

No.CE/MEPCO/DG(MIRAD)/PP-61/ 32396-402

Dated: 19 APR 2024

Registrar NEPRA,
NEPRA Tower Attaturk
Avenue (East) G-5/1,
Islamabad

F/A

Subject: **PETITIONS FOR REVISION OF SECURITY DEPOSIT RATES ON CURRENT TARIFF AND INCREASE IN THE TEMPORARY CONNECTION TARIFF RATE FOR THE CONSUMERS OF MEPCO.**

Ref: i. PPMC letter No. 2515-26/GM(R&CO) dated 17.01.2024 (copy enclosed)
ii. Ministry of Energy (Power Division) No. 12(35)/2021-DISCO-II dated 27.11.2023 (copy enclosed).
iii. Ministry of Energy (Power Division) No. 12(35)/2018-DISCO-II (Part-III) dated 12.01.2024 (copy enclosed).
iv. NEPRA letter No. NEPRA/DG(CAD)/TCD-10/159-160 dated 03.01.2024.

With reference to letter received from the Ministry of Energy (Power Division) at Sr. (iii) whereby, referring to the NEPRA letter referred at Sr. (iv), wherein it has been desired to submit the petitions for determination of revised security deposit rates on current tariff rate and increase in the temporary connection tariff rate as per the methodology contained in Ministry of Energy (Power Division) letter referred at Sr. (ii).

Accordingly, in compliance of the Ministry of Energy (Power Division) directions, the petitions for determination of revised security deposit rates on current tariff rate and increase in the temporary connection tariff rate are submitted for kind consideration and determination of the honorable Authority.

DA/as above

Forwarded please:

<input checked="" type="checkbox"/> For decision	<input type="checkbox"/> for information
1. DG (Lib.)	2. DG (Admin. & HR)
3. DG (USE)	4. DG (CAD)
5. ADG (T&F)	6. Dir. (Fin.)
7. Dir. (Tech.)	8. Consultant
9. SLA	10. Dir. (IT)

For kind information please:

1. Chairman	2. (Tech.)
3. M (Lib.)	4. M (T. & Fin)
5. M (Law)	

(Rana Muhammad Ayub)
Chief Executive Officer
MEPCO H/Q Multan

CC:

- General Manager (Technical) MEPCO H/Q Multan.
- General Manager (R&CO), PPMC Evacuee Trust, Agha Khan Road, Islamabad.
- Chief Engineer / CSD MEPCO H/Q Multan.
- Finance Director MEPCO H/Q Multan.
- Manager (Legal / Labour) MEPCO H/Q Multan.
- Manager (Legal / Contract) MIRAD MEPCO H/Q Multan.

REGISTRAR OFFICE

Diary No: 4413

Date: 23.4.24

with reference of No. 12(35)/2021/119/-

**CHECKLIST FOR PETITION OF SECURITY DEPOSIT REATS ON CURRENT TARIFF AND
INCREASE IN TEMPORARY CONNECTION TARIFF FOR CONSUMERS OF MEPCO.**

No.	Description	MEPCO Remarks
a.	Cheque No. 24 85386390 dated 19.04.2024 Amounting to Rs. 1020716/- for fee of Petition	Attached
b.	Documents / information under clause 3(2) of NEPRA Tariff Standards & Procedures Rules 1998	Attached
c.	Affidavit of CEO MEPCO in compliance of clause 3(8) of NEPRA Tariff standards & Procedures Rules 1998	Attached

PETITION FOR DETERMINATION OF SECURITY DEPOSIT THE FY 2023-24

SUBMITTED BY

MULTAN ELECTRIC POWER COMPANY (MEPCO)

APRIL 2024

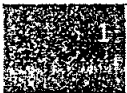
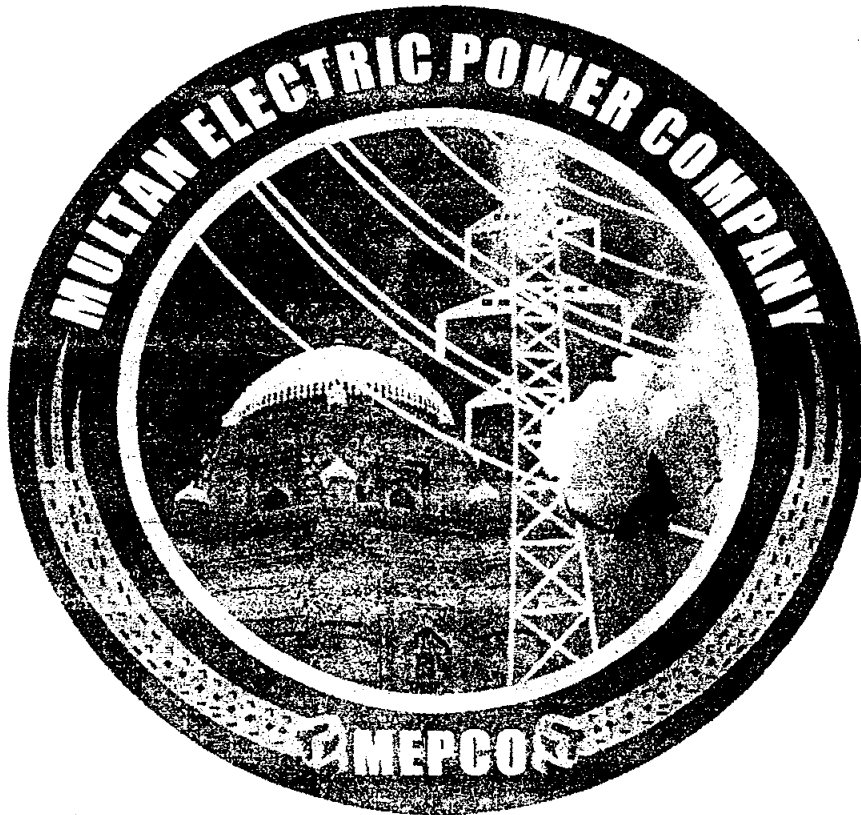


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1. BACKGROUND

- 1.1 Multan Electric Power Company (MEPCO) was incorporated on 14th May 1998 in line with Government policy of unbundling and corporatization of Pakistan power sector. MEPCO is responsible for the electricity delivery to over 7.6 million consumers of **13 administrative districts of southern Punjab** i.e. Multan, Muzaffargarh, Layyah, D.G. Khan, Rajanpur, Lodhran, Bahawalpur, R.Y. Khan, Khanewal, Sahiwal, Pakpattan, Vehari and Bahawalnagar, Pakistan as set out in MEPCO's Distribution License no. 06/DL/2002, granted by NEPRA under the NEPRA Act on April 25, 2002 as a result of the restructuring of WAPDA's Power Wing, MEPCO assumed its official operations and since then being headed by a Chief Executive Officer (CEO) and MEPCO Board of Directors. The MEPCO has been granted Distribution License (License No. DL/06/2023 dated 09-05-2023) by NEPRA in pursuant to Section-20 & 21 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, as amended from time to time, to engage in distribution business.
- 1.2 Under the provisions of Regulation of Generation, Transmission & Distribution of Electric Power (Amendment) Act, 2018, MEPCO was deemed to hold a license for supply of electric power to perform the function of sale of electric power in addition to existing licensee as Distribution Company. The Distribution function now shall, under Section 20, be limited to ownership, operation, management or control of distribution facilities for the movement or delivery to consumers of electric power. The MEPCO has been granted Electric Power Supply License (License No. SOLR/06/2023 dated 27-12-2023) by NEPRA in pursuant to Section-23E & 23F of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, as amended from time to time, to engage in electric power supply business as Supplier of Last Resort (SoLR).
- 1.3 In order to perform its obligatory duties as per NEPRA performance Standards (Distribution) Rules 2005, the petitioner need to recover all security deposit while providing electricity connections to the consumer of its Service territory. Currently MEPCO is recovering Security deposit as per approved/determined Security deposit rates of honorable Authority vide No. NEPRA/R/TRF-100/3685-3687 dated 04-11-2010.
- 1.4 This petition is being filed in accordance with the Section 3, Part-II of the NEPRA Tariff Standards and Procedure Rules 1998.

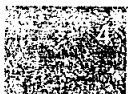


MEPCO

Ar

2. GROUNDS FOR PETITION:

- 2.1 In Accordance with NEPRA performance Standards (Distribution) Rules 2005, the petitioner needs to recover all Security Deposit while providing electricity connections to the consumer of its Service territory
- 2.2 MEPCO supply electricity on credit basis requiring a security deposit from new connection applicants to cover potential arrears in case of default. The prevailing security deposit rates were set by NEPRA in 2010, whereas the average tariff rate per kWh has increased significantly from Nov-2010 to Dec-2023. It indicates that existing Security Deposit rates are not adequate to safeguard MEPCO against the risk of possible default by the consumers.
- 2.3 Currently, MEPCO is issuing demand notices for new connection, restoration of disconnected connection, extension/reduction of load, change of name and tariff category to the applicants on current rates of Security Deposit. The situation, if not corrected, shall continue to cause exposure to risk arising from non-payment of energy dues.
- 2.4 As per billing procedure, disconnection of supply of any defaulting consumer takes about two and half months' time and the bill amount are always at risk as far as MEPCO is concerned. Accordingly, it is imperative to get the payment of two and a half months consumption in terms of security amount to off-set the possible risk involved in credit sales.
- 2.5 The security deposit rates should be enhanced up to the extent of currently applicable tariff to safeguard the financial loss of MEPCO; in relation to Security Deposit, it is requested to honorable Authority to revise the said rates as for then submitted herein after. The Ministry of Energy (Power Division) vide Letter No. 12(35)/2018-DISCO-II (Part-III) Dated 12-01-2024(Annex-A) referring to NEPRA letter No. NEPRA/DG(CAD)/TCD-10/159-160 Dated: 03-01-2024 directed MEPCO to file



petition for determination of revision in security deposit rates, before the honorable Authority.

2.6 The comparison of average tariff is given here as under:

Particulars	2010	2023	%Increase
Average Tariff (Rs. /kWh)	9.82	29.82	204%

2.7 As per clause 5.1.1 of Consumer Service Manual 2021(Annex-B), reads as “For all service connections, a demand notice for security deposit as per the rate approved by NEPRA shall be issued to the applicant for depositing the same in the designated bank branch. The Security Deposit rates are as per Annexure- IV.”

3. PROPOSED STRUCTURE OF SECURITY DEPOSIT:

3.1. Security Deposit rates per kW are calculated based on tariff category wise average bill per consumer per kW of sanctioned load, using load factors given in the NEPRA Consumer Service Manual 2021 and latest applicable tariff (notified by the Authority vide Letter No. No. NEPRA/R/DG(Trf)/TRF-100/19271-19290 dated July 25, 2023).

3.2. As per Ministry of Energy (Power Division) Letter No.12(35)/2021-DISCO-II dated: 27-11-23 (Annex-C), following methodology has been proposed for calculation of security deposit rates and modification in existing rules for filing petitions.

a) For all consumers excluding urban domestic consumers, the security deposit rates are recommended to be set at two and a half months based on average billing.

b) For Urban Domestic Consumers:

i. Security deposit rates equal to three months on average billing are proposed for properties up to 10 Marlas.

ii. Security deposit rates equivalent to one percent of the land value, as per rates fixed by Federal Board of Revenue (FBR) for properties above 10 Marlas.



- c) Modify existing rules to permit DISCOs for filing of common petitions for the determination of Security Deposit rates concurrently with tariff determination. This adjustment aims to streamline the process, eliminating the necessity for separate petitions for security and tariff determinations.

3.3. It is further added that tariff categories A-1 (Domestic) & A-2 (Commercial) are divided into Urban and Rural and the Security Deposit Rates for Rural connections are proposed to be 50% of Urban connections in line with existing methodology of existing approved Security Deposit Rates.

4. METHOD FOR RECOVERY OF SECURITY DEPOSIT:

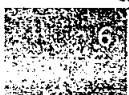
- 4.1. A consumer will be required to pay the MEPCO, an amount for Security Deposit as approved by the Authority (NEPRA) at the time of provision of a new connection, restoration of the disconnected connection, extension/reduction of load, change of name and tariff category.
- 4.2. If the consumer no longer wishes to continue its electric power connection and apply for permanent disconnection, MEPCO shall be liable to refund the Security Deposit to the consumer on demand provided that there are no outstanding dues against the consumer.
- 4.3. In case the consumer does not pay the electricity dues, MEPCO may adjust the Security Deposit against the outstanding amount billed to the consumer Security Deposit rates per kW are calculated based on tariff category wise average.

5. APPLICABLE CATEGORIES:

5.1 Security Deposit rates for all tariff categories

6. PRAYER:

- 6.1. In view of the above submissions, it is humbly requested that the Authority may kindly consider and determine as follows:
- a) Security Deposit rates for all consumers excluding urban domestic consumers, to be set at two and a half (2 ½) months based on average billing (Annex-D).
- b) Security Deposit rates should be enhanced to cover three (3) months billing from domestic urban consumers for properties up to 10 Marla (Annex-D).

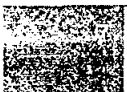


- c) Security Deposit rates to be equivalent to one percent (1%) of the land value, as per the rates fixed by the Federal Board of Revenue (FBR), from domestic urban consumers for properties above 10 Marlas (Annex-D).
- d) Modification in existing rules to permit MEPCO for filing of common petitions for the determination of Security Deposit rates concurrently with Annual / Multi-Year tariff determinations for consumer end tariff.


Multan Electric Power Company
Limited
Chief Executive Officer
MEPCO HQ Multan

Attachments:

1. Affidavit of the CEO, MEPCO
2. Annex-A(MOE(PD) Letter No. 12(35)/2018-DISCO-II(Part-III) Dated: 12-01-2024
3. Annex-B (Clause 5.1.1 of Consumer Service Manual 2021)
4. Annex-C(MOE (PD) Letter No. 12(35)/2021-DISCO-II Dated: 27-11-2023
5. Annex-D (Proposed Security Deposit Rates)



E-STAMP

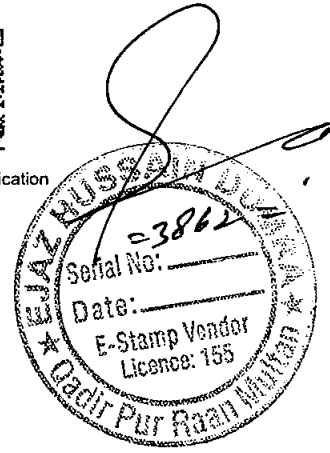


ID : PB-MLT-DB179489EE44B0D9
Type : Low Denomination
Amount : Rs 100/-



Scan for online verification

Description : CERTIFICATE OR OTHER DOCUMENT - 19
Applicant : Muhammad Ayub Khan [32303-7352435-5]
S/O : Sajid Ali
Agent : Jamshaid Aslam [00000-0000000-0]
Address : Multan
Issue Date : 15-Apr-2024 11:11:58 AM
Delisted On/Validity : 22-Apr-2024
Amount in Words : One Hundred Rupees Only
Reason : In favor of MEPCO WAPDA
Vendor Information : Ejaz Hussain | PB-MLT-155 | Qadir Pur Rawn Multan



F/A-4

نوٹ: یہ فراڈیکشن تاریخ اجرا سے سات دنوں تک کے لیے قابل استعمال ہے، ای اسٹامپ کی تصدیق بشریہ ویب سائٹ، کیو آر کوڈ یا ایس ایم ایس سے کی جا سکتی ہے۔

Type "eStamp <16 digit eStamp Number>" send to 8100

AFFIDAVIT

I Muhammad Ayub Khan S/O Sajid Ali, Chief Executive Officer MEPCO, having CNIC No. 32303-7352435-5, do hereby, solemnly affirm and testify that the contents of the application for filling petition for Revision of Security Deposit Rates on current tariff rate for consumers of MEPCO, are in accordance with the direction from the Ministry of Energy (Power Division) received through PPMC and that Annexed documents are true and correct to the best of my knowledge, belief on the basis of provided confirmations by the concerned formations put before me; and further declare that:

1. I am the Chief Executive Officer of the Multan Electric Power Company (MEPCO) and fully aware of the affairs of the Company particularly to endorse Petition for Revision of Security Deposit Rates on current tariff rate for consumers of MEPCO.
2. Whatsoever stated in the application and accompanied documents is true and nothing has been concealed.

Deponent

Engr. Muhammad Ayub Khan
Chief Executive Officer, MEPCO

Ejaz Hussain

Annex-A

No.12(15)/2018-DISCO-II (Part-III)
GOVERNMENT OF PAKISTAN
MINISTRY OF ENERGY
(POWER DIVISION)

Islamabad, the January 12, 2024

Subject: PROPOSAL FOR REVISION OF SECURITY DEPOSIT RATES ON CURRENT TARIFF RATE, URGENT FEES FOR NEW ELECTRICITY CONNECTION AND INCREASE IN THE TEMPORARY CONNECTION TARIFF RATE.

I am directed to enclosed herewith a copy of NEPRA's letter No. NEPRA / DG(CAD) / CD-10 / 159-160 dated 03.01.2024 on the subject noted above with request to file petitions for determination of security deposit rates and enhancement in tariff rates of temporary connections for deliberation by the Authority

Encl: As Above:



(Musafa Nazar)
Section Officer (DISCO-II)
Tele: 051-9214273

Distribution:

1. All CEOs of DISCOs.
2. The GM (R&CO), PPMC, Islamabad. (with request to coordinate with all DISCOs on the subject matter and ensure further necessary)



Annex - B

CHAPTER 5 SECURITY DEPOSIT

5.1 SECURITY DEPOSIT

- 5.1.1 For all service connections, a demand notice for security deposit as per the rate approved by NEPRA shall be issued to the applicant for depositing the same in the designated bank branch. The Security Deposit rates are as per Annexure - IV.
- 5.1.2 A period of thirty days for payment of Demand Notice is given. A grace period of thirty days may be allowed for payment of the demand notice on the request of the applicant.

5.2 UPDATION OF SECURITY DEPOSIT

- 5.2.1 In case of change of name due to any reason the Security Deposit shall be updated at prevailing rates subject to adjustment of already paid Security Deposit.
- 5.2.2 In case of change of tariff category, shifting of connection and reconnection (if period of disconnection is more than 365 days), the Security Deposit shall be updated at prevailing rates subject to adjustment of already paid Security Deposit.
- 5.2.3 In case of extension of load, the amount of security deposit shall be updated at prevailing rates for the entire load subject to adjustment of already paid Security Deposit.
- 5.2.4 In case of reduction of load, the Security Deposit shall be updated at prevailing rates and the difference of the Security Deposit shall be refunded/charged, as the case may be.
- 5.2.5 For the purpose of calculating the security deposit, the fraction of a kilowatt (for loads above one kilowatt) which is equal to or more than half kilowatt, shall be taken as one kilowatt, and the fraction which is less than half a kilowatt shall be ignored.
- 5.2.6 The security deposit paid by the consumer shall be refunded at the time of permanent disconnection if applied by the consumer for refund after getting approval from the load sanctioning officer provided that there is no outstanding dues against the consumer. The process of refund shall be carried out within thirty (30) days of receipt of such request.



5.3 BANK GUARANTEE

- 5.3.1 The option of Bank Guarantee in lieu of security deposit shall be available to the industrial consumers under B-3 and B-4 as defined in Tariff terms and conditions categories only. The existing B-3 and B-4 category consumers can also avail option of Bank Guarantee by withdrawing their previous security deposit from



Annexure – IV

Security Deposit Rates

Description	Security Deposit
Residential A-1	
Urban	Rs. 1,220 / kW
Rural	Rs. 610 / kW
Commercial A-2	
Urban	Rs. 1,810 / kW
Rural	Rs. 920 / kW
General Services A-3	To be determine by NEPRA
Industrial	
B1	Rs. 1,580 / kW
B2	Rs. 2,010 / kW
B3	Rs. 2,890 / kW
B4	Rs. 3,560 / kW
Single Point Supply	
C1 Supply at 400	Rs. 1,670 / kW
C2 Supply at 11 kV	Rs. 2,080 / kW
C3 Supply above 11 kV	Rs. 2,740 / kW
Agricultural Tube-wells - Tariff D	
Agricultural Tube-wells (including scarp/ lift pump)	Rs. 15000 lump sum
Public Lighting - Tariff G	Rs. 3,240 / kW
Tariff H - Residential Colonies attached to industries	Rs. 1,560 / kW
Special Contracts - Tariff K (AJK)	Rs. 2,570 / kW
Traction - I	Rs. 610 / kW
Special Contracts - Tariff K (Rawat)	Rs. 2,900 / kW

Annex-C

No.12(35)/2021-DISCO-II
GOVERNMENT OF PAKISTAN
MINISTRY OF ENERGY
(POWER DIVISION)

Islamabad, the November 27, 2023

Chairman NEPRA,
NEPRA Tower, Atatürk Avenue (EAST), G-5/1,
Islamabad.

Subject: - PROPOSAL FOR REVISION OF SECURITY DEPOSIT RATES ON
CURRENT TARIFF RATE, URGENT FEES FOR NEW ELECTRICITY
CONNECTION AND INCREASING THE TEMPORARY CONNECTIONS
TARIFF RATE

The DISCOs supply electricity on credit basis requiring a security deposit from new connection applicants to cover potential arrears in case of default. NEPRA set the current deposit rates in 2010, whereas the average tariff rate has been increased over 400 % per Kwh from June 2010 to September 2023. It is evident that the existing deposit amounts are insufficient keeping in view tariff increase. This surge in billing rates necessitates a revision of security deposit rates to offset arrears caused by tariff hikes and prevent the annual rise in arrears from disconnected defaulters contributing to circular debt accumulation. Therefore, it is proposed that NEPRA may revise the existing security deposit rates along with the following modifications.

Security Deposit

- a) For all consumers excluding urban domestic consumers, the security deposit rates are recommended to be set at two and a half months based on average billing.
- b) For urban domestic consumers:
 - i. Security deposit rates equal to three months on average billing are proposed for properties up to 10 Marlas.
 - ii. Security deposit rates equivalent to one percent of the land value, as per the rates fixed by the Federal Board of Revenue (FBR) for properties above 10 Marlas.
- c) Modify existing rules to permit DISCOs for filing of common petitions for the determination of 'Security Deposit' rates concurrently with tariff determination. This adjustment aims to streamline the process, eliminating the necessity for separate petitions for security and tariff determinations.

Urgent Fee for New Electricity Connection

To expedite the process of providing new electricity connections to applicants in need of immediate service, a new urgent fee structure is proposed. This aims to prioritize and fast-track the installation of electricity connections, specifically in those cases where only energy meter and cable are involved, and no distribution transformer is required. It seeks to improve efficiency in service delivery with strict adherence to regulatory standards, thereby establishing a streamlined process for urgent electricity connections required by such consumers.

The detailed implementation plan is proposed as follows:

- a) An additional urgent fee will be charged in conjunction with the standard connection installation charges, aligning with the existing rates in DISCOs:
 - i. Rs. 15,000 for single-phase connections
 - ii. Rs. 30,000 for three-phase connections

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- b) This will apply to both domestic and commercial connections up to 15 kW, as well as industrial and agricultural connections up to 8 kW.
- c) A dedicated priority and record-keeping system will be maintained at the Divisional level to ensure timely installation of urgent fee connections.
- d) Upon the applicant's selection of the urgent connection option, a 'Demand Notice' will be issued on the next working day from the date of application. The connection will be installed within two working days from the payment date of demand notice by the applicant.
- e) DISCOs will uphold an adequate inventory of spare meters and cables to facilitate the prompt installation of urgent fee connections.
- f) If a DISCO fails to install an urgent fee connection within the stipulated period, the DISCO will be held accountable to refund the urgent fees. Disciplinary action will be initiated against the officer/official responsible for any delay(s).
- g) DISCOs will be responsible for effectively communicating the details of this urgent fee connection to the public through appropriate channels, ensuring widespread awareness and understanding.

Increasing the temporary connections tariff rate

The existing tariff rates for temporary residential, commercial, and industrial connections are lower than standard rates, even falling below residential rates for consumption exceeding 700 units. Some consumers exploit this by reselling electricity illegally due to delayed infrastructure completion. To address this, tariff rates need an increase, coupled with Maximum Demand Indicator (MDI) adjustments. This encourages timely completion of infrastructure, reducing illegal resale. These adjustments will notably impact commercial plazas and residential colonies with long-standing temporary connections. Based on these observations, the following proposed adjustments in tariff rates for temporary connections are recommended for review.

- a) The tariff rates for temporary connections should be set at 1.5 times higher than the maximum tariff rate of the corresponding regular tariff rates.
- b) Fixed charges should be applied for load requirements exceeding 5 KW;
- c) Instead of basing fixed charges on actual Maximum Demand Indicator (MDI) readings or 50% of the sanctioned load, it is suggested that these charges be determined based on the sanctioned load. This approach is advisable because some prospective consumers seeking temporary connections often request higher loads to cover up delayed establishment of the necessary infrastructure.

2. It is requested to please consider the above proposals and necessary amendments may kindly be made in the relevant rules.



(Akbar Azam Rajar)
Deputy Secretary (DISCOs)
Tele: 051-9214273

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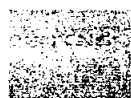
- SO to the Secretary, Ministry of Energy (Power Division), Islamabad.
- SPS to the Additional Secretary-I, Ministry of Energy (Power Division), Islamabad.



ANNEX-D				
PROPOSED SECURITY DEPOSIT RATES (3 & 2.5 Months Rates)				
Tariff	Description	Existing Security Rates (Rs./kW)	Estimated 1-Month Security (Rs./kW)	Estimated 3 & 2.5-Month Security (Rs./kW)
A-1 (Residential)	Urban (10 Marla & Below)	1,220	5,179	15,538
	Urban (Above 10 Marla)	1,220	-	As per Note 2 Below
	Rural	610	5,179	12,948
A-2 (Commercial)	Urban	1,810	10,627	26,568
A-2	Rural	920	10,627	26,568
A3	General Service	1,220	6,966	17,414
B-1	Small Industries	1,580	21,229	53,073
B-2	Middle Industries	2,010	22,444	56,111
B-3 (11kV)	Large Industries	2,890	17,367	43,417
B-4 (132kV)	Large Industries	3,560	15,947	39,867
C	Other Bulk Power supply	2,740	5,934	14,835
D	Agriculture Tubewells	15000 (Lump Sum)	11,005	27,514
G	Street Lights (G)	3,240	14,077	35,193
H	Tariff H for Housing Colonies	1,560	5,964	14,911

Note:

- 1. For Domestic Urban (10 Marla & below):** Security deposit rate is based on 3 Months average billing (Ministry of Energy (Power Division) Letter No.12(35)12021-DISCO-II dated: 27-11-23 referred).
- 2. For Domestic Urban (Above 10 Marla):** Security deposit rates equivalent to one percent of the land value, as per rates fixed by Federal Board of Revenue (FBR) for Properties above 10 Marla (Ministry of Energy (Power Division) Letter No. 12(35)12021-DISCO-II dated: 27-11-23 referred).



Proposed Consumer Security Deposit based on Load Factor given in Consumer Service Manual

Tariff	Tariff Description	Load Factor	Monthly Consumption kWh (1kW)	S.Load	No. of Consumers	S. Load per Consumer kW	kWhs per Consumer	One Months Bill (incl. taxes)	Estimated One Months Security (incl Taxes)
A-1	A-1 Single Phase Life Line	20%	146	10,937,746	6,585,087	1.661	243	8,534	5,138
A-1	A-1 Three Phase	25%	183	217,038	33,776	6.426	1,173	46,721	7,271
A-2	A-2 Single Phase	20%	146	774,179	502,744	1.540	225	15,023	9,756
A-2	A-2 Three Phase	25%	183	537,377	22,552	23.828	4,349	283,142	11,883
A-3	General Service	18%	131	372,111	40,267	9.241	1,214	64,369	6,966
B-1	Small Industries	53%	387	448,409	37,609	11.923	4,613	253,114	21,229
B-2	Middle Industries	57%	416	874,427	6,616	132.169	54,995	2,966,448	22,444
B-3	Large Industries	50%	365	502,648	277	1,814.614	662,334	31,513,852	17,367
B-4	Large Industries	50%	365	265,087	14	18,934.786	6,911,197	301,950,188	15,947
C	Other Bulk Power supply	15%	110	159,165	291	546.959	59,892	3,245,547	5,934
D	Agriculture Tubewells	40%	292	1,570,724	88,108	17.827	5,206	196,198	11,005
G	Street Lights (G)	40%	292	12,879	1,440	8.944	2,612	125,904	14,077
H	Tariff H for Housing Colonies	15%	110	8,412	84	100.143	10,966	597,299	5,964



Revised Consumer Security Deposit based on Load Factor given in Consumer Service Manual								
Tariff	Tariff Description	Load Factor	Monthly Consumption kWh (1kW)	S.Load	No. of Consumers	S. Load per Consumer kW	Average Rate/unit(kwh)	Estimated One Months Security (incl Taxes)
A-1	A-1 Single Phase Life Line	20%	146.00	10,937,746	6,585,087	1.661	35.19	5,138
A-1	A-1 Three Phase	25%	182.50	217,038	33,776	6.426	39.84	7,271
A-2	A-2 Single Phase	20%	146.00	774,179	502,744	1.540	66.82	9,756
A-2	A-2 Three Phase	25%	182.50	537,377	22,552	23.828	65.11	11,883
A-3	General Service	18%	131.40	372,111	40,267	9.241	53.01	6,966
B-1	Small Industries	53%	386.90	448,409	37,609	11.923	54.87	21,229
B-2	Middle Industries	57%	416.10	874,427	6,616	132.169	53.94	22,444
B-3	Large Industries	50%	365.00	502,648	277	1,814.614	47.58	17,367
B-4	Large Industries	50%	365.00	265,087	14	18,934.786	43.69	15,947
C	Other Bulk Power supply	15%	109.50	159,165	291	546.959	54.19	5,934
D	Agriculture Tubewells	40%	292.00	1,570,724	88,108	17.827	37.69	11,005
G	Street Lights (G)	40%	292.00	12,879	1,440	8.944	48.21	14,077
H	Tariff H for Housing Colonies	15%	109.50	8,412	84	100.143	54.47	5,964

8

**PETITION FOR DETERMINATION OF TEMPORARY CONNECTION TARIFF RATES
FY 2023-24**

SUBMITTED BY

MULTAN ELECTRIC POWER COMPANY (MEPCO)

APRIL 2024

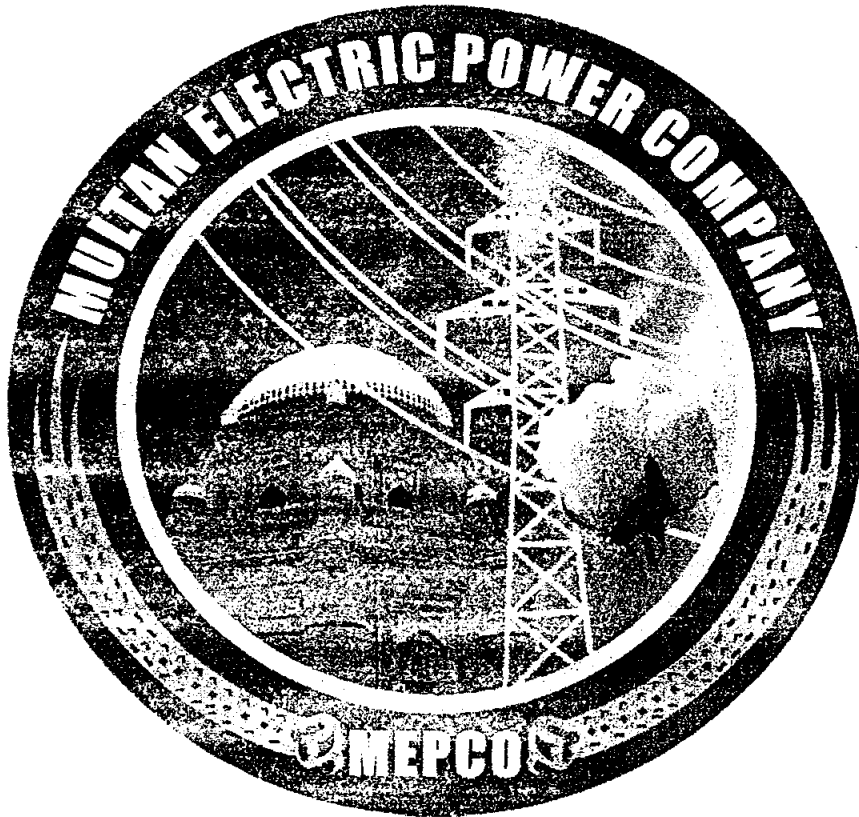


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1. BACKGROUND

- 1.1 Multan Electric Power Company (MEPCO) was incorporated on 14th May 1998 in line with Government policy of unbundling and corporatization of Pakistan power sector. MEPCO is responsible for the electricity delivery to over 7.6 million consumers of **13 administrative districts of southern Punjab** i.e. Multan, Muzaffargarh, Layyah, D.G. Khan, Rajanpur, Lodhran, Bahawalpur, R.Y. Khan, Khanewal, Sahiwal, Pakpattan, Vehari and Bahawalnagar, Pakistan as set out in MEPCO's Distribution License no. 06/DL/2002, granted by NEPRA under the NEPRA Act on April 25, 2002 as a result of the restructuring of WAPDA's Power Wing, MEPCO assumed its official operations and since then being headed by a Chief Executive Officer (CEO) and MEPCO Board of Directors.
- 1.2 Under the provisions of Regulation of Generation, Transmission & Distribution of Electric Power (Amendment) Act, 2018, MEPCO was deemed to hold a license for supply of electric power to perform the function of sale of electric power in addition to existing licensee as Distribution Company. The Distribution function now shall, under Section 20, be limited to ownership, operation, management or control of distribution facilities for the movement or delivery to consumers of electric power. The MEPCO has been granted Electric Power Supply License (License No. SOLR/06/2023 dated 27-12-2023) by NEPRA in pursuant to Section-23E & 23F of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, as amended from time to time, to engage in electric power supply business as Supplier of Last Resort (SoLR).

2. GROUNDS FOR PETITION:

2.1 TEMPORARY CONNECTION

An applicant may apply for a temporary connection for the following purposes:

- a) Construction of houses
- b) Construction of building/plazas
- c) Illumination and lighting for weddings, festivals, functions, exhibitions, political gatherings or national and religious ceremonies etc.
- d) Testing of industrial equipment
- e) Any other emergent requirement of temporary nature.



2.2 TARIFF

Tariff means the rates, charges, terms and conditions for generation of electric power, transmission, interconnection, distribution services and sales of electric power to consumers by DISCO. DISCO shall charge only such tariff from consumers as is approved by NEPRA and duly notified by Government of Pakistan from time to time.

2.3 TARIFF SCHEDULES

Means the rates, charges, terms, and conditions for generation of electric power, transmission, distribution services and sale of electric power to consumers by DISCO as approved by NEPRA and notified by Government of Pakistan.

2.4 TEMPORARY CONNECTION TARIFF CATEGORIES

- a) E1(i) Temporary Connection for Domestic
- b) E(ii) Temporary Connection for Commercial
- c) E2 Temporary Connection for Industry

Ordinarily, the supply under the above mentioned tariff categories shall not be given by company without first obtaining the security equal to the anticipated supply charges and other miscellaneous charges for the period of temporary supply.

2.5 MAIN GROUNDS

The existing tariff rates for temporary residential (E-1(i)), commercial (E-1(ii)) and industrial (E-2) connections are lower than standard rates, even falling below residential rated for consumption exceeding 700 units. This provides incentive to some Consumers to exploit by reselling electricity illegally due to delayed infrastructure completion. To address this, tariff rates need an increase, coupled with Maximum Demand Indicator (MDI) adjustment.

To discourage delaying infrastructure completion and reselling electricity illegally, temporary connection tariff under category E-1(i), E-1(ii) and E-2, needs to be increased as well as Fixed charges should be recovered from E-1(ii) and E-2 on the Sanctioned load of the consumer. It is emphasized that fundamental purpose of this request is not to gain additional revenue.

The Ministry of Energy (Power Division) vide letter No. 12(35)/2018-DISCO-II Part(III) Dated: 12-01-2024 (Annex-A) referring to NEPRA letter No. NEPRA/DG(CAD)/TCD-10/159-160 Dated: 03-01-2024 directed MEPCO to file petition for enhancement in tariff rates of temporary connections before the honorable authority.

2.6 TARIFF RATES

The tariff rates, as determined by honorable Authority vide No. NEPRA/R/DG(Trf)/TRF-559&TRF-560/MEPCO-2021/18185-91 dated July 14, 2023 & Applicable tariff rates vide No. NEPRA/DG(Trf)/TRF-100/19271-19290 dated July 25, 2023 of relevant regular and temporary consumers are reproduced as below:



A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL

Sr- No.	TARIFF CATEGORY / PARTICULARS	Fixed Charges Rs./kW/Month	MEPCO Determined Variable Charges Rs. /kWh	Gop Applicable Variable Charges Rs. /kWh
		A	B	D
	a) For sanctioned load less than 5 kW			
Protected	i Up to 50 Unit. - Life Line		6.76	3.95
	ii 51 - 100 Units - Life Line		11.41	7.74
	iii 001 - 100 Units		13.51	7.74
	iv 101 - 200 Units		15.78	10.06
Un-Protected	v 001 - 100 Units		22.51	16.48
	vi 101 - 200 Unite		27.16	22.95
	vii 201 - 300 Unit		30.00	27.14
	viii 301 - 400 Units		33.04	32.03
	ix 401 - 500 Unite		35.26	35.24
	x 501 - 600 Units		36.50	36.66
	xi 601 - 700 Units		37.90	37.80
	xii Above 700 Units		42.95	42.72
	b) For Sanctioned load 5 Kw and above			
			Peak Off-Peak	Peak Off-Peak
	Time Of Use		38.54 32.25	41.89 35.57

A-2 GENERAL SUPPLY TARIFF - COMMERCIAL

Sr- No.	TARIFF CATEGORY / PARTICULARS	Fixed Charges Rs./kW/Month	MEPCO Determined Variable Charges Rs./kWh	Gop Applicable Variable Charges Rs./kWh
		A	B	D
	a) For sanctioned load less than 5 kW		37.37	37.75
	b) For Sanctioned load 5 Kw and above	500	39.73	39.43
			Peak Off-Peak	Peak Off-Peak
c	Time Of Use	500	40.18 34.25	41.35 35.38
d	Electric Vehicle Charging Station		37.10	39.43



B-INDUSTRIAL SUPPLY TARIFFS					
Sr- No.	TARIFF CATEGORY / PARTICULARS	Fixed Charges Rs./kW/Month	MEPCO Determined Variable Charges Rs./kWh		Gop Applicable Variable Charges Rs./kWh
		A	B		D
B1	Upto 25 kW (at 400/330 Volts)	500	34.38		34.33
B2(a)	exceeding 26-800 kW (at 400 Volts)		34.22		33.83
	Time Of Use		Peak	Off-Peak	Peak Off-Peak
B1(b)	Upto 25 kW		37.47	31.80	37.89 32.33
B2(b)	exceeding 25-500 kW (at 400 Volt.)	500	37.20	31.49	37.83 32.12
B3	For All Loads up to 5000 kW (at 11,33 kV)	460	36.41	30.84	37.83 32.03
B4	For All Loads at 66, 132 kV & above	440	36.38	30.20	37.83 31.93

E-TEMPORARY SUPPLY TARIFFS				
Sr- No.	TARIFF CATEGORY / PARTICULARS	Fixed Charges Rs./kW/Month	MEPCO Determined Variable Charges Rs./kWh	Gop Applicable Variable Charges Rs./kWh
		A	B	D
E-1 (i)	Residential Supply	-	37.89	42.03
E-1(ii)	Commercial Supply	-	35.47	38.14
E-2	Industrial Supply	-	33.62	35.41

2.7 COMPARISON OF BASE TARIFF RATES

Comparison of Maximum Determined Tariff of the relevant category and Temporary tariff of that category as notified applicable tariff rates Rs/kWh is given as under:

Particulars	*Maximum Tariff of the Relevant Regular Category Rs/kWh	Temporary Tariff Rs/kWh	Difference Rs/kWh
Residential (E-1(i))	42.72	42.03	0.69
Commercial (E-1(ii))	41.35	38.14	3.21
Industrial (E-2)	37.89	35.41	2.48

*For Residential Maximum Tariff Category is A-1(a)xii Above 700 units.

For Commercial Maximum Tariff Category is A-2 (c) Peak.

For Industrial Maximum Tariff Category is B1(b) Peak.

MEPCO

[Signature]

3. PROPOSED STRUCTURE:

➤ As per recommendations of Ministry of Energy (Supply Division) vide its letter No.12(35)/2021-DISCO-II Dated: 27-11-2023. The proposal to increase the temporary connections tariff rate is based on:

- I. The tariff rates for temporary connections should be set at 1.5 times higher than the maximum tariff rate of the corresponding regular tariff rates.
- II. Fixed charges should be applied for load requirement exceeding 5KW.
- III. Instead of basing fixed charges on actual Maximum Demand Indicator (MDI) readings or 50% of the sanctioned load, Sanctioned load is used for determination of fixed charges.

Particulars	Maximum Regular Tariff of the Category Rs/kWh	Proposed	
		Fixed Charges Rs/kW	Variable Rs/kWh
Residential (E-1(i))	42.72	-	64.08
Commercial (E-1(ii)) (Up to 5kW)	41.35	-	62.03
Commercial (E-1(ii)) (Above 5kW)	41.35	500	62.03
Industrial (E-2) (Up to 5kW)	37.89	-	56.84
Industrial (E-2) (Above 5kW)	37.89	500	56.84

- The Fixed charge shall be charged based on the Sanctioned Load.
- The rates determined through FPA and AQTA shall remain applicable

REVENUE ANALYSIS

Category	Sanctioned Load (kW)	Annual kWh	FC Rs/kW	Increase Tariff (Proposed-Determined) Rs/kWh	Incremental Revenue (FC+VC)
E-1(i)	3428	356,220	-	21.36	7,608,859
E-1(ii) (up to 5kW)	14,408	1,287,527	-	20.675	26,619,617
E-1(ii) (Above 5kW)	129,669	11,587,741	500	20.675	304,411,199
E-2 (Up to 5kW)	1932	124,225	-	18.945	2,353,439
E-2 (Above 5kW)	17384	1,118,023	500	18.945	29,872,700
Total	166,820	14,473,736			370,865,813



Incremental Revenue (Rs.)	370,865,813
Total Sales (kWh) FY 2022-23	16,732,368,995
Temporary Consumers Sales (kWh) FY 2022-23	14,473,736
Net Sales (kWh)	16,717,895,259
Decrease in Tariff for Remaining Categories, other than mentioned above, (Paisha/kWh)	2.22

Note:

- i. Above Analysis is based on 2022-23 data for active temporary connections.
- II. Assumed that total temporary connections sale (kwh) and no of consumers remain constant.

4. APPLICABLE CATEGORIES:

Following will be applicable categories:

- i. E-1(i) Residential.
- ii. E-1(ii) Commercial (Up to 5kW & Above 5kW)
- iii. E-2 Industrial (Up to 5kW & Above 5kW)

CONFIRMATION OF COMPLIANCE WITH TARIFF STANDARDS AND PROCEDURES

This petition is being filed with in accordance with section 3 , Part-II of the NEPRA Tariff Standards and Procedures Rules, 1998.

5. PRAYER

In view of the above submissions, it is humbly requested that the Authority may kindly consider and determine as follows:

- a) The tariff rates for temporary connections should be set at 1.5 times higher than the maximum tariff rate of corresponding regular tariff rates as calculated in section 3 above.
- b) Fixed charges should be applied for load requirement exceeding 5KW. Instead of basing fixed charges on actual maximum demand indicator (MDI) reading or 50% of the sanctioned load, sanctioned load to be used for determination of fixed charges at Rs. 500per KW/month.


 Multan Electric Power Company Limited
Chief Executive Officer
MEPCO HQ Multan

Attachments:

1. Affidavit of CEO, MEPCO
2. Annex-A(Ministry of Energy) Letter Dated: 12-01-24
3. Annex-B(Ministry of Energy) Letter Dated: 27-11-23.



No.12(15)/2018-DISCO-II (Part-III)
GOVERNMENT OF PAKISTAN
MINISTRY OF ENERGY
(POWER DIVISION)

Islamabad, the January 12, 2024

Subject: PROPOSAL FOR REVISION OF SECURITY DEPOSIT RATES ON CURRENT TARIFF RATE, URGENT FEES FOR NEW ELECTRICITY CONNECTION AND INCREASE IN THE TEMPORARY CONNECTION TARIFF RATE.

I am directed to enclosed herewith a copy of NEPRA's letter No. NEPRA / DG(CAD) / CD-10 / 159-160 dated 03.01.2024 on the subject noted above with request to file petitions for determination of security deposit rates and enhancement in tariff rates of temporary connections for deliberation by the Authority

Encl: As Above:



(Musafa Nazar)
Section Officer (DISCO-II)
Tele: 051-9214273

Distribution:

1. All CEOs of DISCOs.
2. The GM (R&CO), PPMC, Islamabad, (with request to coordinate with all DISCOs on the subject matter and ensure further necessary)

No.12(35)/2021-DISCO-II
GOVERNMENT OF PAKISTAN
MINISTRY OF ENERGY
(POWER DIVISION)

Islamabad, the November 27, 2023

Chairman NEPRA,
NEPRA Tower, Atatürk Avenue (EAST), G-5/1,
Islamabad.

Subject: - PROPOSAL FOR REVISION OF SECURITY DEPOSIT RATES ON CURRENT TARIFF RATE, URGENT FEES FOR NEW ELECTRICITY CONNECTION AND INCREASING THE TEMPORARY CONNECTIONS TARIFF RATE

The DISCOs supply electricity on credit basis requiring a security deposit from new connection applicants to cover potential arrears in case of default. NEPRA set the current deposit rates in 2010, whereas the average tariff rate has been increased over 400 % per Kwh from June 2010 to September 2023. It is evident that the existing deposit amounts are insufficient keeping in view tariff increase. This surge in billing rates necessitates a revision of security deposit rates to offset arrears caused by tariff hikes and prevent the annual rise in arrears from disconnected defaulters contributing to circular debt accumulation. Therefore, it is proposed that NEPRA may revise the existing security deposit rates along with the following modifications.

Security Deposit

- a) For all consumers excluding urban domestic consumers, the security deposit rates are recommended to be set at two and a half months based on average billing.
- b) For urban domestic consumers:
 - i. Security deposit rates equal to three months on average billing are proposed for properties up to 10 Marlas.
 - ii. Security deposit rates equivalent to one percent of the land value, as per the rates fixed by the Federal Board of Revenue (FBR) for properties above 10 Marlas.
- c) Modify existing rules to permit DISCOs for filing of common petitions for the determination of 'Security Deposit' rates concurrently with tariff determination. This adjustment aims to streamline the process, eliminating the necessity for separate petitions for security and tariff determinations.

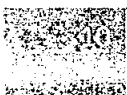
Urgent Fee for New Electricity Connection

To expedite the process of providing new electricity connections to applicants in need of immediate service, a new urgent fee structure is proposed. This aims to prioritize and fast-track the installation of electricity connections, specifically in those cases where only energy meter and cable are involved, and no distribution transformer is required. It seeks to improve efficiency in service delivery with strict adherence to regulatory standards, thereby establishing a streamlined process for urgent electricity connections required by such consumers.

The detailed implementation plan is proposed as follows:

- a) An additional urgent fee will be charged in conjunction with the standard connection installation charges, aligning with the existing rates in DISCOs:
 - i. Rs. 15,000 for single-phase connections
 - ii. Rs. 30,000 for three-phase connections

1/23



-2-


- b) This will apply to both domestic and commercial connections up to 15 kW, as well as industrial and agricultural connections up to 8 kW.
- c) A dedicated priority and record-keeping system will be maintained at the Divisional level to ensure timely installation of urgent fee connections.
- d) Upon the applicant's selection of the urgent connection option, a 'Demand Notice' will be issued on the next working day from the date of application. The connection will be installed within two working days from the payment date of demand notice by the applicant.
- e) DISCOs will uphold an adequate inventory of spare meters and cables to facilitate the prompt installation of urgent fee connections.
- f) If a DISCO fails to install an urgent fee connection within the stipulated period, the DISCO will be held accountable to refund the urgent fees. Disciplinary action will be initiated against the officer/official responsible for any delay(s).
- g) DISCOs will be responsible for effectively communicating the details of this urgent fee connection to the public through appropriate channels, ensuring widespread awareness and understanding.

Increasing the temporary connections tariff rate

The existing tariff rates for temporary residential, commercial, and industrial connections are lower than standard rates, even falling below residential rates for consumption exceeding 700 units. Some consumers exploit this by reselling electricity illegally due to delayed infrastructure completion. To address this, tariff rates need an increase, coupled with Maximum Demand Indicator (MDI) adjustments. This encourages timely completion of infrastructure, reducing illegal resale. These adjustments will notably impact commercial plazas and residential colonies with long-standing temporary connections. Based on these observations, the following proposed adjustments in tariff rates for temporary connections are recommended for review.

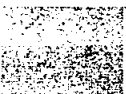
- a) The tariff rates for temporary connections should be set at 1.5 times higher than the maximum tariff rate of the corresponding regular tariff rates.
- b) Fixed charges should be applied for load requirements exceeding 5 KW;
- c) Instead of basing fixed charges on actual Maximum Demand Indicator (MDI) readings or 50% of the sanctioned load, it is suggested that these charges be determined based on the sanctioned load. This approach is advisable because some prospective consumers seeking temporary connections often request higher loads to cover up delayed establishment of the necessary infrastructure.

2. It is requested to please consider the above proposals and necessary amendments may kindly be made in the relevant rules.


(Akbar Azam Rajar)
Deputy Secretary (DISCOs)
Tele: 051-9214273

Copy to:

- SO to the Secretary, Ministry of Energy (Power Division), Islamabad.
- SPS to the Additional Secretary-I, Ministry of Energy (Power Division), Islamabad.



**POWER PLANNING AND MONITORING COMPANY**

Office # 112, Evacuee Trust Complex, Agha Khan Road, Islamabad

Telo: 051-9211301, 051-9211302, Fax: 051-2726915, E-mail: pmc@ppmc.com

No. 2515-26/GM(R&CO)

Dated: 17/01/2024

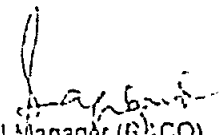
Chief Executive Officers,
All Distribution Companies

**Subject: PROPOSALS FOR REVISION OF SECURITY DEPOSIT RATES ON CURRENT
TARIFF RATE, URGENT FEES FOR NEW ELECTRICITY CONNECTION AND
INCREASE IN THE TEMPORARY CONNECTION TARIFF RATE.**

Please find enclosed herewith a copy of the Ministry of Energy (Power Division) letter No. 12/25/2016-DISCO-II (Part-III) dated 12.01.2024, along with NEPRA letter No. NEPRA/DG(CAD)/TCO-10/159-160 dated 03.01.2024 and MoE proposal dated 27.11.2023 on the subject matter, which is self-explanatory.

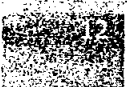
It is requested to file petitions before NEPRA within 15-days, aligning with the proposals generated by the Power Division, for determination of security deposit rates and enhancement in the tariff for temporary connection, for further deliberations by the Authority.

As per above


General Manager (R&CO)
PPMC

Copy to:-

1. Section Officer (DISCO-II), Ministry of Energy (Power Division), Islamabad.
2. SO to MD PPMC Evacuee Trust Complex, Islamabad.



F/A-2



Allied Bank



Cheque No 24 85386390

Date 19042024

Pay National Electric Power Regulatory Authority of Pakistan

Rupees One Million Twenty Thousand Seven Hundred Sixteen Only

PKR 1,020,716/-

PK75ABPA0010001086160220
V.P.F. MEPCO

41 cut on

Signature

Please do not write below this line.

Dy. Manager (T&MP)

MEPCO Ltd, Multan.

Signature

MEPCO Ltd, Multan.

8538639001402530010001086160220000

MULTAN ELECTRIC POWER COMPANY

Tel: 061-9210380 Ext: 2084

061/9239803

Fax: 061-9220204

No. 2451-79 / Company Secy

Office of
The Chief Executive

Dated: 9/2/15

1. Mr. Ahsan Rashid,
Hafeez Ohee & General Mills (Pvt) Ltd
Near By-Pass Chowk, Bahawalpur Road Multan
2. Engr. Muzaffar Ali,
Chief Executive Officer,
MEPCO Multan.
3. Mr. Sohail Akbar Shah,
Additional Secretary (Power), Ministry of Water & Power,
Islamabad
4. Khawaja Muhammad Azam,
15-16 Ground Floor Muhammad Arcade,
LMQ Road, Multan.
5. Mr. Muneeb Ahmed,
Rahim Bux Group of Industries,
61-Sadique Centre, Abdali Road, Multan
6. Muhammad Anees Khawaja,
PO Box No. 28, Mehr Manzil
Lohari Gate Multan.
7. Mian Zuhid Pervaiz Marri,
14-Altair Town Tariq Road Multan.
8. Mr. Rehman Naseem,
House No. 59/3 Abdali Road, Multan.
9. Mr. Rajan Sultan Pirzada,
House No. 257 Tipu Shaheed Road,
Model Town-A Bahawalpur.
10. Mr. Khalid Masood Khan,
10-Green Lane, Zakaria Town
Bosan Road, Multan.

Company Secretary
MEPCO Ltd. Multan

Sub: MINUTES OF 103rd BOD MEETING.

Enclosed please find herewith Minutes of 103rd BOD Meeting held on 29.06.2015 (Monday) in MEPCO Conference Room Khanewal Road, Multan. for information and necessary action please.

DA/as above

COMPANY SECRETARY

Copy to

1. Finance Director, MEPCO Ltd Multan.
2. HR/Admin: Director MEPCO Ltd Multan
3. General Manager/ Tech: Dir. MEPCO Ltd Multan
4. General Manager (Op) Dist: MEPCO HQ Multan.
5. General Manager (CS) MEPCO Ltd Multan
6. Chief Engineer (T&G) MEPCO Ltd Multan.
7. Chief Engineer (Development) HQ Multan
8. Chief Engineer (Planning) HQ Multan.
9. DG (IS) MEPCO HQ Multan.
10. Manager (Security) / Transport MEPCO Multan.
11. Manager Internal Audit, MEPCO HQ Multan.
12. Dy. Manager Intelligence MEPCO Multan.

For Information & necessary action.

The quoted rates of the firm are very less than the MEPCO previous purchase rates. Thus the rates are reasonable / acceptable. The cost of procurement would amount to US \$ 12,228,760 + PKR 18,525,000/- (equivalent to PKR 1,240,178,024/-). The approval for procurement worth this amount US \$ 12,228,760 + PKR 18,525,000/- (equivalent to PKR 1,240,178,024/-) falls under the competency of BOD MEPCO as per NTDC Book of Financial Power-2007 Section-IV Clause 2 for placing NOA / Contract in favor of M/s Chint Electric Company, China through M/s ZSS, Lahore being lowest evaluated responsive bidder in the International Competitive Bidding. The Board was further apprised that Procurement Committee of the Board has also recommended the case for Board's approval. Upon the query of the Board, Manager (Procurement) apprised the Board that press clipping in leading newspaper has no grounds and is meant for influencing the procurement agencies by a local agent to accept an inferior type of OLTC in power transformers. It has been mentioned in the tender bidding documents that the power transformer should be equipped with vacuum type on load tap changer MTR, Germany or equivalent specification. The bids offering power transformer with Huaming China Make OLTC have been declared non responsive in the light of GM (Services Division) NTDC Letter No. GM(SD)/NTDC/289-3(W dated 12.03.2013 and due to non-compliance of Bidding Documents Section-VI Clause-6 and sub clause 6.5. FESCO has also awarded contract to M/s Chint Electric Co., Ltd for procurement of Power Transformers with same specs. Furthermore, ADB who is financing this procurement has also reviewed the bid evaluation report and has no objection to award the contract to lowest evaluated and substantially responsive bidder i.e. M/s Chint Electric Ltd and no violation of PPRA Rules has been made during complete process of subjected procurement. Keeping in view above narrated facts, the Board was requested to accord its approval for issuance of NOA/Contract Agreement in favor of M/s Chint Electric Company, China through M/s ZSS, Lahore for procurement of material at CIP Bid Price of US \$ 12,228,760 + PKR 18,525,000/- (equivalent to PKR 1,240,178,024/-) (without GST & SED).

Decision

The Board accorded its approval for issuance of NOA/Contract Agreement in favor of M/s Chint Electric Company, China through M/s ZSS, Lahore for procurement of 132/11.5 KV, 31.5-40 MVA power transformers financed under ADB Loan No. 3096-PAK(PDEIP) Tranche-IV against tender No. ADB Tranche-IV- MEPCO-01/2014 (Lot-I) Opened on 17/09/2014 at CIP Bid price of US \$ 12,228,760 + PKR 18,525,000/- (equivalent to PKR 1,240,178,024/-) (without GST & SED).

AGENDA ITEM NO.27

Any other points with permission of the chair:

- a. Approval for authorization to Chief Executive MEPCO Multan to initiate institute/ file/ prosecute/ defend all litigation against MEPCO and on behalf of MEPCO.

The Board was apprised that it is mandatory requirement under the Law that MEPCO Board of Directors formally accord approval for initiating/ institution/ filing/prosecution and defend the all Litigation against MEPCO and on behalf of the MEPCO to Chief Executive Officer MEPCO Multan. In absence of such authorization it is material illegality as well as material irregularity in the eyes of Law and MEPCO cannot plead or defend all the Litigation. The Committee was requested to recommend the case to the Board for its approval for considering the matter. authorization to Chief Executive Multan Electric Power Company Limited (MEPCO) Multan to initiate/ institute/file/prosecute and defend all Litigation for & on behalf of MEPCO before competent Courts of Law including constitutional courts (i.e Hon, able Supreme Court of Pakistan, Hon, able High Courts), competent Tribunals, competent forums, competent authorities including regulatory authorities, Revenue Authorities. He is authorized to file Civil Suits, Petitions, Civil Appeals, Revisions, Reviews, Civil Petition for Leave to Appeal, Civil Appeal, Service Appeals, Writ Petitions, Intra Court Appeals, NEPRA Tariff Petitions, Leave to Review for motion before NEPRA and representation/appeal before President of Pakistan against the decision of Waqai Mohasib etc. on behalf of the MEPCO before Hon, able competent courts of Law including Hon, able Supreme Court of Pakistan and Hon, able High Courts as well/competent forums/ Competent Tribunals/ President/competent authorities including Regulator and Revenue Authorities. He is hereby authorized to sign & verify pleadings, plaints/ petitions/ applications written statements/report and para wise comments/reples/ replications, appeals, review, revisions, writ petitions, ICAs, representations, affidavits etc. & give evidence/statements on behalf of MEPCO i.e. he would have all possible complete Powers on behalf of the MEPCO. He is further authorized to

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further delegate his all or any of aforementioned powers to one or more officers of MEPCO, which he deemed appropriate & necessary. The Board was further apprised that HR Committee of the Board has also recommended the case for Board's approval. The Board was requested to consider the case and accord necessary approval.

Decision

The Board accorded its approval for authorization to Chief Executive Multan Electric Power Company Limited (MEPCO) Multan to initiate/ institute/file/prosecute and defend all litigation for & on behalf of MEPCO before competent Courts of Law including constitutional courts (i.e. Hon.able Supreme Court of Pakistan, Hon.able High Courts), competent Tribunals, competent forums, competent authorities including regulatory authorities, Revenue Authorities. He is authorized to file Civil Suits, Petitions, Civil Appeals, Revisions, Reviews, Civil Petition for Leave to Appeal, Civil Appeal, Service Appeals/ Labor Appeals, Writ Petitions, Intra Court Appeals, NEPRA Tariff Petitions, Leave to Review for motion before NEPRA and representation/appeal before President of Pakistan against the decision of Wafaqi Mohtasib etc. on behalf of the MEPCO before Hon.able competent courts of Law including Hon. able Supreme Court of Pakistan and Hon.able High Courts as well/competent forums/ Competent Tribunals/ President/competent authorities including Regulator and Revenue Authorities. He is hereby authorized to sign & verify pleadings, plaints/ petitions/ applications/ written statements/report and para wise comments/replies/ replications, appeals, review, revisions, writ petitions, ICAs, representations, affidavits etc & give evidence/statements on behalf of MEPCO & he would have all possible complete Powers on behalf of the MEPCO. He is further authorized to further delegate his all or any of aforementioned powers to one or more officers of MEPCO, which he deemed appropriate & necessary.

b. Approval for reimbursement of Rs.110210.00 as a difference of cost of Medicated Stents in favor of Maj. (R) Fiaz Ahmed, DD (Vigilance) MEPCO.

The Board was informed that Maj. (R) Fiaz Ahmed, DD (Vigilance) MEPCO has stated that an amount of Rs.187952.00 incurred on his cardiac treatment. Out of said amount, Rs.110210/- paid by him and remaining amount borne by CPEIC Multan being WAPDA Panel. He has requested for reimbursement of medical claim through BOD MEPCO on the analogy of other MEPCO Employees Maj. (R) Fiaz Ahmed, DD (Vigilance) MEPCO was referred by the MS WAPDA Hospital Multan to CPEIC Multan for Cor. Angiography as per recommendation of Medical Board Proceeding. Actual expenditure on treatment is Rs.212202.00, out of which an amount of Rs.101992/- will be paid by MEPCO to CPEIC Multan as provided in the contract and remaining amount i.e. Rs.110210.00 (Rs.109210 + Rs.1000) is required to be reimbursed in favor of Maj. (R) Fiaz Ahmed, DD (Vigilance) MEPCO, as he at his own has paid the difference of cost of Medicated Stents. BOD MEPCO has recently accorded approval for similar medical claims of various MEPCO employees. The Board was further apprised that HR Committee of the Board has also recommended the case for Board's approval. The Board was requested to accord its approval for payment of medical charges amounting to Rs.110210.00 in favor of Maj. (R) Fiaz Ahmed, DD (Vigilance) MEPCO on account of difference of cost of medicated stents instead of ordinary stents.

Decision

The Board accorded its approval the payment of medical charges amounting to Rs.110210.00 in favor of Maj. (R) Fiaz Ahmed, DD (Vigilance) MEPCO on account of difference of cost of medicated stents instead of ordinary stents.

c. Approval for condonation of delay to process the Monthly Grant in respect of Mst. Shamim Akhtar wd/o Khawaja Azmat Ullah, Ex-Meter Inspector.

The Board was apprised that late Khawaja Azmat Ullah, Ex-Meter Inspector expired on 28.11.2008 but the case for monthly grant out of WWF was not received in this office. On 26.11.2014, a complaint was received in this office from Mst. Shamim Akhtar wd/o late Azmat Ullah, Ex-M/Inspector vide which it was reported that Monthly grant out of WWF is being delayed by Mr. Siddique Clerk/LM-I of concerned office. An Enquiry Committee was constituted to probe into the matter. As per recommendation of inquiry report, the widow Mst. Shamim Akhtar is not at fault. She submitted the monthly grant case in time, but Mr. Siddique, Clerk/LM-I of MEPCO City Division Bahawal Pur has delayed the case. Mr. Muhammad Siddique has been held responsible for late submission of case and has been issued recorded warning beside detachment from office. As

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