



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/DG(Lic)/LAD-07/6992-704

May 23, 2025

**Chief Executive Officer**  
Peshawar Electric Supply Company  
Shami Road, Peshawar

**Subject: Modification in Distribution Licence No. DL/07/2023**  
**Licence Application No. LAD-07**  
**Peshawar Electric Supply Company Limited**

*Reference: PESCO's LPM submitted vide letter No. PESCO/CEO/DG MIRAD/1491-93 dated 13.09.2024*

It is intimated that the Authority has approved Modification-I in Distribution Licence No. DL/07/2023 dated May 09, 2023 of Peshawar Electric Supply Company Limited (PESCO) pursuant to Section 26 of the NEPRA Act read with Regulation 10 of the NEPRA Licensing Regulations.

2. Enclosed please find herewith Determination of the Authority in the matter of Licensee Proposed Modification of PESCO alongwith Modification-I in the Distribution Licence No. DL/07/2023, approved by the Authority.

**Enclosure: As Above**

  
(Wasim Anwar Bhinder)

**Copy to:**

1. Secretary, Power Division, Ministry of Energy, 'A' Block, Pak Secretariat, Islamabad
2. Secretary, Ministry of Planning & Development, Government of Pakistan, 'P' Block, Pak Secretariat, Islamabad
3. Secretary, Ministry of Finance, Government of Pakistan, 'Q' Block, Pak Secretariat, Islamabad
4. Secretary, Energy Department, Government of Punjab, EFU House, 8th Floor, 6-D Jail Road, Lahore
5. Secretary, Energy Department, Government of Sindh, State Life Building -3, Dr. Zia-ud-din Ahmed Road, Karachi
6. Secretary, Energy & Power Department, Government of Khyber Pakhtunkhwa, Block-A, 1<sup>st</sup> Floor, Abdul Wali Khan Multiplex, Civil Secretariat, Peshawar.
7. Secretary, Energy Department, Government of Balochistan, Block-1, Balochistan Civil Secretariat, Zarghoon Road, Quetta
8. Managing Director, National Transmission & Despatch Co. 414-WAPDA House, Shahrah-e-Quaid-e-Azam, Lahore
9. CEO, Central Power Purchasing Agency (Guarantee) Ltd, 73 East, A.K.Fazl-ul-Haq Road, Blue Area, Islamabad
10. Managing Director, Private Power & Infrastructure Board (PPIB), Ground & 2nd Floors, Emigration Tower, Plot No. 10, Mauve Area, Sector G-8/1, Islamabad
11. CEO, Independent System and Market Operator of Pakistan (Guarantee) Limited (ISMO), Faiz Ahmed Faiz Road, H-8/1, Islamabad

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| 12. Chief Executive Officer<br>Lahore Electric Supply Company (LESCO)<br>22-A, Queen Road, Lahore  | 13. Chief Executive Officer<br>Gujranwala Electric Power Company (GEPCO)<br>565/A, Model Town, G.T Road, Gujranwala                    |
| 14. Chief Executive Officer<br>Multan Electric Power Company (MEPCO)<br>NTDC Colony, Khanewal Road, Multan   | 15. Chief Executive Officer<br>Islamabad Electric Supply Company (IESCO)<br>Street 40, Sector G-7/4, Islamabad                         |
| 16. Chief Executive Officer<br>K Electric Limited (KEL)<br>KE House, 39 B<br>Main Sunset Boulevard, DHA Phase-II, Karachi  | 17. Chief Executive Officer<br>Quetta Electric Supply Company (QESCO)<br>Zarghoon Road, Quetta   |
| 18. Chief Executive Officer<br>Tribal Areas Electricity Supply Company<br>213-NTDC House<br>Shami Road, Peshawar   | 19. Chief Executive Officer<br>Faisalabad Electric Supply Company (FESCO)<br>Abdullahpur, Canal Bank Road,<br>Faisalabad               |
| 20. Chief Executive Officer<br>Sukkur Electric Supply Company (SEPCO)<br>Old Thermal Power Station, Sukkur   | 21. Chief Executive Officer<br>Hyderabad Electric Supply Company (HESCO)<br>HESCO Headquarter<br>WAPDA Complex, Hussainabad, Hyderabad |
| 22. Chief Executive Officer<br>Hazara Electric Supply Company Limited<br>Hazeco Head Office, Gulistan Colony<br>Opposite Govt. Post-Graduate College No. 1, Abbottabad |  |

**National Electric Power Regulatory Authority**  
**(NEPRA)**

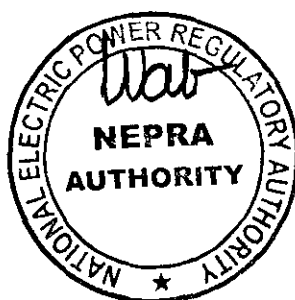
**Determination of Authority in the Matter of**  
**Licensee Proposed Modification in the Distribution Licence of**  
**Peshawar Electric Supply Company Limited**

**May 23, 2025**  
**Application No. LAD-07**

The Authority in terms of Section-20 and 21 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the "NEPRA Act") granted a Distribution Licence No. DL/07/2023, dated May 09, 2023, to Peshawar Electric Supply Company Limited (PESCO) for providing distribution services in the whole province of Khyber Pakhtunkhwa (KP), except the areas served by Tribal Area Electric Supply Company Limited.

(2). In accordance with Regulation-10 of the NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021 (the "Licensing Regulations"), PESCO communicated a Licensee Proposed Modification (LPM) on September 19, 2024. In the text of the "Proposed Modification", PESCO proposed to modify its above licence by excluding the districts of Abbottabad, Haripur, Mansehra, Battagram and Torghar in the province of KP and entrusting the same to newly incorporated entity/company in the name of Hazara Electric Supply Company Limited (HAZEKO). The scheme of bifurcation of PESCO and HAZEKO included the division of Human Resources, Technical Resources, Financial Resources, including debt and liabilities and division of legal cases, etc.

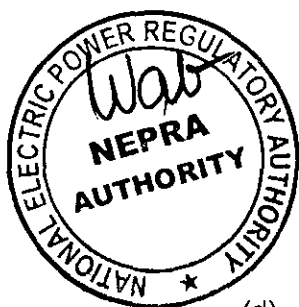
(3). Regarding "Statement of the Reasons in Support of the Modification", PESCO, inter alia, stated that the Federal Government has approved its bifurcation to establish a new company by the name of HAZEKO to take over its distribution and supply business in the Hazara-I and Hazara-II circles therefore, its distribution licence needs to be modified to carve out the proposed service territory of HAZEKO. About the statement of impact if any of the proposed modification on the "Tariff", "Quality of Service (QoS)" or the "Fulfilment of Licence Obligations", PESCO submitted that the modification in the distribution licence shall have no effect on its tariff, quality of service, and its ability to fulfill its obligations under the distribution licence.



(4). After completion of all the required information as stipulated under the Regulation-10(1) and 10(2) of the Licensing Regulations, the communicated LPM was published in one (01) English and one (01) Urdu daily newspaper on November 07 2024, informing the general public, interested/affected parties and other stakeholders about the said LPM as required under the Regulation-10(3) of the Licensing Regulations. Further, the Authority also invited comments of the relevant Govt. Ministries, their attached Departments, representative organizations and individual experts etc. for the assistance by sending separate letters to the said stakeholders on November 07, 2024, in favor or against the communicated LPM.

(5). In response to the above, the Authority received comments from five (05) stakeholders including Mr. Muhammad Idrees (the Chairman Standing Committee on Energy Power Division), Board of Investment (BoI), Tanawel Law Associates (TLA), Faisalabad Electric Supply Company Limited (FESCO) and Energy Department Govt. of Punjab (EDGoPb) as detailed below:-

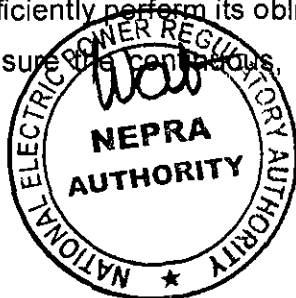
- (a). The Chairman Standing Committee submitted that the districts of upper and lower Kohitsan, Kolai Pallas also fall in Hazara Division, and the same have not been included in the jurisdiction of HAZECO therefore, the modification may be postponed till further notification in the matter;
- (b). BoI did not express any reservations about the proposed modification in the distribution licence of PESCO;
- (c). TLA stated that the districts of Kohistan geographically and administratively are in alignment with the Hazara Division and it will be more feasible to manage and improve its efficiency for provisions of better services to consumers therefore, LPM may be approved but it may also include the other districts of Kohitan as suggested by the standing committee;
- (d). FESCO expressed its no reservation on the submitted LPM being a policy matter of the Federal Govt. ; and
- (e). EDGoPb remarked that the proposed modification may be allowed after due diligence on its impact on the consumer end tariff, particularly the uniform regime of tariff.



(6). The Authority considered the above comments of stakeholders and in view of the observations made, decided to seek rejoinder from PESCO. On the observations of the Chairman Standing Committee, PESCO submitted an addendum on January 28, 2025, to its original LPM, requesting to also exclude the districts of Upper and Lower Kohistan and Kolai Pallas from its Service Territory. On the observations of EDGoPb, PESCO submitted that the LPM will not have any adverse impact on the consumer end tariff, particularly on the uniform regime of tariff. In view of the submissions of PESCO, the Authority decided to publish an addendum to the original notice of LPM, which appeared in the press on February 27, 2025. In response to the above, one (01) more stakeholder i.e. Hattar Industrialists Association (HIA) submitted its comments supporting the submitted LPM, addendum to LPM for excluding the Upper Kohistan, Lower Kohistan and Kolai Pallas from the service territory of PESCO and including them in the service territory of the newly incorporated DISCO/HAZECO.

(7). The Authority examined the entire case in detail, including the already granted distribution licence to PESCO, the communicated LPM, addendum of PESCO, comments of stakeholders and provisions of the NEPRA Act, relevant rules and regulations. The Authority has observed that PESCO was granted a Distribution Licence No. DL/07/2023, on May 09, 2023, for providing distribution services in the districts of Khyber, Sawabi, Swat, Mardan, Bannu, DI Khan, Peshawar, Charsadda, Nowshera, Tank, Karak, Lakki Marawat, Hangu, Kohat, Buner, Upper and Lower Dir, Shangla, Upper and Lower Chitral, Malakand, Abbottabad, Haripur, Mansehra, Battagram, Torghar, Upper and Lower Kohistan and Kolai Pallas. Now, PESCO has communicated LPM for exclusion of districts of Abbottabad, Haripur, Mansehra, Battagram, Torghar, Upper and Lower Kohistan and Kolai Pallas from its service territory for entrusting the same to HAZECO for providing the required services.

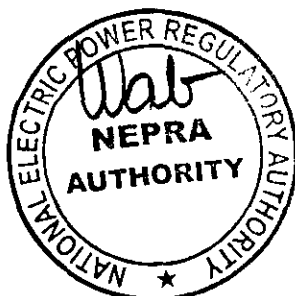
(8). In terms Section-26 of the NEPRA Act read with Regulation-9(2) of the Licensing Regulations, the Authority is empowered to modify an existing licence of a licensee subject to and in accordance with such further changes as the Authority may deem fit, if in the opinion of the Authority such modification (a). does not adversely affect the performance by the licensee of its obligations; (b). does not cause the Authority to act or acquiesce in any act or omission of the licensee in a manner contrary to the provisions of the NEPRA Act or the rules or regulations made pursuant to it; (c). is or is likely to be beneficial to the consumers; (d). is reasonably necessary for the licensee to effectively and efficiently perform its obligations under the licence; and (e). is reasonably necessary to ensure the continuous, safe and reliable supply of electric



power to the consumers keeping in view the financial and technical viability of the Licensee.

(9). The Authority considers that the proposed LPM which is meant to exclude the above districts will not have any adverse impact on the performance of the licensee of its obligations under its distribution licence as HAZECO will assume the responsibility to provide the required service. Further, the LPM will not cause the Authority to act or acquiesce in any act or omission of the licensee in a manner contrary to the provisions of the NEPRA Act or the rules or regulations made pursuant to it. The LPM is likely to be beneficial to the consumers considering the fact that the aforementioned areas will now be served by HAZECO, making the service territory of PESCO better manageable. Moreover, the LPM is reasonably necessary for the licensee to effectively and efficiently perform its obligations under the licence and is reasonably necessary to ensure the continuous, safe and reliable supply of electric power to the consumers, keeping in view the financial and technical viability of the licensee. In view of the above, the Authority is satisfied that the Licensee has complied with all the requirements of the Licensing Regulations pertaining to the modification. Therefore, it has a case for modification in terms of Section-26 of the NEPRA Act read with Regulation-10 of the Licensing Regulations.


(10). It is pertinent to mention that earlier, the Authority had granted PESCO a Distribution Licence No. DL/07/2023 dated May 09, 2023, setting out various terms and conditions as given in its Articles of its Licence. Later on, Govt. of Pakistan notified the Eligibility Criteria (Distribution Licences) Rules, 2023 (the "Eligibility Criteria Rules"), and subsequently, different DISCO(s) pointed out certain inconsistencies in the terms and conditions of the distribution licence and accordingly filed review motions. The Authority considered the same and has decided to amend the Articles inconsistent with the Eligibility Criteria Rules. In order to have uniformity/consistency in the terms and conditions of the distribution licences, the Authority hereby approves the communicated LPM of PESCO not only to amend the Service Territory as explained above by excluding the areas to be served by HAZECO but also the terms and conditions of its various Articles i.e. with changes as stipulated in Regulation 10(4) of the Licensing Regulations.



(11). The changes made in the Distribution Licence are attached as annexure to this determination pertaining to the LPM of PESCO. The approval of the LPM is subject to the provisions contained in the NEPRA Act, relevant rules framed thereunder, terms & conditions of the distribution Licence, and other applicable documents.

**Authority:**

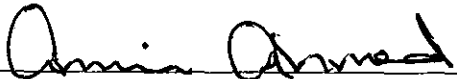
Maqsood Anwar Khan  
(Member)



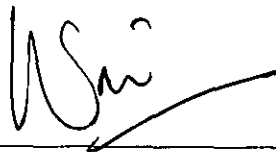
Rafique Ahmed Shaikh  
(Member)

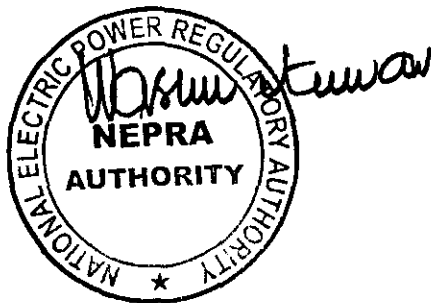


Amina Ahmed  
(Member)



Waseem Mukhtar  
(Chairman)







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

**DISTRIBUTION LICENCE**

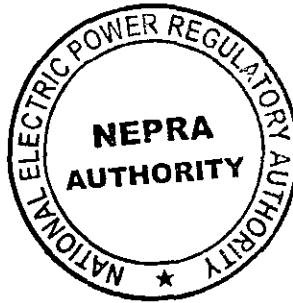
**No. DL/07/2023**

In exercise of the Powers conferred upon under Section-26 of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997, the Authority hereby modifies the Distribution Licence No. DL/07/2023 dated May 09, 2023, granted to Peshawar Electric Supply Company Limited (PESCO) to the extent of changes mentioned as hereunder:-

- (a). Changes in **Articles of the Distribution Licence** attached as Revised/Modified Articles of the Distribution Licence;
- (b). Changes in **Schedule-I** attached as Revised/Modified Schedule-I;
- (c). Changes in **Schedule-II** attached as Revised/Modified Schedule-II.

This Modification-I is Given under my hand on 23rd day of May Two Thousand & Twenty-Five.

Wasim Khan  
Registrar



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**Article-1**  
**Definitions**

**1.1** In this Licence, unless there is anything repugnant in the subject or context,

- (a). "Act" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (Act No. XL of 1997), as amended from time to time;
- (b). "Applicable Documents" means the rules, regulations, terms and conditions of any licence, registration, authorization, determination, any codes, manuals, directions, guidelines, orders, notifications, agreements and documents issued or approved under the Act;
- (c). "Applicable Law" means the Act and the Applicable Documents;
- (d). "Authority" means the National Electric Power Regulatory Authority constituted under Section 3 of the Act;
- (e). "Commercial Code" or "Market Commercial Code" means the commercial code prepared and maintained by the Market Operator pursuant to Sections 23A and 23B of the Act as amended from time to time and approved by the Authority;
- (f). "Competitive Trading Bilateral Contract Market" or "CTBCM" means electric power market established in accordance with the high-level and detailed designs approved by the Authority vide its determinations dated 5<sup>th</sup> day of December 2019 and 12<sup>th</sup> day of November 2020 as may be amended by the Authority from time to time;
- (g). "Connection Charges" means the charges made or levied or to be made or levied by the distribution licensee for carrying out works, provisions and installation of electrical facilities, meters, electric lines and circuits, and ancillary Distribution System, together with charges in respect of maintenance and repair of such items in so far as not otherwise recoverable as Use of System Charges, and in respect of disconnection and the removal of electrical facilities, electric lines and circuits, and ancillary meters following disconnection, or such other charges as may



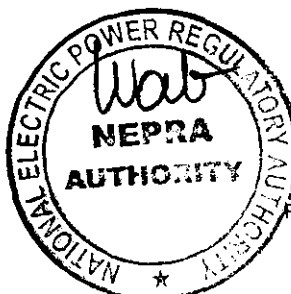
be determined by the Authority from time to time;

- (h). "Consumer Eligibility Criteria" means the National Electric Power Regulatory Authority Consumer Eligibility Criteria (Distribution Licensees) Regulations, 2022 as amended or replaced from time to time;
- (i). "Distribution Business" means the business of distribution of electric power services being carried on or to be carried on by the Licensee pursuant to and in accordance with the terms and conditions of this Licence and other Applicable Documents;
- (j). "Distribution Code" means the code prepared by the Licensee and approved by the Authority, which defines the technical and operational standards and procedures for the distribution licensees and all those connected to the Distribution System of the Licensee as specified in the Distribution Regulations;
- (k). "Distribution Facilities" means electrical facilities operating at the Distribution Voltage and used for the movement or delivery of electric power;
- (l). "Distribution Regulations" means the National Electric Power Regulatory Authority Licensing (Distribution) Regulations, 2022, as amended from time to time;
- (m). "Distribution Service Manual" means the manual of instructions developed by the Licensee and approved by the Authority detailing instructions and guidance to the persons connected or to be connected to the Distribution System of the Licensee as described in the Distribution Regulations;
- (n). "Distribution Services" means planning, expansion, up-gradation, rehabilitation, reinforcement, operation and maintenance of the Distribution System by the Licensee to deliver and transfer electric power to or for the persons connected with its Distribution System within its Service Territory in an efficient, reliable and non-discriminatory manner and in accordance with Performance Standards, including providing cost-

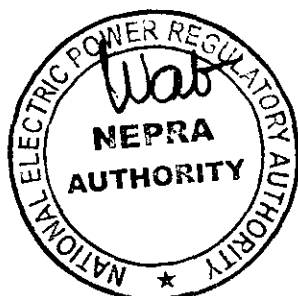


effective distribution connection services and non-discriminatory Open Access to its Distribution System to the eligible consumers, licensees, captive generating plants and generation companies subject to, the applicable charges including but not limited to payment of connection charges, Use of System Charges or any such other charges as may be determined by the Authority from time to time;

- (o). "Distribution System" includes the Distribution Facilities and electric lines or circuits, meters, interconnection facilities or other facilities operating at the Distribution Voltage, and shall also include any other electric lines, circuits, transformers, sub-stations, interconnection facilities or other facilities determined by the Authority as forming part of the Distribution System, whether or not operating at the Distribution Voltage;
- (p). "Distribution Voltage" means any voltage below the minimum transmission voltage as defined in the Act;
- (q). "Eligibility Criteria Rules" means the Eligibility Criteria Distribution Licences) Rules, 2023, as amended from time to time;
- (r). "Entities" means Housing Colonies/Societies, Industrial Estates, Special Economic Zones, Shopping Malls, Plazas, Complexes or High-Rise Buildings, which have already laid Distribution Facilities for providing distribution services within the area owned or administered by them;
- (s). "Grid Code" means the code prepared by the system operator licensee under Section 23H of the Act and approved by the Authority;
- (t). "Investment Programme" or "Distribution Investment Plan" means the investment programme of the Licensee prepared in accordance with the Distribution Regulations, Distribution Code or any other Applicable Documents;
- (u). "Licence" means this licence granted to the Licensee under Sections 20 and 21 of the Act;



- (v). "Licensee" means **Peshawar Electric Supply Company Limited (PESCO)** or its successors or permitted assigns;
- (w). "Licensing Regulations" mean the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021 as amended or replaced from time to time;
- (x). "National Grid Company" means the person engaged in the transmission of electric power and granted a licence under Section 17 of the Act;
- (y). "Net Metering Regulations" means the National Electric Power Regulatory Authority (Alternative & Renewable Energy) Distributed Generation and Net Metering Regulations, 2015, as amended or replaced from time to time;
- (z). "Open Access" means the access to the Licensee's network system or its associated facilities for movement and delivery of electric power, subject to the terms and conditions as provided in the Act, the NEPRA Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022 and use of system agreement, on non-discriminatory basis to (i). an electric power supplier for supply of electric power to its consumers or (ii). a captive generating plant for delivery of the electric power from generation facility to the destination of its use or (iii). any other person, including a licensee for delivery of electric power from a designated place to another designated place;
- (aa). "Performance Standards" means relevant applicable standards for Distribution Services as specified by the Authority and as amended or replaced from time to time;
- (bb). "Power Safety Code" means the NEPRA Power Safety Code for Licensees, 2021 approved by the Authority as amended or replaced from time to time;



(cc). "Service Territory" means the territory or area specified in Schedule-I of this Licence within which the Licensee is authorized to carry out Distribution Business on a non-exclusive and non-discriminatory basis;

(dd). "Use of System Charges" shall include all charges related to use of distribution system, use of transmission system, system operator services, market operator services, metering service provider services and any other charges as determined by the Authority that may arise due to advent of the open access and market liberalization.

1.2 Words and expressions used but not defined herein shall have the same meanings as assigned to them in the Act, the Distribution Regulations or any other Applicable Documents.

## **Article-2** **Compliance with the Applicable Law**

2.1 The Licensee shall comply with the Applicable Law, as amended or replaced from time to time, while performing its functions as Licensee.

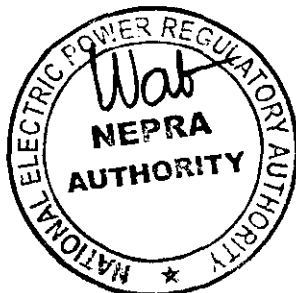
2.2 The Licensee shall be obligated to follow and comply with the Distribution Regulations in letter and spirit, as if all provisions of the said regulations are incorporated in the terms and conditions of this Licence.

## **Article-3** **Grant of Licence**

This Licence is granted to the Licensee to provide Distribution Services within its Service Territory, as provided in Schedule-I of this Licence on a non-discriminatory and non-exclusive basis, in accordance with the Act and relevant provisions of the Applicable Documents in a prudent, safe, reliable and efficient manner.

## **Article-4** **Licence Fee**

The Licensee shall pay to the Authority the licence fee in the amount, time and manner as specified in the National Electric Power Regulatory Authority (Fees) Regulations, 2021 as amended or replaced from time to time.



## **Article-5** **Term and Renewal**

5.1 This Licence is granted for a term of twenty (20) years from the date of its issuance and shall remain valid for such period, subject to compliance with the Act, rules, regulations and other Applicable Documents.

5.2 The Licensee shall submit, at least ninety (90) days before expiry of this Licence, an application to the Authority for renewal of the term of this Licence in accordance with the Act, rules and regulations as may be applicable at that time.

5.3 In the event the Authority decides to renew the Licence, the Authority may renew the same on such revised terms and conditions as it deems appropriate in accordance with the Act and Applicable Documents at the time of renewal of the Licence.

5.4 The Authority may renew or refuse an application for renewal of Licence after recording reasons in writing thereof.

## **Article-6** **Modification of Licence**

6.1 The Licensee may, at any time during the term of the Licence, submit to the Authority a Licensee Proposed Modification in accordance with Section 26 of the Act read with relevant provisions of the Licensing Regulations;

6.2 The Authority may, at any time during the term of the Licence, communicate to the Licensee an Authority Proposed Modification in accordance with Section 26 of the Act read with relevant provisions of the Licensing Regulations.

## **Article-7** **Transfer and Assignment of Licence**

7.1 The Licensee shall not, without the prior written approval of the Authority, surrender, assign or transfer the Licence to any person under the provisions of the Act;

7.2 The Licensee shall seek approval of the Authority for any surrender, assign or transfer of the Licence to any person at least ninety (90) days prior to the envisaged date of such transfer, assignment or surrender.



**Article-8**  
**Tariff**

**8.1** The Licensee shall charge a person availing Distribution Services, only such tariff including Use of System Charges or Connection Charges as determined and approved by the Authority from time to time.

**8.2** If the tariff is not already determined by the Authority at the time of issuance of this Licence, the Licensee shall, not later than thirty (30) days following the date of grant of the Licence file a petition before the Authority for determination of its tariff in accordance with the Applicable Documents.

**Article-9**  
**Obligation to Provide Open Access and Maintaining**  
**Quality of Services**

**9.1** The Licensee shall be obligated to provide Open Access to its Distribution System during the term of its Licence as mentioned in Article-5, within its Service Territory on a non-discriminatory basis and shall frame schemes in respect of the same.

**9.2** The Licensee shall comply with the applicable Performance Standards to ensure quality of Distribution Services by establishing and maintaining the standardized and non-discriminatory procedures for the timely provision of connections, Open Access, redressal of complaints, effective customer services and maintenance of Distribution System in accordance with provisions of the applicable rules, Distribution Regulations, Distribution Code, Grid Code and other Applicable Documents.

**Article-10**  
**Distribution Planning**

The Licensee shall ensure that its Distribution System is planned, designed, implemented, reinforced, expanded, maintained and operated in a manner that fully complies with the Distribution Regulations, quality of service and achieving distribution Performance Standards, in compliance with the Act, the Grid Code, the Distribution Code and other Applicable Documents.



**Article-11**  
**Investment Programme, Acquisition and Disposal of Assets**

**11.1** The Licensee shall develop and submit its five (05) years Investment Programme or Distribution Investment Plan to the Authority for its approval as stipulated in Section 32 of the Act, and in accordance with the Distribution Regulations and other Applicable Documents. The Licensee shall maintain and publicly make available the approved Investment Programme for satisfying its service obligations. The implementation status and any changes in the approved five (05) years Investment Programme shall be submitted to the Authority on an annual basis for its consideration and approval.

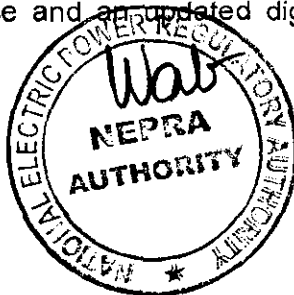
**11.2** The Licensee shall not, except under a prior authorization, acquire, whether on ownership basis, lease, hire-purchase, or any other mode of possession or use, any tangible or intangible asset of a nature or value inconsistent with or which is not expressly or by necessary implication stated in the Investment Programme of the Licensee and approved by the Authority in accordance with the Applicable Documents.

**11.3** The Licensee shall not sell, dispose of, encumber or otherwise transfer any asset unless such sale, disposal, encumbrance or transfer of assets is properly documented and done in a manner that ensures transparency, value for money and in accordance with the approved policy of the Board of Directors for this purpose. Any sale, disposal of assets, encumbrance etc. shall be properly reflected in its books of accounts and accounted for its tariff determination;

Provided that any proposed sale, disposal, encumbrance or transfer of assets amounting to more than ten percent (10%) of its total assets in a financial year shall require prior approval of the Authority.

**Article-12**  
**Obligation to Provide Digitized Plotting and**  
**Maintaining GIS Mapping**

**12.1** The Licensee shall maintain and provide to the Authority, a digitized Geographic Information System (GIS) mapping on annual basis of its Distribution System identifying each transformer, grid station, low tension and high-tension systems, etc. of the Distribution System as geospatial information within six (06) months of the issuance of this Licence and an updated digitized map every twelve (12) months





afterwards. The Licensee shall also on the first day of July of every year, provide to the Authority an updated map of its Distribution System, clearly demarcating the extensions, if any, made in the immediate preceding year.

**12.2** The map to be submitted under Article 12.1, shall be on a 1:50000 scale accurate map preferably prepared by the Survey of Pakistan, clearly demarcating the extensions made, if any, in the immediate preceding year.

**Article-13**  
**Distribution Service Manual**

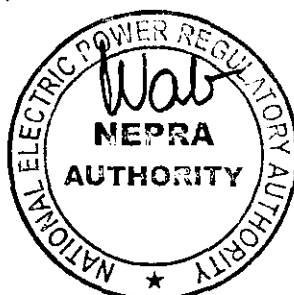
In accordance with Section 21 of the Act, read with the Distribution Regulations, within ninety (90) days of the issuance of this Licence, the Licensee shall submit its Distribution Service Manual for review and approval of the Authority.

**Article-14**  
**Obligations with Respect to CTBCM**

**14.1** The Licensee shall participate in the development of CTBCM 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 advancing a goal of market liberalization in a manner and time period specified by the Authority.

**14.2** The Licensee shall ensure that it enters into necessary agreements as may be required under the Grid Code, Market Commercial Code, Distribution Code or any other Applicable Documents. The Licensee shall carry out its obligations under these agreements in good faith and shall ensure non-discriminatory treatment to all electric power suppliers, consumers including bulk power consumers, generation companies and other licensees.

**14.3** The Licensee shall establish and maintain market implementation and regulatory affairs department which shall be appropriately staffed for dealing with market related agreements, planning, regulatory affairs, matters related to CTBCM implementation and operations or such other matters as may be directed by the Authority from time to time.



**14.4** The Licensee shall not indulge itself in discriminatory and anti-competitive practices and shall follow the directions of the Authority or Competition Commission of Pakistan in this regard.

**Article-15**  
**Net Metering**

**15.1** The Licensee shall ensure that it complies with the requirements and timelines specified in the Net Metering Regulations. Further, the Licensee shall submit periodic reports in such form and manner as may be required by the Authority with regard to compliance with the Net Metering Regulations. Subject to any further details required by the Authority, the Licensee shall submit a monthly report to the Authority specifying number of applications received along with the installed capacity, number of applications allowed along with the date of approval and status of installation of net metering facility, number of applications pending along with capacity thereof and reasons for delays, if any.

**15.2** The Licensee shall establish adequate processes, checks and balances that may be necessary to ensure unnecessary delays in processing of net metering facility applications filed under the Net Metering Regulations are avoided and any persons responsible for any delays in this regard are held accountable.

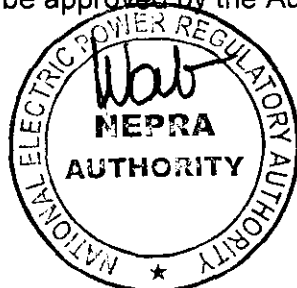
**Article-16**  
**Compliance with the Performance Standards**

The Licensee shall comply with the relevant Performance Standards as may be specified by the Authority, as amended or replaced from time to time.

Provided that till such time the Authority separately specifies Performance Standards for Distribution Licensees, the National Electric Power Regulatory Authority Performance Standards (Distribution) Rules, 2005 shall continue to be followed by the Licensee to the extent as may be applicable to the Distribution Business.

**Article-17**  
**Compliance with the Grid Code and Distribution Code**

The Licensee shall comply with the relevant provisions of the Grid Code and Distribution Code as may be approved by the Authority, as amended or replaced from time to time.



**Article-18**  
**Complaints and Dispute Resolution**

**18.1** The Licensee shall make available complaint-handling mechanism that provide consumers, electric power suppliers, other licensees and generation companies with expeditious, fair, transparent, in-expensive, accessible, speedy and effective dispute resolution related to Distribution Services in accordance with the Distribution Regulations and other Applicable Documents.

**18.2** The Licensee shall maintain daily, weekly, monthly, quarterly and yearly data of all the complaints received, resolved and pending with the Licensee for resolution. The Licensee shall submit an annual report to the Authority regarding the complaints received, resolved and pending thereof.

**18.3** The Licensee shall develop and maintain an online complaint handling and tracking system that shall be updated in real time to inform the complainant regarding current status of its complaint.

**Article-19**  
**Compliance with Health Safety and Environmental Standards**

The Licensee shall follow the standards laid down by the Authority for distribution and transmission of electric power, including health, safety, and environmental protection in accordance with the Power Safety Code and such other instructions as may be issued by any Federal or Provincial Agency.

**Article-20**  
**Investigation and Proceedings by the Authority**

**20.1** In case of any non-compliance with the terms and conditions of this Licence or Applicable Documents by the Licensee, the Authority may conduct investigation and proceedings in a manner as stipulated under Section 27A of the Act.

**20.2** Any fines or penalties imposed by the Authority under the Act and Applicable Documents, shall be promptly paid by the Licensee.



**Article-21**  
**Corporate Social Responsibility**

The Licensee shall comply with the NEPRA Social Investment Guidelines 2021, as may be amended from time to time and submit a report on its activities pertaining to Corporate Social Responsibility on an annual basis.

**Article-22**  
**Accounting Practices**

The Licensee shall maintain accounts in the manner laid down by the Authority in the National Electric Power Regulatory Authority (Uniform System of Accounts) Regulations, 2022, as well as in accordance with relevant provisions of the Distribution Regulations and other Applicable Documents.

**Article-23**  
**Maintenance of Record**

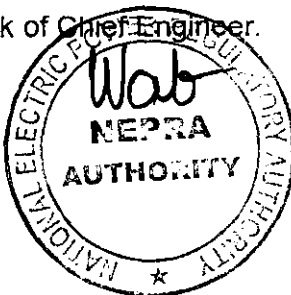
**23.1** The Licensee shall keep complete and accurate record and other data relating to the licensed activities including any contractual arrangements, agreements and any other information as may be specifically required by the Authority.

**23.2** All records and data referred to above shall be maintained in good order and condition and by taking reasonable measures to ensure security of the data for a minimum period of five (05) years after the expiry of such record, arrangement or agreement or for such further extended period as the Authority may specifically require under the Distribution Regulations.

**23.3** The Authority shall have the right, upon forty eight (48) hours prior written notice to the Licensee, to examine the records and data of the Licensee at any time during normal office hours.

**Article-24**  
**Provision of Information**

**24.1** Any information required by the Authority from the Licensee, shall be provided in good faith ensuring that it is accurate, up-to-date and presented in a manner that is easily understandable and in accordance with Section 44 of the Act. The Licensee shall ensure that the correspondence with the Authority is made by a duly authorized person not below the rank of Chief Engineer.



**24.2** The Licensee shall be subject to such penalties as may be specified in the relevant Regulations 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-25**  
**Communication**

**25.1** The Licensee shall designate a person not below the rank of Chief Engineer, who will act as a primary contact with the Authority on the matters related to this Licence. The Licensee shall communicate the Authority promptly about any change in contact details.

**25.2** All communication with the Authority must be made in writing or through authorized electronic mailing address.

**Article-26**  
**Compliance with Eligibility Criteria Rules**

The Licensee shall ensure and comply with the Eligibility Criteria (Distribution Licences) Rules, 2023, in true letter and spirit.

**Article-27**  
**Economic Purchasing of Services and Assets**

The Licensee shall ensure that the procurement of assets and services is undertaken in a most economical manner that ensures value for money in accordance with the applicable laws.

**Article-28**  
**Information and Operational Technology Security**

**28.1** The Licensee shall develop a robust information and operational technology strategy outlining the planning and execution roadmap for ensuring transparency, effectiveness, efficiency and security in all operations of the distribution of electric power in accordance with the relevant provisions of the National Electric Power Regulatory Authority (Security of Information Technology and Operational Technology) Regulations, 2022 and other Applicable Documents.



**28.2** In order to improve its efficiency and to enhance customer services, the Licensee shall deploy and upgrade its IT infrastructure which includes establishing the distribution load dispatch centers, SCADA and other modern and state of the art software relating to operation in consultation with the independent technical experts after going through detailed cost to benefit analysis.

**28.3** All computer programs or systems used by the Licensees shall be adequately secured as per the requirements of the Applicable Documents and the relevant information and operational technology standards.

**28.4** The Licensee shall develop a cyber-security protection system for its Distribution System with well-defined communication and reporting channels. The Licensee shall enforce security standards to measure and manage risks, as well as to define and maintain processes. While developing IT infrastructure, all the cyber-security risks must be addressed in a timely manner and managed to prevent cascading incidents as per Applicable Documents.

#### **Article-29** **Insurance**

**29.1** The Licensee shall ensure that all of its assets are adequately insured against possible risks in accordance with an assets insurance policy approved by its Board of Directors.

**29.2** Any insurance claims shall be promptly made to the respective insurance company and realized appropriately.

**29.3** All field workforce of the Licensee who may be vulnerable to life risks owing to their nature of work, shall be adequately insured.

#### **Article-30** **Effective Coordination**

**30.1** The Licensee shall ensure prompt and effective coordination with the system operator, market operator and other relevant entities to comply with the relevant provisions of the Grid Code, Distribution Code, Market Commercial Code and other Applicable Documents.



**30.2** The Licensee shall share the information and data, through its website or portal, related to planned maintenance outages, demand forecasts, transmission and distribution plan and information regarding network constraints.

**Article-31**  
**Preparation for Emergencies and Security Arrangements**

**31.1** The Licensee shall, as soon as possible, inform its consumers of any emergency or security issue of which it may be aware which may arise in association with, or which may be relevant to its Licensed obligations.

**31.2** The Licensee shall take such actions as the Authority may reasonably require to plan and prepare for emergencies including taking part in necessary tests and exercises.

**Article-32**  
**Credit Rating & Financial Health**

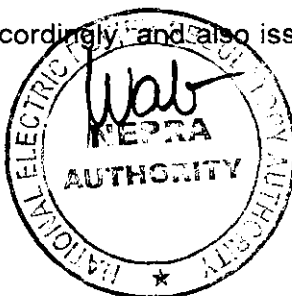
**32.1** The Licensee shall, every two (02) years, get itself credit rated through a credit rating agency licensed by the Securities and Exchange Commission of Pakistan and which is on the panel of State Bank of Pakistan.

**32.2** The credit rating report of the Licensee shall be submitted to the Authority for its information along with corrective measures being taken and/or to be taken to improve the financial health and credit worthiness of the Licensee. The Authority may, if deemed necessary, issue directives to the Licensee for taking measures in order to improve the financial health and credit rating.

**Article-33**  
**Functional and Legal Separation**

**33.1** The functional and legal separation of the distribution and supply business of the Licensee shall be undertaken in accordance with the provisions of this Licence, determinations and directions of the Authority, as issued from time to time.

**33.2** The Licensee shall, at the earliest but not later than two (02) years from the date of grant of this Licence, ensure functional separation of distribution and supply business. In the event of non-compliance, the Authority shall initiate legal proceedings against the Licensee accordingly and also issue such directions as may be deemed



appropriate that may include appointment of an administrator in respect of functions of the Licensee.

**Article-34**  
**Interpretation of the Licence Provisions**

**34.1** In accordance with the provisions of the Act, the Authority shall make the interpretation of any or all of the provisions of this Licence. The decision of the Authority in this regard shall be final.

**34.2** Where any obligation under this Licence is expressed to require performance within a specified time limit, that obligation shall continue to be binding and enforceable after that time limit if the Licensee fails to perform that obligation within that time limit (but without prejudice to all rights and remedies available against the Licensee by reason of failure of the Licensee to perform within the specified time limit).

**Article-35**  
**Suspension or Revocation**

**35.1** Without prejudice to the powers of the Authority under the Act, upon being satisfied that the Licensee is not discharging its functions in accordance with the Act and Applicable Documents including terms and conditions of the Licence, or otherwise fails to carry on its Distribution Business in the interests of the competitive electric power market, the Authority may, after providing an opportunity to show cause, take such measures as it deems expedient including, but not limited to, suspension or cancellation of the Licence and take such other action as may be necessary to safeguard the interests of all stakeholders.

**35.2** Where the Authority revokes or suspends the Licence of the Licensee, it may appoint an administrator to take over its functions and management.



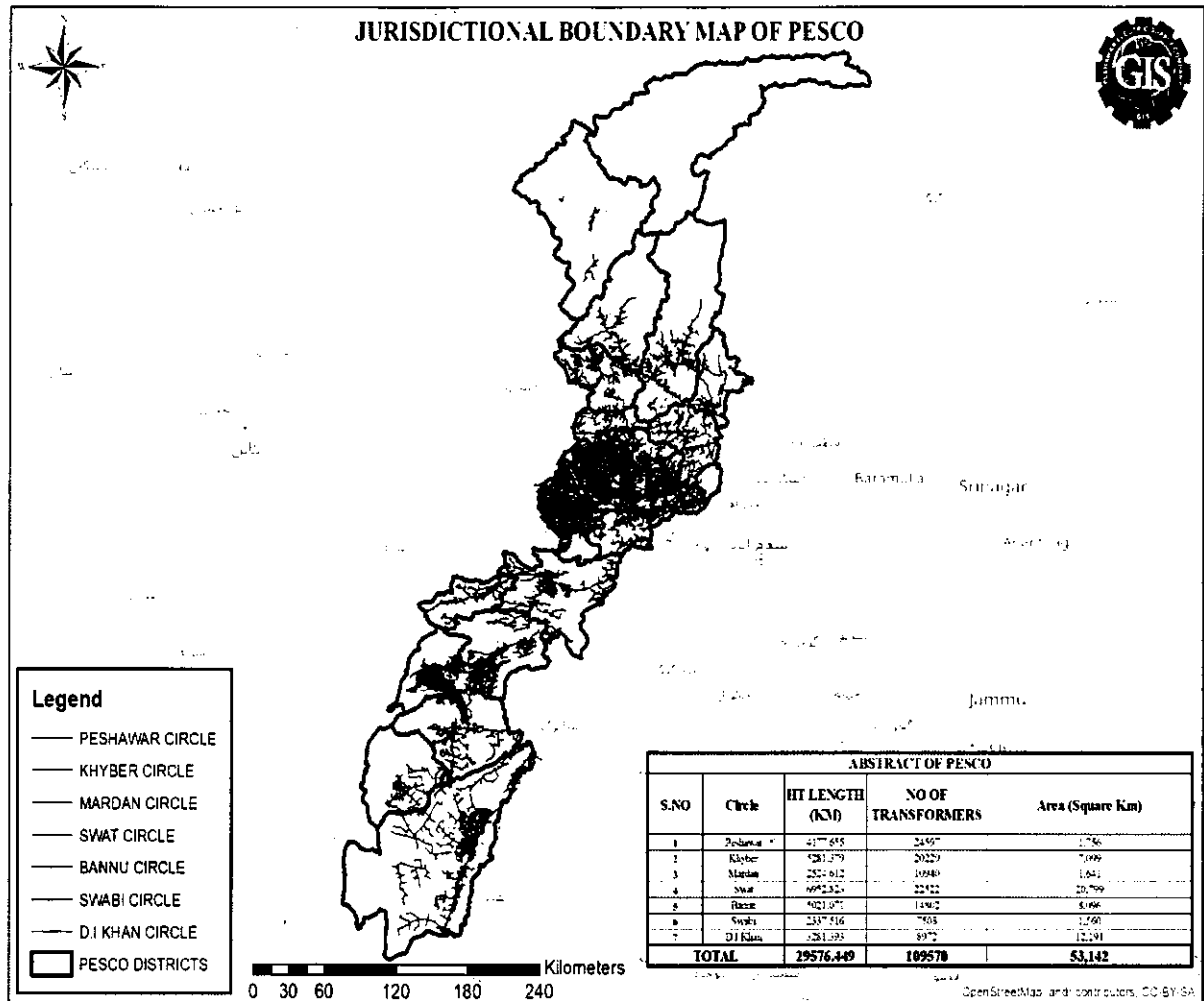


**SCHEDULE-I**  
**(Revised/Modified)**  
**Modification-I**

**The Details of the Territory (i.e. Geographical Boundaries) within which the Licensee/Peshawar Electric Supply Company Limited is authorised to conduct Distribution Activities/Services.**

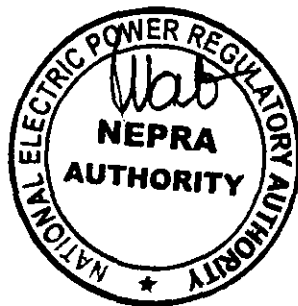


**Detail of Territory (Geographical Boundaries, Districts)**  
**Within which the Licensee/PESCO is Authorized to Conduct**  
**Distribution Activities/Services**



**SCHEDULE-II**  
**Revised/Modified**  
**Modification-I**

The details of distribution facilities including the type of distribution system (underground/overhead), type of HT/LT conductor/cable, length of HT/LT line, number of grid stations (category wise), number of power transformers, number of feeder(s), number of distribution transformers, voltage level, frequency, voltage and frequency regulation, and other specific details pertaining to Distribution System linked with the Licensee/Peshawar Electric Supply Company Limited.



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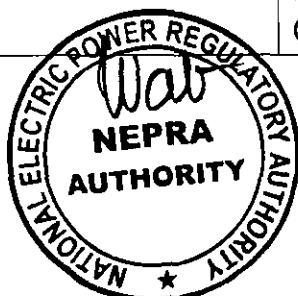
## **DETAIL OF DISTRIBUTION SYSTEM OF PESCO**

### **A. General Information**

(i).	Name of the Company/ Licensee	Peshawar Electric Supply Company Limited
(ii).	Registered/Business Office of the Company	PESCO Head Quarter, Shami road, Peshawar
(iii).	Location of the Distribution Facilities	Peshawar, Khyber, Mardan, Swat, Bannu, Sawabi and DI Khan.

### **B. Distribution System**

(i).	Type of Distribution System	Overhead lines & Underground Cables	
(ii).	Type of HT Conductors	Osprey, Panther, DOG, Rabbit and Gopher	
(iii).	Type of HT Cables	1,000 MCM, 500 MCM, 4.0 AWG, 2.0 AWG 3- Core, 2.0 AWG 1-Core	
(iv).	Type of LT Conductor	ANT, GNAT, WASP	
(v).	Type of LT Cables	PVC 37/0.083 4-Core, PVC 37/0.083 1-Core, PVC 19/0.083 4-Core, PVC 19/0.083 1-Core, PVC 19/0.052 4-Core, PVC 7/0.052 4-Core, PVC 7/0.052 2-Core	
(vi).	Length of HT Line	31664.488 Km	
(vii).	Length of LT Line	32254.916 Km	
(viii).	No. of Feeders	1122 (Public + Dedicated)	
(ix).	Number of Grid Stations	132 KV grids of PESCO	79
		66 KV grids of PESCO	08
		33 KV grids of PESCO	Nil
		Consumers Grid Stations maintained & Operated by PESCO (132 KV)	01
		Consumer G/S maintained by PESCO & Operated by Consumer (132 KV)	Nil



		Consumer Grid Stations maintained & Operated by Consumers	05
		Total	93
(x).	Number of Power Transformers	223	
(xi).	Power Transformers Installed Capacity (MVA)	6616.45	
(xii).	Number of Distribution Transformers	71729	
(xiii).	Distribution Transformers Capacity (MVA)	5565.40	
(xiv).	Voltage level (KV)	Transmission Network	132, 66,33
		Distribution Network	11, 0.4, 0.230
(xv).	Frequency	50 Hz	
(xvi).	Regulation	Voltage	$\pm 5\%$
		Frequency	$\pm 1\%$



