



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

Registrar

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

No. NEPRA/ADG(L)/LAD-38/18556

November 23, 2018

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

Subject: - **AUTHORITY PROPOSED MODIFICATION IN THE DISTRIBUTION LICENCE OF DEFENCE HOUSING AUTHORITY LAHORE PHASE-XII (EME Sector)-DHAEME**

In exercise of the powers conferred upon the National Electric Power Regulatory Authority (the "Authority") under Section-20 and 21 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the NEPRA Act), the Authority granted Distribution Licence (No.23/DL/2016 dated December 26, 2016) to DHAEME (the "Licensee");

2. AND WHEREAS, in terms of Section-21 of the NEPRA Act, the Licensee was allowed, under Article-8 read with Schedule-I & II of its license, exclusivity to provide distribution services, make sale of electric power, make schemes and engage in incidental activities in its service territory;

3. AND WHEREAS, the Section-21 of the NEPRA Act has been amended through NEPRA Amendment Act, 2018 which omits the exclusive right to provide distribution services by a distribution licensee and encourages participation by more market players to enhance efficiency to ensure better price, quality of service and choice for consumers. Relevant parts of the amended Section-21 are reproduced as under:

21. Duties and responsibilities of distribution licensees. — (1) The Authority may, after such enquiry as it may deem appropriate and subject to the conditions specified, grant a license for the distribution of electric power.

(2) The licensee shall—

(a) possess the right to provide, for such period as may be specified in the license, distribution service in the service territory specified in the license and to frame schemes in respect of that service territory.....

4. AND WHEREAS, Section-26 of the NEPRA Act empowers the Authority to amend, or vary the conditions of any license issued under the NEPRA Act and states that:-

26. Modification. ---- If the Authority is of the opinion that it is in the public interest, it may, with the consent of the Licensee, amend or vary the conditions of any Licence issued under this Act and in the absence of Licensee's consent, the Authority shall conduct a public hearing on whether the proposed amendment or variance is in the public interest

and shall make a determination consistent with the outcome to this hearing.

5. AND WHEREAS, in the given scenario of market reforms it is in the public interest to make the terms of the existing licenses in conformity with the abovementioned amendment of Section-21 of the NEPRA Act, therefore, the Authority as per provisions of the Section-26 of the NEPRA Act read with Regulation-10 of the National Electric Power Regulatory Authority Licensing (Application and Modification Procedure) Regulations, 1999 (the "Regulations"), has decided to modify the terms of existing distribution licenses;

6. NOW THEREFORE, the Authority pursuant to sub-regulation-1(a) of Regulation-10 of the Regulations hereby communicates the text of the Authority Proposed Modification in the following relevant Articles of the license :-

Article-1(viii)

Distribution means the ownership, operation, management or control of distribution facilities for the movement or delivery 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 the tenants thereof.

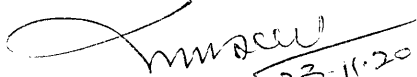
Article-8

Duties and Responsibilities of the Licensee

The Licensee shall during the term of this License, shall provide distribution service in the Service Territory and frame schemes in respect of that Service Territory. The Licensee shall also make sales of electric power, make schemes and engage in incidental activities in the Service Territory as a deemed supplier in terms of Section-23E of the Amended NEPRA Act.

7. Pursuant to sub-regulation-1(b) of Regulation-10 of the Regulations, the statements of the reasons in support of Authority Proposed Modification are that Section-21 of the NEPRA Act has been amended to foster competition in the power sector by removing the exclusive right to provide distribution services in a given service territory. It is imperative to note that the said statutory provision is effective from the date of amendment i.e. May 2, 2018 without any conditionality and deferment and therefore, existing distribution licenses are required to be modified immediately to bring consistency with the statutory provisions of the amended NEPRA Act and implement the market reforms introduced there under in letter and spirit;

8. You are therefore required to send your response on the Authority Proposed Modification either affirming or denying the modification within fourteen (14) days of the receipt of this communication. In the event of your failure to convey your decision within the stipulated period, it shall be construed that you have no objection to the Authority Proposed Modification and the Authority will proceed accordingly.


(Muhammad Ramzan)
Director



PH-XII (EME)

DHA Phase XII (EME)
Multan Road Lahore
Telephone: 042-37510852-3
254/DHA-EME/CE(Civ)
20 December 2018

To, **Muhammad Ramzan Director**
National Electric Power Regulatory Authority
2nd Floor NEPRA Tower
Attaturk Avenue (East),
Sector G-5/1, Islamabad
Phone: +92-51-2013200, Fax: +92-51-2600028

Subj: Authority Proposed Modification in the Distribution License – DHA Phase-XII (EME)

Your letter No. NEPRA/ADG(L)/LAD-38/18556 dated 23 Nov 2018.

1. Apropos reference, It is hereby submitted that instantaneous modifications on the subject matter is hampering the current set up as we have made all the plans and workings on the basis of existing license bearing No. 23/DL/2016 dated 26 Dec 2016.

3719
1
1
2. The proposed modifications on retrospective basis are unfair and urgent which may leave financial impact/ losses, it is therefore, requested to withdraw proposed instant modifications on "Exclusives Rights of a Licensee".

3. Submitted for appraisal, please.

Lieutenant Colonel
Additional Director Development Ph-XII (EME)
(Muhammad Umar Majeed, Retd)
TI(M)

Handwritten notes: FOR INFORMATION & U/G...
- ADG(LIC)
- MK

Handwritten signature and date: 20/12/18

cc: VC/M (CA)
- M J / MKEI
- M(LIC)

REGISTRAR
Dy. No.: 12515
Dated: 24-12-18