



NEWSLETTER

4TH QUARTER

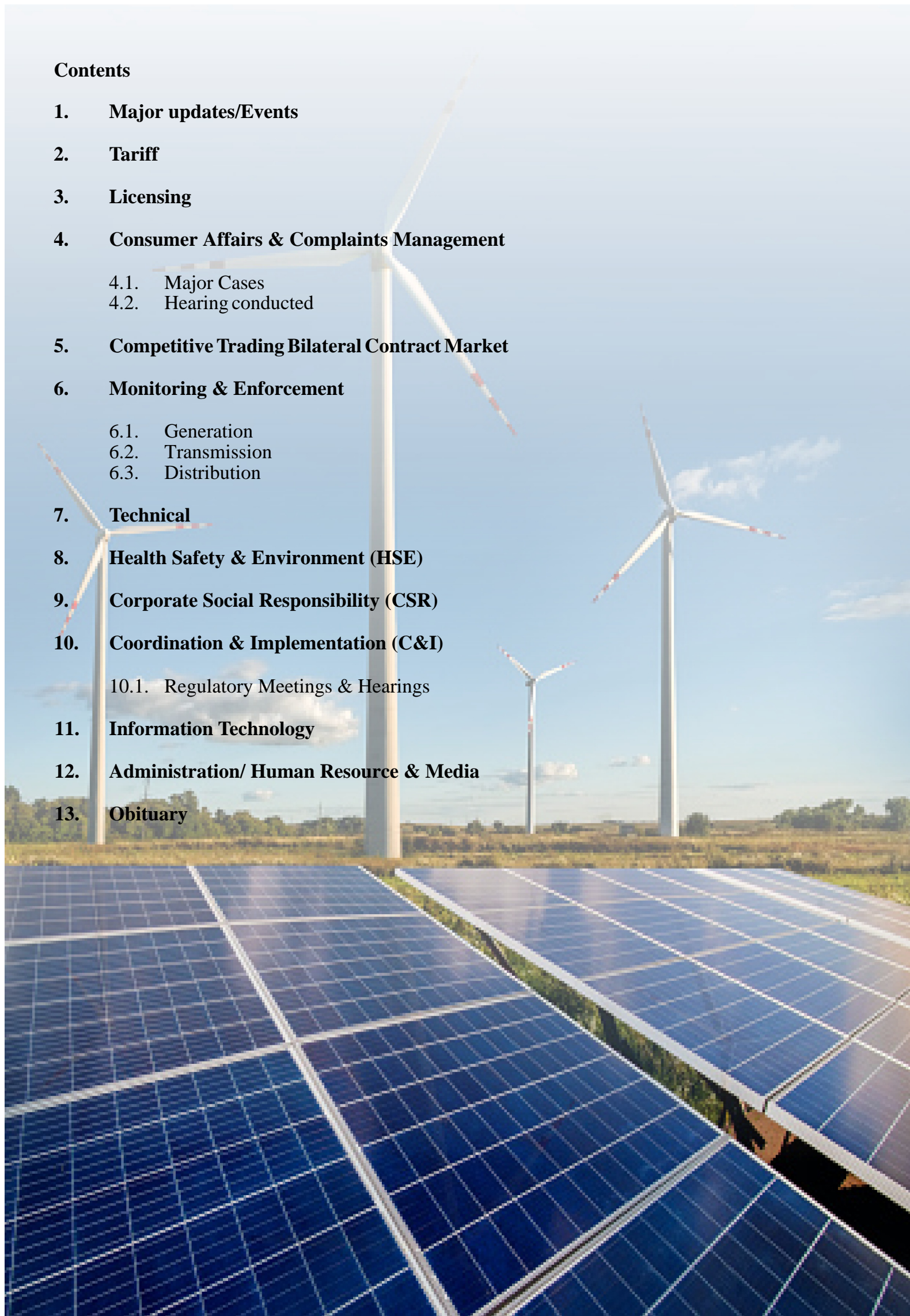
(October - December, 2022)



**NATIONAL ELECTRIC POWER
REGULATORY AUTHORITY**

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1. Major Updates/Events 4th Quarter 2022

1.1 On October 07, 2022 Mr. Tauseef H. Farooqi, Chairman NEPRA and Mr. Rafiq Ahmed Sheikh, Member NEPRA met with Mr. Imtiaz Sheikh, Energy Minister, Sindh at his office in Karachi. They discussed load shedding and overbilling complaints in Sindh. Mr. Imtiaz Sheikh also highlighted that in flood areas of Sindh provision of electricity should be ensured. He showed serious concern about the increasing complaints of consumers and employees of KE. He is of the view that a Parliamentary Commission will be constituted after approval of the Cabinet for redressal of the complaints of KE Employees. He said a cell consisting of the Ministry of Labour and the Ministry of Energy will be constituted soon.



1.2 On October 19, 2022 Danish Ambassador to Pakistan, H.E Jakob Linulf along with Director Global Cooperation, Danish Energy Agency, Mr. Ulrik Eversbusch paid a visit to Chairman NEPRA, Mr. Tauseef H. Farooqi at NEPRA HQ, Islamabad and discussed the Danish Energy Transition Initiative (DET) and other areas of mutual cooperation for induction of affordable, reliable and sustainable energy in the system. Chairman NEPRA appreciated the cooperation extended by the Danish team and ensured a healthy collaboration for the future to bring improvement in the power sector of Pakistan.



1.3 On October 20, 2022 NEPRA touched 13,000 number on LinkedIn followers. That's a huge achievement by NEPRA.



1.4 On November 03, 2022 NEPRA hold an online Khuli Kacheri in the matter of consumer issues/complaints of HESCO, SEPCO & QESCO at NEPRA HQ, Islamabad wherein a large number of electricity consumers of aforementioned DISCOs participate at lodged their complaints. The Authority heard complaints and issued directions on the spot for immediate redressal thereof to the top officials of the concerned Distribution Companies.



1.5 On December 06, 2022 Chairman NEPRA, Mr. Tauseef H. Farooqi along with Authority Members welcomed newly appointed Member Balochistan, Mr. Mathar Niaz Rana (NSC) at NEPRA HQ. Chairman NEPRA also introduced the new Member to all NEPRA employees during an interactive session.

Mr. Mathar Niaz Rana (NSC), representing the province of Balochistan has assumed the charge of the office of Member (Tariff/Finance) w.e.f November 24, 2022 for three (03) years.

1.6 Mr. Rafiq Ahmed Sheikh, representing the province of Sindh has assumed the charge of the office of Member (Technical) w.e.f December 06, 2022 for another three (03) years.

1.7 On December 10-11, 2022, The Chairman NEPRA, Mr. Tauseef H. Farooqi was honored to have been invited as a keynote speaker at International Leadership Summit (ILS) hosted by IEEE Women in Engineering at his Alma Mater, the famous Government College Lahore, which has now grown into GC University. The Chairman expressed the following feelings;



“It's like a dream coming true giving a talk to current and future leaders of Pakistan as around 1000 participants from industry, academia, and most students coming from all over Pakistan”.

1.8 Honored to have been invited by the Institution of Electrical and Electronics Engineers (IEEEP) Pakistan for a talk to their members. Truly enjoyed the dialogue, especially their very intriguing questions. Thanks to Engr Prof . Dr. Suhail Aftab Qureshi, President and Salis Usman, General Secretary IEEEP for inviting me.



1.9 The Chairman NEPA, Mr. Tauseef H. Farooqi attended LUMS Homecoming and met with Syed Babar Ali Sahib and many highly accomplished and fantastic fellow Alumni.



1.10 On December 16, 2022 NEPA CSR department organized the 2nd annual CSR awards ceremony at NEPA Headquarters. Pakistan Atomic Energy Commission took the lead with a Gold award followed by K-Electric and PEDO with Silver and Bronze awards. Licensees and Social Welfare Organizations were also given appreciation certificates for their special efforts in flood relief activities and community work.



1.11 On December 31, 2022 Syed Safeer Hussain, Registrar NEPA retired from service at the age of 60 years.

2. Tariff

2.1 Hydropower

2.1.1 Laraib Energy Ltd.

- i. Decision of the Authority in the matter of Reimbursement of Pass-Through Withholding Tax on Dividends (Decision issued on October 4, 2022).
- ii. Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff (Decision issued on October 28, 2022).

2.1.2 Malakand-III

Decision of the Authority in the matter of Quarterly Indexation / Adjustment (July-September 2022) (Decision issued on October 4, 2022).

2.1.3 Pehur HPP

Decision of the Authority in the matter of Petition for Tariff Modification filed by Pakhtunkhwa Energy Development Organization (PEDO) for its 18 MW Pehur Hydropower Project (Decision issued on October 6, 2022).

2.1.4 Gulpur HPP

Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff (Decision issued on October 10, 2022).

2.1.5 Kohala

Decision of the Authority in the matter of Motion for Leave for Review of Kohala Hydropower Company (Pvt.) Ltd. forwarded by Central Power Purchasing Agency (Guarantee) Ltd (Decision issued on November 18, 2022).

2.1.6 WAPDA

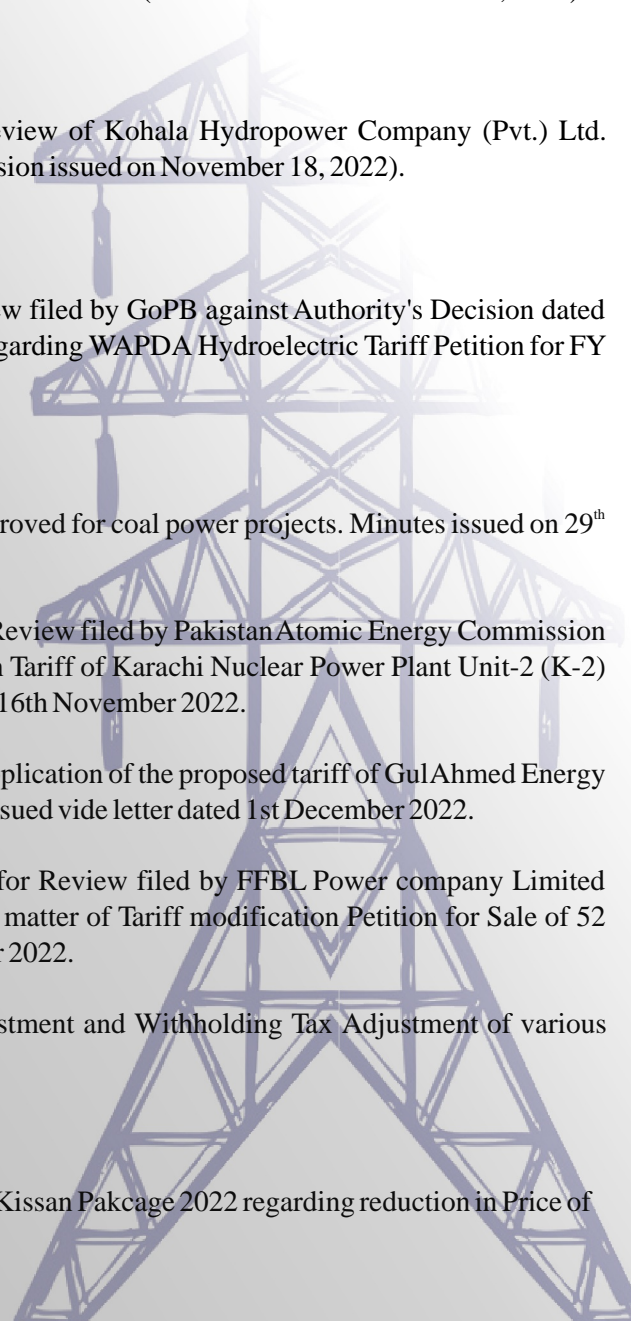
Decision of the Authority in the matter of Motion for Leave for Review filed by GoPB against Authority's Decision dated September 9, 2022 regarding Modification Petition filed by GoKPK regarding WAPDA Hydroelectric Tariff Petition for FY 2020-21. (Decision issued on December 29, 2022).

2.2 Coal Power

- 2.2.1 Guidelines for procurement of coal on spot basis have been approved for coal power projects. Minutes issued on 29th December 2022.
- 2.2.2 Decision of the Authority in the matter of Motion for leave for Review filed by Pakistan Atomic Energy Commission against Determination of the Authority in matter of Generation Tariff of Karachi Nuclear Power Plant Unit-2 (K-2) (Case No. NEPRA/TRF-561/K2-2021) issued vide letter dated 16th November 2022.
- 2.2.3 Decision of the Authority in the matter of grant of immediate application of the proposed tariff of Gul Ahmed Energy for RFO based Power plant of 136.17 MW (Gross) at Karachi, issued vide letter dated 1st December 2022.
- 2.2.4 Decision of the Authority in the matter of Motion for Leave for Review filed by FFBL Power company Limited against Decision of the Authority dated 20th June 2022 in the matter of Tariff modification Petition for Sale of 52 MW Power to K-electric issued vide letter dated 26th December 2022.
- 2.2.5 Fuel Price Adjustment, Quarterly Indexation, Insurance Adjustment and Withholding Tax Adjustment of various IPPs have been processed.

2.3 DISCOs

- 2.3.1 Decision of the Authority issued on 26.12.2022 in the matter of Kissan Package 2022 regarding reduction in Price of Electricity.



- 2.3.2 Decision of the Authority issued on 16.12.2022 in the matter of Fuel Charges Adjustment for the month of October 2022 for XWDISCOs.
- 2.3.3 Decision of the Authority issued on 08.11.2022 in the matter of Fuel Charges Adjustment for the month of September 2022 for XWDISCOs.
- 2.3.4 Decision of the Authority issued on 14.11.2022 in the matter of Request filed by XWDISCOs for Periodic Adjustment in Tariff for the 4th Quarter of FY 2021-22.
- 2.3.5 Decision of the Authority issued on 14.10.2022 in the matter of Fuel Charges Adjustment for the month of August 2022 for XWDISCOs.

2.4 K-Electric

- 2.4.1 Decision of the Authority issued on 16.12.2022 in the matter of Kissan Package 2022 regarding reduction in Price of Electricity.
- 2.4.2 Decision of the Authority issued on 14.12.2022 in the matter of monthly Fuel Charges Adjustment for the month of October 2022 for K-Electric Limited.
- 2.4.3 Decision of the Authority issued on 11.11.2022 in the matter of monthly Fuel Charges Adjustment for the month of September 2022 for K-Electric Limited.
- 2.4.4 Decision of the Authority issued on 11.11.2022 in the matter of Motion filed by the Federal Government under Section 7 & 31 of the NEPRA Act 1997 read with Rule 17 of the NEPRA (Tariff Standards and procedure) Rules, 1998 with respect to recommendation of Consumer end Tariff for K-Electric.
- 2.4.5 Decision of the Authority issued on 24.10.2022 in the matter of Quarterly Adjustments of K-Electric Limited for the Quarter ending June 2022.
- 2.4.6 Decision of the Authority issued on 14.10.2022 in the matter of monthly Fuel Charges Adjustment for the month of August 2022 for K-Electric Limited.

2.5 COD

- 2.5.1 During the FY 2021-22 NEPRA has issued the modification decision pertaining to Pak Matiari Lahore Transmission Line Company (PMLTC) with respect to transmission service charge (TSC). In addition NEPRA has also granted interim relief to PMLTC on account of indexation with respect to reference tariff dated December 4, 2018. In this respect the indexation/adjustment decisions pertaining to July-Sept 2021, Oct-Dec 2021, Jan-Mar 2022 and April-Jun 2022, Jul-Sept 2022 and Oct- Dec 2022 were issued.
- 2.5.2 The STDC was also allowed half yearly indexation/adjustment for its tariff components for the period Jan-Jun 2022 and Jul- Dec 2022.
- 2.5.3 Review decision of National Transmission and Dispatch Company (NTDC) was issued against the determination of the Authority dated November 04, 2021.
- 2.5.4 Costs claimed by Mira Power Limited (MPL) at COD stage was verified and case officer was submitted which is pending for hearing.
- 2.5.5 In addition modification petitions of two power projects of National Power Projects Company (Ltd) i.e. Balloki and Haveli Bahadurshah have been processed.
- 2.5.6 Karachi Electric (K.E) transmission petition was submitted which was returned due to approved investment plan.
- 2.5.7 It is expected the cases under process shall be finalized during the remaining part of the FY 2022-2023.

3. Licensing

3.1 Generation License

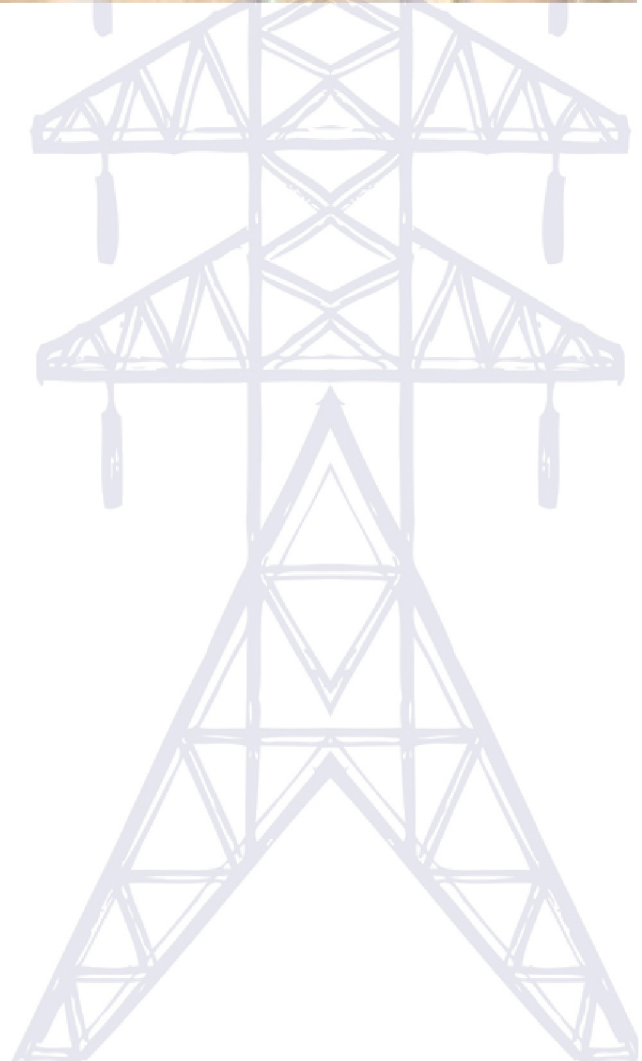
The Authority granted generation licence to Pakhtunkhwa Energy Development Organization (PEDO) on November 22, 2022 for its 300.0 MW Balakot Hydel Power Plant located on River Kunhar, Balakot, District Mansehra, Khyber Pakhtunkhwa.

3.2 Provisional Renewal in Distribution Licences of various Distribution Companies

The Authority has approved provisional renewal of the Distribution Licences of various distribution companies (MEPCO, LESCO, GEPCO, FESCO, PESCO, IESCO, QESCO and HESCO) up to April 30, 2023 or till the time the final determination of the Authority in the matter is made, whichever is earlier.

3.3 Net-metering

The Authority granted four hundred and twenty five (425) distributed generation net metering licences (more than 25 KW) having cumulative capacity of **54.623 MW** during the period under consideration.



4. Consumer Affairs & Complaints Management

4.1 Major Cases

- i. Complaint filed by Mr. Muhammad Rizwan Akram vs. IESCO regarding Provision of Electricity Connection.
- ii. Complaint filed by Mr. Muzaffar Yasin vs. IESCO regarding Delay in Provision of Connection.
- iii. Complaint filed by Al-Ghurair Giga for Installation of Individual Electricity Meters for the Residents of Al-Ghurair Giga Residential Projects Rawalpindi.
- iv. Complaint filed by Managing Director, Zeal Pak Cement Factory Limited vs HESCO regarding Reconnection of Electricity Supply.
- v. Complaint filed by Mr. Sikandar Zaman vs. MEPCO regarding Issuance of Additional Demand Notice.
- vi. Complaint filed by Prof. Saeed Ahmed vs. MEPCO regarding Issuance of Additional Demand Notice.
- vii. Complaint filed by Mr. Muhammad Abid vs. MEPCO regarding Issuance of Additional Demand Notice.
- viii. Complaint filed by Mr. Mir Badshah vs. PESCO regarding Billing at Vacant Premises.
- ix. Complaint filed by Mr. Muhammad Tahir vs FESCO regarding Issuance of Additional Demand Notice.
- x. Complaint filed by Syed Inayat Ali Shah vs. FESCO regarding Issuance of Additional Demand Notice.
- xi. Complaint filed by Mr. Noman Shahid vs FESCO regarding Issuance of Additional Demand Notice.
- xii. Complaint filed by Mr. Muhammad Anwar vs. FESCO regarding Issuance of Revised Demand Notice.
- xiii. Complaint filed by Mr. Muhammad Zaman Malik vs. FESCO regarding Wrong Billing.
- xiv. Complaint filed by Mr. Muhammad Anwar-ul-Haq vs. LESCO regarding Detection Bill.
- xv. Complaint filed by Mr. Muhammad Arif vs. GEPCO regarding Delay in Provision of Connection.
- xvi. Complaint filed by Mr. Farooq Ahmed vs. GEPCO regarding Delay in Installation of Connection and Issuance of the Additional Demand Notice.
- xvii. Complaint filed by Mr. Zia Uddin vs QESCO regarding Delay in Provision of Industrial Connection.
- xviii. Complaint filed by Managing Director M/S Samad Steel Mill vs. QESCO regarding Delay in Provision of Electricity Connection.
- xix. Complaint filed by Mr. Abdul Samad vs. QESCO regarding Detection Billing (A/C# 24 48134 0361208).

4.2 Hearings Conducted

Eight Hundred and Twenty (745) cases have been resolved after conducting hearings.

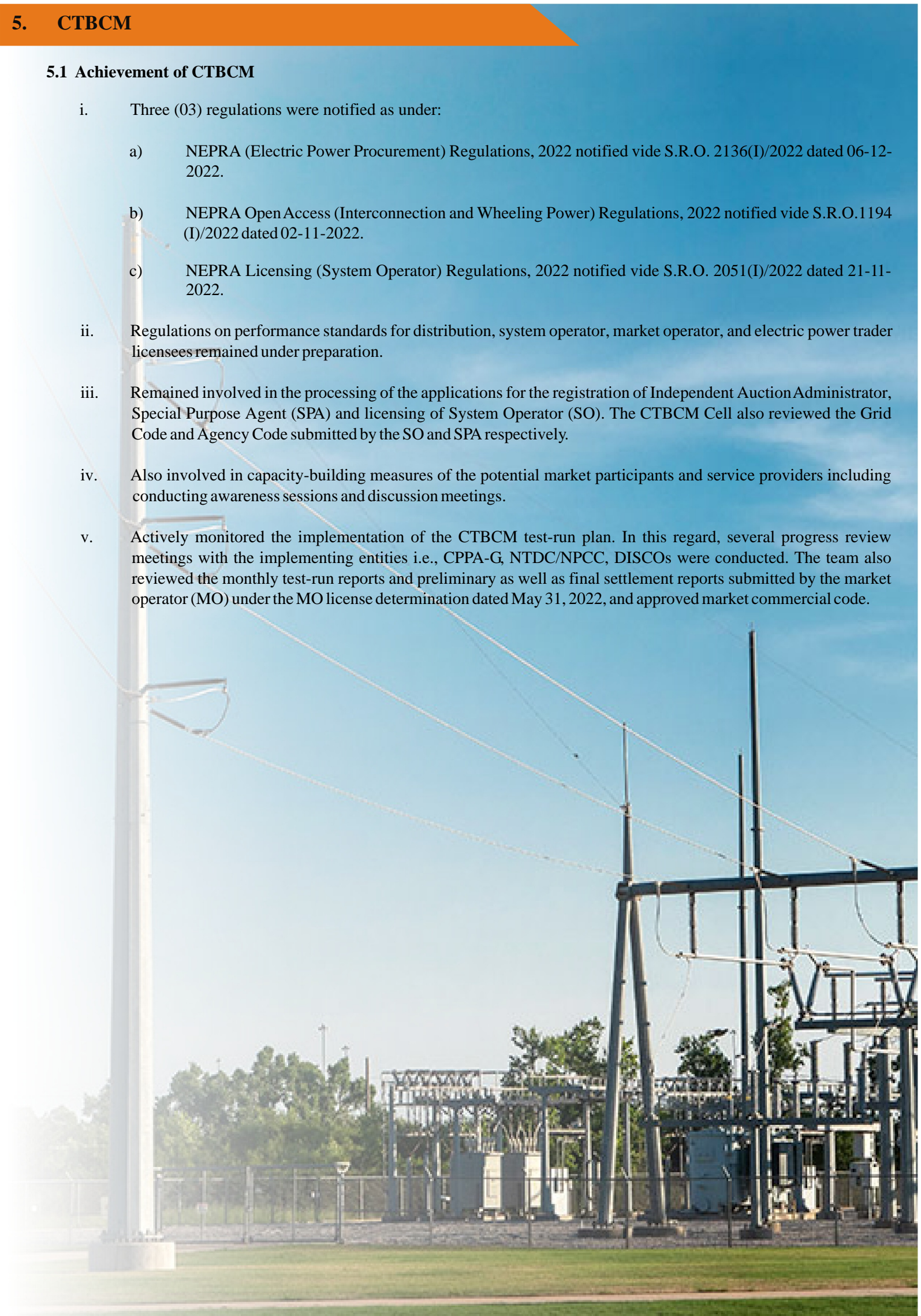
4.3 Other Highlights

- i. Online Khuli Kachehri Regarding Complaints/Issues Being Faced by Consumers of K-Electric and XWDISCOs was conducted during October and November 2022 whereby issues of the consumers were resolved. On the report of the Complainants during the Khuli Kachehri, all Distribution Companies have been directed to ensure the provision of 7 clear days to consumers for payment of electricity bills. In case of late delivery of electricity bills; Distribution Companies have been directed to ensure that 7 clear days are provided by extending the due date for payment, and no Late Payment Surcharges (LPS) be charged to consumers in such a case.
- ii. Amendments have been made in the Consumer Service Manual (CSM) whereby restriction of three years old Connection for Extension of Load above 5MW to 7.5MW for industrial connections have been removed.
- iii. Upon the occurrence of a fatal accident within the territory of a single-point supply consumer; all Electric Inspectors have been advised to recheck the Distribution System of all single-point consumers existing in the Service Territories of all DISCOs to avoid the occurrence of fatal /non-fatal accidents.
- iv. Comments have been sought from the stakeholders regarding the amendment in CSM to allow sponsors for the construction of an 11kV source feed line from the Grid Station to the premises.
- v. A consultation session has been held with distribution companies regarding further amendments in CSM.

5. CTBCM

5.1 Achievement of CTBCM

- i. Three (03) regulations were notified as under:
 - a) NEPRA (Electric Power Procurement) Regulations, 2022 notified vide S.R.O. 2136(I)/2022 dated 06-12-2022.
 - b) NEPRA Open Access (Interconnection and Wheeling Power) Regulations, 2022 notified vide S.R.O.1194 (I)/2022 dated 02-11-2022.
 - c) NEPRA Licensing (System Operator) Regulations, 2022 notified vide S.R.O. 2051(I)/2022 dated 21-11-2022.
- ii. Regulations on performance standards for distribution, system operator, market operator, and electric power trader licensees remained under preparation.
- iii. Remained involved in the processing of the applications for the registration of Independent Auction Administrator, Special Purpose Agent (SPA) and licensing of System Operator (SO). The CTBCM Cell also reviewed the Grid Code and Agency Code submitted by the SO and SPA respectively.
- iv. Also involved in capacity-building measures of the potential market participants and service providers including conducting awareness sessions and discussion meetings.
- v. Actively monitored the implementation of the CTBCM test-run plan. In this regard, several progress review meetings with the implementing entities i.e., CPPA-G, NTDC/NPCC, DISCOs were conducted. The team also reviewed the monthly test-run reports and preliminary as well as final settlement reports submitted by the market operator (MO) under the MO license determination dated May 31, 2022, and approved market commercial code.



6. Monitoring & Enforcement

6.1 Generation

- i. Legal proceedings concluded against 16 No. of IPPs and KE in lieu of total power system collapse occurred on 09.01.2021 and the Authority decided to impose a cumulative fine of Rs. 240 Million on 16 No. of IPPs and KE. MOMs issued. Orders in process.
- ii. The quarterly reports received from thermal power plants, for the FY 2021-22, under NEPRA Performance Standards (Generation) Rules, 2009 were reviewed and a comprehensive Performance Evaluation Report was prepared which was subsequently approved by the Authority.
- iii. A Show Cause Notice dated 14.10.2022 was issued to WAPDA on account of availing higher outages by some of its hydel power stations than allowed limit as specified in the PPA. Hearing in the matter was held on 21.12.2022.
- iv. An Explanation dated 19.10.2022 was issued to HESCO on account of non-compliance of the Authority's decisions for filing the Power Acquisition Contracts to procure power from baggase based captive power projects for approval of the Authority.
- v. An Explanation dated 03.11.2022 was issued to WAPDA on account of non-performance of Golen Gol Hydro Power Project since its commissioning.
- vi. Hearing in the matter of Show Cause Notice dated 22.09.2022 issued to CPPA-G on account of non-imposition of LDs on WAPDA on account of availing higher outages than allowed limit as specified in the PPA was held on 29.11.2022.
- vii. Vide RM 22-694, held on 29.12.2022, the Authority rejected the response received from CPPA-G against Explanation dated 23.09.2022 issued on account of non-submission of PPAs/EPAs (including TPPAs of Azad Pattan and Kohala Hydro Power Projects) for approval of NEPRA prior to execution of such documents.
- viii. A Notice of Demand dated 07.11.2022 was issued to NTDC in order to recover Rs. 50 Million fine imposed by the Authority in lieu of total power system collapse occurred on 09.01.2021.
- ix. A Notice of Demand dated 14.11.2022 was issued to CPGCL in order to recover Rs. 50 Million fine imposed by the Authority in lieu of total power system collapse occurred on 09.01.2021.
- x. Imposed a fine of Rs. 10 million imposed on China Power Hub Generation Company Limited on account of inadequate maintenance practices on the plant causing prolonged forced outage of the plant.
- xi. Imposition of a fine of Rs. 10 million each on NTDC and CPPA-G in the matter of revision of minimum loading limit of Lalpir and Pakgen power plants.
- xii. Effective monitoring of NPCC and KE's generation dispatch led to the saving of millions of rupees to the national exchequer.
- xiii. Hearing of CPGCL carried out in the matter of Show Cause Notice issued to CEO CPGCL regarding prolonged forced outage of Unit 14 of Guddu 747.
- xiv. Hearing of CPPA-G regarding Show Cause Notice issued to CPPA-G in the matter of non-compliance with the directions of the Authority issued from time to time and its obligations under the applicable documents, including the Commercial Code.

6.2 Transmission

i. Performance Evaluation Report

The Annual Performance Reports submitted by NTDC & K-Electric (KE) for the FY 2021-22 under Performance Standards (Transmission) Rules 2005 (PSTR) were thoroughly reviewed and a comprehensive Performance Evaluation Report has been prepared. The same was circulated for in-house comments on 14-Dec-2022 and submitted to Member (M&E) also. The PER has been revised in light of the received input and soon will be placed before the Authority.

ii. Transmission Data Exchange Portal

To bring-in efficiency, M&E transmission team in coordination with IT department has initiated the development of

transmission data exchange portal for obtaining performance data from transmission licensees. Various meetings were held, wherein, detailed deliberations were made on the development of portal including reporting frequency, data formats, analysis aspects and other requirements.

Three versions of the portal were developed and comments on each of them were provided to IT department for further improvement. A consultative session with the transmission licensees was also held wherein, detailed deliberations were made on the portal. A letter has been sent to the licensees for obtaining their input/comments to finalize it and go live on the portal for data reporting at the earliest.

iii. Grid Code Revision

The revision of Grid Code is actively pursued with NTDC. NEPRA provided its comments to NTDC on the earlier drafts of Grid Code. Detailed in-house deliberations were also made on the latest draft submitted by NTDC. Accordingly, detailed comments both in matrix form and track changes were provided to Consultant (CTBCM) on 18-Nov-2022.

iv. Review of Progress of Interconnection Arrangements for Different Power Projects

The progress of interconnection arrangements for different power projects is being monitored regularly. On this behalf, meetings with NTDC, PEDO, WAPDA, and other stakeholders are being held. Accordingly, directions of the Authority were conveyed to NTDC, PEDO, PESCO, CPPA-G and WAPDA. In this regard, a meeting was held on 25-Oct-2022, wherein, evacuation from different power projects, CASA-1000, electricity supply to Makran division and others were discussed. Accordingly, a letter to all the stakeholders was sent on 21-Nov-2022.

v. Complaints Received against NTDC

Several complaints against NTDC were received with respect to corruption, misappropriation/embezzlement in allocation/award of projects, sub-standard work, bribery, mass-scale forced transfer/posting and illegal promotions/nepotism/favouritism, etc. The case was placed before the Authority after obtaining a legal opinion, whereby the Authority directed to constitute a committee to look into the matter and present a report. Accordingly, a committee was constituted and the report was placed before the Authority. As per instructions of the Authority, complaints with names and addresses were sent to NTDC for inquiry in Sep 2022. In response, NTDC vide letter dated 18.11.2022 submitted that these complaints are Anonymous/Pseudonymous in nature and cannot be entertained by NTDC in light of its rule/policy. Accordingly, six complaints with proper names, addresses, and contact numbers were forwarded to NTDC on 14.12.2022 to complete the inquiry and submit a report in this regard.

vi. Legal Proceedings against NTDC in the matter of Partial Blackout at 500 kV Jamshoro Grid Station

An incident of partial blackout occurred in September, 2021 due to lightning at 500 kV Grid Station causing tripping and the event resulted in power supply failure to K-Electric and HESCO jurisdiction. As per directions of the Authority, NTDC enquired about the matter and the inquiry report was presented before the Authority, whereby, legal proceedings were initiated against NTDC in terms of explanation. NTDC's response was placed before the Authority, whereby the Authority observed that NTDC has failed to provide any cogent reasons for the Explanation issued to it and directed to issue a Show cause Notice. Accordingly, the Show Cause Notice was sent to NTDC on 06-July-2022. However, no response was received despite a final notice dated 16-Aug-2022. Therefore, the case was placed before the Authority and a fine to the tune of rupees 10 million has been imposed on NTDC. Order of the Authority has been sent to NTDC on 30-Sep-2022 accordingly. Notice of demand was sent on 07-Nov-2022. Meanwhile, NTDC filed its review and that was admitted by the Authority in a meeting held on 21-Nov-2022.

vii. Legal Proceedings against NTDC in the matter of Tower Collapse in Wake of Cyclonic Winds

An incident of partial blackout occurred in May 2021 due to the collapse of eight 500 kV towers in wake of cyclonic winds in the southern part of the country. The Authority took serious notice and directed NTDC to enquire about the matter and submit the report accordingly. The same was placed before the Authority, whereby, legal proceedings were initiated against NTDC and an explanation was issued to it. The response to the explanation was analyzed and presented before the Authority, whereby the Authority observed that NTDC has failed to provide any cogent reasons to the Explanation issued to it and directed to issue a Show cause Notice. Accordingly, the Show Cause Notice was issued to NTDC on 02-Aug-2022. However, no response was received from NTDC. Therefore, the case was placed before the Authority and a fine of rupees 10 million has been imposed on NTDC. Accordingly, the order of the Authority has been sent to NTDC on 30-Sep-2022. Notice of demand was sent on 07-Nov-2022. NTDC filed its review and the same was admitted by the Authority in a meeting held on 21-Nov-2022.

viii. Legal Proceedings against NTDC on the issues pertaining to Jhimpir-II Grid Station

Some of the NTDC Grids including the Jhimpir-II Grid was visited to check the status of investments made for improvement in its southern network. During the visit, it was observed that Jhimpir-II grid is still under construction and energized without proper handing/taking over. The physical inspection revealed that the said grid station is being operated under unsafe and inhumane conditions like no fencing & boundary wall, risk of damage by heavy rains, incomplete cable trenches in the relay room & switchyard, no cable hangers, non-commissioning of digital process module, tap-changers, SCADA, etc. The report was placed before the Authority and as per instructions of the Authority, an explanation was issued to NTDC. Response to the explanation was placed before the Authority and a Show Cause Notice was issued to NTDC on 26-Dec-2022.

ix. Investigation against NTDC under Section 27A of the NEPRA Act on account of Fatal Accident

A fatal accident of contractor's staff occurred due to electrocution during an approved shutdown by NTDC on 500 kV Thar Matiari Circuit. As per NEPRA instructions, the matter was investigated by NTDC and submitted its report to NEPRA which revealed that all the responsibility was placed on the contractor rather than on NTDC officials. As per directions of the Authority, an investigation under section 27A of the NEPRA Act has been conducted and the report was placed before the Authority. As per instructions of the Authority a Show Cause Notice was issued to NTDC on 30-Sep-2022. Upon non-submission of response, the case was placed before the Authority on 10-Nov-2022, whereby the Authority granted an opportunity of hearing to NTDC. Meanwhile, NTDC submitted a response to the Show Cause Notice on 15-Dec-2022. The hearing was conducted on 22-Dec-2022, wherein, the Authority directed NTDC to submit the response to earlier directions of the Authority already conveyed in November 2022 along with the number of fatal accidents in the last 10 years including compensation within seven days. Thereafter a COR will be placed before the Authority.

x. Comments Provision to other Departments

Provided comments on different issues/documents to other departments such as:

- a. National Electricity Plan.
- b. Proposal of Stakeholders for Enhancing the Size of DG-Facility to 5.00 MW and Increasing the Voltage Limit up to 132 kV.
- c. Request for Permission to allow Net Metering for Single Phase Connections of Public Buildings in Punjab.
- d. Indicative Generation Capacity Expansion Plan (IGCEP) 2022-31.
- e. Multi-Year Tariff Petition of K-Electric.

6.3 Distribution

i. The Authority vide its order dated 20.05.2022 imposed a fine of Rs. 65 Million on IESCO on account of Fatal Accidents that occurred from July 2019 to June 2021. Further, the Authority also directed IESCO to provide compensation to bereaved families equal to the amount given in the case of its employees and provide jobs to the next kin of the victims. IESCO submitted the Review Petition against the said Order of the Authority. The said Review Petition was admitted by the Authority and a hearing in the matter was held on 30.08.2022. Keeping in view the review grounds submitted by IESCO, the Authority observed that IESCO has failed to submit any new ground, therefore, decided to maintain its earlier decision. The detailed order in the matter has been issued on 11.11.2022.

ii. The Authority initiated legal proceedings against MEPCO and issued a Show Cause Notice to MEPCO on account of Fatal Accidents that occurred from July 2019 to December 2020. Further, a hearing in the matter was also held on 04.07.2022. Keeping in view the submissions of MEPCO, the Authority declared MEPCO guilty and decided to impose a fine of Rs. 28 Million on MEPCO on account of violations of NEPRA Laws, Rules, and Regulations. Further, the Authority also directed MEPCO to provide compensation to bereaved families of public persons equal to the amount given in the case of its employees and provide jobs to the next of their kin. A detailed Order of the Authority has been issued on 14.10.2022. In response, MEPCO has filed an appeal in Appellate Tribunal against the decision of the Authority under Section 12(G) of the NEPRA Act.

iii. The Authority has initiated legal proceedings regarding excessive load shedding being carried out by DISCOs in their service territories. The DISCOs are carrying out load shedding based on Aggregate Technical and Commercial (AT&C) losses on the feeders, however, this policy of load shedding is not in line with NEPRA Performance Standards and has never been recognized by NEPRA. The data regarding load shedding has also been collected and noted with concern that DISCOs have failed to comply with their own policy too as extended load shedding other than scheduled load shedding is being carried out. In this regard, the Explanations to HESCO, SEPCO, QESCO, PESCO, and K-Electric have been issued for violating NEPRA Performance Standards.

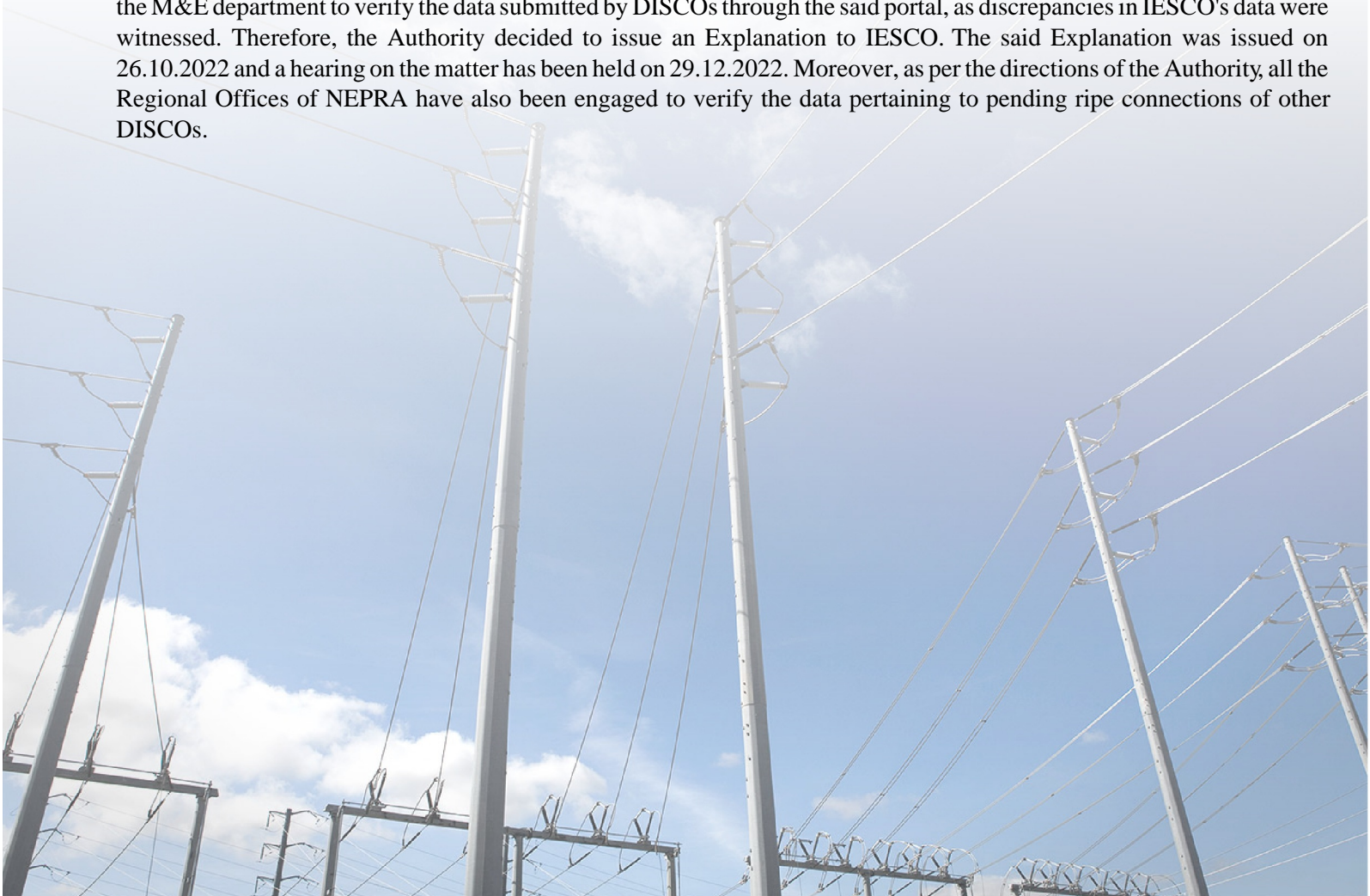
iv. The Authority initiated an Inquiry against LESCO and issued an Explanation to LESCO on account of a Fatal Accident that occurred at Kahna Bazar, Lahore. The response of LESCO against the said Explanation was received and a hearing in the matter was held on 17.10.2022.

v. The Authority constituted an Investigation Committee and directed to conduct a thorough investigation under Section 27A of the NEPRA Act, against LESCO and UET-KSK Campus on account of a Fatal Accident that occurred on 28.02.2022 at UET-KSK Campus, Lahore. Based on the Investigation Report, the Authority decided to issue Show Cause Notice to both LESCO and UET-KSK Campus for violating NEPRA Laws, Rules, and Regulations. Accordingly, a Show Cause Notice was issued on 19.10.2022.

vi. During the investigations conducted by NEPRA regarding Fatal Accidents that occurred in different DISCOs, it was observed that the distribution facilities of DISCOs particularly Poles, Structures, etc. lack earthing/grounding which is one of the major causes of the occurrence of fatal accidents. The Authority took serious notice and decided to seek a comprehensive plan along with specific timelines from DISCOs for the execution of earthing/grounding of 100% of their distribution system. A hearing/meeting in the said matter was also held on 04.10.2022. Keeping in view the submissions of DISCOs, NEPRA vide letter dated 28.10.2022 directed DISCOs to submit a comprehensive plan along with specific timelines for execution of earthing/grounding of all HT/LT poles/structures.

vii. Keeping in view the installation of AMI/AMR meters at the PMT level by K-Electric (KE), the Authority directed KE to carry out load shedding at the PMT level instead of the Feeder level through remote disconnection/connection of the power supply in order to facilitate the good paying consumers. In this regard, KE was also directed to submit PMT wise load shedding plan instead of feeder-wise. However, KE submitted a number of challenges to achieve the task. Further, a meeting/hearing in the matter was held on 04.10.2022, whereby KE was directed to find a possibility for remote disconnection/re-connection of meters through exploring design and development opportunities. Further, online meetings with KE's team were also held and some solutions were also shared with KE by the NEPRA team. However, the compliance from KE, to carry out PMT-wise load-shedding instead of feeder-wise was not received. Therefore, NEPRA has initiated legal proceedings and issued an Explanation to KE for non-complying with the repeated directions of the Authority.

viii. The M&E Department via an online portal collects data about the pending ripe connections from all DISCOs, on monthly basis. Based on the data received, the Authority initiated legal proceedings against PESCO, IESCO, GEPCO, FESCO, LESCO, MEPCO, and K-Electric, and accordingly, the explanations were issued. Hearings in the matter of explanations were also held. During hearings, the Authority categorically directed DISCOs to clear all pendency of connections within one month and submit a compliance report to NEPRA in this regard. Further, the Authority also directed the M&E department to verify the data submitted by DISCOs through the said portal, as discrepancies in IESCO's data were witnessed. Therefore, the Authority decided to issue an Explanation to IESCO. The said Explanation was issued on 26.10.2022 and a hearing on the matter has been held on 29.12.2022. Moreover, as per the directions of the Authority, all the Regional Offices of NEPRA have also been engaged to verify the data pertaining to pending ripe connections of other DISCOs.



7. Technical

7.1 A webinar was organized titled “Geothermal Energy Technological Overview and Potential” On October 07, 2022, the main speaker was Dr. Amanda Kolkar. The webinar was attended by a large number of NEPA Professionals, power sector stakeholders, members of academia and others. The webinar on Geothermal is the most timely one as all the Oil & Gas Companies even in Pakistan thinking about venturing into power with Coal Regasification and especially geothermal energy. Two companies meet with Chairman NEPA including Schulburger and one new Pakistani startup both tying hands with Mari Petroleum and OGDCL to start one pilot project each. They were so appreciative of NEPA's showing interest in geothermal through tomorrow's webinar.

The main objective was to create awareness amongst the participants about geothermal energy, technological advancements in the technology, and potential sites in Pakistan.

7.2 On November 10, 2022 NEPA in collaboration with EVs Academy Pvt. Ltd hosted a one-day Webinar/Seminar on “Electric Vehicles (EVs) Future in Pakistan” at NEPA HQ. The webinar was presided by Chairman NEPA, Mr. Tauseef H. Farooqi, and honored by Ex. Prime Minister, **Mr. Shahid Khaqan Abbasi**. The main objective was to create awareness amongst the participants about the EVs, and technological advancements in this new emerging field in Pakistan. A large number of professionals from the power sector of Pakistan attended this seminar



8. Health Security Environment (HSE)



8.1 As part of its “Power with Safety” drive, NEPR in collaboration with K-Electric hosted a webinar on **“Transmission & Distribution Network Protection”** held on **November 11, 2022**. Chairman NEPR, Mr. Tauseef H. Farooqi in his keynote address reiterated his commitment to NEPR's vision of “Power with Safety”. He thanked K-Electric for sharing their success story with the professionals and appreciated their various safety steps and protocols in view of no major electrocution incident during the unprecedented rain in the year 2022. The webinar was attended by hundreds of HSE Professionals and field staff from the entire power sector of Pakistan, as well as NEPR officials. The main objective of the webinar was to learn about the requirements of network protection components, such as fixed grounding, relays, fuses, and circuit breakers. Network protection eliminates safety risks to human as quickly as possible, minimizes the duration of a fault, protects consumers' appliances, disconnect faulted lines & transformers, and protects the system from severe damage.

8.2 To celebrate the outstanding achievements of NEPR's licensees in the area of Occupational Health, Safety and Environment (HSE), NEPR organized **2nd Annual HSE Award Ceremony at NEPR Tower on December 23, 2022** which was chaired by Chairman NEPR, Mr. Tauseef H. Farooqi and graced by His Excellency Mr. Nong Rong, Ambassador of People's Republic of China as Chief Guest. The ceremony was attended by Heads and Professionals of various top power sector entities, contractors from Generation, Distribution and Transmission companies including Chairman PNRA, Chairman PAEC, NEPR Professionals and journalists. Chairman NEPR in his opening remarks presented his vision about NEPR's drive “Power with Safety (PwS)” in addition to its other four drives “Power with Prosperity”, “Power with Security”, “Power with Unity” and “Power with Equality”. He remarked that HSE issues are at the forefront of his priorities and therefore each licensee shall strive hard to improve its performance in this area. He also elaborated that NEPR through its PwS drive is making tremendous headways by developing safety protocols and conducting awareness sessions which has resulted in decrease in accidents and electrocutions.



"H.E. Mr. Nong Rong appreciated NEPRA efforts in organizing an amazing ceremony and inviting him as Chief Guest. He also shed light on various CPEC Energy Projects initiated by the Chinese Government in Pakistan vis-a-vis HSE and reiterated his government's resolve to help Pakistan's Power Sector. He further said that his government would further increase investment in the power sector, especially in renewable energy. In the end H.E Mr. Nong Rong and Chairman NEPRA, Mr. Tauseef H. Farooqi presented awards to the top performing organizations. UCH & UCH-II Power (Pvt.) Limited was recognized as the top performer and presented Gold Award, followed by Foundation Power Company (Daharki) Limited with the Silver whereas the Bronze award was shared by Chashma Nuclear Power Generating Stations, Karachi Nuclear Power Generating Stations, and Nishat Power Limited. Similarly, NEPRA also recognized eighteen individuals from power companies for their outstanding safety performance in the field. Chairman NEPRA concluded the ceremony by thanking the participants for their presence and also congratulating the winners for their outstanding performance in the field of HSE".

8.3 Under the NEPRA vision of "Power with Safety" and Zero Incident goal in power sector, HSE Department published Licensees HSE Performance Report for fiscal year 2021-22. The purpose of Occupational Health, Safety, and Environment (HSE) performance evaluation initiative is to compare licensees' performance to previous year's performance for their continual improvement, identify top HSE performers for benchmarking, identify unsafe organizations and provide them necessary guidance in order to become a safe organization.



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

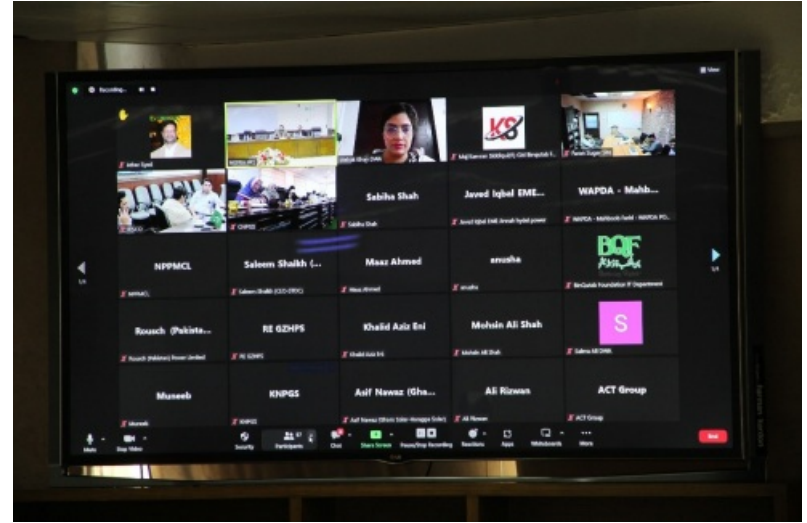


Licensees HSE Performance Evaluation Report 2021/2022

23 December 2022

9. Corporate Social Responsibility (CSR)

9.1 In continuation of Webinar Series, NEPRA CSR held a Webinar on September 14, 2022 regarding Engagement of SWOs with NEPRA Licensees wherein Bin Qutab Foundation, Disabled Welfare Association and Roshni Helpline showcased their CSR activities.



9.2 On September 16, 2022 Chairman NEPRA visited K-Electric for participation in Cheque Distribution Ceremony held in favor of different Social Welfare Organizations (SWOs) working on Flood Relief Program sponsored by K-Electric.



9.3 On October 04, 2022 a webinar held on impact of collaboration of licensees and social welfare organizations (SWOs) for flood relief activities in Balochistan and Sindh.



9.4 Chairman NEPRA visited Civil Hospital Karachi on October 28, 2022 where he inaugurated state of the art Children Emergency Room established by Childlife Foundation.



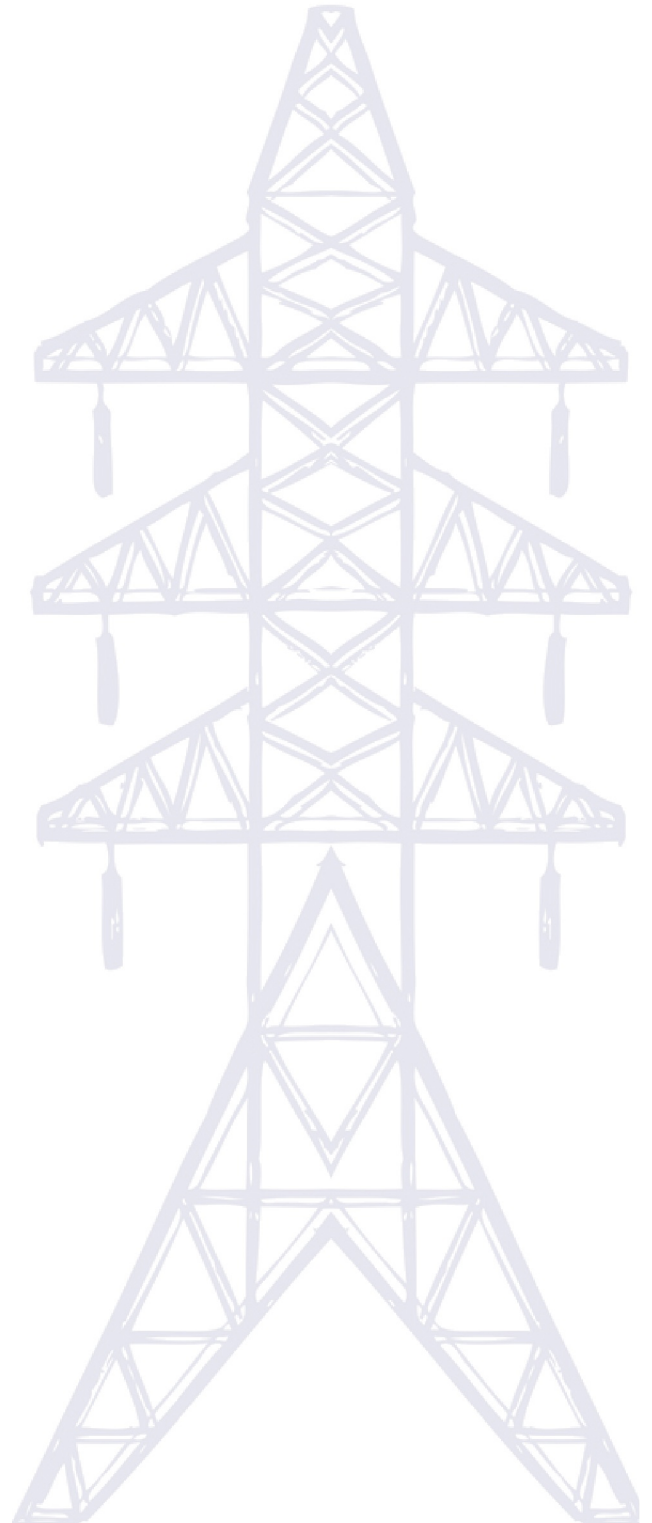
9.5 On November 11, 2022 Chairman participated as “Chief Guest” at Launching Ceremony of Roshni Baji 2nd Cohort Program” held by K-Electric Limited and subsequently he visited Head Office of Roshni Helpline 1138 and lauded their performance in recovery of missing/abducted children in Pakistan.



9.6 2nd Annual NEPRA CSR Awards 2022 held on December 16, 2022 at NEPRA Headquarters, Islamabad wherein PAEC won the Gold Award, K-Electric won Silver Award whereas PEDO got the Bronze Award. Furthermore, some licensees and social welfare organizations were conferred Stalwart Award and Appreciation Certificates in token of their tireless efforts towards community development and flood relief activities in Pakistan.



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10. Coordination & Implementation (C&I)

10.1 Regulatory Meetings & Hearings

i. On October 19, 2022 Public hearing on the draft Indicative Generation Capacity Extension Plan (IGCEP) 2022-31 submitted by NTDC held at NEPRA HQ, Islamabad. The hearing was attended by a large number of representatives from different stakeholder entities and government departments who discussed and dissected the draft Plan in all aspects. The Authority will consider all the comments, observations and suggestions shared by the participants in the finalization and subsequent approval of the IGCEP 2022-31.



ii. On October 25, 2022 Public Hearing regarding Fuel Charges Adjustment of K-Electric for the month of September 2022 under MYT FY 2017-2023 was held at NEPRA Tower, Islamabad. The Authority heard the petitioner as well as the stakeholders and will announce its decision in due course of time.



iii. On November 11, 2022, Public Hearing regarding Quarterly Adjustments of XWDISCOs on account of variation in Power Purchase Price for the 1st Quarter of the FY 2022-23 held at NEPRA Tower, Islamabad. The Authority heard the petitioners as well as the stakeholders and will announce its decision in due course of time.



iv. On November 29, 2022, Public Hearing Regarding Fuel Charges Adjustment of XWDISCOs for the Month of October 2022 held at NEPRA Tower, Islamabad. The Authority heard the petitioner as well as the stakeholders and will announce its decision in due course of time.



v. On December 05, 2022 Public Hearing regarding Guidelines for Coal fired Power Plant for Procurement of locally available Spot Coal from Afghanistan/other Sources was held at NEPRA Tower, Islamabad. The Authority heard the petitioner as well as the stakeholders and will announce its decision in due course of time.



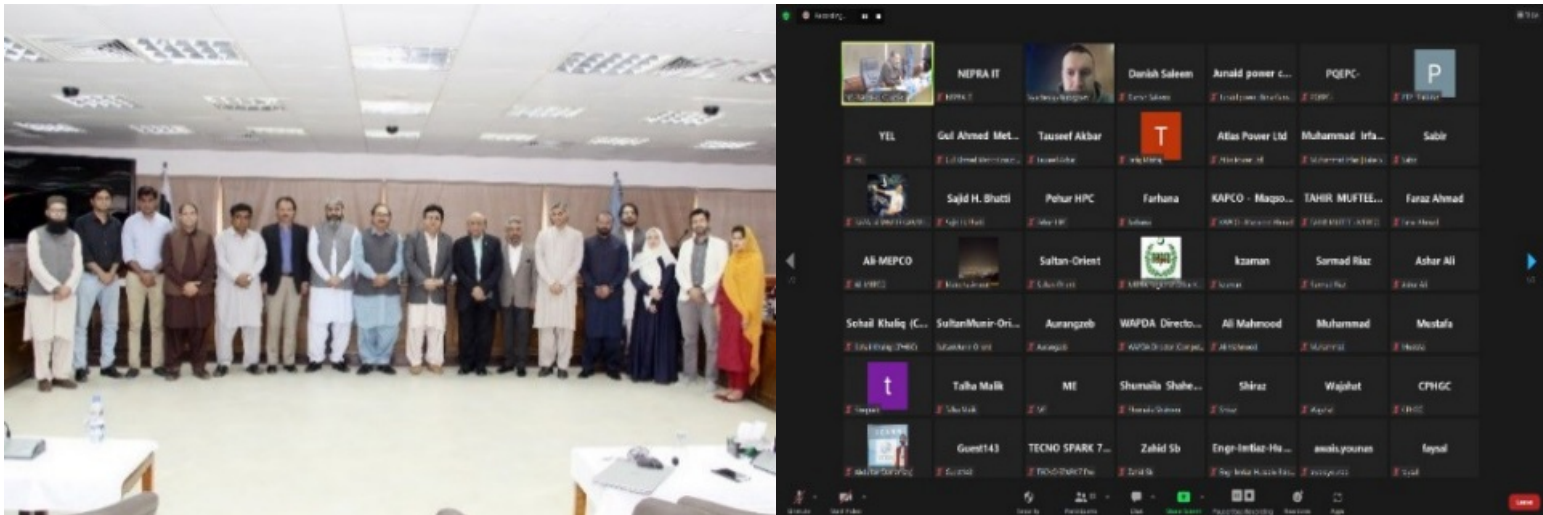
vi. On December 09, 2022, National Accountability Bureau (NAB) A&P Division arranged an awareness session for NEPRA employees in connection with International Anti-Corruption Day. The session covered different aspects of corruption and how to combat them at workplace. All the officers of NEPRA attended the seminar and NAB team headed by DG (A&P) Division shared their great insights and experiences followed by interactive Q&A session.

vii. On December 27, 2022, NEPRA hold three consecutive Public Hearings regarding Fuel Charges Adjustments of XWDISCOs, K-Electric for the month of November, 2022 and Federal Government Motion with respect to recommendation of Consumer End Tariff for K-Electric, under Section 7 & 31 of NEPRA Act 1997 read with Rule 17 of the NEPRA Tariff (Standards & Procedure) Rules, 1998 at NEPRA Tower, Islamabad. The Authority heard the petitioners as well as the stakeholders and will announce its decisions in due course of time.



viii. A total of 43 Hearings were held in addition to 148 Regulatory Meetings of the Authority.

11. Information Technology (IT)



11.1 Under the Power with Security Drive, a webinar on “Role of Cyber Emergency Response Team (CERT) in 21st Century” was held on 4th Nov, 2022 to highlight that CERT is our first line of defense in case of cyberattack. The establishment of effective CERT should be a key goal for every power sector entity after 4th Industrial revolution.

11.2 The 2nd webinar on “Cybersecurity Roadmap- Practitioners Approach” was held on 09th Dec, 2022 to brief the power sector professionals about buildings blocks of Cybersecurity Capability Maturity Model (C2M2), Crises Communication Plan in case of data breaches, CERT team models and key factors to consider when cyber incident response plans are developed.



11.3 The 3rd webinar on “Cybersecurity in Micro grids and ICS CERT's” was held on 16th Dec, 2022. The participants were briefed in micro grids, cyber systems and physical processes are tightly coupled, any cyber security incident can have a huge impact on operations of micro grid. Speakers explained the step by step approach, commands and tools to be used when cyberattack happens on the industrial control systems.

12. Administration/Human Resource/Media

12.1 Administration

October 06, 2022

Participants of the NTDC Technical Study tour visited NEPRA HQ. Chairman NEPRA, Mr. Tauseef H. Farooqi welcomed them and briefed on various roles, functions of NEPRA, working processes and best practices observed at premises.



October 22, 2022

Procurement of 19 official vehicles for NEPRA Professionals.

December 11, 2022

The 3rd edition of NEPRA Football Inter-Departmental Tournament was held at Islamabad. This event was graced by Chairman NEPRA, Mr. Tauseef H. Farooqi and Member NEPRA, Mr. Maqsood Anwar Khan. A large number of NEPRA employees participated with immense enthusiasm. Chairman and Member NEPRA distributed the winning trophy to NEPRA Black Tigers (Tariff Department) and awards to runner-up team and management



December 23, 2022

Celebration of Christmas Eve for the Christian employees of NEPRA & Annual HSE Awards were undertaken.

12.2 Human Resource (HR)

12.1.1 Internship Opportunities

NEPRA intermittently offers internship opportunities to young and talented professionals of reputable local/foreign educational institutions. Besides providing practical exposure, the program is boosting NEPRA's image as a socially responsible organization.

During the fourth quarter of the year NEPRA provided internship opportunities to three (03) graduates for practical exposure to the power sector and also to provide them rich experience of regulatory oversight of the power sector on technical, financial and HR matters.

12.1.2 Probation Termination of NEPRA employees

During this quarter, the HR Department initiated the case for regularization of various employees on probation after following the process of verification of academic qualification as well as experience.

12.1.3 House Building Advance for FY2022-2023

During this quarter, the HR Department processed cases of thirty (30) eligible employees for House Building Advance for the FY 2022-2023.

12.1.4 Presentations/Focus Group Discussions

During this quarter, the HR Department participated in presentations/focus group discussions w.r.t. restructuring of organizations in light of the amendments in NEPRA Act 2021..

12.3 Media Department

12.3.1 Keeps the media and all the stakeholders including the general public informed about Power Sector's important developments, decisions and enforced actions of paramount importance. In this regard, NEPRA Media Department publishes advertisements, Issues Press Releases/ briefs for information of all.

12.3.2 Published a total of 32 advertisements in accordance with the Press Information Department (PID)'s Standing Operating Procedures (SOPs) and guidelines with subsequent uploading of the same on NEPRA website. Similarly, 41 Press Releases and briefs of paramount importance were also shared with the external media personnel of print and electronic media and in-turn received huge coverage of the same as well as minimized misreporting. Apart from that, payment amounting to Rs. 3,403,768/- (3.4 Million) was also paid to the newspapers for the published advertisements.

12.3.3 Also ensured extensive coverage of various events/webinar in print and electronic media.

13 Obituary

Ex-Chairman NEPRA, Mr. Ali Nawaz Memon passed away on December 30, 2022 at the age of 81, in United States of America. Mr. Memon began his career with the World Bank in 1967. He worked in many different countries and in many different capacities on World Bank missions. He also served Pakistan as the Chairman of NEPRA. In addition to his professional pursuits, Ali Nawaz Memon was deeply involved in his community, volunteering his time and resources to those in need. Mr. Ali Nawaz Memon will be deeply missed by all who knew him, and his legacy of kindness and compassion will live on through each of the many people he touched throughout his life.

To God we belong and to Him we return.