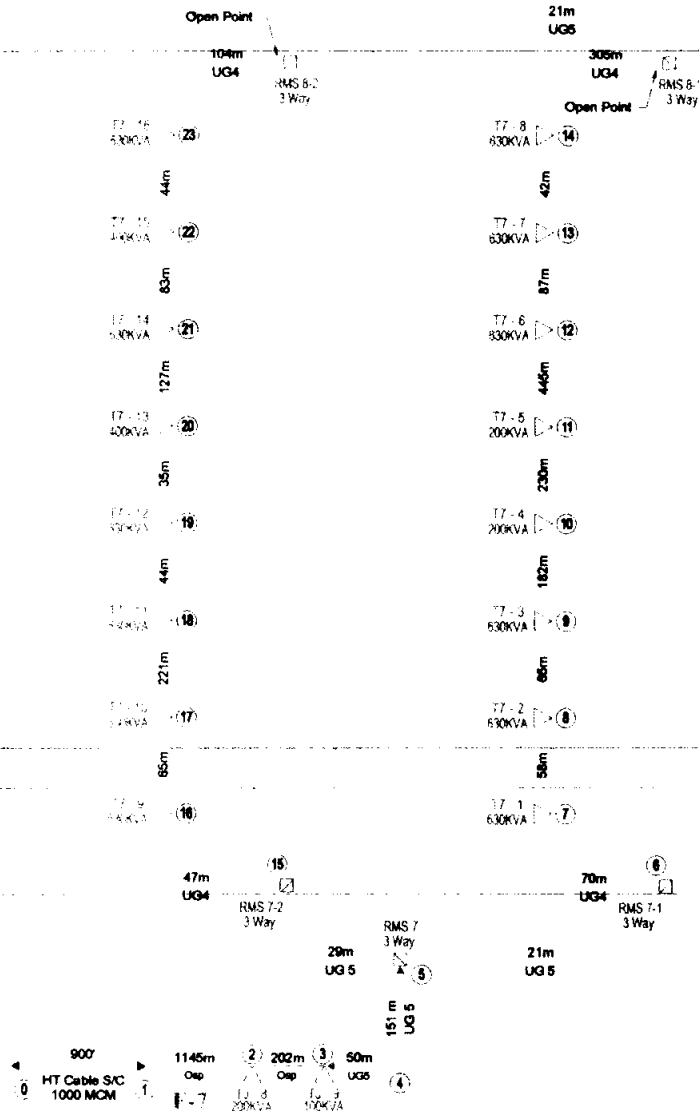
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**Feeder No.6 Single Line Diagram of the Distribution Facility of
the Licensee/ Defence Housing Authority Lahore Phase-XII
(EME Sector)**



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**Feeder No.7 Single Line Diagram of the Distribution Facility of
 the Licensee/ Defence Housing Authority Lahore Phase-XII
 (EME Sector)**



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