



NEPRA Licensing (Distribution) Regulations, 2021

NEPRA Act, 1997

Section 21

A distribution licensee was given an “exclusive right” to distribute and to make sale of electric power to consumers in its territory.

NEPRA Act (Amendments), 2018

Section 20 covers the provisions for the distribution license, mandating that engaging in distribution requires “a license issued by the Authority under the Act and subject to the conditions specified”.

Section 20(1) establishes the minimum information that must be included in the distribution license application:

An application for a license for distribution of electric power shall specify—

the type of service for which the license is being sought;

the territory in which electric power shall be distributed; and

the source and scope of electric power and rates paid by it.

DEFINITION OF DISTRIBUTION SERVICES

- for consumers**, connections and related consumer services and performance standards
- for generation** connected or to be connected to the distribution system, connections including signing connection agreement, coordination of schedules, and all other provisions in the connection agreement
- connection with other distribution licensees
- planning, maintenance and operation of its distribution system to enable delivery to consumers and accommodate the operation and dispatch of distributed generation including coordination and complying with instructions of the System Operator
- metering services for consumers
- use of system / wheeling services to suppliers, including disconnection of consumers upon request and justification of its supplier due to non payment or theft and reconnection when applicable

Salient Features of Distribution Regulations Cont...

- ❑ **Section 21(2)** Rights and Duties for a Distribution Licensee in the service territory, defined in the license
- ❑ No exclusivity for distribution, allowing other distribution licensees in its service area
- ❑ 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
- ❑ Be responsible to provide distribution within its service territory **on a non-discriminatory basis to all the consumers** who meet the eligibility criteria laid down by the Authority

Salient Features of Distribution Regulations

- Publicly make available tariff specifying the Authority's approved rates, charges and other terms and conditions for distribution service
- Establish within three (3) months of the issue of its license for distribution of electric power and make available to public, the manner and procedure for obtaining its service
- Follow the performance standards laid down by the Authority for distribution and transmission of electric power, including safety, health and environmental protection instructions issued by the Authority or any Governmental agency or Provincial Government
- Maintain accounts in accordance with the manner and procedure laid down by the Authority
- Develop, maintain and publicly make available, with the prior approval of the Authority, an investment program for satisfying its service obligations and acquiring and selling its assets