



**National Electric Power Regulatory Authority**  
**Islamic Republic of Pakistan**

**Registrar**

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No. NEPRA/R/D(CAD)/TCD.03/11407-11

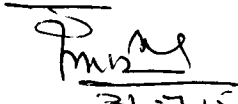
July 31, 2015

Rana Sajjad Sarwar S/o Mr. Ghulam Sarwar  
R/o A-1, 483-A, WAPDA Town Gujranwala

Mr. Muhammad Bashir S/o Hadayat Ullah  
R/o WAPDA Town Gujranwala

Subject: **DECISION IN PURSUANCE TO THE DIRECTIONS OF THE HONORABLE LAHORE HIGH COURT LAHORE IN WRIT PETITION / CRIMINAL ORIGINAL NO. 1595-W/2015 IN THE MATTER OF SAJJAD SARWAR AND MUHAMMAD BASHIR VS NEPRA, WAPDA EMPLOYEES CO-OPERATIVE HOUSING SOCIETY GUJRANWALA (WECHS) AND GEPCO**

Please find enclosed the decision of the Authority in pursuance to the orders of Honorable Lahore High Court, Lahore dated July 03, 2015 in Writ Petition / Criminal Original no. 1595-W/2015 for your information

  
31-07-15  
(Syed Safer Hussain)

Copy to:

Additional Registrar (J)  
Lahore High Court, Lahore

{ With reference to Criminal Original No.1595-  
W/15 titled as "Sajjad Sarwar etc VS NEPRA etc" }

Chief Executive Officer  
Gujranwala Electric Power Company (GEPCO)  
565/A, Model Town GT Road, Gujranwala.

Secretary  
WAPDA Employees Cooperative Housing Society  
A-1/100, WAPDA Employee Town, Gujranwala



**BEFORE THE**  
**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY**  
**(NEPRA)**

Sajjad Sarwar and Muhammad Bashir ..... **Petitioners**  
A-1, 483-A, WAPDA Town, Gujranwala.

**Versus**

National Electric Power Regulatory Authority (NEPRA) ..... **Respondent No. 1**  
Attaturk Avenue (East), Sector G-5/1, Islamabad.

WAPDA Employees Cooperative Housing Society, ..... **Respondent No. 2**  
A-1/100, WAPDA Employees Town, Gujranwala.

Gujranwala Electric Power Company (GEPSCO) ..... **Respondent No. 3**  
565/A, Model Town, G.T. Road, Gujranwala.

**Date of Hearing:** July 28, 2015

**Date of Decision:** July 28, 2015

**Present:**

1)	Brig (R) Tariq Saddozai	Chairman
2)	Maj (R) Haroon Rashid	V.C/Member (Consumer Affairs)
3)	Khawaja Muhammad Naeem	Member (Tariff)
4)	Mr. Himayat Ullah Khan	Member (Monitoring & Enforcement)
5)	Syed Masood-ul- Hassan Naqvi	Member (Licensing)

**On behalf of:**

**Petitioners:**

- 1) Mr. Sajjad Sarwar
- 2) Mirza M. B. Khan

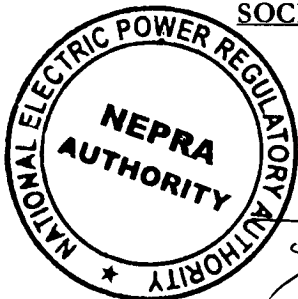
**Respondent No. 2:**

- 1) Sh. Muhammad Ilyas
- 2) Mr. Azhar Saeed Butt

**Respondent No. 3:**

- 1) Mr. Junaid Akhtar, Chief Engineer (Development)
- 2) Mr. Ghulam Mustafa, Additional Deputy Director (Planning)

**Subject:** DECISION IN PURSUANCE TO THE DIRECTIONS OF THE HONORABLE LAHORE HIGH COURT, LAHORE IN WRIT PETITION/CRIMINAL ORIGINAL NO. 1595-W/2015 IN THE MATTER OF SAJJAD SARWAR AND MUHAMMAD BASHIR VS NEPRA, WAPDA EMPLOYEES COOPERATIVE HOUSING SOCIETY, GUJRANWALA AND GEPSCO



## Decision

1. In pursuance to the order of the Honorable Lahore High Court dated 3<sup>rd</sup> July 2015 in Writ Petition/Criminal Original No. 1595-W/2015 i.e. Sajjad Sarwar and Muhammad Bashir vs NEPRA, WECHS & GEPCO, this decision shall dispose of complaint of Sajjad Sarwar and Muhammad Bashir (hereinafter referred to as "the Petitioners") under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 against National Electric Power Regulatory Authority (hereinafter referred to as "NEPRA" or "Authority"), WAPDA Employees Cooperative Housing Society, Gujranwala (hereinafter referred to as "WECHS") and Gujranwala Electric Power Company (hereinafter referred to as "GEPCO").

2. Brief facts of the case are that:

- i. The Petitioners are residents of WECHS. WECHS is involved in re-sale of electricity since 1996 after obtaining license from Government of Punjab before the establishment of NEPRA. WECHS is receiving power under bulk-supply tariff from GEPCO and supplying it to its consumers on higher rates as compared to the rates of GEPCO. Since WECHS is involved in re-sale of electricity prior to grant of distribution license to GEPCO by NEPRA, therefore, area of WECHS is not part of the service territory of GEPCO as per the license granted by NEPRA.
- ii. WECHS approached NEPRA in May 2012 and requested that GEPCO be directed to take-over their distribution system except maintenance as per MoU signed between WECHS and GEPCO. The case was taken-up with GEPCO. Upon non-resolution of the dispute between the parties, several meetings were also held wherein representatives of WECHS, GEPCO and NEPRA participated. The point of view of WECHS was that they intend to hand-over their distribution system to GEPCO and retain its maintenance with themselves. On the contrary, the proposed model/arrangement has no legal justification under Regulation 4-A(2) of Consumer Eligibility Criteria, 2003 which states as under:

"The Sponsored Dedicated Distribution System other than service wire and meter may be converted into Common Distribution System on the request of the sponsor. In such case, the distribution company shall take over the system for its operation and maintenance purpose and thereby the augmentation and extension shall be carried out by the distribution company without any charges from the Sponsor. Notwithstanding conversion of such system into Common Distribution System, it shall not form part of the assets of the distribution company, therefore, the distribution company shall not be obliged to reimburse the cost of the Sponsored Dedicated Distribution System to the Sponsor."

- iii. Foregoing in view, WECHS was advised vide NEPRA's letter dated 27<sup>th</sup> March 2013 to come-up with a clear stance either to approach NEPRA for grant of distribution license or hand-over its distribution system to GEPCO for its operation and maintenance without any condition. In response, WECHS approached the Honorable Lahore High Court and filed Writ Petition No. 22622/2013. Meanwhile, Sajjad Sarwar/Petitioner also filed a Writ Petition No. 29982/2013 before the Honorable Lahore High Court.
- iv. The Honorable Lahore High Court disposed of both the petitions vide its Orders dated 2<sup>nd</sup> December 2014. In Writ Petition No. 22622/2013, NEPRA was directed to decide the case afresh after hearing the parties concerned and by way of a reasoned and speaking order, taking care of all facts involved and the law applicable to the matter within a period of 02 months from the date of receipt of a certified copy of the Order. In Writ Petition No. 29982/2013, the Honorable Court held that NEPRA, while determining the matter referred to it in the connected petition, shall also hear the petitioners in this petition after taking into consideration the circumstances put forth by them as well and decide the matter afresh within the time frame given in the said order. Accordingly, action was initiated by NEPRA and opportunity of hearing was given to the parties. The case was examined in detail in light of available record, arguments advanced during the hearings, relevant documentary evidence and applicable law. WECHS was directed vide decision



dated 5<sup>th</sup> March 2015 to apply to NEPRA for grant of distribution license and determination of tariff within 30 days of receipt of the decision.

- v. In response, WECHS vide its letter dated 28<sup>th</sup> April 2015 filed a review motion against the decision and also submitted application for grant of distribution license. The review motion filed by WECHS was admitted by NEPRA for hearing and accordingly it was scheduled for 25<sup>th</sup> June 2015 at NEPRA Head Office, Islamabad wherein WECHS, GEPCO and Sajjad Sarwar/Petitioner were advised to appear before the Authority to present their case(s). However, WECHS requested for re-scheduling of the hearing due to appearance of the Secretary WECHS in his LLB examinations. Accordingly, the hearing was re-scheduled for 9<sup>th</sup> July 2015. Again, WECHS requested for re-scheduling of the hearing with the submission that Secretary WECHS intends to observe Etifaaf from 8<sup>th</sup> July 2015 during the holy month of Ramzan. The hearing was accordingly re-scheduled for 28<sup>th</sup> July 2015.

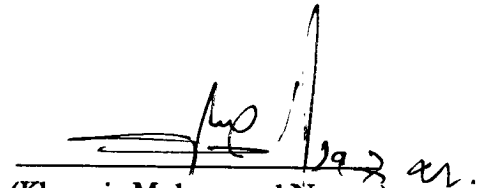
3. Meanwhile, the Petitioners approached the Honorable Lahore High Court and filed Criminal Original No. 1595-W/2015 against NEPRA, WECHS & GEPCO. The Honorable Lahore High Court disposed of the said Criminal Original vide its order dated 3<sup>rd</sup> July 2015 wherein it was held that let copy of the petition along with all the annexures be dispatched to Chairman NEPRA for its decision on merits. The Petitioner, along with copy of the order, shall appear before Chairman NEPRA on 13<sup>th</sup> July 2015 at 11:00 am who will hear the Petitioner and decide the same within 15 days thereafter, strictly in accordance with law. However, in pursuance to the Orders of the Honorable Lahore High Court, the Petitioner(s) did not appear before Chairman NEPRA on 13<sup>th</sup> July 2015.

4. The Petitioners are of the view that they are being charged at higher rates as compared to the rates of GEPCO which requires to be reviewed and WECHS be asked to charge such rates as of GEPCO or distribution system of WECHS be handed over to GEPCO for its billing, operation and maintenance. Here, it is clarified that WECHS is involved in re-sale of electricity prior to grant of distribution license to GEPCO and as per Article 3 of the distribution license of GEPCO, area of WECHS is not part of the service territory of GEPCO. Therefore, issue of the Petitioners can only be resolved upon grant of distribution license and determination of tariff for WECHS by NEPRA.

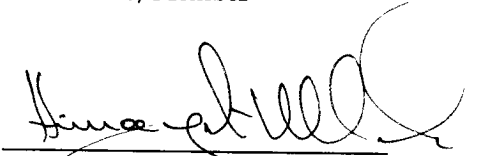
5. Hearing in the matter of review motion filed by WECHS was held on 28<sup>th</sup> July 2015 at NEPRA Head Office, Islamabad wherein all the concerned parties, including the Petitioner, participated and advanced their arguments on the basis of their written submissions. The Review Motion filed by WECHS has been declined/dismissed by the Authority. WECHS has already filed an application for grant of distribution license, therefore, upon obtaining distribution license and tariff from NEPRA by WECHS, the issue of the Petitioners will be resolved/settled.

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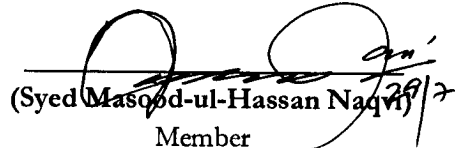
(Maj. (Retd.) Haroon Rashid)  
VC/Member



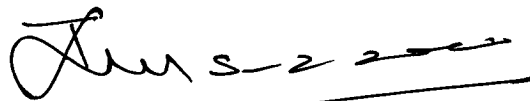
(Khawaja Muhammad Naeem)  
Member



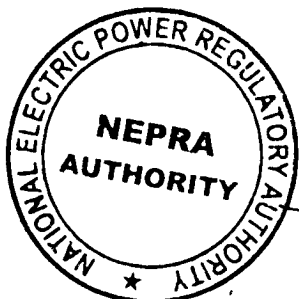
(Himayat Ullah Khan) 30.7.15  
Member



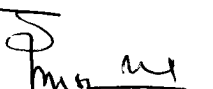
(Syed Masood-ul-Hassan Naqvi) 29/7  
Member



(Brig. (Retd.) Tariq Saddozai)  
Chairman



30/7/15

  
31.07.15