



PESHAWAR ELECTRIC SUPPLY COMPANY (PESCO)

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www.pesco.com.pk

Office of The
Chief Executive Officer
PESCO Peshawar

No. 86-83 PESCO/CEO/DGMIRAD

Date 23 /01/2025 23-ci-25

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

REGISTRAR OFFICE
Diary No: 1008
Date: 28-1-25

Subject: **ADDENDUM TO THE DISTRIBUTION AND ELECTRIC POWER SUPPLY
LICENCES OF PESCO – MODIFICATION BY OPERATION OF LAW**

We draw your kind attention towards the following documents for reference:

- 1) Distribution Licence No. DL/07/2023 issued vide No. 10480-500 dated 09/05/2023.
- 2) Electric Power Supply Licence No. SOLR/07/2023 issued vide No. NEPRA/R/DG(LIC)/38823-43 dated 27/12/2023;
- 3) Ministry of Energy (Power Division)'s letter No. 5/3/2013 D-III dated November 14, 2024 addressed to your office.
- 4) PESCO/CEO/DG MIRAD/1491-93 dated 13/09/2024.
- 5) PESCO/CEO/DG MIRAD/1488-90 dated 13/09/2024.
- 6) Ministry of Energy (Power Division) no 12(24)/2024-CA-I dated 07/01/2025.

This is in continuation to Licence Proposed Modification of the Distribution of Supply and Distribution Business of PESCO referenced as [4] and [5] already submitted to NEPRA.

However, as per Ministry of Energy (Power Division) letter referenced as [3], the Federal Government has requested NEPRA Authority for modification of the Distribution and supply Licenses issued to DISCO's due to the provision which mandate legal separation of Distribution and supply business/functions.

In light of the (Power Division) letter referenced as [6], recently a notification was issued regarding the addition of three (03) districts, namely Kohistan Lower, Kohistan Upper and Kolai Pallas in the territory of HAZECO which need to be incorporated in the Modification of both Supply and Distribution Business of PESCO which is under process in NEPRA.

PESCO requests NEPRA Authority for necessary review and consideration in the matter please.

Forwarded please:

☒ For nec. action ☐ For information

☐ DG (Lic.)	☐ DG (Admn/HR)
☐ DG (M&E)	☐ DG (CAD)
☐ DG (Tech.)	☐ DG (ATC)
☐ ADG (Trf.)	☐ ADG (Fin.)
☐ SLA	☐ Dir. (I.T)
☐ Consult (Tech.)	☐ Consult (CTBCM)

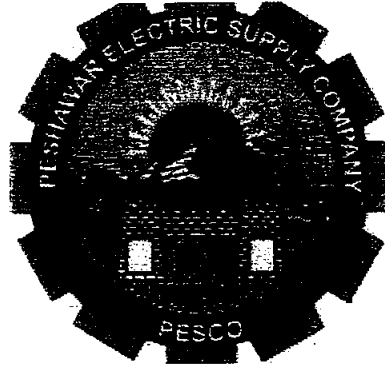
For kind information, please.

1. Chairman
2. M (Tech)
3. M (Lic.)
4. M (Trf. & Fin)
5. M (Law)

Cc to:

1. SO to Secretary, Ministry of Energy (Power Division), Islamabad
2. Chief Executive Officer, CPPA-G, Shaheen Plaza, Blue Area, Islamabad
3. General Manager (R&CO), PPMC, Evacuee Trust Complex, Islamabad.

Chief Executive Officer
PESCO HQ, Peshawar

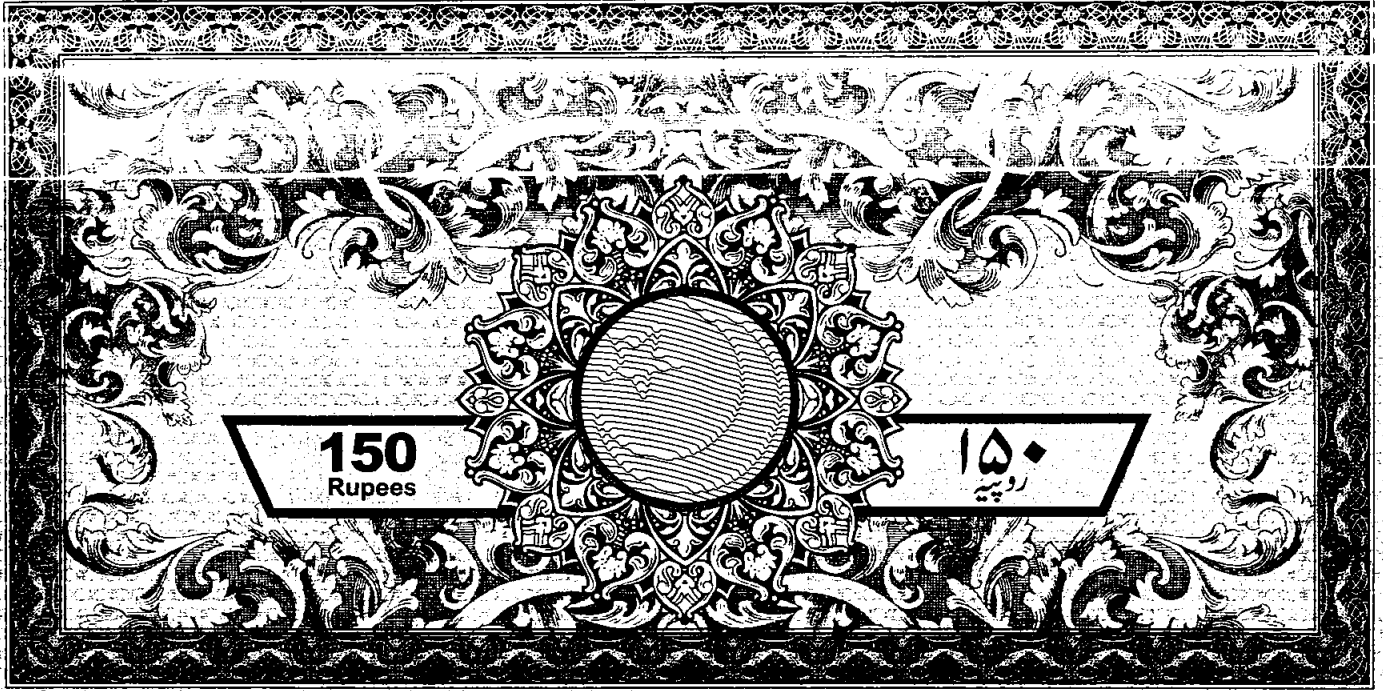
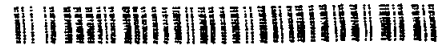


PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

LICENSEE PROPOSED MODIFICATION TO
DISTRIBUTION LICENSE NO. 07/DL/2023







AFFIDAVIT

I, Akhtar Hamid Khan, S/O Hazrat Gul, Chief Executive Officer of Peshawar Electric Power Company (PESCO), holding CNIC No. 17301-1232264-1, do hereby solemnly affirm and testify that I am duly authorized by the Board of Directors of Peshawar Electric Power Company Limited vide. Company Secretary No. 3134-35/RTC Dated 29/08/2024, to submit the application for the addendum/modification of the Electric Power Distribution License of PESCO.

I further affirm that:

1. The contents of the application for the addendum/modification of the Electric Power Distribution License have been prepared in accordance with Regulation 3 of the NEPRA Licensing (Application, Modification, Extension, and Cancellation) Procedure Regulations, 2021. The annexed documents are true and correct to the best of my knowledge and belief, based on the confirmations provided by the relevant formations put before me.
2. I am the Chief Executive Officer of Peshawar Electric Power Company (PESCO) and fully aware of the affairs of the Company, particularly with respect to endorsing the application for the addendum/modification of the Electric Power Distribution License.
3. Everything stated in the application and the accompanying documents is true, and nothing has been concealed.



Akhtar Hamid Khan
Chief Executive Officer
PESCO Peshawar

Treasury Wing

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M. Riaz
Stamp No 25
1000820616
Peshawar
Industry

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M. RIAZ
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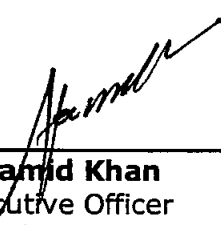
BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

LICENSEE PROPOSED ADDENDUM FOR MODIFICATION IN DISTRIBUTION LICENSE NO. DL/07/2023 BY THE PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED UNDER SECTION 26 OF THE REGULATION OF GENERATION TRANSMISSION & DISTRIBUTION OF ELECTRIC POWER ACT, 1997, READ WITH REGULATIONS 9 AND 10 OF THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY LICENSING (APPLICATION MODIFICATION, EXTENSION, AND CANCELLATION) PROCEDURE REGULATIONS, 2021

INDEX OF DOCUMENTS:

Memo of Petition	1 - 10
Annex-P1	Resolution of PESCO's Board of Directors dated 29 th December 2023
Annex-P2	PESCO's Scheme of Bifurcation
Annex-P3	Power Division's Summary for the Cabinet dated 13 th July 2023
Annex-P4	Cabinet's decision dated 20 th July 2023
Annex-P5	MOE Letter NO 12(24)/2024 07, January 2025.
Annex-P6	PPMC Letter NO 3888-3904/GM(R&CO) NEPRA/22 Dated 27 TH November 2024.
Affidavit by CEO, PESCO	

for the Petitioner / Peshawar Electric Supply Company Limited:


Akhtar Hamid Khan
Chief Executive Officer
Peshawar Electric Supply Company Limited (**PESCO**)
WAPDA House, Shami Road, Peshawar Cantt, Peshawar
Tel: 091-9211990
Email: ceopesco@yahoo.com

SECRET - SECURITY INFORMATION

1. The purpose of this document is to provide information regarding the activities of the [redacted] in the [redacted] area. This information is being provided to you for your information only and is not to be distributed outside your organization.

2. The [redacted] has been identified as a [redacted] and is currently active in the [redacted] area. The [redacted] is currently active in the [redacted] area and is currently active in the [redacted] area.

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A. General Information of the Petitioner

Name of Petitioner:	Peshawar Electric Supply Company Limited
Registered Address:	WAPDA House, Shami Road, Peshawar Cantt, Peshawar.
License to be Modified:	Distribution License No. DL/07/2023 issued on 9 th May 2023
No. of Consumers:	
<i>Current:</i>	4.4 million (appx.)
<i>After acceptance of LPM:</i>	3.62 million (appx.)

B. Background

1. In 1998, the Federal Government, as part of its plan to restructure the power sector in Pakistan, decided to unbundle the Power Wing of the Water & Power Development Authority ("**WAPDA**"). This decision was taken in pursuance of a strategic plan, which was approved by the Council of Common Interests in the year 1993. Under this strategic plan, WAPDA's Power Wing was to be 'unbundled', so that the power generation (thermal), transmission, and distribution businesses could be carved out of WAPDA's Power Wing and entrusted to newly formed companies.
2. In pursuance of this strategic plan, in 1998, the Federal Government incorporated a number of companies and subsequently WAPDA transferred a number of its asset-blocks to the newly created companies, which included power distribution companies or "**DISCOs**". Initially, eight (08) DISCOs were formed, one of which was the Petitioner, Peshawar Electric Supply Company Limited ("**PESCO**").
3. PESCO was granted a distribution license (Distribution License No. DL/07/2002) by NEPRA on 30th April 2002. Initially, this license allowed PESCO to distribute electricity all over the province of Khyber Pakhtunkhwa ("**KPK**") (formerly N.W.F.P.) as well as the former Federally Administrated Tribal Areas ("**FATA**"). Moreover, PESCO also

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1. The following information is being furnished to you for your information and guidance. It is the property of the Department of Defense and is to be kept confidential. It is not to be distributed outside your agency without the express approval of the Department of Defense. It is to be destroyed when it is no longer needed for your official use.

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owned the complete power distribution network in FATA.

4. In 2007, the Federal Government took a policy decision to bifurcate PESCO by creating a separate distribution company to supply power to the areas falling under the erstwhile FATA. This new company, Tribal Areas Electric Supply Company ("**TESCO**") was operationalized in 2007 and subsequently, PESCO's distribution assets and network in the former FATA was transferred to TESCO.
5. TESCO was granted a distribution license by the Authority on 12th August 2013, and on the same date, NEPRA approved Modification No. 1 to PESCO's old distribution license by removing the areas falling in the erstwhile FATA from PESCO's Service Territory.
6. On 14th January 2022, PESCO applied to the Authority for renewal/extension of the Distribution License No. DL/07/2002. The Authority however, on 9th May 2023, granted PESCO a fresh distribution license (License No. DL/07/2023) (the "**Distribution License**") for distribution of electric power in its Service Territory on a non-exclusive basis, for a term extending up to 8th May 2043.
7. Shareholding in all DISCOs is fully owned/controlled by the Federal Government. The DISCOs are accordingly "state-owned enterprises" as defined in Section 2(o) of the State-Owned Enterprises (Governance & Operations) Act, 2023.

C. Proposal for Bifurcation of PESCO

8. The idea of bifurcating PESCO for a host of technical, commercial, and managerial reasons has been under consideration for many years now. When PESCO applied for extension/renewal of its existing distribution license in 2022, the Authority framed the following issue to specifically address this matter:

(f) *The service area of all the DISCOs is relatively*

THE SECRETARY OF THE ARMY

WASHINGTON, D. C.

1945

TO THE SECRETARY OF THE ARMY

FROM THE SECRETARY OF THE ARMY

SUBJECT: [Illegible]

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large and will it not be prudent to consider bifurcating these into small units to bring more efficiency?

9. During the hearing on PESCO's application on 21st April 2022, the following submissions were made by PESCO on this issue, as recorded in para-11 of the Authority's decision:

(11). About bifurcating the service area of DISCO(s) into smaller units, PESCO was of the view that PESCO has already working on bifurcation of the Company into small DISCOs to improve its efficiency and for provision of better services to its consumers. The case has been submitted to General Manager (Technical Services), Power Planning & Monitoring Company (Pvt) Limited, Islamabad for further consideration.

10. The issue of bifurcation of large DISCOs, such as PESCO, QESCO, and MEPCO was taken up in a meeting of the Federal Cabinet held on 21st December 2022, which directed the Ministry of Energy (Power Division) to review the matter and to determine the viability of bifurcating large DISCOs including PESCO. The Power Division accordingly constituted a committee headed by the then Federal Minister for Power Division to review this issue. The said committee thereafter referred the matter for a detailed technical, administrative, and commercial evaluation to Power Planning & Monitoring Company ("PPMC"), which asked a number of large DISCOs, including PESCO to carry out a detailed review of the proposal.
11. In compliance with PPMC's directives, CEO PESCO constituted a committee on 11th March 2022 to comprehensively review the proposal to bifurcate PESCO and to give a proposal regarding the proposed bifurcation. This committee consisted of the following members:

(i)	Chief Engineer (P&E)	Convenor
(ii)	Chief Commercial Officer	Member
(iii)	Chief Engineer (O&M) T&G	Member
(iv)	Director General (HR)	Member
(v)	Finance Director	Member
(vi)	Project Director (GSC)	Member
(vii)	Manager (MIRAD)	Member

12. Salient features of the review carried out by the aforementioned committee are as follows:

- (i) PESCO was supplying power under its license to twenty-eight (28) districts in the province of KPK, with an area of 78,088 sq. km, with 3.849 million consumers (as of June 2021).
- (ii) Areas under PESCO's license had gone through a difficult situation since 2001 due to factors including militancy and terrorism. There was extreme poverty in many areas and due to a host of factors, the recovery of arrears had not been possible and electricity theft was on the rise.
- (iii) Since its creation, the number of consumers in PESCO's administrative units had increased many times over, which made these units unmanageable.
- (iv) PESCO's present organizational structure was unable to support integration of new technology, such as AMR, GIS, mobile meter reading, and IT Based interventions.
- (v) PESCO also faced problems due to an acute shortage of technical and non-technical field staff;
- (vi) Bifurcation of PESCO would improve the efficiency and control of operational functions by increasing revenue realization, reduction in T&D losses, improving continuity issues like quality of service

and reliable supply of power.

- (vii) Bifurcation would allow for better management of surveillance, operation, vigilance, and customer service. Many issues cannot be managed from Peshawar due to long distances between the circles and the present headquarter.
- (viii) After bifurcation, the employees would be adjusted to the DISCO that is relevant to their districts of domicile, helping the employees to perform better and to have better familiarity with their area of posting.
- (g) The committee accordingly recommended that:

The bifurcation will be beneficial provided that both human and financial resources are made available as per latest yardstick and it will further improve the following:

- o *Better monitoring and control with economical utilization of resources.*
- o *More focused investment and non-compliant areas can be monitored more closely.*
- o *Management size of consumers as well as transmission and distribution system.*
- o *Reduction in line losses and improvement in recovery.*
- o *Ensuring stable/uninterrupted power supply to consumers by timely rectification of faults due to manageable distances.*
- o *Prompt redressal of consumer complaints.*

13. Despite the aforementioned internal and external governance structure, PESCO has continued over the years to suffer from significant losses resulting in its current financial crisis. The increasing demand of uninterrupted power consumption and interests of commercial and industrial clients has led to a situation, where managing the expanse of

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the whole province of KPK has become unmanageable by PESCO. It has thus become inevitable to bifurcate PESCO and carve a part of its territory for better technical, commercial, and administrative performance.

14. The areas comprising of the present Hazara-I and Hazara-II Circles of PESCO, being geographically and commercially heterogeneous as compared to the rest of the province of Khyber Pakhtunkhwa are therefore ideal to start the process of breaking down PESCO into more manageable units. These areas cover the following districts on the province of Khyber Pakhtunkhwa:

- (i) Abbottabad;
- (ii) Haripur;
- (iii) Mansehra;
- (iv) Battagram;
- (v) Kohistan Upper;
- (vi) Kohistan Lower;
- (vii) Torgar; *and*
- (viii) Kolai Palas.

("HAZECO's Proposed Service Territory")

15. It was accordingly proposed that PESCO should be bifurcated by carving out HAZECO's Proposed Service Territory from PESCO's existing Service Territory.

D. Approval of the Federal Government for bifurcation of PESCO and establishment of HAZECO

16. On 13th July 2023, the Ministry of Energy (Power Division) submitted a summary to the Federal Cabinet, with the following proposal at para-5:

5. In view of the foregoing, the Federal Government's approval is solicited for:

(i) Creation of a new power distribution company by the name of Hazara Electric Supply Company (HAZECO) to take over PESCO's power

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Page 1 of 1

- (i) Information
- (ii) Information
- (iii) Information
- (iv) Information
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- (vii) Information
- (viii) Information

Page 1 of 1

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Page 1 of 1

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distribution business in the present Hazara-I and Hazara-II circles, and to commence business subject to all legal and regulatory requirements;

(ii) Authorization to the Power Division to take all steps to affect the incorporation of HAZECO, to formulate and implement the bifurcation plan for PESCO, and for the following officials to act as the initial 'promoters' of HAZECO:

- *Secretary, Power Division;*
- *Additional Secretary – I, Power Division;*
- *Sr. Joint Secretary (CAD), Power Division.*

(iii) Reorganization / Restructuring of PESCO by dividing its business and assets between PESCO and HAZECO as per all legal and regulatory approvals.

17. The summary submitted by the Ministry of Energy (Power Division) was approved by the Federal Cabinet on 20th July 2023 and HAZECO was formally incorporated as a public limited company on 31st October 2023. Shareholding in HAZECO is also wholly owned by the Federal Government.

E. Approval for Bifurcation of PESCO's Distribution Area by PESCO's Board of Directors

18. The comprehensive technical and commercial proposal for bifurcation of PESCO's Service Territory by excluding the areas that presently consists of PESCO's Hazara-I and Hazara-II Circles was presented before the 195th meeting of PESCO's Board of Directors held on 29th December 2023 and was duly approved.
19. The scheme for bifurcation, approved by PESCO's Board of Directors include details on division of human resource, technical resources and distribution network, financial resources including debts and liabilities, division of legal cases, and all other matters related to the proposed bifurcation of PESCO's distribution territory and to carve out HAZECO's Service Territory.

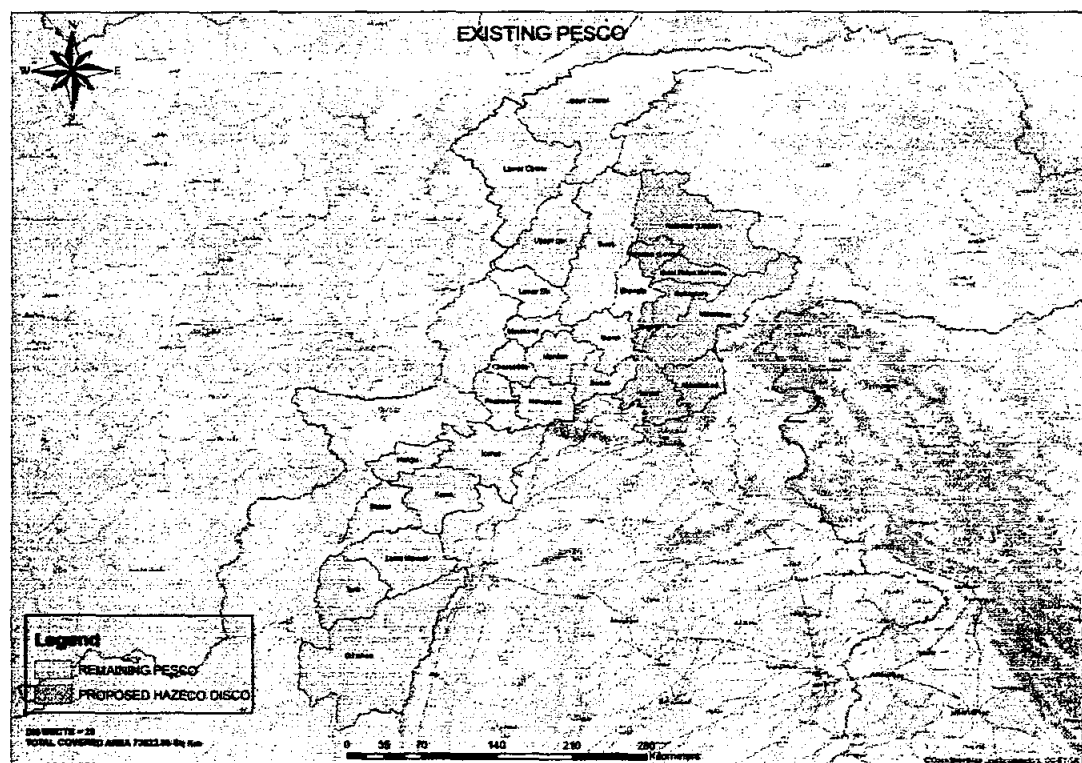
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1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

20. PESCO's Board of Directors further resolved to file a license modification petition before the Authority to seek the deletion of HAZECO's Proposed Service Territory by modifying PESCO's Distribution License.
21. As per the scheme of bifurcation approved by PESCO's Board of Directors, HAZECO's Proposed Service Territory, and PESCO's remaining Service Territory is depicted in the map below:



22. Based on the feasibility studies and bifurcation plan approved by the Federal Government on 20th July 2023, as well as PESCO's Board of Directors in its 195th meeting held on 29th December 2023, and on the basis of the e documents annexed with this petition, the Petitioner seeks modification of its Distribution License No. DL/07/2023 to exclude the areas comprising of the HAZECO's Proposed Service Territory from the PESCO's Service Territory.
23. **The Petitioner hereby certifies** that the proposed modification to

HAZECO's proposed service territory, from the PSC's Service

territory.

(ii) It is not necessary after PSC's review of its application

under its existing distribution license or the application

Document.

(iii) It is necessary for HAZECO to efficiently and effectively

perform its operations under its distribution license.

It is also, in HAZECO's proposed service territory, and

(iv) It is necessary to ensure the continuous, safe, and

reliable supply of electric power to the consumers, keeping in view

HAZECO's financial and technical capability.

(v) It is necessary for HAZECO to be able to provide service

within its proposed service territory.

34. The Petitioner has only complied with all requirements under the

provisions of the Public Utility Law, and the Authority, in its

(Application Modification, Extension, and Cancellation) Procedure

Regulations, 1997 and undertake to fulfill any other requirements in

this regard prescribed by the Authority.

35. The Petitioner further understands that HAZECO has also filed a

petition before the Authority for the grant of a new distribution license

for the area falling under HAZECO's proposed service territory.

Prayer

36. In view of the facts and circumstances stated above, it is requested that the Authority may be pleased

to grant the relief sought by the Petitioner and to pass such orders as may be deemed fit.

Power Regulatory Authority Licensing (Application Modification, Extension, and Cancellation) Procedure Regulations, 2021, and to remove the following districts in the province of Khyber Pakhtunkhwa from the Service Territory of PESCO.

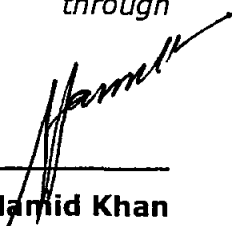
- (i) Abbottabad;
- (ii) Haripur;
- (iii) Mansehra;
- (iv) Battagram;
- (v) Kohistan Upper;
- (vi) Kohistan Lower;
- (vii) Torghar; *and*
- (viii) Kolai Palas

27. It is further prayed that all other provisions of PESCO's Distribution License should remain unchanged.

Islamabad, 29th of August 2024

Petitioner/Peshawar Electric Supply Company Limited

through



Akhtar Hamid Khan
Chief Executive Officer
PESCO, Peshawar

1. The first part of the report is a general description of the project and its objectives. This section includes a brief history of the project and a statement of the problem to be solved. It also includes a description of the methods used to collect and analyze the data.

2. The second part of the report is a detailed description of the data collection process. This section includes a description of the instruments used, the procedures followed, and the results of the data collection.

3. The third part of the report is a detailed description of the data analysis process. This section includes a description of the statistical methods used, the results of the analysis, and a discussion of the implications of the results. It also includes a description of the conclusions drawn from the analysis.

4. The fourth part of the report is a summary of the findings of the study. This section includes a brief description of the project, a statement of the problem, a description of the methods used, and a summary of the results. It also includes a discussion of the implications of the results and a statement of the conclusions drawn from the study.

5. The fifth part of the report is a list of references. This section includes a list of all the sources of information used in the study, including books, articles, and other documents.

6. The sixth part of the report is a list of appendices. This section includes a list of all the supplementary material included in the report, including tables, figures, and other documents.

7. The seventh part of the report is a list of figures. This section includes a list of all the figures included in the report, including tables, graphs, and other visual aids.

8. The eighth part of the report is a list of tables. This section includes a list of all the tables included in the report, including data tables, summary tables, and other tables.

**National Electric Power Regulatory Authority
(NEPRA)
Islamabad – Pakistan**

DISTRIBUTION LICENCE

No. DL/07/2023

In exercise of the powers conferred under Section-20 and 21 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, as amended from time to time, the Authority hereby grants the Distribution Licence to:

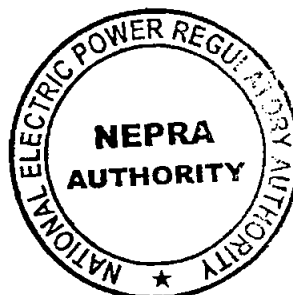
Peshawar Electric Supply Company Limited

Incorporated Under the Companies Ordinance, 1984 having Certificate of
Incorporation No. L09497 of 1997-98 dated April 23, 1998

to engage in the distribution of electric power to the consumers in its Service Territory on a non-exclusive basis subject to and in accordance with the terms and conditions of this Licence.

Issued under my hand on this 09th day of May Two Thousand & Twenty-Three and expires on 08th day of May Two Thousand & Forty-Three.


Registrar



UNITED STATES DEPARTMENT OF JUSTICE

CRIMINAL DIVISION

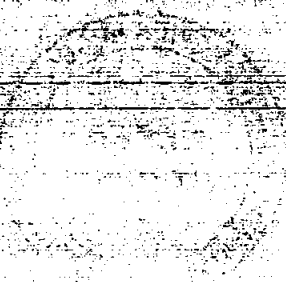
TO THE HONORABLE CLERK OF THE SUPREME COURT OF THE DISTRICT OF COLUMBIA
FROM THE ATTORNEY GENERAL

RE: [Illegible]

Enclosed for the Clerk of the Supreme Court of the District of Columbia
is one copy of the report of the Attorney General dated April 1, 1944.

The report contains a copy of the report of the Attorney General dated April 1, 1944,
and a copy of the report of the Attorney General dated April 1, 1944.

Very respectfully,
[Illegible Signature]





PESHAWAR ELECTRIC SUPPLY COMPANY

Phone No. 091-9210226
Fax No. 091-9223136
Email: sec.pesco@gmail.com

Office of the
Company Secretary PESCO
Room No.158 Wapda House,
Shami Road, Peshawar

No. 3134-35/RTC

Dated 29 /08/2024

Director General (MIRAD)
PESCO HQ.

Subject: - RESOLUTION THROUGH CIRCULATION FOR AUTHORIZATION OF CHIEF EXECUTIVE OFFICER PESCO TO SUBMIT PETITION OF MODIFICATION OF DISTRIBUTION AND SUPPLIER LICENSES TO NEPRA.

Reference: - Item note submitted vide letter No. 1461 dated 28-08-2024.

As per your request mentioned in the above referred letter/item note, the case was submitted to PESCO Board of Directors, to accord approval through circulation for "Authorization of Chief Executive Officer PESCO to submit petition of modification of Distribution and Supplier Licenses to NEPRA". The same resolution through circulation has been duly approved/singed by the majority of the Board of Directors, PESCO.

RESOLUTION THROUGH CIRCULATION: -

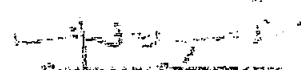
Considering the request of the management, the Board resolved to approve the authorization of Chief Executive Officer, PESCO to apply for the modification of the PESCO Distribution License, Supplier License in accordance with NEPRA licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021.

Board resolution as stated above is based on the following confirmations from the management;

- No material information has been withheld and the working papers represent all facts of the case.
- All legal and codal formalities have been complied with.
- There is no conflict of interest of any officer of the PESCO.
- Concerned Official/Officer of PESCO's management would be liable for any omission/missstatement of the facts and figures in the working papers.

Please take further necessary action in light of Board resolution; under intimation to this office.

DA/ (RTC attached).


COMPANY SECRETARY
PESCO

Copy to:

- Chief Executive Officer, PESCO.



PESHAWAR ELECTRIC SUPPLY COMPANY

Phone No. 091-9210226
Fax No. 091-9223136
Email: sec.pesco@gmail.com

Office of the
Company Secretary PESCO
Room No.158 Wapda House,
Sharni Road, Peshawar

No. 2318-20 /194th BoD

Dated 01/12/2023

Chief Engineer (Technical),
PESCO, HQ.

Director General (HR),
PESCO, HQ.

Finance Director,
PESCO, HQ.

Subject - Decision of the 194th Meeting of Board of Directors, PESCO.

PESCO Board of Directors in its 194th Board meeting held on 23-11-2023, deliberated the below mentioned agenda point. The discussion and the decision of the Board are cited as under: -

Other Agenda Point # (I)

Bifurcation of PESCO and Establishment of HAZECO

Chief Executive Officer, PESCO apprised the Board that Hazara Electric Supply Company Limited (HAZECO) has been incorporated on 31-10-2023 by the SECP. He further apprised that the following committees have constituted to oversee and facilitate a smooth transition in the bifurcation process with respect to distribution of assets and modification in license etc. etc. -

- I. Technical/Commercial Committee
- II. Finance Committee
- III. HR Committee

The Committees are working as per defined TORs for allocation/distribution of resources and smooth transition of the bifurcation process.

RESOLUTION 194-BOD-R6

The Board resolved to approve/ratify the PESCO's bifurcation and creation/incorporation of Hazara Electric Supply Company Limited (HAZECO). Further, the Board directed management to place the reports/detail working of the Committees constituted above in respective BoD sub-committees/Board for further deliberation/approval.

Please take further necessary action in light of the Board decision, under intimation to this office.

COMPANY SECRETARY
PESCO



PESHAWAR ELECTRIC SUPPLY COMPANY

Phone No. 091-9210226
Fax No. 091-9223136
Email: sec.pesco@gmail.com

Office of the
Company Secretary PESCO
Room No.158 Wapda House,
Shami Road, Peshawar

No. 2510 /196th BoD

Dated 29/12/2023

Finance Director,
PESCO, HQ.

Subject: - Decision of the 196th Meeting of Board of Directors, PESCO.

PESCO Board of Directors in its 196th Board meeting held on 27-12-2023, deliberated the following agenda point. The discussion and the decision of the Board are as under: -

Agenda Point # 3

Approval for Bifurcation of Assets & Liabilities and the Accounts of HAZECO & Remaining PESCO.

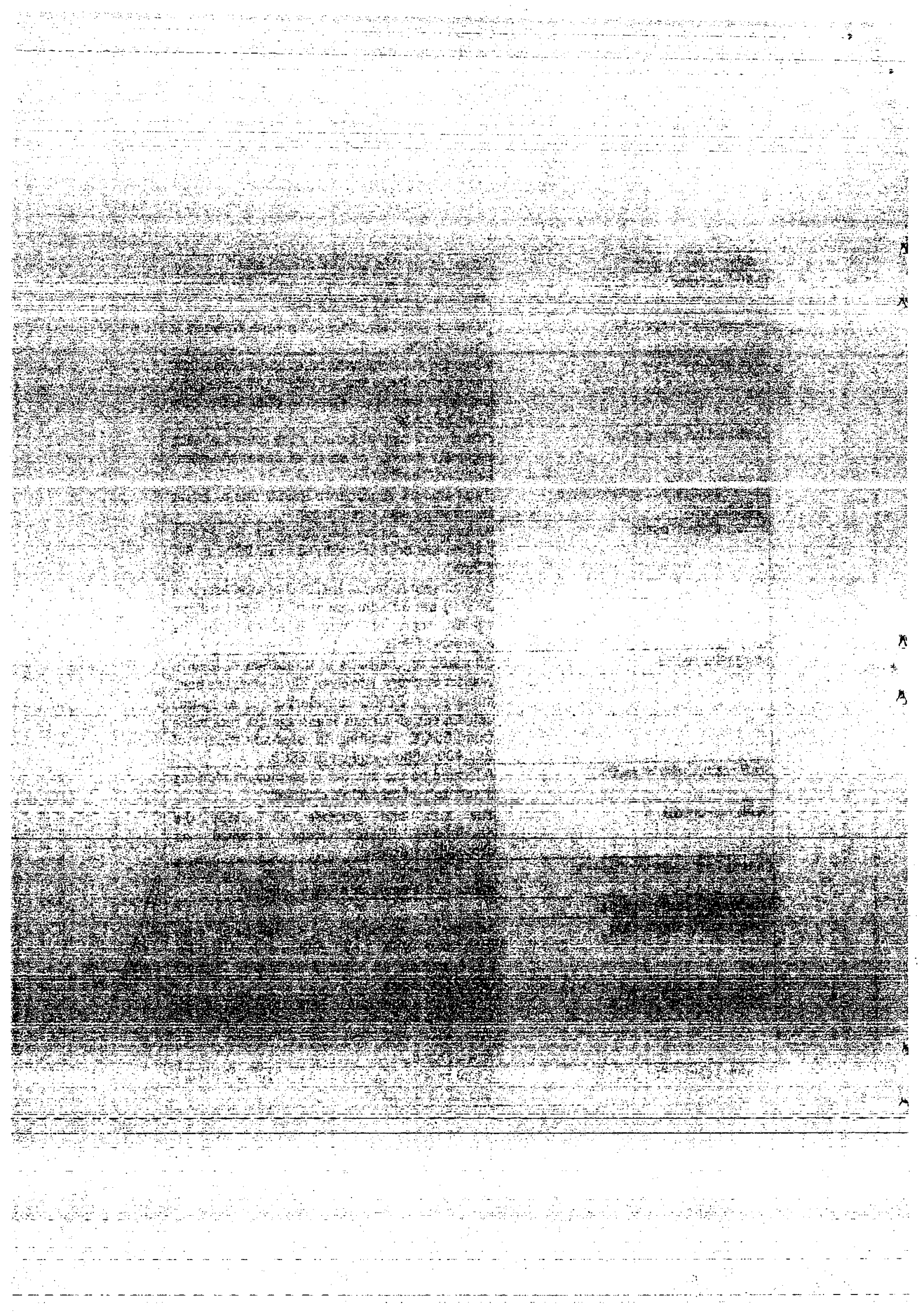
In light of the directions issued by the Board of Directors, PESCO in its 195th meeting held on 19-12-2023, the management presented the detailed analysis regarding the allocation of share of accumulated losses to HAZECO as well as the feasibility of allocation of AJ&K Receivables to remaining PESCO. All possible aspects regarding allocation of losses to HAZECO along with other critical points were thoroughly deliberated. After detailed discussion, it was decided to allocate accumulated losses to HAZECO amounting to Rs. 21.814 Billion in the ratio of HAZECO Non-current Assets to total Assets of PESCO i.e 5% approx. Accordingly, the revised identified basis of allocation and revised segregated Financials Statements are given as under: -

Basis for Segregation: -

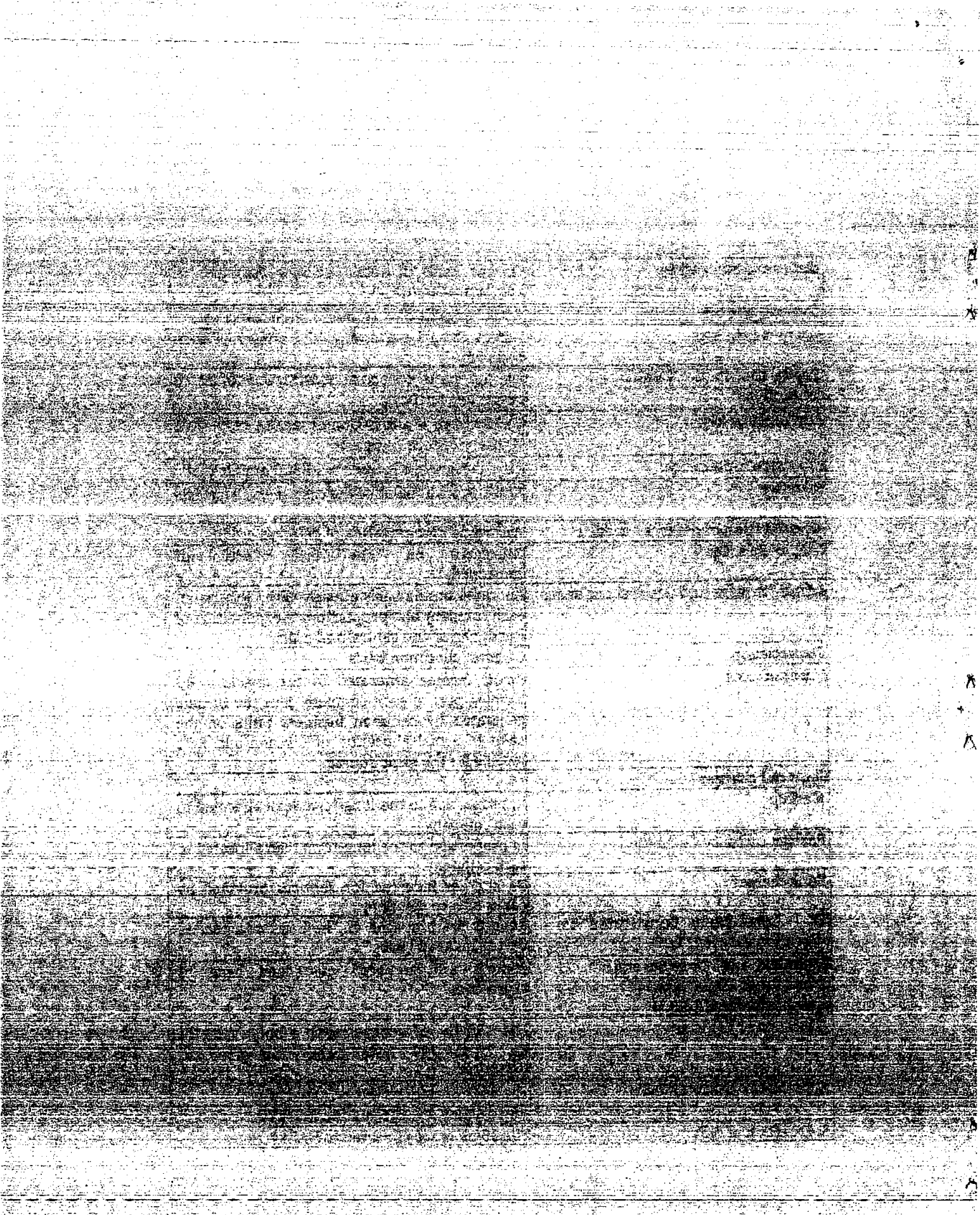
Financial Statement component	Identified Basis
Operating fixed assets	
Land, Building Distributable equipment's	Geographical presence.
Vehicles	Physical possession at balance sheet date.
Other equipment's	Physical possession at balance sheet date.
Capital Work in Process	Geographical presence of work in process at balance sheet date.
Long term loans	Bifurcation is made on employee wise falls under respective territory of HAZECO and PESCO.
Stores, spare parts and loose tools	Bifurcation is made on Geographical presence as well as share of work in process under the territory of respective companies.
Trade debts	Actual receivable from customers in jurisdiction of each company.
Loans, advances and other receivable	

UPON RECEIPT OF THE ABOVE MENTIONED
LETTER FROM THE DIRECTOR OF THE
BUREAU OF THE ARMY, THE FOLLOWING
ACTION WAS TAKEN: THE MATTER
WAS REFERRED TO THE ADVISORY
COMMITTEE ON THE ARMY, AND
THEIR RECOMMENDATION WAS
OBTAINED. THE MATTER IS
NOW BEING CONSIDERED BY THE
BUREAU OF THE ARMY.

Advance to supplier	Actual as per trial balance of each area.
Advance taxes	Taxes are allocated to PESCO as HAZECO has no NTN due to newly incorporation.
Advances for expenses	Advance given for expense for each area as per trial balance.
Due from WAPDA	Allocated on actual basis i.e. supply of electricity and for receivable against WAPDA Welfare Fund Employee wise basis is used working in territory of each company.
Cash and bank balances	Actual cash held at bank by the offices of each company as well as share of deposits against capital expenditure.
Liabilities against government investment	Total amount allocated to PESCO due to losses incurred by PESCO territory.
Accumulated losses	Accumulated losses amounting to Rs. 21,814 million has been transferred to HAZECO at 5% (Ratio of Non-current Assets of HAZECO to total Assets of PESCO) net off adjustment of Rs. 5,541 million against share of equity injection with the approval of BoD.
Long term loans	Allocated on the basis of utilization of loan in respect territory. However, ERRA Loan has been allocated to PESCO considering the at source adjustment of various loans against receivable from GoAJK, resulting in over-adjustment of Rs.1,420 million, against HAZECO.
Staff retirement benefits	Allocated on the number of employees working in territory of respective company.
Deferred credit	The area and purpose for which the development funds were received on proportionate basis.
Consumers' security deposits	Actual deposits received from customers falling in the territory of each company.
Trade and other payables	
Associated undertakings	Amount is allocated on actual basis with adjustment of Rs. 1,420 million of loan and Rs. 5,274 million of Subsidy receivable against CPPA-G payables.
Trade and other payable	All amount is allocated to PESCO and HAZECO on actual basis and by considering the nature of transaction fully allocated to PESCO under various heads.
Receipt against deposit work	Actual receipts against works in the territory of respective company.



Duties and other taxes	On the basis of actual existing customer in respective territory.
General sales tax	Actual payable of customer of each company.
Accrued liabilities	Actual accrual pertaining to territory of each company.
Capital contribution awaiting connections	On the basis of actual existing customer in respective territory.
Accrued markup	On the basis of utilization of loan in respective territory of each company.
Provision for taxation	All provision is allocated to PESCO due to NTN.
Revenue	Actual amount billed to the customers that exists in territory of respective company.
Amortization of deferred credits	According to segregation of deferred credits.
Cost of electricity	Calculated on the basis of actual unit consumed.
Administrative and General expenses	Allocated on the basis of each XEN / RO trial of each company and proportionate expenditure of Headquarter and centralized units.
Depreciation	On asset allocation basis.
Other income	Actual income generated by the division/ RO forming part of each company plus the income generated by common business units on the basis of actual allocation of division and RO's income for the same source.
Financial charges	
Markup	In proportion to the long-term loan allocated to each company.
Foreign currency fluctuation	In proportion to the long-term loan allocated to each company.
Bank charges	On charges incurred for services provided by banks of each company
HR Committees Constituted to operationalize HAZECO	Reports are prepared on the basis of actual as well as on need base.
Technical and Commercial Committees Constituted to operationalize HAZECO	Reports are prepared on actual basis of jurisdiction.
Allocation of Vehicles	The 130 No. of vehicles with a book value of Rs. 75,517,099 have been transferred to HAZECO.
Allocation of Grid stations	The 23 Grid stations out of 2 are under construction are allocated to HAZECO.
Segregation of Plots	The 36 plots are allocated to HAZECO.



GOVERNMENT OF PAKISTAN
MINISTRY OF ENERGY
(POWER DIVISION)

GOVERNMENT OF PAKISTAN
MINISTRY OF ENERGY
(POWER DIVISION)

Islamabad the January 18, 2023

NOTIFICATION

No.12(24)/ 2019-DISCO-II. In pursuance of Rule-4(5) of Rules of Business, the Prime Minister has been pleased to approve the establishment of Hazara Electric Supply Company (HAZECO), vide their U.O. No.22/PSPM/2023 dated 4.01.2023. For overall better management of the Electricity Utility of Peshawar Electric Supply Company (PESCO), to increase the operational efficiency and reduce line losses and for improvement in customer services, the Prime Minister has been pleased to approve bifurcation of PESCO.

2. Accordingly, the following decisions are made: -

(a) PESCO shall be bifurcated into 02 Companies i.e. PESCO and new Company with the name of Hazara Electric Supply Company (HAZECO).

(b) PESCO shall comprise 06 Circles namely Peshawar, Khyber, Swat, Bannu, Mardan and Swabi Circles, whereas HAZECO shall consist of 02 Circles namely Hazara-I and Hazara-II Circles with new Company's Headquarter at Abbottabad.

(c) To implement the bifurcation plan successfully, PPMC will assist PESCO and HAZECO.

Any point of difference in implementation of the above bifurcation between PESCO & HAZECO will be referred to Power Division.

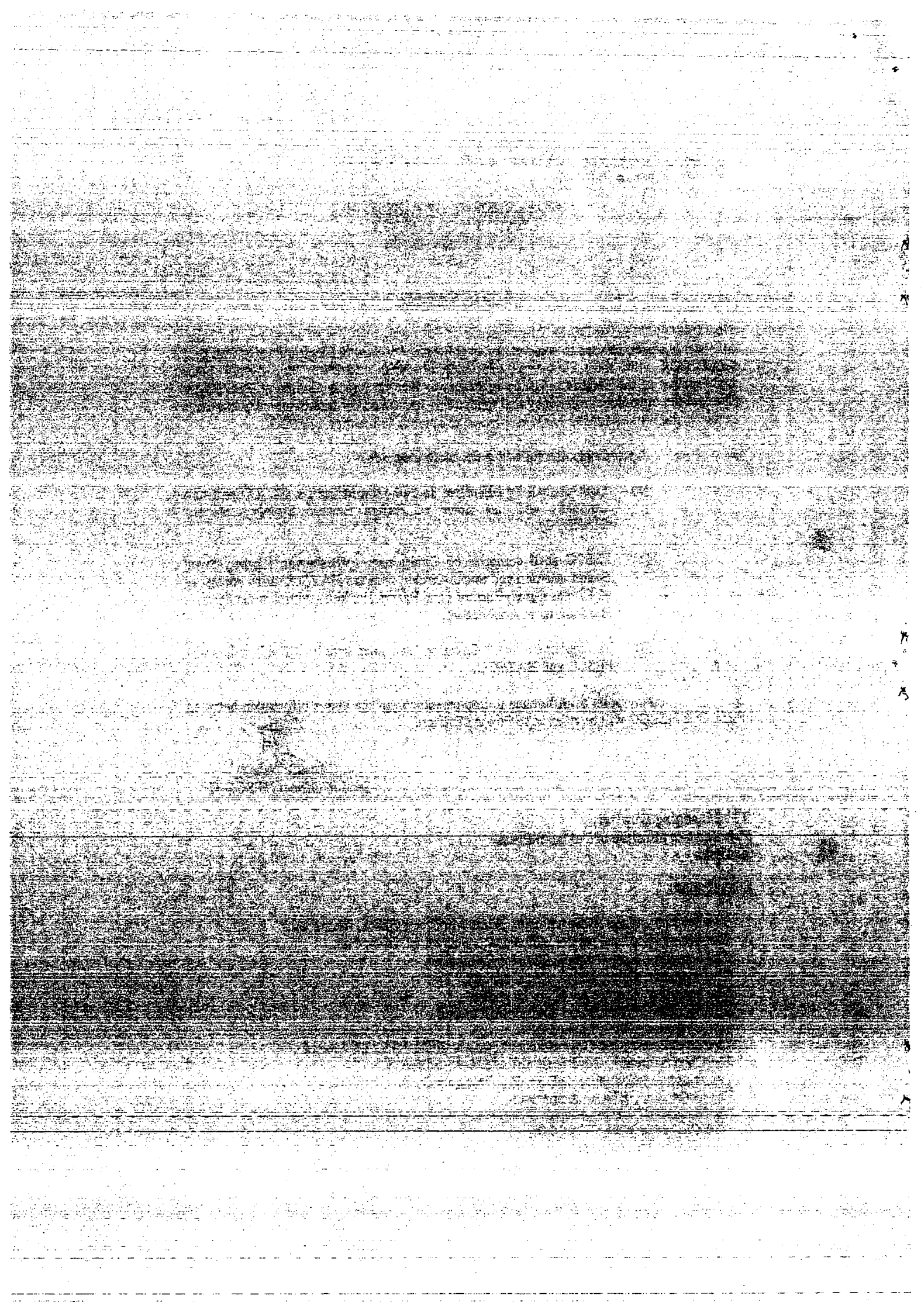
(Musafa Nazir)

Section Officer (DISCO-II)

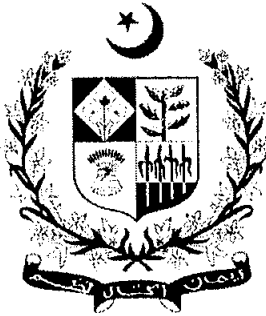
The Managing Director,
Printing Corporation of Pakistan Press,
Karachi

Distribution:

1. The Secretary to the Prime Minister, Prime Minister's Office, Islamabad.
2. The Secretary to the President, President's Secretariat, Islamabad.
3. The Secretary, Establishment Division, Islamabad.
4. The Secretary, Cabinet Division, Islamabad.
5. The Secretary, Finance Division, Islamabad.
6. The Secretary, Privatization Division, Islamabad.
7. The Chairman, SECP, Islamabad
8. The Chief Secretaries, Government of Punjab, Sindh, KPK, Balochistan.
9. The Chief Secretary, Government of A.J&K, Muzaffarabad.
10. The Principal Information Officer, PID, Islamabad.
11. The Chairman, NEPRA, Islamabad.
12. The Managing Director, PPMC, Islamabad.
13. The Chairman BOD all DISCOs,
14. The CEOs of all DISCOs.



PROPOSAL FOR BIFURCATION OF PESCO



❖ PESHAWAR ELECTRIC SUPPLY COMPANY (PESCO)

❖ PROPOSED HAZECO

References:

- Section Officer (ELECTRIC SUPPLY COMPANYS-II) Ministry of Energy (Power Division) Islamabad Letter No. 12 (01) / 2018-ELECTRIC SUPPLY COMPANYS-II dated 09.03.2022
- General Manager (Technical Services) PPMC Islamabad Letter No. 1214-18 dated 10.03.2022
- Addl; Director General (HR) Office Order No. 17833-40 dated: 11.03.2022 regarding constitution of committee.
- Prime Minister office Islamabad Record Note dated: 30.05.2022
- General Manager (Technical Services) PPMC Islamabad Letter No. 1925-27 dated 02.06.2022
- Minutes of Meeting (Held on 17-11-2023 on Bifurcation of PESCO and Establishment of HAZECO)

PROPOSAL FOR BIFURCATION OF PESCO

PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

Phone# 091-9212230
Fax # 091-9212024

Office of the Chief Executive
Wapda House, Peshawar

No. 17833-40/Bifurcation of DISCOs

Date: 11 / 03 / 2022

OFFICE ORDER

Subject: DECISION TAKEN IN THE CABINET MEETING HELD ON TUESDAY 21ST DECEMBER 2021- BIFURCATION OF LARGE DISCOs

In pursuance of Section Officer (DISCOs-II) Ministry of Energy (Power Division) GoP Islamabad Letter No. 12(01)/2018-DISCOs-II dated 09.03.2022 and General Manager (Technical Services)PPMC Islamabad Letter No. 1214-18 dated 10.03.2022, Chief Executive Officer PESCO Peshawar is pleased to constitute the committee comprising of the following officers for submission of visable proposal for Bifurcation of PESCO.

1. Chief Engineer (P&E) PESCO H/Q	Convener
2. Chief Commercial Officer PESCO H/Q	Member
3. Chief Engineer (O&M)T&G PESCO H/Q	Member
4. Director General (HR) PESCO H/Q	Member
5. Finance Director PESCO H/Q	Member
✓ 6. PD GSC PESCO Peshawar	Member
7. Manager (MIRAD) PESCO H/Q	Member


Addl. Director General (HR)
PESCO H/Q Peshawar

Copy to:

1. Chief Engineer (P&E) PESCO H/Q
2. Chief Commercial Officer PESCO H/Q
3. Chief Engineer (O&M)T&G PESCO H/Q
4. Director General (HR) PESCO H/Q
5. Finance Director PESCO H/Q
6. PD GSC PESCO Peshawar
7. Manager (MIRAD) PESCO H/Q
8. Circulation File.

Alongwith relevant copies of the order and procedure /steps required for the Bifurcation of DISCOs

PROCEDURES & STEPS REQUIRED FOR BIFURCATION OF DISCO

(3/5)

1) Preparation of Working Paper

DISCOs will prepare a comprehensive working paper but not limited to the following activities:

- Study of existing of electrical networks of the company viz-a-viz:
 - Area of Jurisdiction
 - Customer profile
 - No. of Employees
 - HT/LT networks (Feeders, Average length of feeders, Distribution transformers
 - Grid Stations and transmission lines etc
 - Commercial parameters like losses, receivables
 - Quality of service
- Study of proposed networks after bifurcation
- Study of the CDPs, power sources from where proposed companies can import power
- Load flow studies for ascertaining the stability of proposed networks
- Justification of bifurcation
 - Loss reduction
 - Improvement in recovery
 - Reduction in damage rate of distribution of transformers
 - Increase in sale of power etc.
- Benefit cost analysis
- HR setup for the proposed companies
- Man power transition.
- Distribution of assets and liabilities
- Proposed location of Headquarters
- Proposed budget approval
- Arrangement for posting of manpower in new companies
- Allocation of Stores & Assets

2) Permission from the Privatization Commission

Permission from the Privatization Commission is required as they plan and implement the transaction for private-sector participation in the management of DISCOs using a concession or management contract model.

PROPOSAL FOR BIFURCATION OF PESCO

No. 12(01)/2018-DISCOs-II
GOVERNMENT OF PAKISTAN
MINISTRY OF ENERGY
(POWER DIVISION)

G/A (TS) PPMC
117. 583
DATE: 09.03-2022



POWER PLANNING AND MONITORING COMPANY (PVT.) LIMITED
Office # 112, 1st Floor, Eversure Trust Complex, Agha Khan Road, Islamabad
051-9211302, Fax: 051-3726919, Email: gm@ppmc@gmail.com

The Managing Director,
PPMC,
Islamabad,

MANAGING DIRECTOR
PPMC
09 MAR 2022
174

Islamabad the March 09, 2022

No. 1214-18
Dated 10-03-2022

Subject: DECISION TAKEN IN THE CABINET MEETING HELD ON TUESDAY THE 21ST DECEMBER, 2021

In pursuance of Cabinet Decision's in case No. 1236/ 42/ 2021 dated 21-12-2022 (Annex-A), this Division notified a Committee vide Notification of even number dated 05-01-2022 (Annex-B) for firming-up and recommending on the viability of bifurcation of large DISCOs including MEPCO, QESCO, and PESCO. The composition of the Committee is as under:-

- Minister for Energy (Convener)
- Minister for Planning, Development and Special Initiatives
- Minister for Industries & Production
- Minister for Science & Technology
- Advisor to the Prime Minister on Finance & Revenue

2. In order to proceed further, Managing Director, PPMC is requested to constitute a Committee comprising member of MEPCO, QESCO and PESCO for necessary working covering all areas of concerns and suggesting way forward to this Division latest by 31-03-2022 enabling the above Committee to firm-up recommendations regarding the bifurcation of MEPCO, QESCO and PESCO.

Encl: As above

(Naveed Ahmad)
Section Officer (DISCOs-II)

Copy to:

- DG to the Minister for Energy, Power Division Islamabad.
- SO, to the Secretary, Power Division Islamabad.
- PS to the Additional Secretary-I, Power Division, Islamabad.
- PS to the Sr. Joint Secretary (E&D), Power Division, Islamabad.

- Chief Executive Officer, MEPCO, Multan.
- Chief Executive Officer, PESCO, Peshawar.
- Chief Executive Officer, QESCO, Quetta.

Subject: DECISION TAKEN IN THE CABINET MEETING HELD ON TUESDAY THE 21ST DECEMBER 2021 - BIFURCATION OF LARGE DISCOs

Ref: Ministry of Energy (Power Division) letter No. 12(01)/2018-DISCOs-II dated March 9, 2022 (copy attached).

- Section Officer (DISCOs-II) has notified a Committee vide above referred letter in pursuance of Cabinet Decision's case No. 1236/42/2021 dated 21.12.2021 for firming-up and recommending on the viability of bifurcation of large DISCOs, including MEPCO, QESCO and PESCO.
- Further in compliance of above referred letter, a Committee is also being constituted with the approval of MD PPMC comprising of the CEOs of respective DISCOs, all GMs of PPMC, CEO PITC under the convenorship of MD PPMC enabling the main Committee constituted vide above referred letter to firm-up recommendations regarding bifurcation of MEPCO, QESCO and PESCO.

3. In this regard, it is requested to please submit comprehensive proposal / case of bifurcation of your DISCO keeping in view of large geographical spread, customer base, operational complexities etc. as per Procedure and Steps attached with this letter, for processing / scrutiny of the case by the above proposed Committee as mentioned in Para-2 above, for further submission to Ministry of Energy (Power Division) / main Committee.

Encl: As above

cc:

- Mr. Naveed Ahmad, SO (DISCOs-II), Ministry of Energy (Power Division), Islamabad.
- SO to MD PPMC, Islamabad.

PROPOSAL FOR BIFURCATION OF PESCO



POWER PLANNING AND MONITORING COMPANY (PVT.) LIMITED
Office # 112, 1st Floor, Kavayitri Trust Complex, Agha Khan Road, Islamabad
051-9211302, Fax: 051-2726915, Email: gmtts@ppmc.com

No. 1925-27 / GM(TS)
Dated 02.06.2022

Chief Executive Officer,
PESCO, Peshawar.

Subj: **BIFURCATION OF LARGE DISCOs.**

Ref: This office letter No.1214-18 dated 10.3.2022, your letter No.CEO/PESCO/162-66/CEP&E dated 30.3.2022 and telephonic discussion dated 01.06.2022.

The proposal received in this office vide your above referred letter has thoroughly been examined and discussed by the committee constituted at PPMC level. It has been desired by the convener of the committee that alternate simulations be also carried out to arrive at most appropriate and viable proposal.

The subject case may please be expedited and additional proposal(s) in light of committee's directions be submitted at the earliest possible to proceed further.

(Engr. Adnan Riaz Mir)
General Manager (Technical Services)
PPMC

- cc:
1. GM (HR) PPMC Islamabad.
 2. SO to MD PPMC Islamabad.



ODMR
AMERS / PDGSC
PD
TH

2/6

20.4
CE (P&E) / DMR / 18.4
PD 45C
For kind attention
11/6/2022

SECRET

**PRIME MINISTER'S OFFICE (PUBLIC)
ISLAMABAD**

RECORD NOTE

30th May, 2022

Subject: **PRIME MINISTER'S VISIT TO MANSEHRA ON 29TH MAY, 2022**

Prime Minister of Pakistan visited Mansehra on 29th May, 2022 and was pleased to make the following announcements.

S.#	Request/Issue	Action by
I.	Establishment of Medical College at Mansehra	> Secretary, M/o National Health Services Regulations and Coordination > Chief Secretary, KPK
II.	Development package worth one billion rupees for the Hazara region	Secretary, M/o Finance Secretary, M/o Planning Development and Special Initiatives
III.	Establishment of Hazara Electric Supply Company	Secretary, M/o Energy (Power Division)

2. All concerned Ministries / Divisions / Departments are requested to take further necessary action for implementation of the above directives as per rules / policy under intimation to this Office at the earliest.

(Nadeem Aslam Chaudhary)
Additional Secretary-III

- Secretary, M/o National Health Services Regulations and Coordination, Islamabad
 - Secretary, M/o Energy (Power Division), Islamabad
 - Secretary, Ministry of Finance, Islamabad
 - Secretary, M/o Planning Development and Special Initiatives, Islamabad
- PM's Office u.o. No. 114/Visit/Mansehra/2022/PAU-III/KP dated 30.05.2022

PROPOSAL FOR BIFURCATION OF PESCO



POWER PLANNING AND MONITORING COMPANY

Office # 112, Evacuee Trust Complex, Agha Khan Road, Islamabad
Tele: 051-9211301, 051-9211302, Fax: 051-2726915, E-mail: gmcspepco@gmail.com

MINUTES OF MEETING HELD ON 17.11.2023 ON BIFURCATION OF PESCO AND ESTABLISHMENT OF HAZECO.

A meeting was held on 17.11.2023 at 10.00 AM in PPMC Committee Room to formulate a strategic plan aimed at facilitating HAZECO in initiating its operations as an independent DISCO. The meeting was attended by the following:

- (1) Director BoD HAZECO
- (2) CEO HAZECO
- (3) General Manager (R&CO) PPMC
- (4) General Manager (TS) PPMC
- (5) General Manager (HR) PPMC
- (6) CFO PPMC
- (7) Director General (Law) PFIA
- (8) Technical Director/GM(Technical) PESCO
- (9) CFO PESCO
- (10) DG (HR) PESCO
- (11) Mr. Rizwan Faiz, Advocate
- (12) Company Secretary PPMC

The meeting deliberated necessary steps required for the bifurcation of PESCO and the seamless initiation of HAZECO's operations. The consensus among the participants was that the bifurcation of PESCO and the establishment of HAZECO should adhere to high professional standards, encompassing all essential legal, administrative, and regulatory prerequisites.

It was informed by reps of PESCO that the data required for bifurcation of PESCO is already completed. It was emphasized that the data necessitates updating upto October 2023. To ensure credibility and mitigate potential conflicts or objections from stakeholders in the future, it was suggested to authenticate this data through a third-party audit firm.

It was further informed that PESCO requires to file a spinning-off petition with the National Electric Power Regulatory Authority (NEPRA) and the Securities and Exchange Commission of Pakistan (SECP). Simultaneously, HAZECO will apply for a distribution license and submit a tariff petition to NEPRA.

The Committee expressed that the entire process should be meticulously planned to enable HAZECO to submit its application for the grant of a distribution license to NEPRA well before end of December 2023 and before that all prerequisites be completed.

To ensure the efficiency of the transition process, the Committee put forth the following recommendations:

- a. A comprehensive work plan will be developed, with detailed outline of all activities, along with clearly defined timelines.



POWER PLANNING AND MONITORING COMPANY

Office # 112, Evacuee Trust Complex, Agha Khan Road, Islamabad
Tele: 051-9211301, 051-9211302, Fax: 051-2726915, E-mail: gmcspepco@gmail.com

- b. PESCO to update all existing financial, commercial, technical, and human resource data upto October 2023.

- c. An independent audit firm be hired by CEO PESCO to authenticate the data prepared, contributing to the credibility and thoroughness of the data within two weeks.

- d. Following three committees were recommended to oversee and facilitate a smooth transition in the process:

1. Technical/Commercial Committee

- Mr. Adnan Mir, GM (Technical Services) PPMC-Convenor
- Mr. Tahir Moeen, Technical Director PESCO - Member
- Mr. Habib-ur-Rehman, SE Khyber Circle PESCO-Member
- Mr. Muhammad Tufail, Manager Commercial PESCO-Member

2. Finance Committee

- Mr. Basharat Ali, CFO PPMC-Convenor
- Mr. Yasir Naseem, CFO PESCO-Member
- Mr. Shahzad Hanaan, Manager Finance CPC PESCO-Member

3. HR Committee

- Mr. Saghir Ahmad, GM(HR) PPMC-Convenor
- Sardar Sajid Nawaz, DG HR PESCO-Member
- Mr. Siab Ahmad, Manager (HR) PESCO-Member

- e. The above Committees will submit their reports on or before Monday, 27th November 2023.

- f. The Terms of Reference of the Committees are annexed.

- g. A WhatsApp group consisting of all relevant officers will be formed.

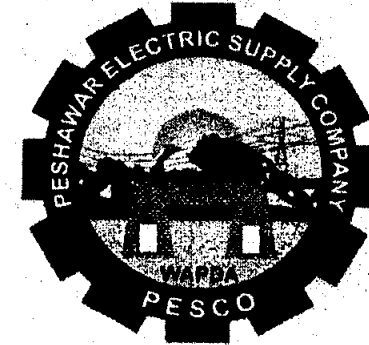
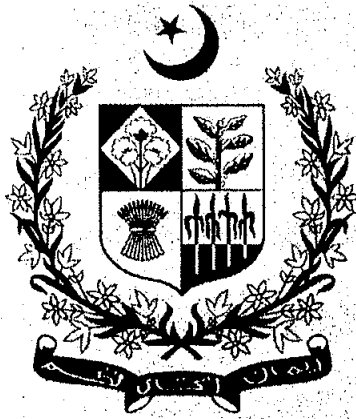
- h. Mr. Rizwan Faiz will prepare draft legal documents required for the bifurcation of PESCO and establishment of HAZECO

(Saghir Ahmad)
General Manager (R&CO) PPMC/
Convenor of the Committee

C.C.

1. Additional Secretary-I, Power Division, Islamabad.
2. CEO HAZECO, Islamabad.
3. CEO PESCO, Peshawar.
4. All Members of Committees.

PROPOSAL FOR BIFURCATION OF PESCO



Agenda Point #(i)

❖ STUDY OF EXISTING ELECTRICAL NETWORKS OF THE COMPANY

VIZ-A-VIZ

PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(i) a.

EXISTING AREA OF JURISDICTION

- Peshawar Electric Supply Company (PESCO) was established as Public Limited Company on April 1998
- PESCO was granted license by NEPRA for distribution of electricity to 28 administrative districts of Khyber Pakhtunkhwa province.

- | | | |
|-----------------|-------------------|--------------------|
| 1) Peshawar | 10) Hangu | 19) Chitral Lower |
| 2) Charsadda | 11) Kohat | 20) Kohistan Upper |
| 3) Nowshera | 12) Swat | 21) Kohistan Lower |
| 4) Mardan | 13) Swabi | 22) Kolai Palas |
| 5) Tank | 14) Buner | 23) Abbottabad |
| 6) Bannu | 15) Dir (Upper) | 24) Haripur |
| 7) D.I.Khan | 16) Dir (Lower) | 25) Mansehra |
| 8) Karak | 17) Shangla | 26) Battagram |
| 9) Lakki Marwat | 18) Chitral Upper | 27) Torgar |
| | | 28) Malakand |

PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(i) a.

Remaining PESCO

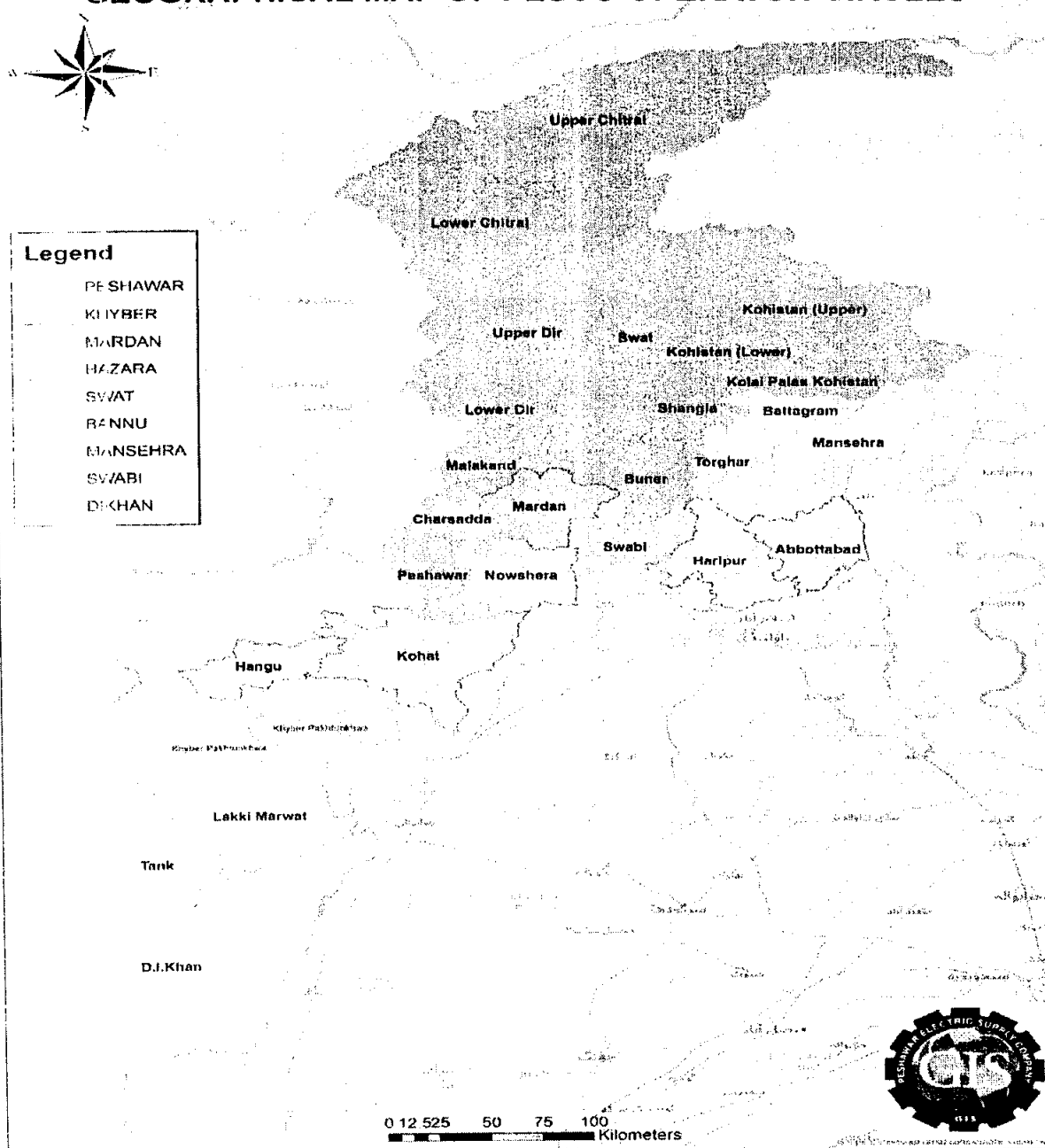
- 1) Peshawar
- 2) Charsadda
- 3) Nowshera
- 4) Kohat
- 5) Hangu
- 6) Karak
- 7) Bannu
- 8) Lakki Marwat
- 9) D.I.Khan
- 10) Tank
- 11) Mardan
- 12) Swabi
- 13) Swat
- 14) Malakand
- 15) Buner
- 16) Shangla
- 17) Dir (Upper)
- 18) Dir (Lower)
- 19) Chitral Upper
- 20) Chitral Lower

Proposed HAZECO

- 1) Abbottabad
- 2) Haripur
- 3) Mansehra
- 4) Battagram
- 5) Kohistan Upper
- 6) Kohistan Lower
- 7) Torghar
- 8) Kolai Palas

PESCO JURISDICTION

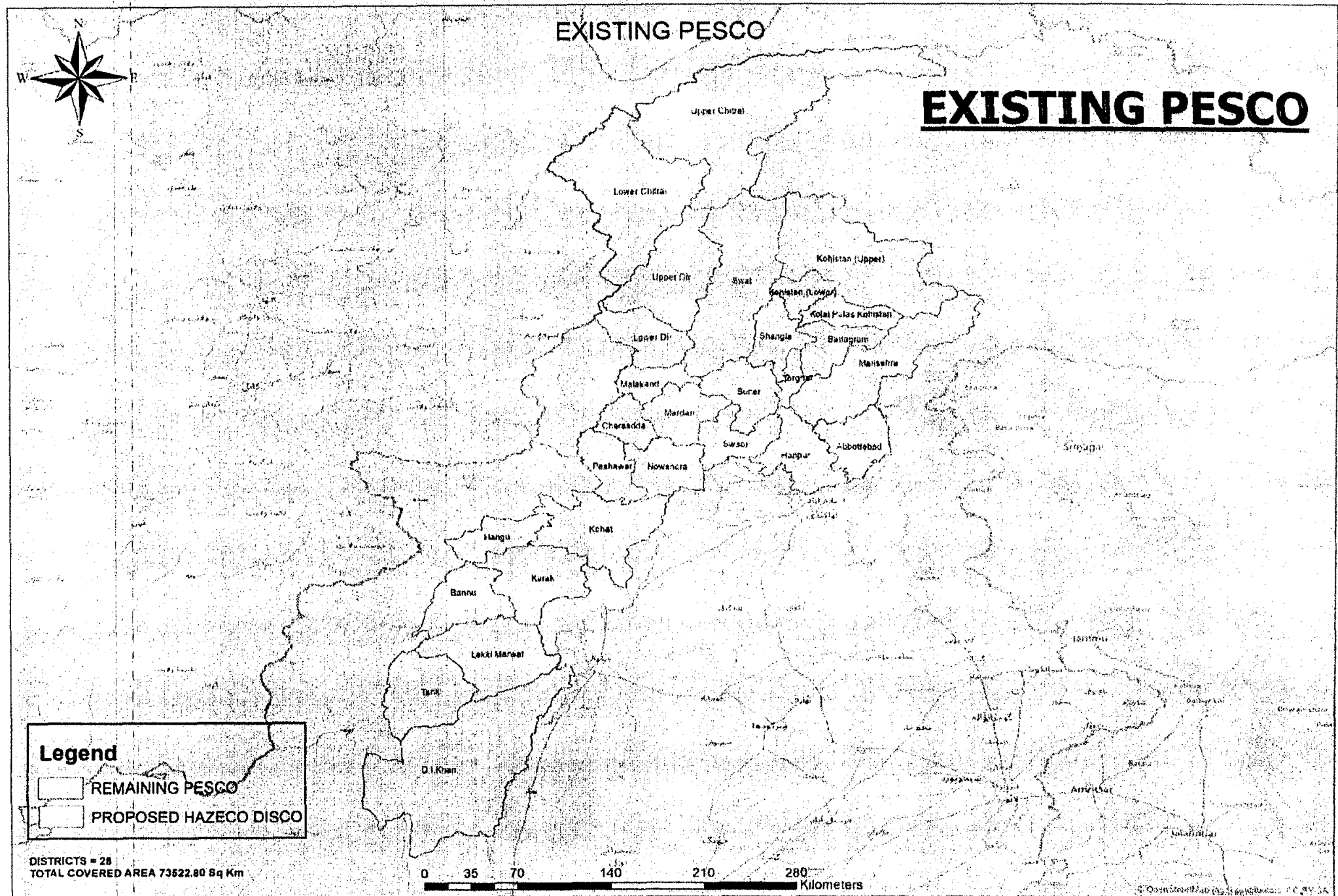
GEOGRAPHICAL MAP OF PESCO OPERATON CIRCLES



Districts: 28 No.
Covered Area: 74,521 Sq Km
Population: 35.53 Million
Circle: 08 No
Division: 39 No
Sub Divn: 191 NO

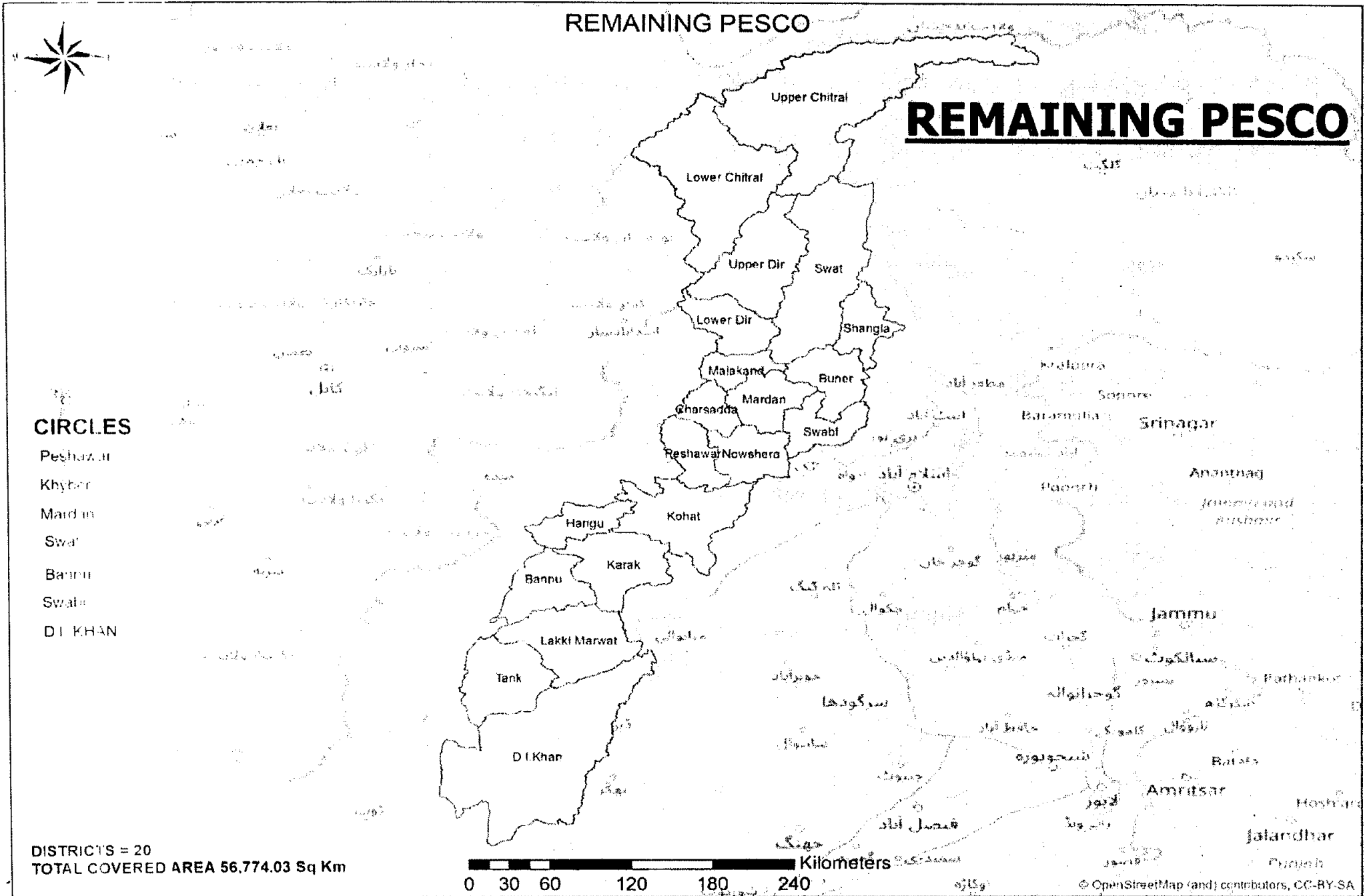
Circle	Consumers in Million
Peshawar	0.712
Khyber	0.619
Mardan	0.365
Hazara-I	0.447
Swat	0.815
Bannu	0.215
Hazara-II	0.280
Swabi	0.289
D.I Khan	0.362
PESCO	4.2

Agenda Point #(i) a. PROPOSAL FOR BIFURCATION OF PESCO



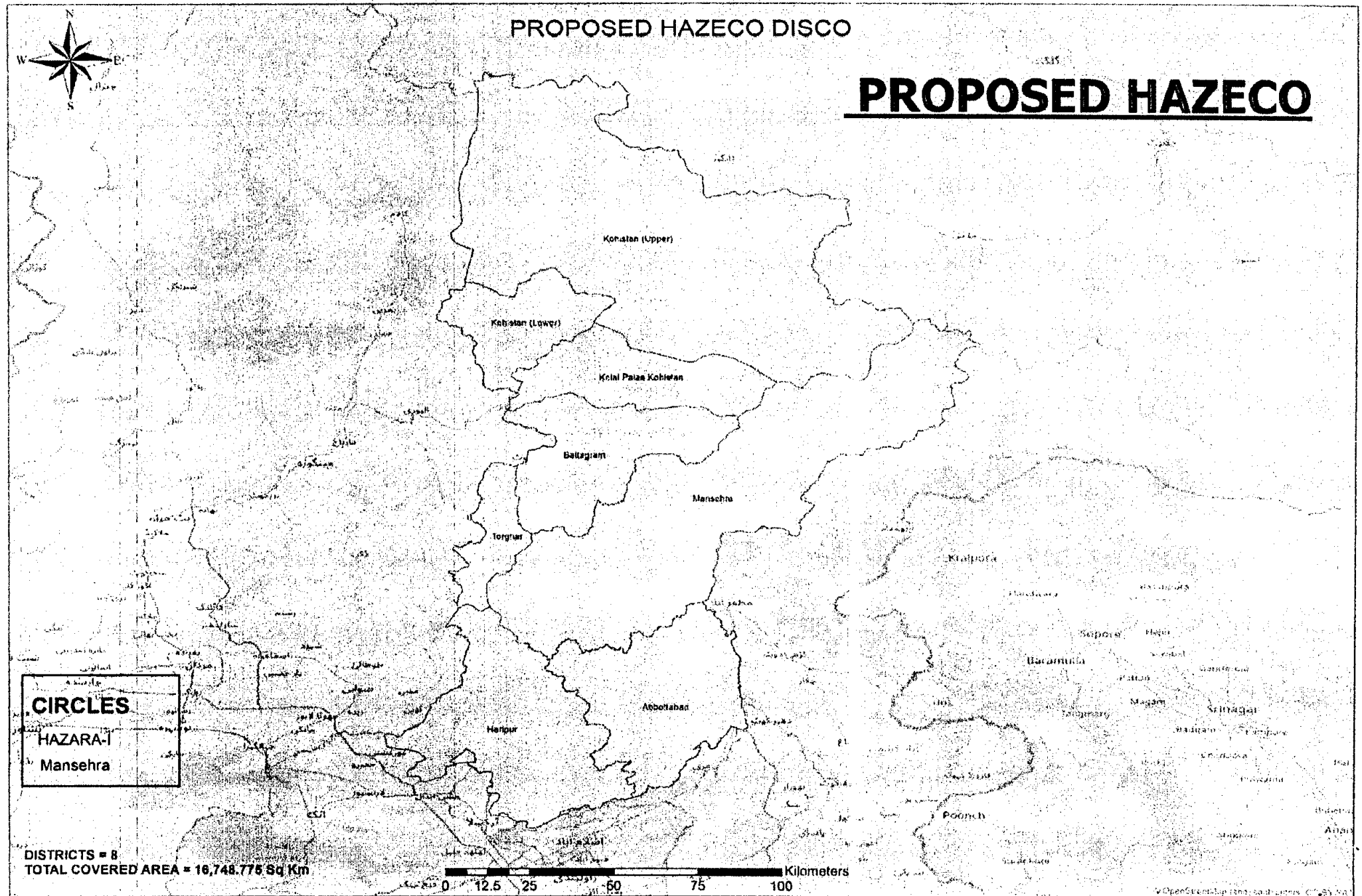
PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(i) a.



PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(i) a.



PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(i) b. **CONSUMER'S PROFILE**

ELECTRIC SUPPLY COMPANY		Domestic	Commercial	Industrial	Bulk	Tube Wells	General Services	Other	Total
PESCO (Existing)	No.	3,735,839	411,378	28,595	901	23,147	1,241	45,781	4,246,882
	%age	87.97	9.69	0.67	0.02	0.55	0.03	1.08	(100)
PESCO (Remaining)	No.	3,040,906	341,915	25,062	719	22,473	1,047	37,955	3,470,077
	%age	87.63	9.85	0.72	0.02	0.65	0.03	1.09	(81.71)
Proposed HAZECO	No.	694,933	69,463	3,533	182	674	194	7,826	776,805
	%age	89.46	8.94	0.45	0.02	0.09	0.02	1.01	(18.29)

PROPOSAL FOR BIFURCATION OF PESCO (Existing)

SR: NO.	NAME OF GRID STATION	SR: NO.	NAME OF GRID STATION	SR: NO.	NAME OF GRID STATION
1	132KV Abbottabad	21	132KV Gumbat	41	132KV Kohat
2	132KV AMC - Abbottabad	22	132KV Gurguri	42	132KV Kotal Town Kohat
3	132KV Balakot	23	132KV Hangu	43	132KV Kulachi
4	132KV Barikot	24	132KV Haripur	44	132KV Lachi
5	132KV Bannu	25	132KV Hussai	45	132KV Lal Qilla Maidan
6	132KV Battal	26	132KV Hattar-1	46	132KV Madyan
7	132KV Batkhela	27	132KV Hattar-2	47	132KV Mansehra
8	132KV Besham	28	132KV Hattar Economic Zone	48	132KV Mardan-2
9	132KV Chakdara	29	132KV Hattian (AJK)	49	132KV Mardan-3
10	132KV Charsadda	30	132KV Havellian	50	132KV Marble City
11	132KV D.I.Khan	31	132KV Hayatabad	51	132KV Mattani
12	132KV Dalazak	32	132KV Jalala	52	132KV Matta
13	132KV Daggar	33	132KV Jamrud	53	132KV Munda Jandol
14	132KV Dir Chukiyatan	34	132KV Jehangira	54	132KV Musazai (Badaber)
15	132KV Drosh (Chitral)	35	132KV Jutilasht (Chitral)	55	132KV Muzaffarabad (AJK)
16	132KV Draban	36	132KV Karak	56	132KV Nathia Gali
17	132KV Dargai	37	132KV Kernal Sher Khan	57	132KV Nishat Tarbela
18	132KV Dohbian	38	132KV Katlang	58	132KV Nizampur
19	132KV Gadoon Amazai	39	132KV Khanpur	59	132KV Noseri (AJK)
20	132KV Gomal Unity DIKhan	40	132KV Khwaza Khela	60	132KV Nowshera City

PROPOSAL FOR BIFURCATION OF PESCO (Existing)

SR: NO.	NAME OF GRID STATION	SR: NO.	NAME OF GRID STATION	SR: NO.	NAME OF GRID STATION
61	132KV Nowshera Industrial	81	132KV Shahibagh	101	66KV Kurram Garhi
62	132KV Oghi	82	132KV Shangla Par	102	66KV Tajazai (No Load)
63	132KV Pabbi	83	132KV Siraj Baba	103	66KV Tank (No Load)
64	132KV Panyala (Abdul Khel)	84	132KV Swabi	104	66KV Timergara
65	132KV Pezu	85	132KV Swat	105	33KV Pattan
66	132KV Peshawar Cantt	86	132KV Tall	106	33KV Thakot
67	132KV Peshawar City	87	132KV Tangi	Existing NTDC Grid Stations	
68	132KV Peshawar Fort	88	132KV Taru Jabba		
69	132KV Pesh Industrial	89	132KV Tank		
70	132KV Pesh University	90	132KV Tajazai	1	500KV GSS Sheikh Mohammadi Peshawar
71	132KV Prova	91	132KV Timergara	2	220KV GSS D.I.Khan
72	132KV Rampura (AJK)	92	132KV Warsak	3	220KV GSS Domail (Bannu)
73	132KV Rajjar	93	132KV Wapda House Peshawar	4	220KV GSS Shahibagh Peshawar
74	132KV Regi Model Town	94	132KV Wari	5	220KV GSS Nowshera
75	132KV Rehman Baba	95	66KV Badaber	6	220KV GSS Mardan
76	132KV Right Bank Tarbela	96	66KV Band Kurai	7	220KV GSS Chakdara
77	132KV Sabirabad	97	66KV Haripur	8	220KV GSS Mansehra
78	132KV Sakhi Chashma	98	66KV Havelian	Consumer Grids (132KV) 11 Nos	
79	132KV Serai Nourang	99	66KV Khashki		
80	132KV Shabqadar	100	66KV Kohat		

PROPOSAL FOR BIFURCATION OF PESCO (Remaining)

NTDC GSS			PESCO GSS				
S.#	Grid Station	S.#	Grid Station	S.#	Grid Station	S.#	Grid Station
1	500KV Sheikh Muhammadi	15	132KV Taru Jabba	39	132KV Mardan-2	63	132KV Dhobian
2	220KV Shahi Bagh	16	132KV Warsak	40	132KV Mardan-3	64	132KV Barikot
3	220KV Mardan	17	132KV Wapda House	41	132KV Bannu	65	132KV Batkhela
4	220KV Domel Bannu	18	132KV Gumbat	42	132KV D.I.Khan	66	132KV Chakdara
5	220KV D.I.Khan	19	132KV Hangu	43	132KV Gomal Uni DIK	67	132KV Marble City
6	220KV Nowshera	20	132KV Hayatabad	44	132KV Panyala	68	132KV Daggar
7	220KV Chakdara	21	132KV Musazai	45	132KV Karak	69	132KV Drosh (Chitral)
8	220KV Kohat (Proposed)	22	132KV Jamrud	46	132KV Kulachi	70	132KV Dargai
9	220 KV Swabi (Proposed)	23	132KV Jehangira	47	132KV Pezu	71	132KV Jutilasht (Chitral)
	(PESCO)	24	132KV Kohat	48	132KV Prova	72	132KV Khwaza Khela
1	132KV Charsadda	25	132KV Kotal Town	49	132KV Gurguri	73	132KV Lal Qilla
2	132KV Dalazak	26	132KV Lachi	50	132KV Serai Nourang	74	132KV Madyan
3	132KV Pabbi	27	132KV Mattani	51	132KV Siraj Baba	75	132KV Matta
4	132KV Peshawar Cantt	28	132KV Nizampur	52	132KV Tank	76	132KV Munda Jandol
5	132KV Peshawar City	29	132KV RMT	53	132KV Tajazai	77	132KV Shangla Par
6	132KV Peshawar Fort	30	132KV Nowshera City	54	132KV Sabirabad	78	132KV Swat
7	132KV Pesh Industrial	31	132KV Nowshera Indl	55	66KV Band Kurai	79	132KV Timergara
8	132KV Pesh University	32	132KV Tall	56	132KV Draban	80	132KV Wari
9	132KV Rajjar	33	66KV Badaber	57	66KV Kurram Garhi	81	132KV Dir
10	132KV Rehman Baba	34	66KV Kohat	58	66KV Tajazai	82	132KV Karnal Sher Khan
11	132KV Sakhi Chashma	35	66KV Khashki	59	66KV Tank	83	66KV Timergara
12	132KV Shabqadar	36	132KV Hussai	60	132KV Swabi	Consumer Grids (132KV) 07 Nos	
13	132KV Shahibagh	37	132KV Jalala	61	132KV G/Amazai		
14	132KV Tandi	38	132KV Katlang	62	132KV R R Tarhela		

PROPOSAL FOR BIFURCATION OF PROPOSED HAZECO

NTDC		PROPOSED HAZECO			
S.#	Grid Station	S.#	Grid Station	S.#	Grid Station
1	220KV Manshera	1	132KV Abbottabad	13	132KV Hattian (AJK)
2	220KV Haripur (Proposed / Under Construction)	2	132KV AMC A/Abad	14	132KV Mansehra
Consumer Grids (132KV) 04 Nos		3	132KV Haripur	15	132KV M/Abad (AJK)
		4	132KV Hattar-1	16	132KV Noseri (AJK)
		5	132KV Hattar-2	17	132KV Oghi
		6	132KV Havellian	18	132KV Rampura (AJK)
		7	132KV Khanpur	19	132KV Hattar Economic Zone
		8	132KV Nathia Gali	20	66KV Haripur
		9	132KV Nishat Tarbela	21	66KV Havelian
		10	132KV Balakot	22	33KV Pattan
		11	132KV Besham	23	33KV Thakot
		12	132KV Battal		

PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(i) f. **COMMERCIAL PARAMETERS (DISTRIBUTION LOSSES)**

Figures in Million

ELECTRIC SUPPLY COMPANY	Fiscal Year 2023-24			
	Unit Received	Unit Billed	Unit Lost	%age Loss
PESCO (Existing)	5875.39	3814.24	2061.14	35.08
PESCO (Remaining)	4913.98	2986.27	1927.70	39.23
Proposed HAZECO	961.41	827.97	133.44	13.88

PROPOSAL FOR BIFURCATION OF PESCO

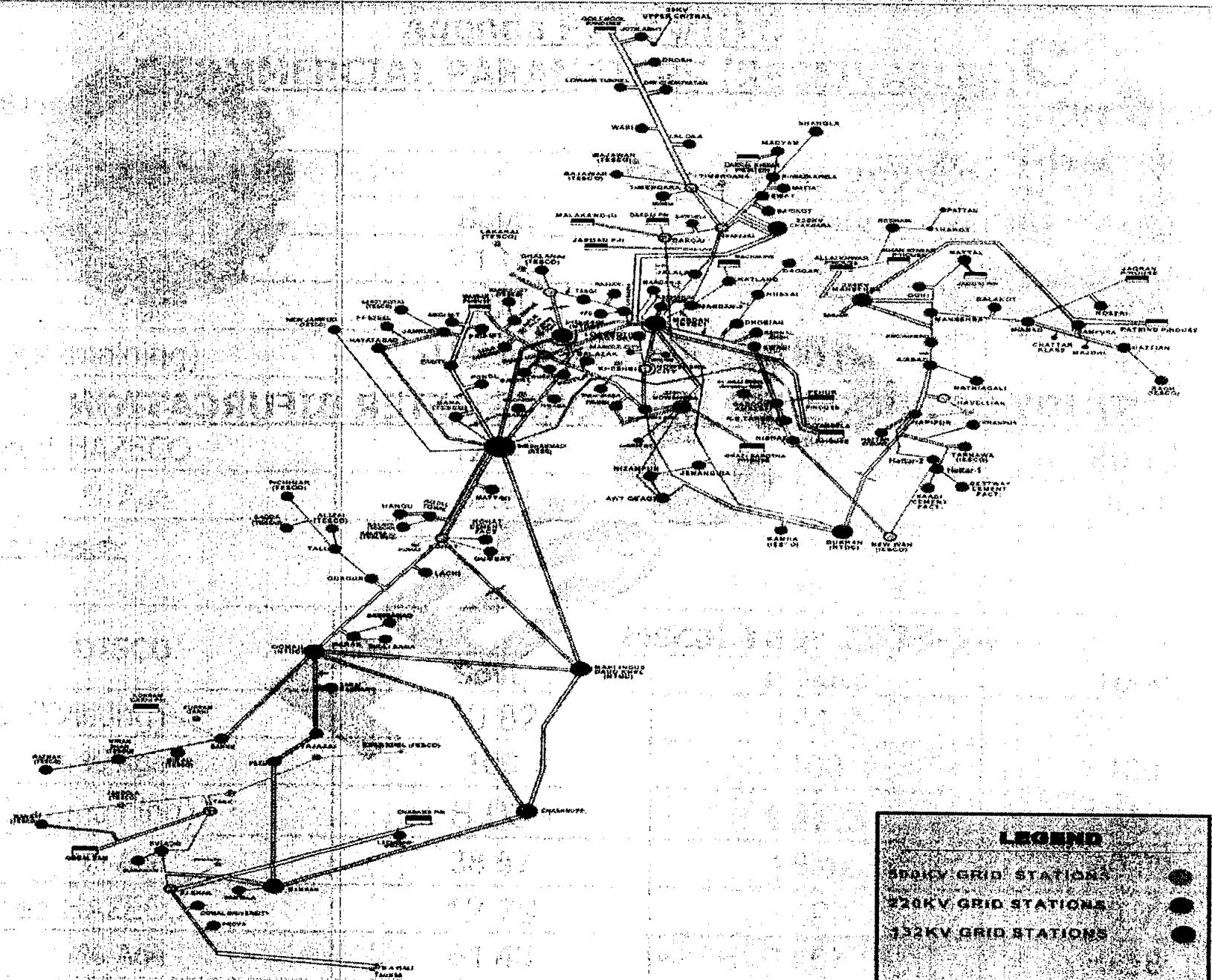
Agenda Point #(i) f.

❖ COMMERCIAL PARAMETERS (BILLING & COLLECTION)

Figures in Million

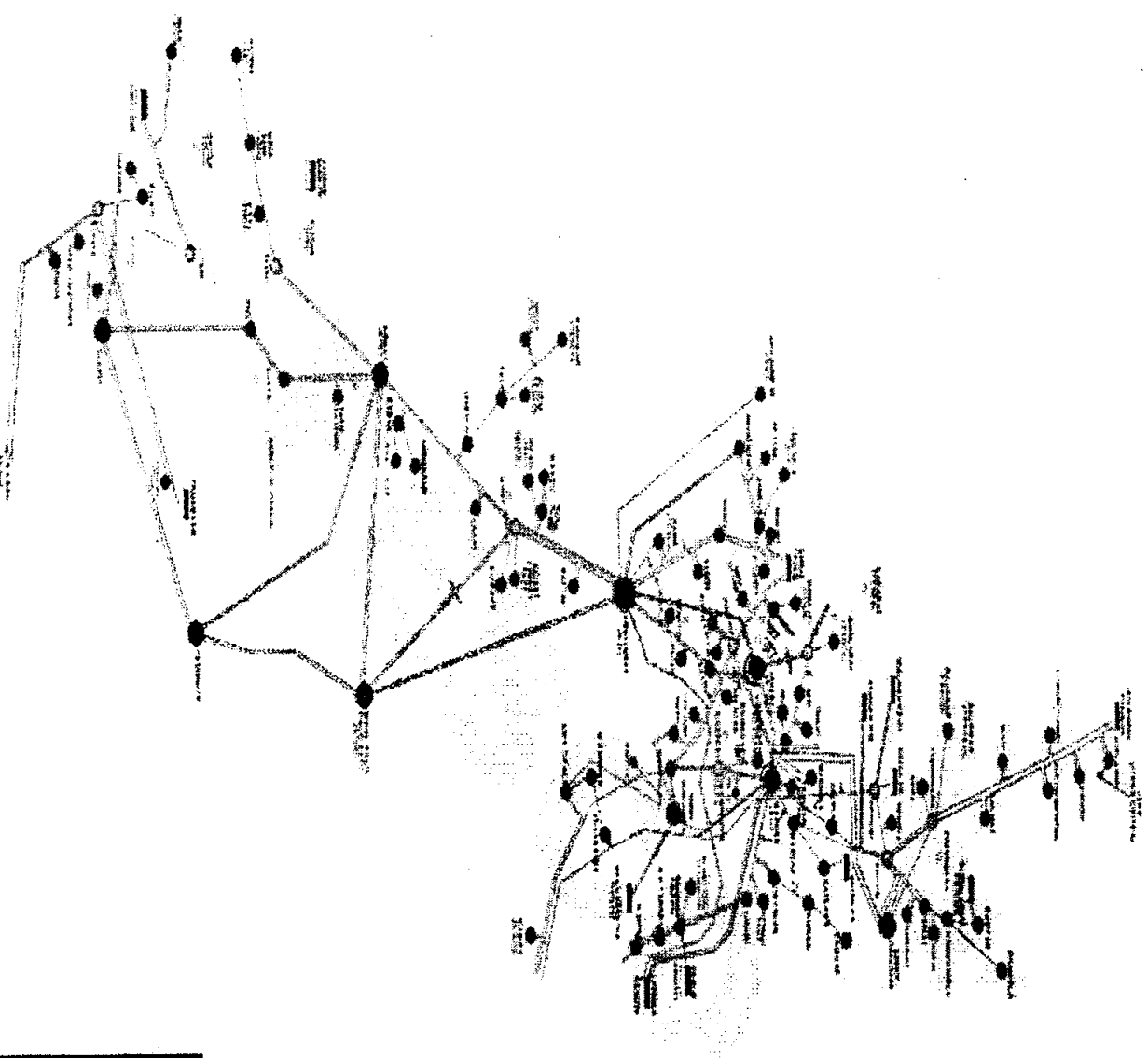
DISCO	Fiscal Year 2023-24								
	Billing			Collection			%Age Collection		
	Govt;	Private	Total	Govt;	Private	Total	Govt;	Private	Total
PESCO (Existing)	19456.83	135099.71	154556.54	13859.66	117612.29	131471.95	71.23	87.06	85.06
PESCO (Remaining)	11635.6	110707.4	122343	10474.4	94336.45	104810.9	90.0	85.2	85.7
Proposed HAZECO	7821.2	24392.34	32213.54	3385.25	23275.84	26661.07	43.3	95.4	82.8

GEOGRAPHICAL MAP OF PESCO



OCT-2023

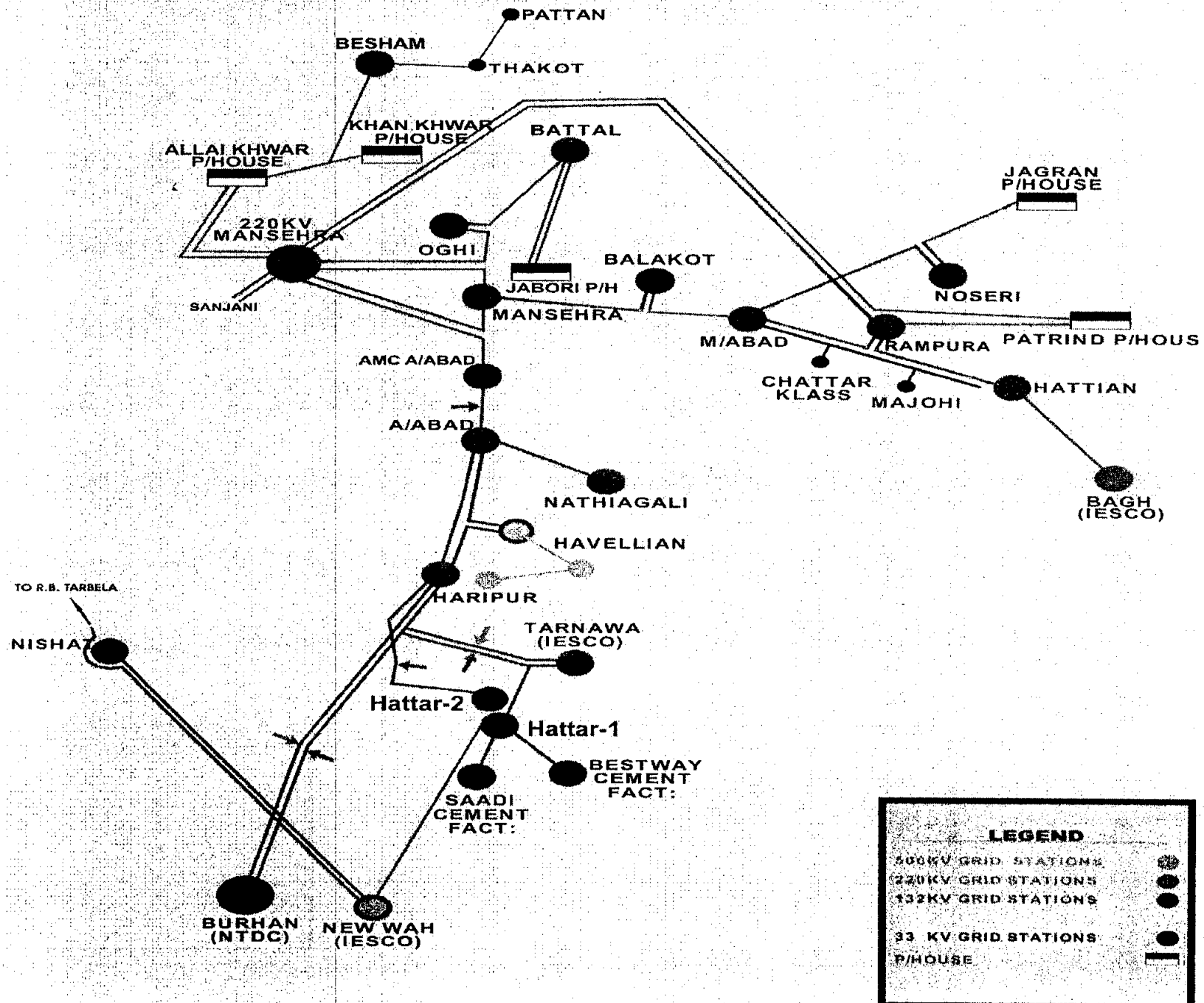
GEUGRAPHICAL MAP OF REMAINING PESCU



OCT 2021

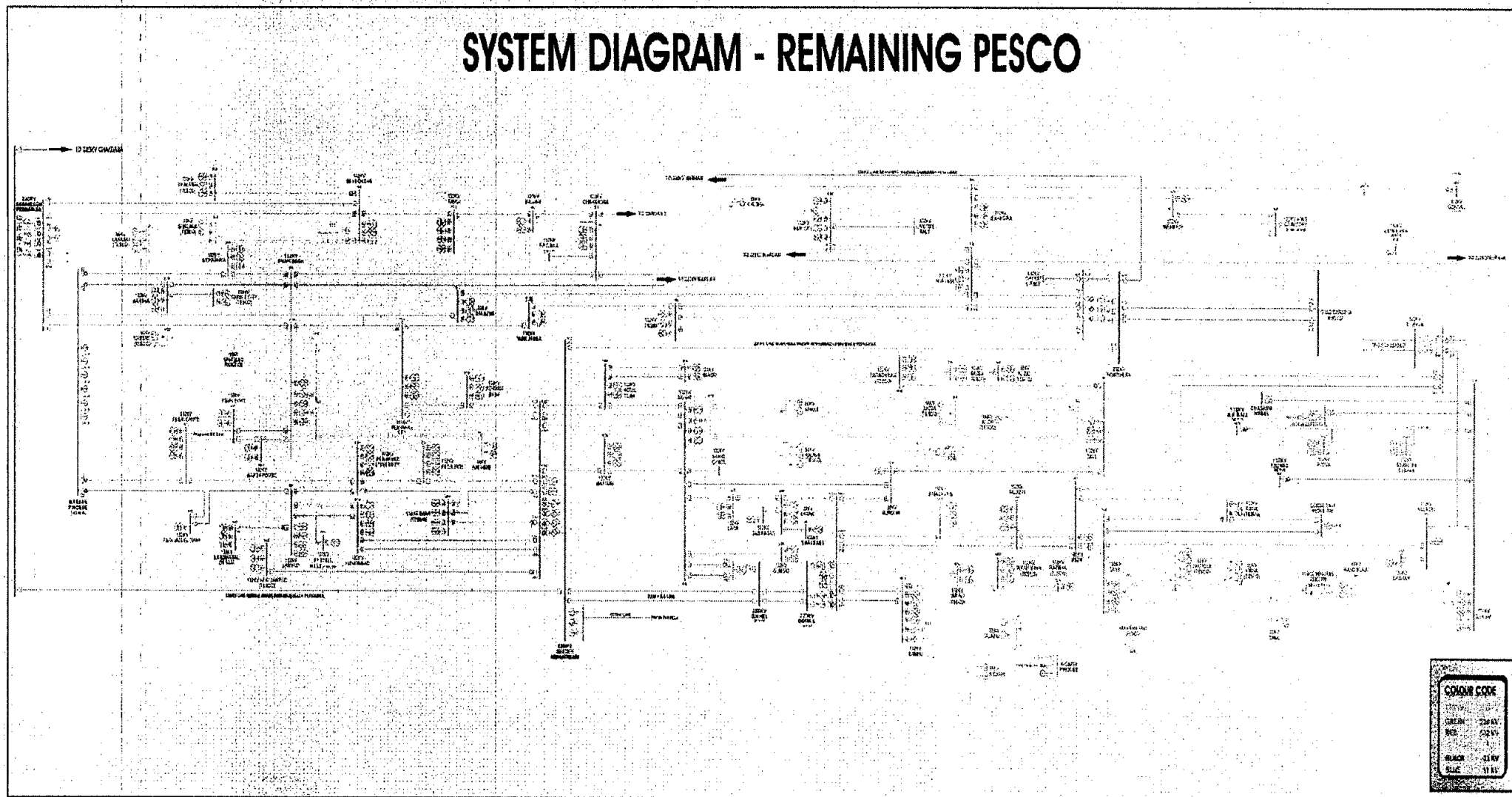
LEGEND	
●	100KV GRID STATIONS
●	220KV GRID STATIONS
●	132KV GRID STATIONS
●	33 KV GRID STATIONS
—	PHOUSE

GEOGRAPHICAL MAP OF PROPOSED HAZECO

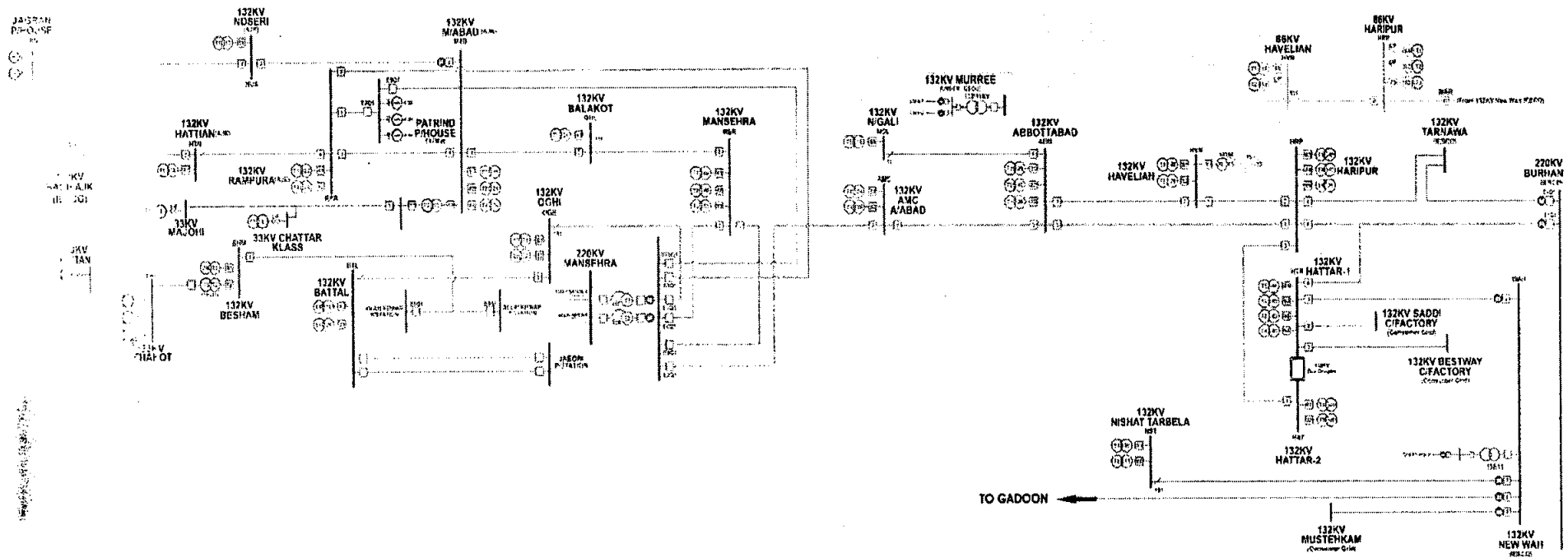


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SYSTEM DIAGRAM - REMAINING PESCO

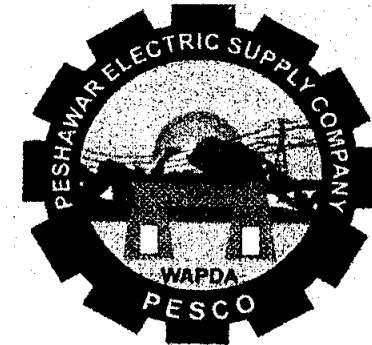
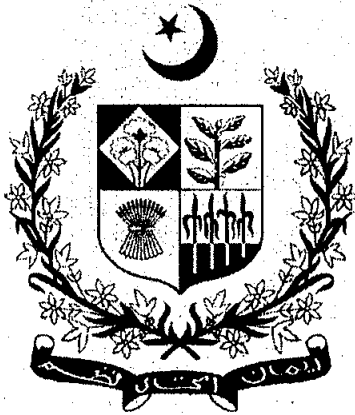


SYSTEM NETWORK DIAGRAM OF PROPOSED HAZECO



COLOUR CODE	
GREEN	220 KV
RED	132 KV
BLACK	33 KV
BLUE	11 KV

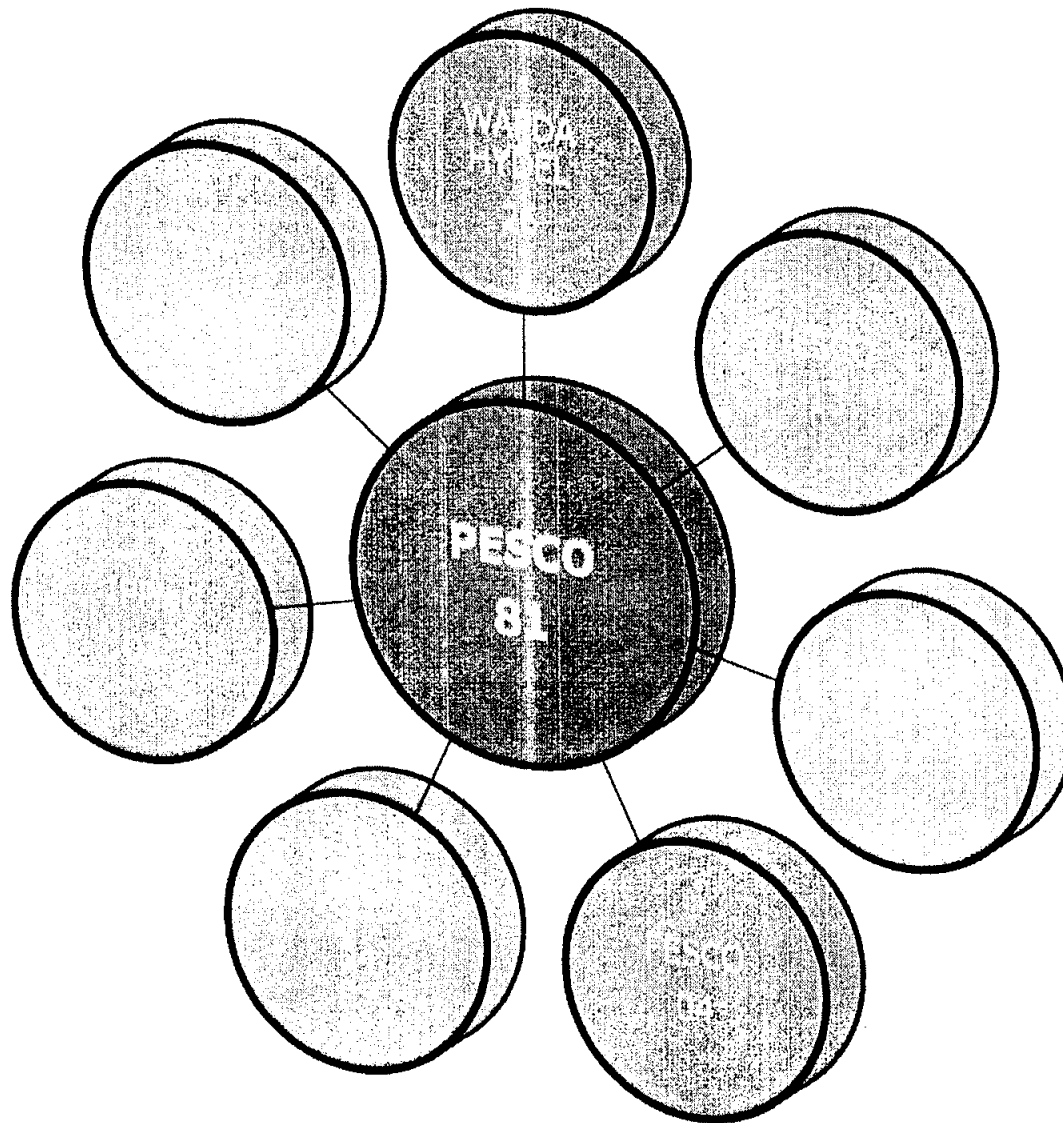
PROPOSAL FOR BIFURCATION OF PESCO



Agenda Point #(iii).

STUDY OF CDPs POWER SOURCES FROM WHERE PROPOSED COMPANIES CAN IMPORT POWER

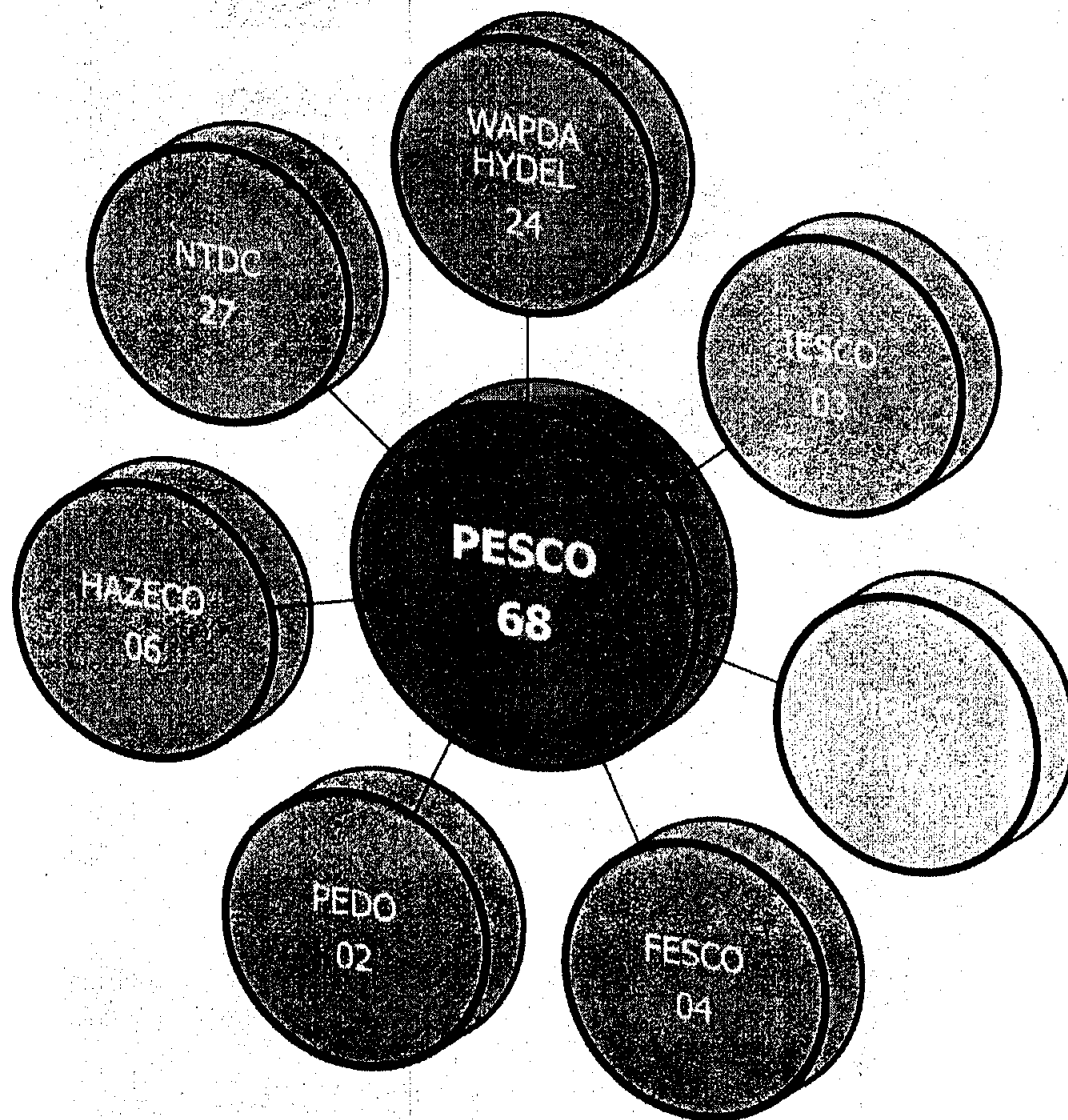
COMMON DISTRIBUTION POINTS (PESCO & OTHER COMPANIES)



PESCO

132KV	:	58
66KV	:	02
11KV	:	21

COMMON DISTRIBUTION POINTS (REMAINING PESCO & OTHER COMPANIES)

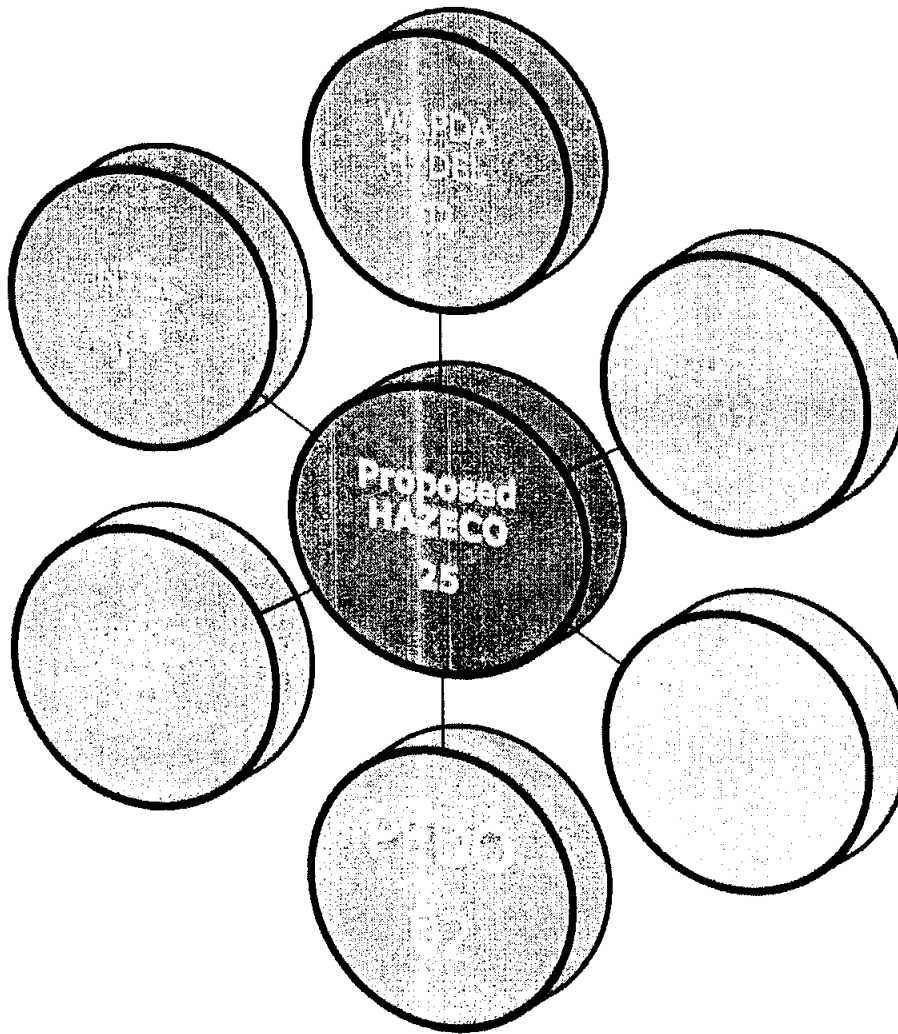


REMAINING PESCO

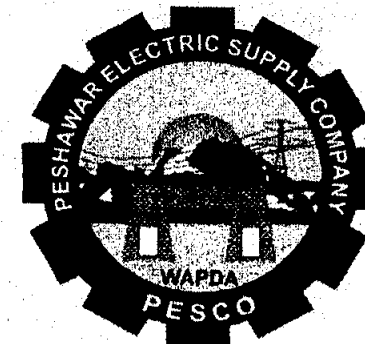
132KV	:	44
66KV	:	01
11KV	:	23

COMMON DISTRIBUTION POINTS (PROPOSED HAZECO & OTHER COMPANIES)

132KV: 15
66KV : 01
11KV : 09



PROPOSAL FOR BIFURCATION OF PESCO



Agenda Point #(iv).

LOAD FLOW STUDIES FOR ASCERTAINING THE STABILITY OF PROPOSED NETWORKS.

PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(iv).

❖ TECHNICAL LOSS

Company	Total Demand (MW) as per study	Demand (MW)	Power Loss	%age Technical Loss As per Study
PESCO (Existing)	2787.6	2712.8	74.8	2.68
PESCO (Remaining)	2251.8	2195.3	56.5	2.51
Proposed HAZECCO	535.9	517.5	18.4	3.43

Agenda Point #(iv).

PESCO - HAZECO LOAD FLOW STUDIES BASE CASE 2023-24

PTI INTERACTIVE POWER SYSTEM SIMULATOR--PSS(R)E MON, NOV 27 2023 13:44

PESCO - HAZECO LOAD FLOW STUDIES

AREA TOTALS

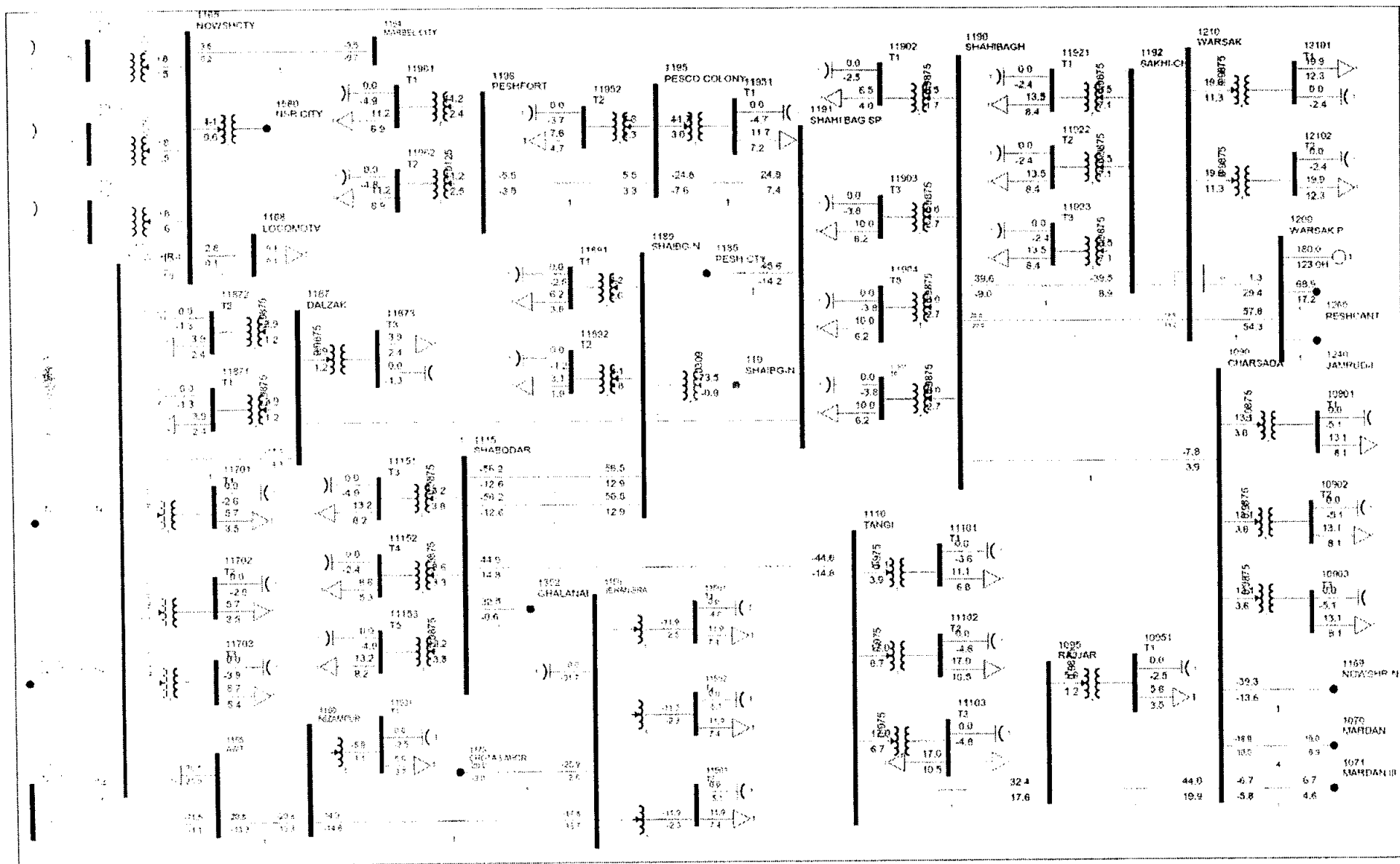
BASE CASE-2023-24

IN MW/MVAR

		FROM ----ASSIGNED TO THE AREA----				TO			-NET INTERCHANGE-				
		GENE- FROM IND	TO IND	TO	TO BUS	GNE BUS	TO LINE	FROM	TO	TO TIE	TO TIES	DESIRED	
X-- AREA --X	INT	RATION GENERATN	MOTORS	LOAD	SHUNT	DEVICES	SHUNT	CHARGING	LOSSES	LINES	+ LOADS	NET	
1		648.6	0.0	0.0	2195.3	0.0	0.0	0.0	56.5	-2043.5	-1603.1	0.0	
PESCO		186.6	0.0	0.0	1266.9	-1124.1	0.0	-0.0	207.9	451.2	-466.9	-199.6	
11		455.7	0.0	0.0	517.5	0.0	0.0	1.1	18.4	272.8	-81.3	0.0	
HAZECO		-14.8	0.0	0.0	267.5	-20.1	0.0	-0.0	74.5	-80.3	-294.0		
COLUMN		1104.3	0.0	0.0	2712.8	0.0	0.0	1.1	74.8	-1770.7	-1684.4	0.0	
TOTALS		171.8	0.0	0.0	1534.4	-1144.2	0.0	0.0	525.7	-547.2	-493.6		

**PESCO LOAD FLOW STUDY
YEAR 2023-24: BASE CASE**

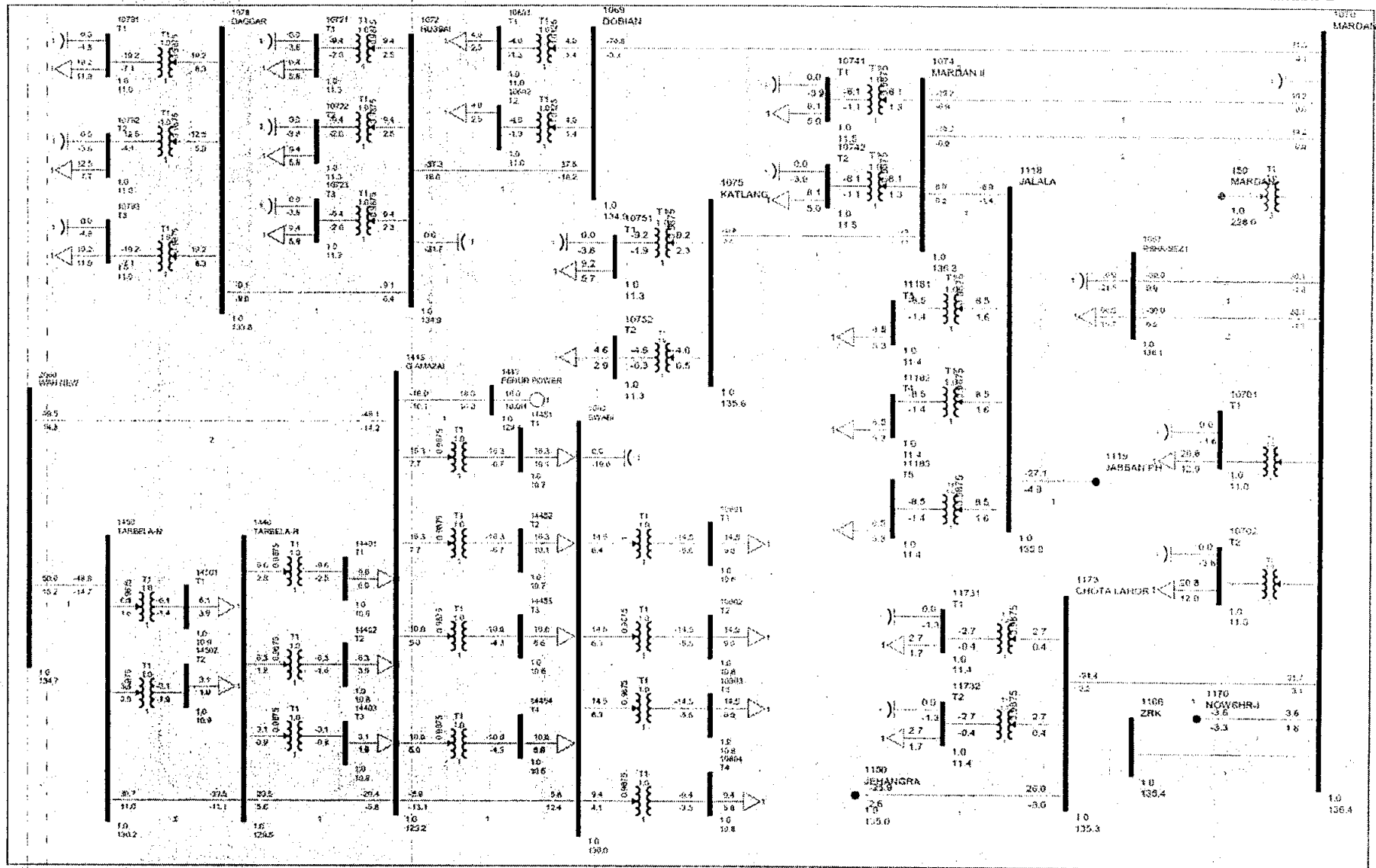
43



Agenda Point #(iv). (REMAINING PESCO)

MARDAN LOAD FLOW STUDY YEAR 2023-24: BASE CASE

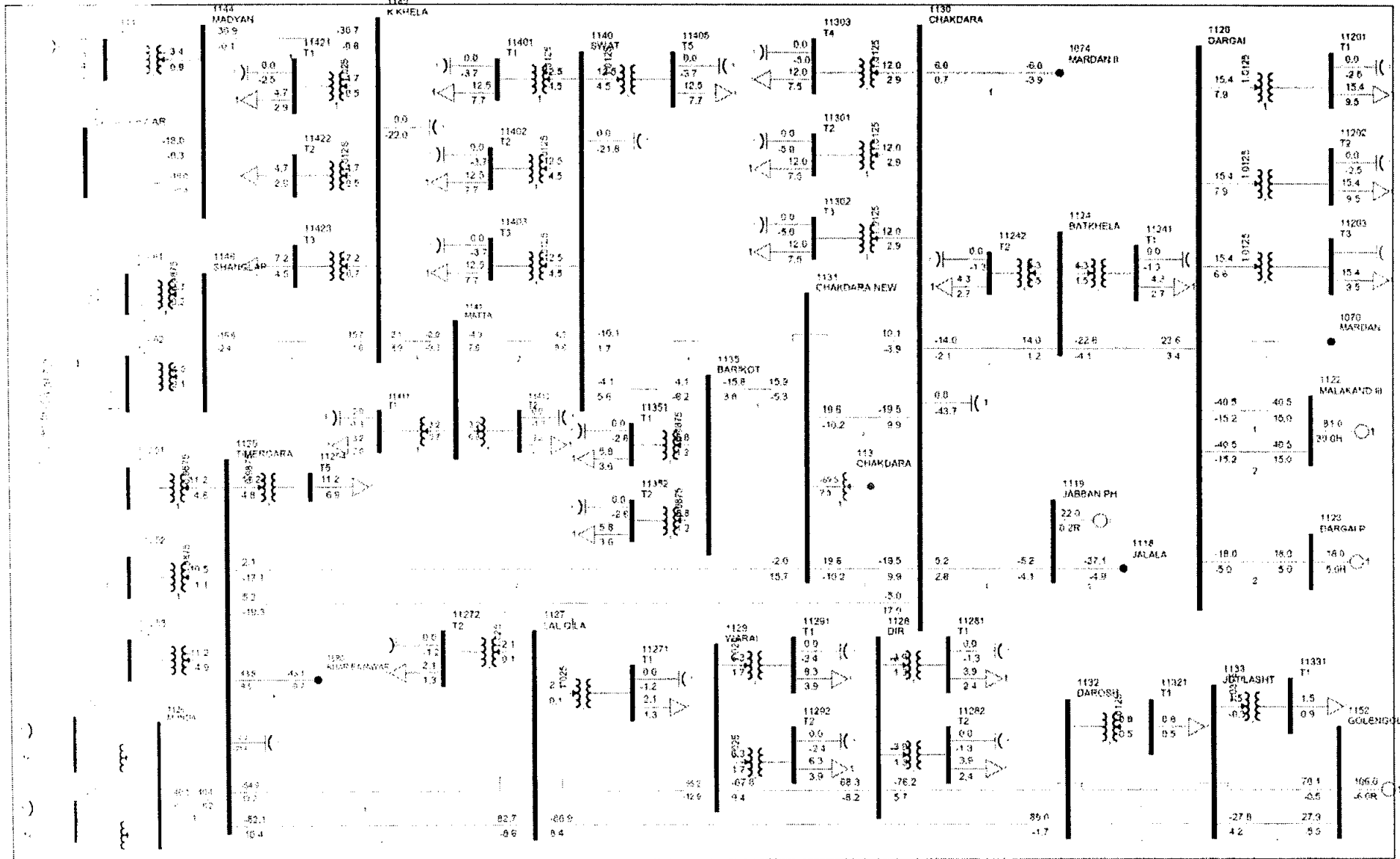
Exhibit-2



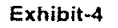
Agenda Point #(IV). (REMAINING PESCO)

PESCO LOAD FLOW STUDY YEAR 2023-24: BASE CASE

Exhibit-3



PESCO LOAD FLOW STUDY YEAR 2023-24: BASE CASE



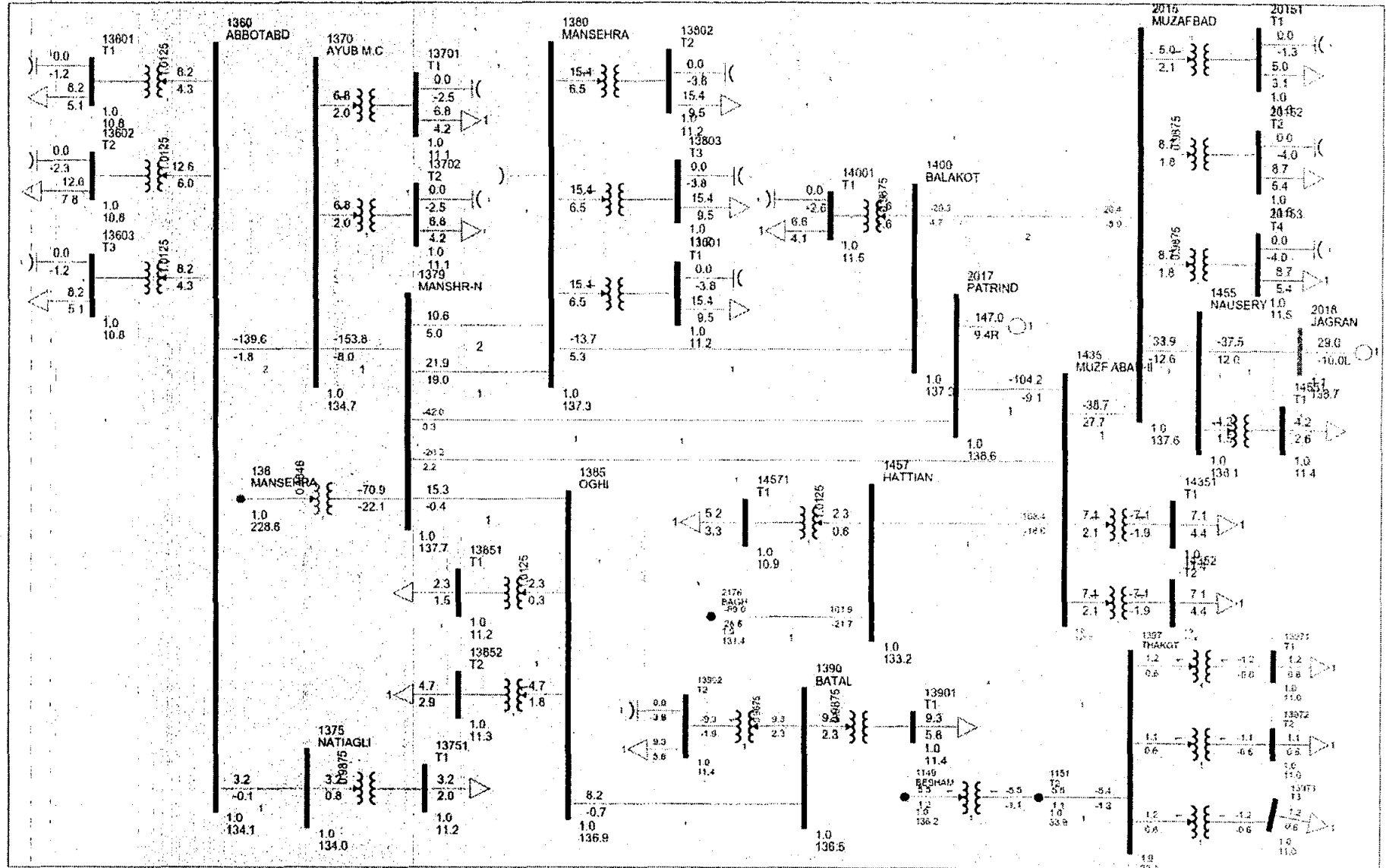
**PESCO LOAD FLOW STUDY
YEAR 2023-24: BASE CASE**

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**Agenda Point #(iv).
(PROPOSED HAZECO)**

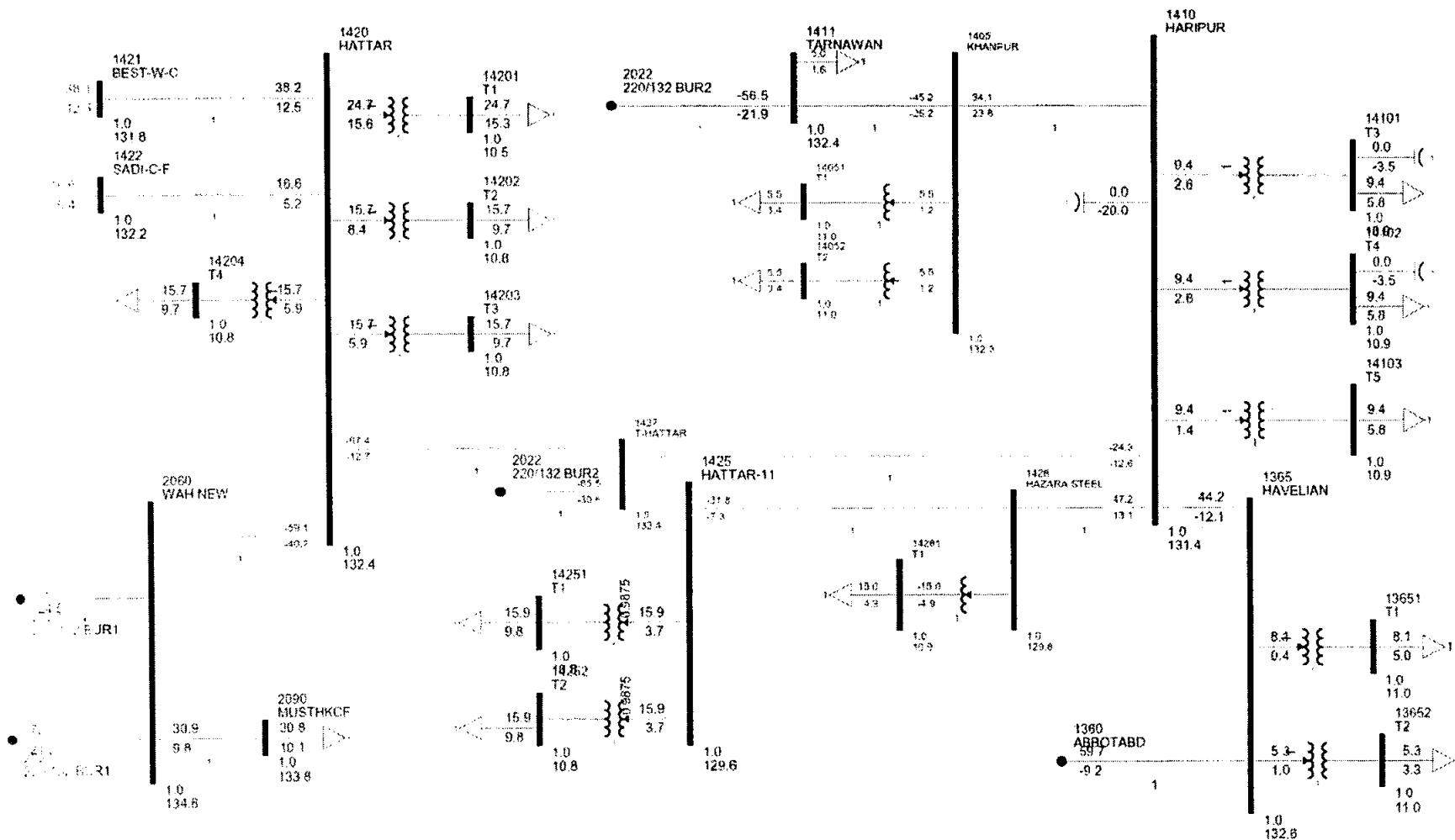
**HAZECO LOAD FLOW STUDY
YEAR 2023-24: BASE CASE**

Exhibit-1

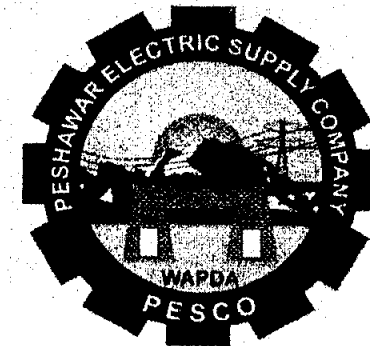
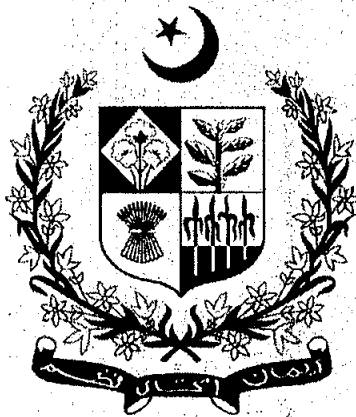


HAZECO LOAD FLOW STUDY YEAR 2023-24: BASE CASE

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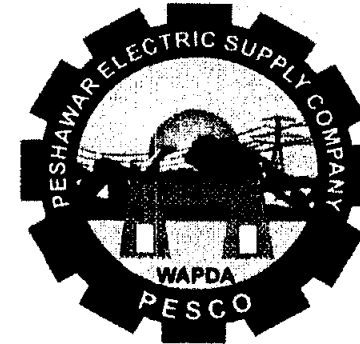
PROPOSAL FOR BIFURCATION OF PESCO



Agenda Point #(v).

❖ Allocation of Stores & Assest to HAZECO

PROPOSAL FOR BIFURCATION OF PESCO



Agenda Point #(vi) b.

- ❖ **Complete Information regarding receivables from consumers related to HAZECO as well as subsidy receivables**

PROPOSAL FOR BIFURCATION OF PESCO
Agenda Point #(vi) b.
COMMERCIAL PARAMETERS (RECEIVABLES)

With Subsidy

Figures in Rs; Billion

DISCO	Fiscal Year 2023-24		
	Govt;	Private	Total
PESCO (Existing)	21.08	198.44	219.52
PESCO(Remaining)	8.17	190.64	198.81
Proposed HAZECO	12.91	7.80	20.71

Without Subsidy

DISCO	Fiscal Year 2023-24		
	Govt;	Private	Total
PESCO (Existing)	20.82	194.20	215.02
PESCO(Remaining)	8.03	187.25	195.28
Proposed HAZECO	12.79	6.94	19.74

PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(xiii).

ALLOCATION OF STORES & ASSESTS

EXISTING SETUP OF (MM) STORES OF PESCO

Regional Stores

- 1) Regional Store Peshawar
- 2) Regional Store Nowshera
- 3) Regional Store Bannu
- 4) Regional Store Abbotabad
- 5) Regional Store Chakdara

Field Stores

- 1) Field Store Charsadda
- 2) Field Store Mardan
- 3) Field Store Kohat
- 4) Field Store Hangu
- 5) Field Store D.I.Khan
- 6) Field Store Swabi
- 7) Field Store Swat
- 8) Field Store Haripur
- 9) Field Store Mansehra

SETUP OF (MM) STORES REMAINING PESCO

Regional Stores :

- 1) Regional Store Peshawar
- 2) Regional Store Nowshera
- 3) Regional Store Bannu
- 4) Regional Store Chakdara

Field Stores :

- 1) Field Store Charsadda
- 2) Field Store Mardan
- 3) Field Store Kohat
- 4) Field Store Hangu
- 5) Field Store D.I.Khan
- 6) Field Store Swat
- 7) Field Store Swabi

SETUP OF (MM) STORES PROPOSED HAZECO

Regional Stores :

- 1) Regional Store Abbotabad

Field Stores :

- 1) Field Store Haripur
- 2) Field Store Mansehra

1) Field notes

2) Field notes

3) Field notes

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12) Field notes

13) Field notes

PROPOSED HAZECO DISCO



CIRCLES

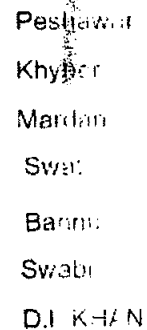
HAZARA-I

Manshera

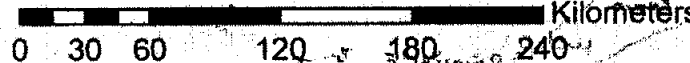
DISTRICTS = 8
TOTAL COVERED AREA = 16,748.775 Sq Km

0 12.5 25 50 75 100 Kilometers

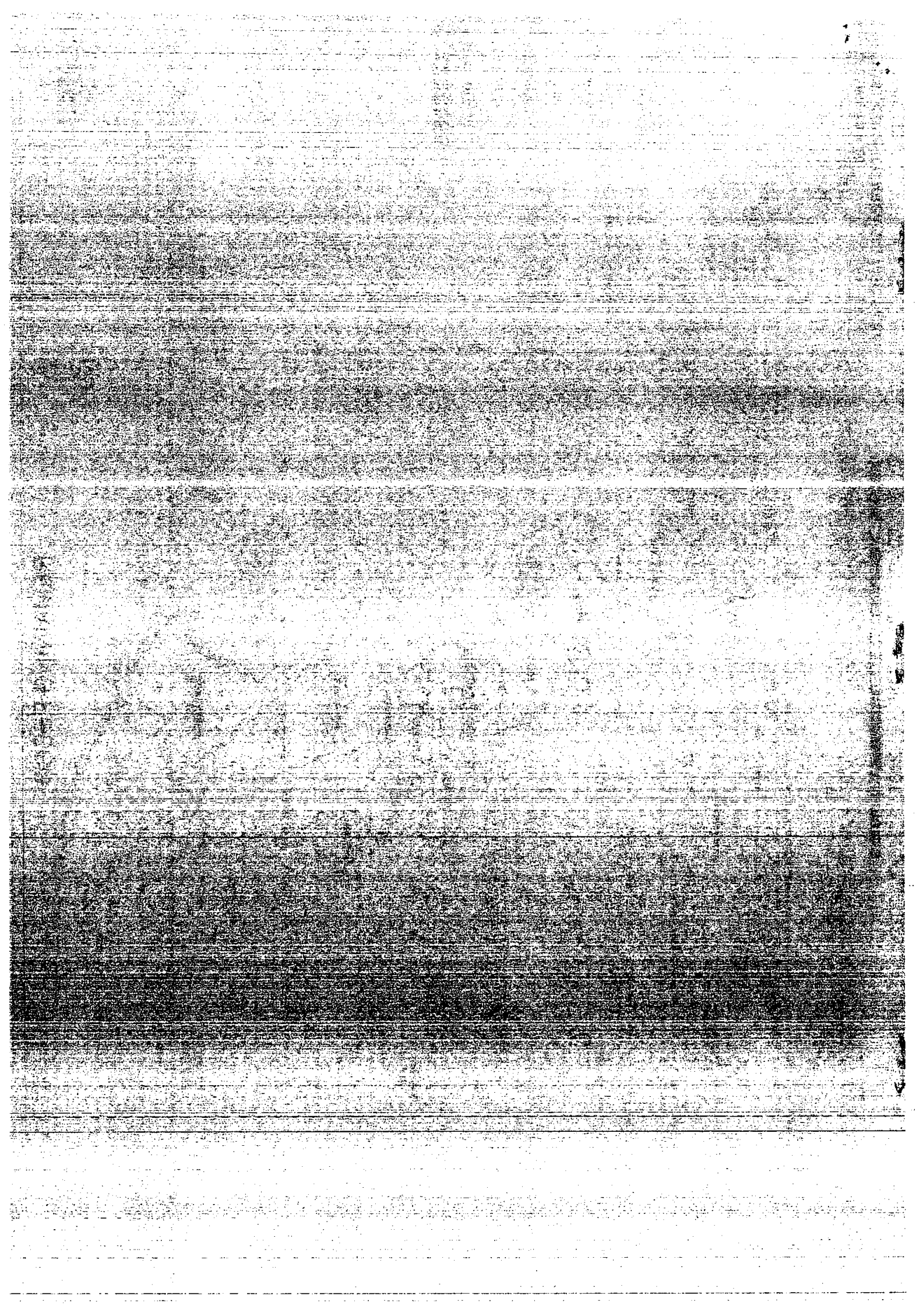
REPRODUCED FROM THE ORIGINAL



DISTRICTS = 20
TOTAL COVERED AREA 56,774.03 Sq Km



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EXISTING PESCO

Legend

— F EMAINING PESCO

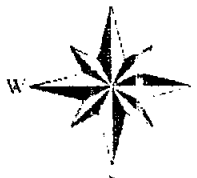
— F PROPOSED HAZECO DISCO

DISTRICTS = 28
TOTAL COVERED AREA 73522.80 Sq Km

0 35 70 140 210 280 Kilometers

100

EXISTING PESCO



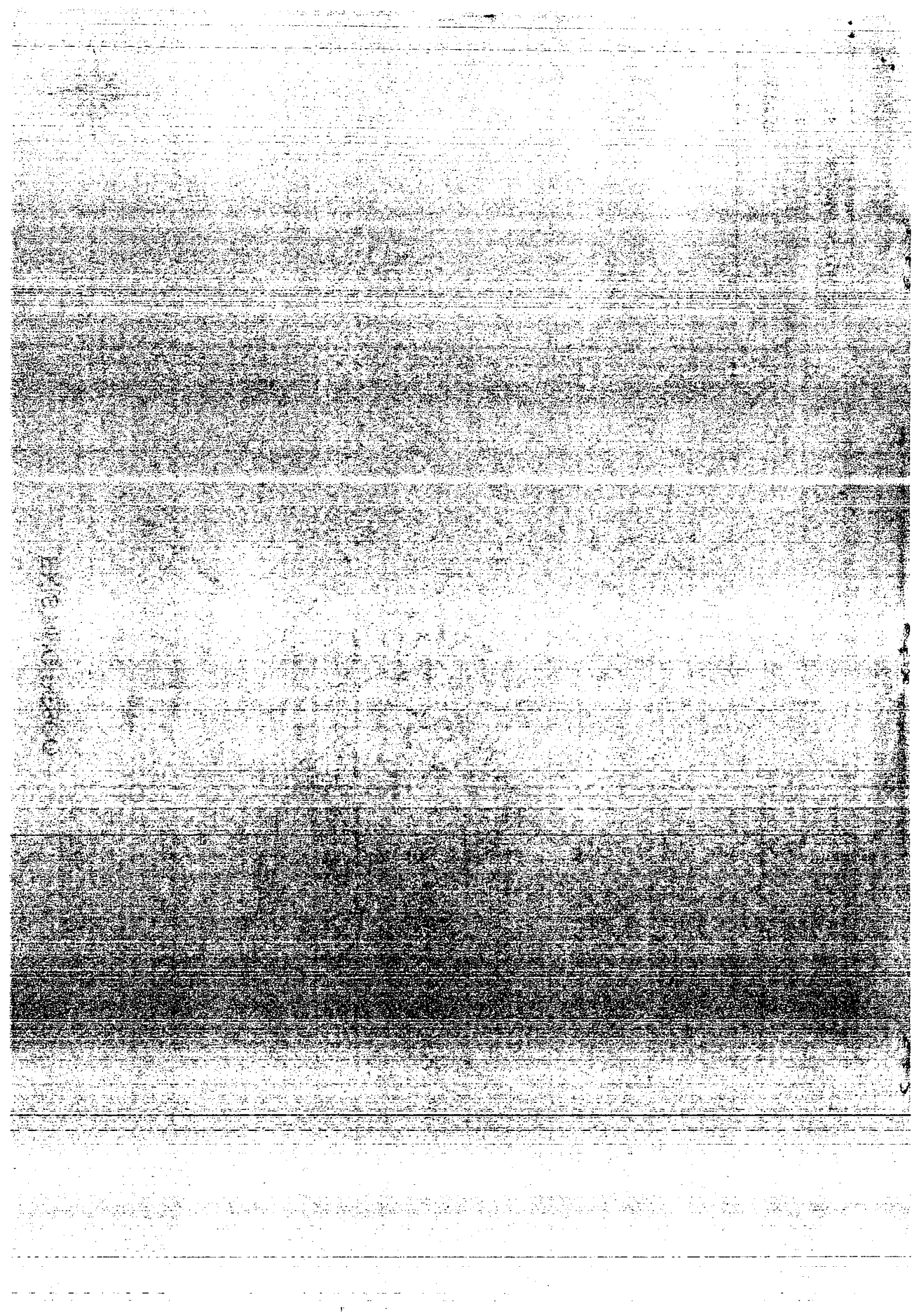
Legend

◻ REMAINING PESCO

◻ PROPOSED HAZECO DISCO

DISTRICTS = 28
TOTAL COVERED AREA 73522.80 Sq Km

0 35 70 140 210 280 Kilometers

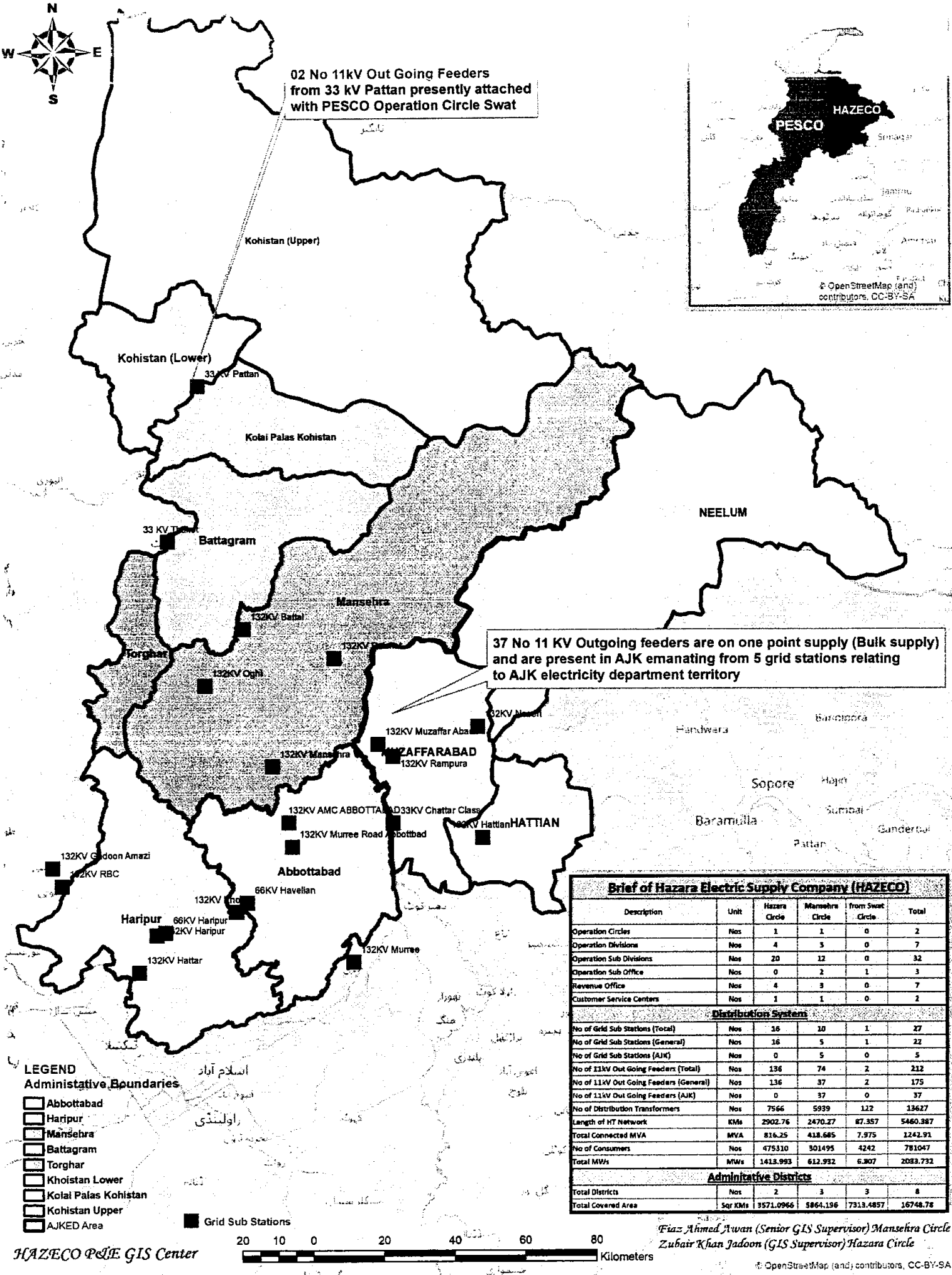
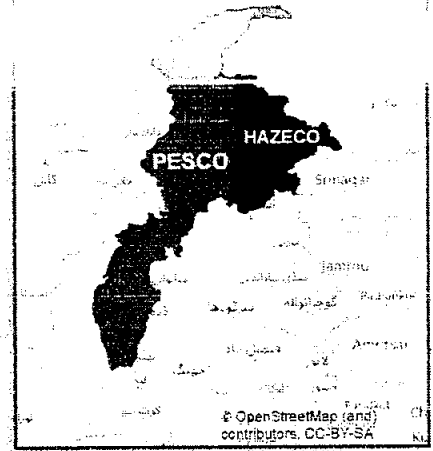


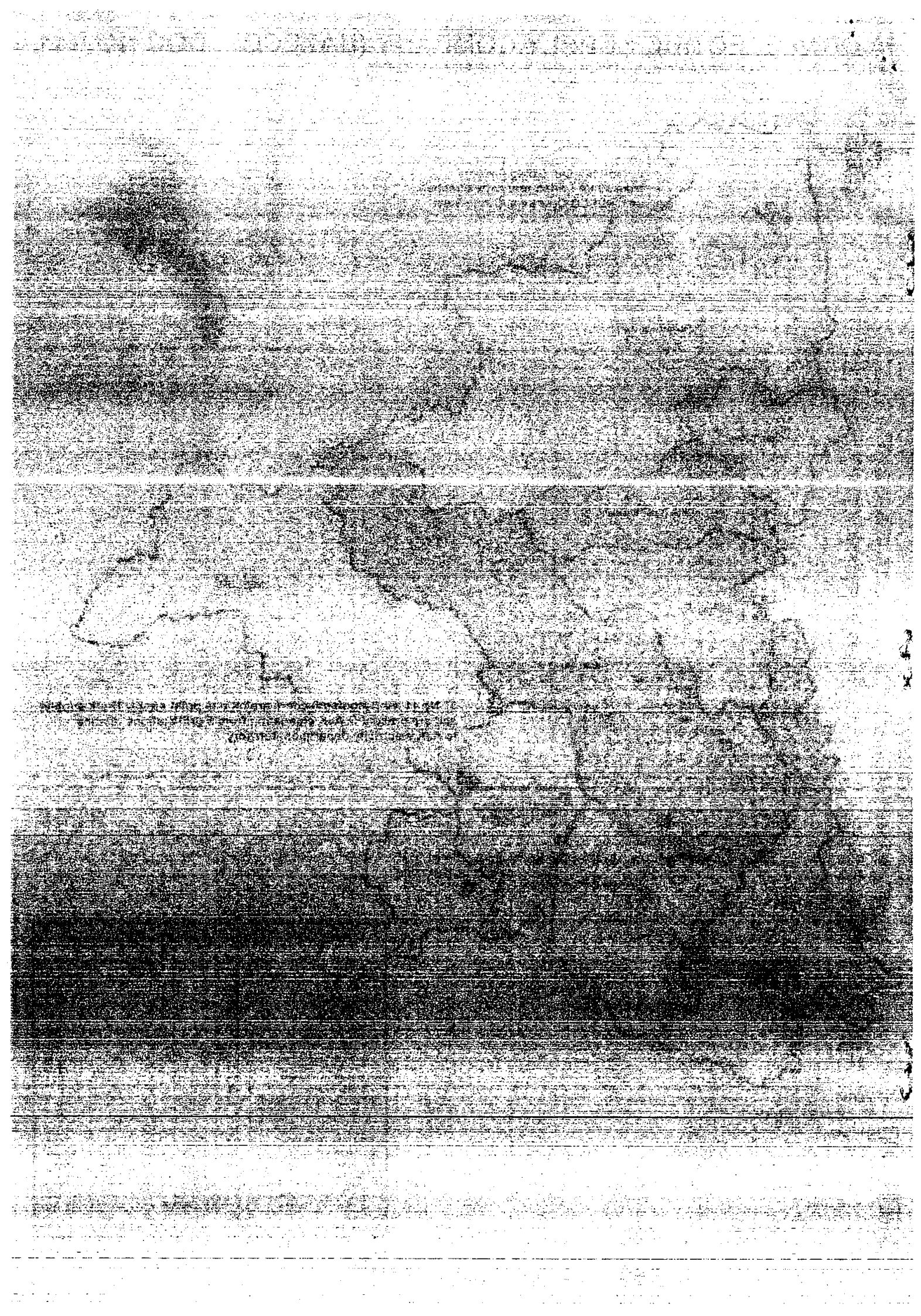
HAZARA ELECTRIC SUPPLY COMPANY (HAZEKO) DOC NO.N11

JURIDUCTION AREA OF HAZARA ELECTRIC SUPPLY COMPANY (HAZEKO)



02 No 11kV Out Going Feeders from 33 kV Pattan presently attached with PESCO Operation Circle Swat





**GOVERNMENT OF PAKISTAN
MINISTRY OF ENERGY
(POWER DIVISION)**



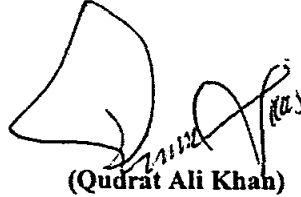
Islamabad, the January 07th, 2025

NOTIFICATION

No. 12(24)/2024-CA-I, In pursuance of the approval granted by the Federal Cabinet in Case No. 379/ 41/ 2024 dated 17-12-2024, it is hereby notified that Hazara Electric Supply Company (HAZECO) is authorized to take over the power distribution and supply business of Peshawar Electric Supply Company (PESCO) in the present districts of Kohistan Lower, Kohistan Upper, and Kolai Pallas.

2. HAZECO shall commence its business operations in the aforementioned districts subject to compliance with all applicable legal and regulatory requirements.

3. All concerned authorities and stakeholders are directed to facilitate the smooth transition and operationalization of HAZECO in accordance with the law.



(Qudrat Ali Khan)
Section Officer (Corporate Affairs-I)
Ph: 051-9209119

**The Manager,
Printing Corporation of Pakistan Press, University Road,
Karachi.**

Copy to:

1. The DG to the Minister for Energy (Power Division), Islamabad.
2. The PS to Secretary, Ministry of Energy (Power Division), Islamabad.
3. The Chairman, National Electric Power Regulatory Authority (NEPRA), Islamabad.
4. The CEO, Peshawar Electric Supply Company (PESCO), Peshawar.
5. The CEO, Hazara Electric Supply Company (HAZECO), Abbottabad.
6. Office File

SECRET

SECRET



POWER PLANNING AND MONITORING COMPANY

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

Tel: 051-9211301, 051-9211302, Fax: 051-2726915, E-mail: gmspepco@gmail.com

No. 3888-3904/GM(R&CO)/NEPRA/22

Dated: 27/11/2024

**Chief Executive Officers,
All DISCOs**

Subject: Modification of Distribution and Supply Licenses

Reference: SO (DISCOs-II) Ministry of Energy (Power Division) letter No. F.No.5/3/2013 D-III dated 14.11.2024 (copy attached)

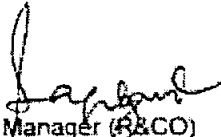
The Ministry of Energy (Power Division) has notified the Eligibility Criteria (Electric Power Supplier Licenses) Rules, 2023 via SRO 1107(1)/2023 on September 04, 2023. Rule 4(1) of these rules stipulates:

"Only an applicant holding a distribution license shall be eligible to obtain a supplier of last resort license from the Authority in its specified service territory as defined in the distribution license..."

In accordance with this obligation, the Ministry of Energy (Power Division) has addressed a letter to the Registrar, NEPRA, dated November 14, 2024, requesting modifications to the Supplier and Distribution licenses issued to DISCOs. The proposed changes include removing the provisions that mandate the legal separation of supply and distribution businesses. This adjustment aims to align the licenses with the Eligibility Criteria (Electric Power Supplier Licenses) Rules, 2023.

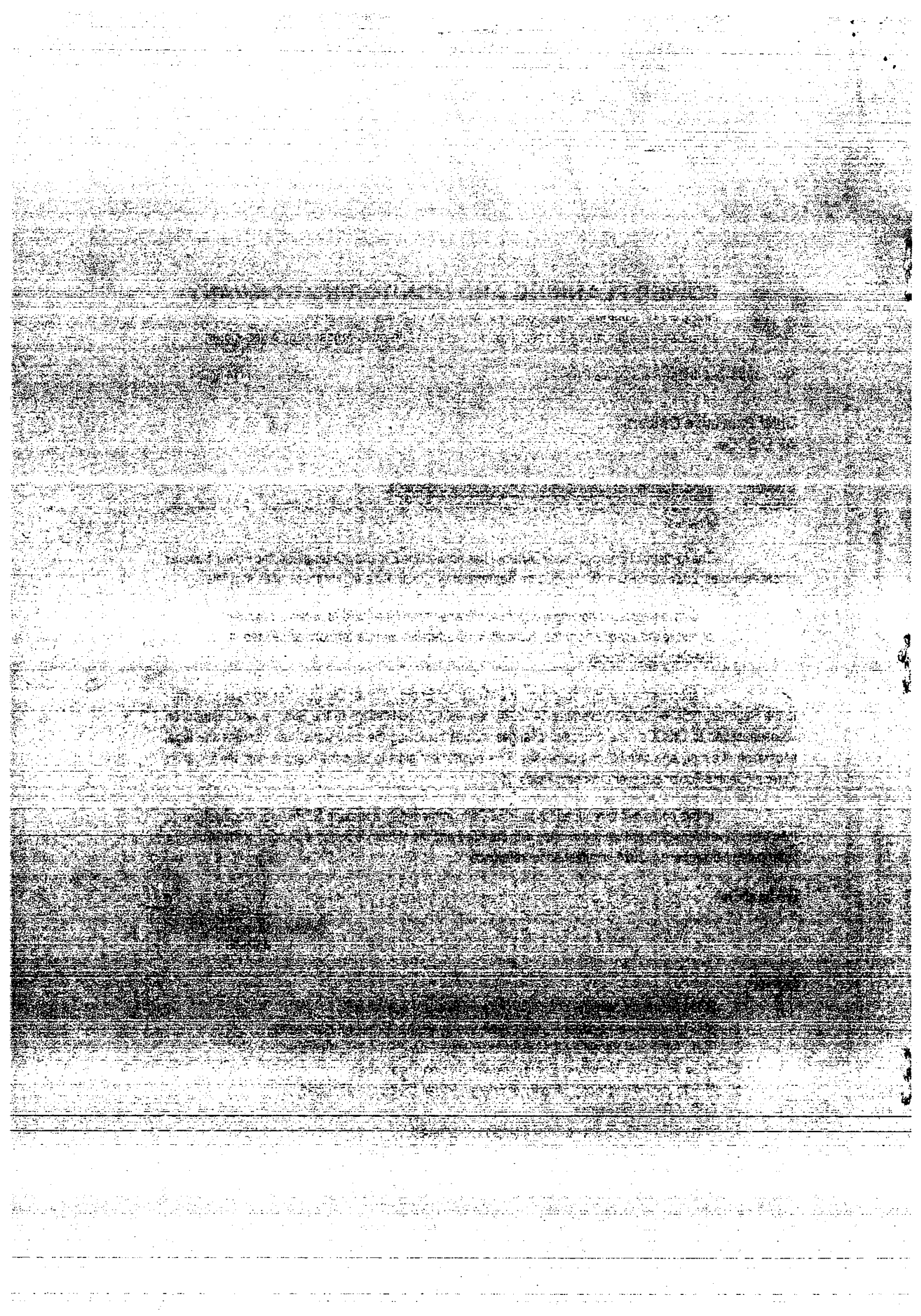
In this context, it is required for all DISCOs to immediately approach NEPRA for modifications to their respective licenses to ensure compliance with the rules and the Ministry's directive. A copy of the Ministry's letter dated November 14, 2024, is attached for reference.

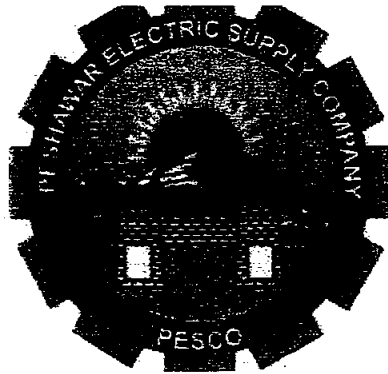
D/A as above


General Manager (R&CO)
PPMC

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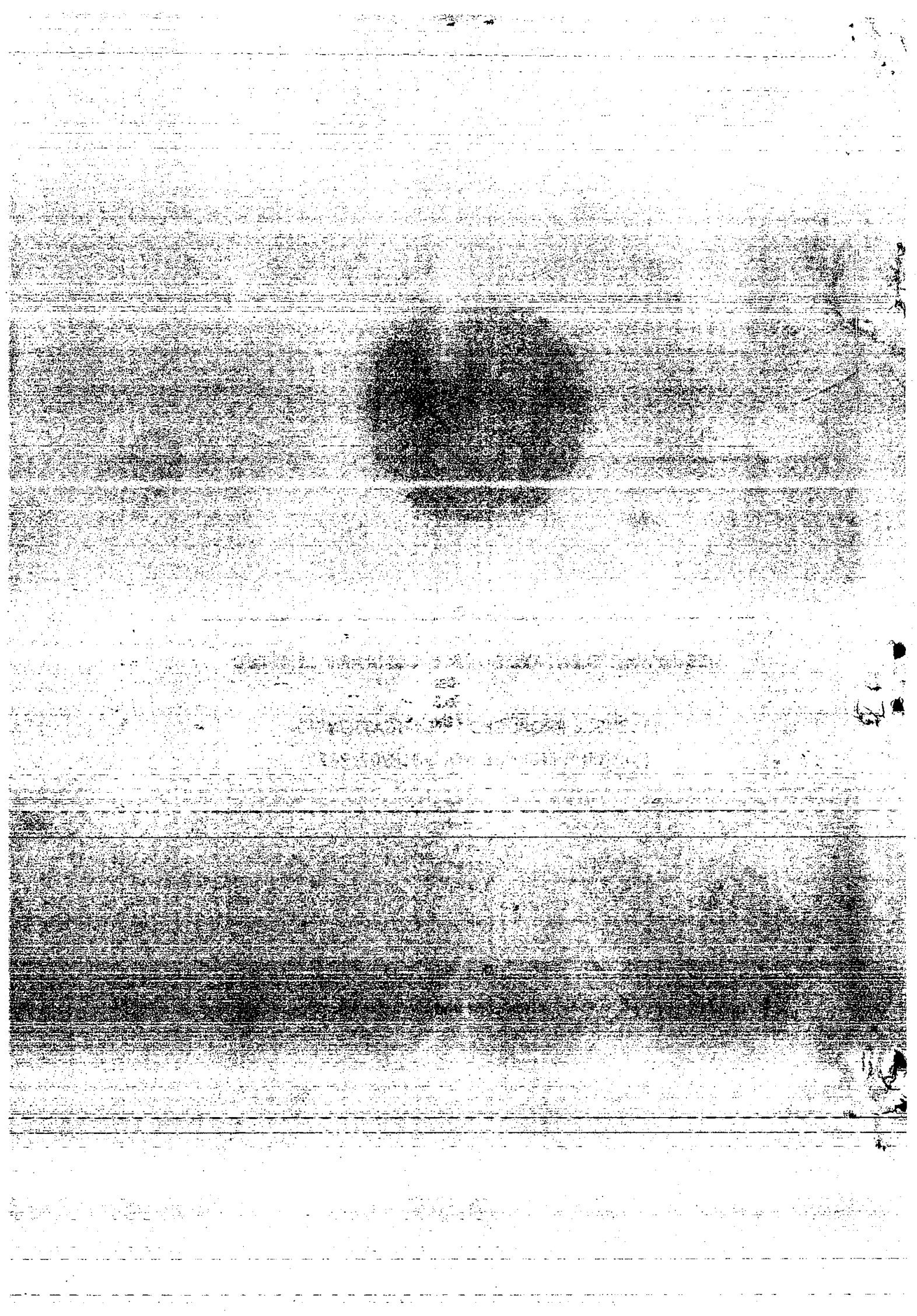
1. SO to Secretary, Ministry of Energy (Power Division), Islamabad.
2. SPS to Additional Secretary-I, Ministry of Energy (Power Division), Islamabad.
3. PS to Additional Secretary-II, Ministry of Energy (Power Division), Islamabad.
4. PS to JS (CAD), Ministry of Energy (Power Division), Islamabad.
5. APS to JS (Privatization), Ministry of Energy (Power Division), Islamabad.
6. GEO, CPPAG Islamabad.
7. SO to MD PPMC Evacuee Trust Complex, Islamabad.

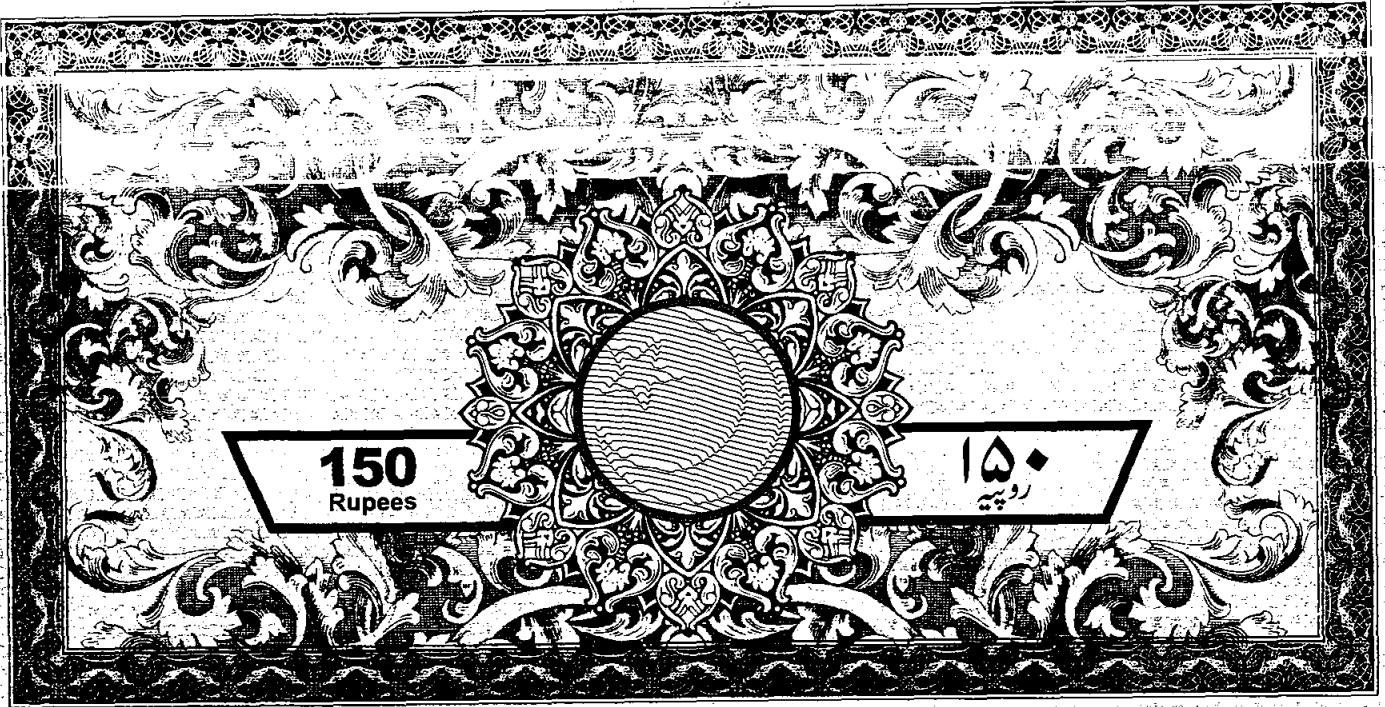
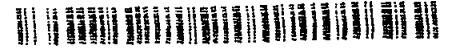




PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

**LICENSEE PROPOSED MODIFICATION TO
SUPPLIER LICENSE NO. SOLR/07/2023**



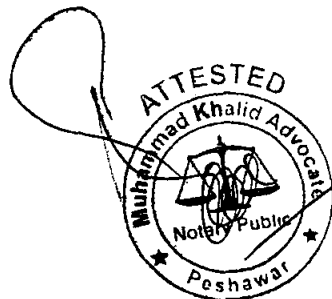


AFFIDAVIT

1, Akhtar Hamid Khan, S/O Hazrat Gul, Chief Executive Officer of Peshawar Electric Supply Company (PESCO), holding CNIC No. 17301-1232264-1, do hereby solemnly affirm and testify that, I am duly authorized by the Board of Directors of Peshawar Electric Supply Company Limited vide Company Secretary No.3134-35/RTC Dated 29/08/2024, to submit the application for the addendum/modification of the Electric Power Supplier License as (SOLR) of PESCO.

I further affirm that:

1. The contents of the application for the addendum/modification of the Electric Power Supplier License as (SOLR) have been prepared in accordance with Regulation 3 of the NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021. The annexed documents authentic, correct and accurate to the best of my knowledge and belief based on the confirmations provided by the relevant formations put before me.
2. I am the Chief Executive Officer of Peshawar Electric Power Company (PESCO) and fully aware of the affairs of the Company, particularly with respect to endorsing the application. for the addendum/modification of the Electric Power Supplier License as (SOLR).
3. Everything stated in the application and the accompanying documents is true, and nothing has been concealed.



Akhtar Hamid Khan
Chief Executive Officer
PESCO Peshawar

[illegible]

17 JAN 2025
(Treasury Wing) Peshawar

[illegible]

M. RIAZ
Stamp Vendor
80-24
10-08-2016
Peshawar
Khyber Pakhtunkhwa

03124

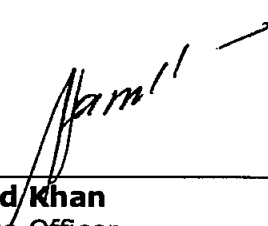
BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

LICENSEE PROPOSED ADDEDUM FOR MODIFICATION IN SUPPLIER LICENSE NO. SOLR/07/2023 BY PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED UNDER SECTION 26 OF THE REGULATION OF GENERATION, TRANSMISSION & SUPPLY OF ELECTRIC POWER ACT, 1997, READ WITH REGULATIONS 9 AND 10 OF THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY LICENSING (APPLICATION MODIFICATION, EXTENSION, AND CANCELLATION) PROCEDURE REGULATIONS, 2021

Index of Documents:

Memo of Petition		1 - 10
Annex-P1	Resolution of PESCO's Board of Directors dated 29 th December 2023	
Annex-P2 Annex-P3	PESCO's Scheme of Bifurcation Power Division's Summary for the Cabinet dated 13 th July 2023	
Annex-P4	Cabinet's decision dated 20 th July 2023	
Annex-P5 Annex-P6	MOE Letter NO 12(24)/2024 07, January 2025. PPMC Letter NO 3888-3904/GM(R&CO) NEPRA/22 Dated 27 TH November 2024.	
Affidavit by CEO, PESCO		

For the Petitioner: Peshawar Electric Supply Company Limited



Akhtar Hamid Khan

Chief Executive Officer

Peshawar Electric Supply Company Limited (PESCO)

WAPDA House, Shami Road, Peshawar Cantt, Peshawar

Tel: 091-9211990

Email: ceopesco@yahoo.com

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DEPARTMENT OF DEFENSE

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ANY OTHER PURPOSE

EXCEPT AS SPECIFICALLY AUTHORIZED BY

A. General Information of the Petitioner

Name of Petitioner: Peshawar Electric Supply Company Limited

Registered Address: WAPDA House, Shami Road, Peshawar Cantt,
Peshawar.

License to be Modified: SOLR License No. SOLR/07/2023 issued on
27th December, 2023

No. of Consumers:

Current: 4.4 million (appx.)

After acceptance of LPM: 3.62 million (appx.)

B. Background

1. In 1998, the Federal Government, as part of its plan to restructure the power sector in Pakistan, decided to unbundle the Power Wing of the Water & Power Development Authority (WAPDA). This decision was taken in pursuance of a strategic plan, which was approved by the Council of Common Interests in 1993. Under this plan, WAPDA's Power Wing was to be unbundled, so that the power generation (thermal), transmission, and distribution businesses could be carved out of WAPDA's Power Wing and entrusted to newly formed companies.
2. In 1998, the Federal Government incorporated several companies, and subsequently, WAPDA transferred a number of its asset blocks to these newly created companies, which included power distribution companies or "DISCOs." One of these was the Petitioner, Peshawar Electric Supply Company Limited (PESCO).
3. PESCO was granted a Distribution license (License No. DL/07/2002) by NEPRA on 30th April 2002. Initially, this license allowed PESCO to supply electricity all over the province of Khyber Pakhtunkhwa (KPK) (formerly

N.W.F.P.) as well as the former Federally Administered Tribal Areas (FATA). PESCO also owned the entire power distribution network in FATA.

4. In 2007, the Federal Government decided to bifurcate PESCO by creating a separate distribution company to supply power to the areas under the erstwhile FATA. This new company, Tribal Areas Electric Supply Company (TESCO), was operationalized in 2007, and PESCO's distribution assets and network in FATA were transferred to TESCO.
5. TESCO was granted a Distribution license by the Authority on 12th August 2013, and on the same date, NEPRA approved Modification No. 1 to PESCO's old Distribution license by removing the areas falling in the former FATA from PESCO's service territory.
6. On 14th January 2022, PESCO applied to the Authority for renewal/extension of the Distribution license License No. DL/07/2002. However, on 9th May 2023, the Authority granted PESCO a fresh Distribution license (License No. DL/07/2023) for the distribution of electric power in its service territory on a non-exclusive basis, for a term extending up to 8th May 2043.
7. PESCO was also issued a supplier license vide No. SOLR/07/2023 on the 27th of December 2023 to comply the NEPRA ACT, amended 2018, as a supplier of last resort. This license authorizes PESCO to act as the last resort supplier in its declared territory to fulfill the capacity obligation under the post CTBCM regime.
8. Under the post CTBCM regime an electricity distribution licensee is also required to get a SOLR license as distribution licensee can only act as the supplier of last resort if he also possesses the Supplier license.

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9. Shareholding in all DISCOs is fully owned/controlled by the Federal Government. The DISCOs are, accordingly, "state-owned enterprises" as defined in Section 2(o) of the State-Owned Enterprises (Governance & Operations) Act, 2023.

C. Proposal for Bifurcation of PESCO

10. The idea of bifurcating PESCO for various technical, commercial, and managerial reasons has been under consideration for many years. When PESCO applied for an extension/renewal of its existing supplier license in 2022, the Authority framed the following issue to address this matter:

(f). The service area of all the DISCOs is relatively large. Would it not be prudent to consider bifurcating these into smaller units to bring more efficiency?"

11. During the hearing on PESCO's application on 21st April 2022, PESCO made the following submissions, as recorded in para-11 of the Authority's decision:

"(11). About bifurcating the service area of DISCO(s) into smaller units, PESCO was of the view that PESCO has already been working on bifurcation of the Company into smaller DISCOs to improve its efficiency and for provision of better services to its consumers. The case has been submitted to General Manager (Technical Services), Power Planning & Monitoring Company (Pvt) Limited, Islamabad for further consideration."

12. The issue of bifurcating large DISCOs, such as PESCO, QESCO, and MEPCO, was taken up in a meeting of the Federal Cabinet held on 21st December 2022, which directed the Ministry of Energy (Power Division) to review the matter and determine the viability of bifurcating large DISCOs, including PESCO. The Power Division accordingly constituted a committee headed by the then Federal Minister for Power Division to review this issue. The committee referred the matter for a detailed technical, administrative, and commercial evaluation to the Power Planning & Monitoring Company (PPMC), which asked several large DISCOs, including PESCO, to carry out a detailed review of the proposal.

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CONSTITUTIONAL PRINCIPLES

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13. In compliance with PPMC's directives, the CEO of PESCO constituted a committee on 11th March 2022 to comprehensively review the proposal to bifurcate PESCO and to provide a recommendation. This committee consisted of the following members:

(i)	Chief Engineer (P&E)	Convenor
(ii)	Chief Commercial Officer	Member
(iii)	Chief Engineer (O&M) T&G	Member
(iv)	Director General (HR)	Member
(v)	Finance Director	Member
(vi)	Project Director (GSC)	Member
(vii)	Manager (MIRAD)	Member

14. Salient features of the review carried out by the aforementioned committee are as follows:

- (i) PESCO was supplying power under its license to 28 districts in the province of KPK, covering an area of 78,088 sq. km, with 3.849 million consumers as of June 2021.
- (ii) PESCO's license areas had experienced difficult situations since 2001 due to factors such as militancy and terrorism. Extreme poverty in many areas, along with other factors, led to difficulties in recovering arrears and a rise in electricity theft.
- (iii) Since its inception, the number of consumers in PESCO's administrative units has increased significantly, making them unmanageable.
- (iv) PESCO's current organizational structure could not support the integration of new technologies, such as AMR, GIS, mobile meter reading, and IT-based interventions.
- (v) PESCO also faced problems due to a severe shortage of technical and non-technical field staff.

THE UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WYOMING
SOUTHERN DISTRICT
CUSTER COUNTY
TOWNSHIP 10 NORTH
RANGE 10 EAST

SECTION 36
TOWNSHIP 10 NORTH
RANGE 10 EAST

WYOMING
SOUTHERN DISTRICT
CUSTER COUNTY
TOWNSHIP 10 NORTH
RANGE 10 EAST

SECTION 36
TOWNSHIP 10 NORTH
RANGE 10 EAST

WYOMING
SOUTHERN DISTRICT
CUSTER COUNTY
TOWNSHIP 10 NORTH
RANGE 10 EAST

SECTION 36
TOWNSHIP 10 NORTH
RANGE 10 EAST

- (vi) The bifurcation of PESCO would improve the efficiency and control of operational functions by increasing revenue realization, reducing T&D losses, and improving service continuity and reliable power supply.
- (vii) The bifurcation would enable better management of surveillance, operation, vigilance, and customer service. Many issues cannot be managed from Peshawar due to the long distances between the circles and the current headquarters.
- (viii) After bifurcation, employees would be assigned to the DISCO relevant to their district of domicile, helping them perform better and familiarize themselves with their area of posting.

(g) The committee, therefore, recommended:

- *The bifurcation would be beneficial provided that both human and financial resources are made available as per the latest yardstick, and it would further improve the following:*
- *Better monitoring and control with economical utilization of resources.*
- *More focused investment and closer monitoring of non-compliant areas.*
- *Management size of consumers as well as the transmission and distribution system.*
- *Reduction in line losses and improvement in recovery.*
- *Ensuring stable/uninterrupted power supply to consumers by timely*
- *Prompt redressal of consumer complaints.*

15. Despite the aforementioned internal and external governance structure, PESCO has continued over the years to suffer from significant losses resulting in its current financial crisis. The increasing demand of uninterrupted power consumption and interests of commercial and industrial clients has led to a situation, where managing the expanse of the whole province of KPK has become unmanageable by PESCO. It has thus become inevitable to bifurcate PESCO and carve a part of its territory for

1. The first part of the report is a summary of the work done during the year.

2. The second part is a detailed account of the work done during the year.

3. The third part is a summary of the work done during the year.

4. The fourth part is a summary of the work done during the year.

5. The fifth part is a summary of the work done during the year.

6. The sixth part is a summary of the work done during the year.

7. The seventh part is a summary of the work done during the year.

8. The eighth part is a summary of the work done during the year.

better technical, commercial, and administrative performance.

16. The areas comprising of the present Hazara-I and Hazara-II Circles of PESCO, being geographically and commercially heterogeneous as compared to the rest of the province of Khyber Pakhtunkhwa are therefore ideal to start the process of breaking down PESCO into more manageable units. These areas cover the following districts on the province of Khyber Pakhtunkhwa:

- (i) Abbottabad;
- (ii) Haripur;
- (iii) Mansehra;
- (iv) Battagram;
- (v) Kohistan Upper;
- (vi) Kohistan Lower;
- (vii) Torgar; *and*
- (viii) Kolai Palas.

("HAZECO's Proposed Service Territory")

17. It was accordingly proposed that PESCO should be bifurcated by carving out HAZECO's Proposed Supply Service Territory from PESCO's existing Service Territory of Supply.

D. Approval of the Federal Government for bifurcation of PESCO and establishment of HAZECO

18. On 13th July 2023, the Ministry of Energy (Power Division) submitted a summary to the Federal Cabinet, with the following proposal at para-5:

5. In view of the foregoing, the Federal Government's approval is solicited for:

- (i) Creation of a new power distribution company by the name of Hazara Electric Supply Company*

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- 1. Secretary, Power Division
- 2. Assistant Secretary - 1, Power Division
- 3. Joint Secretary, T&E, Power Division

...and to determine whether subject to the ...
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The summary submitted by the Ministry of Energy (Power Division) was
approved by the Federal Council on 17th July 1953 and HALLCO was
formed as a result of a merger between the company on 31st October 1953.
Specializing in HALLCO is also wholly owned by the Federal Government.

Approval for Distribution of HALLCO's Distribution Area by HALLCO's Board of Directors

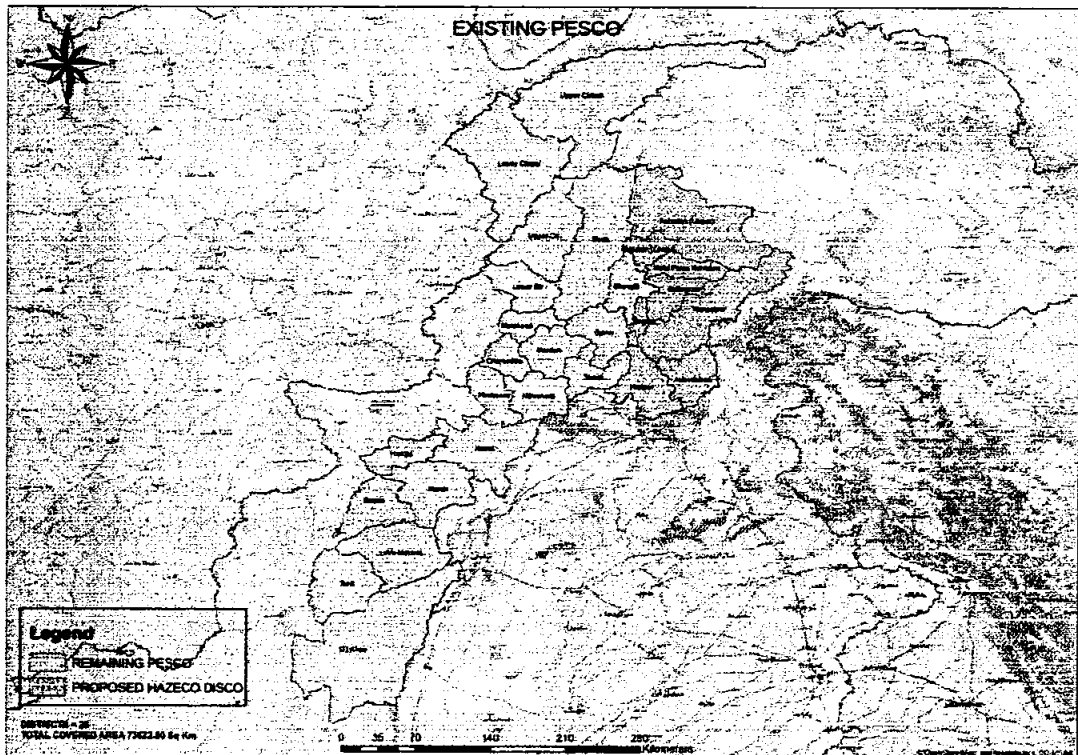
20. The comprehensive technical and commercial proposal for distribution of
HALLCO's service territory by excluding the areas that presently consists of
HALLCO's HALLCO-1 and HALLCO-2 areas was presented before the 1953
meeting of HALLCO's Board of Directors held on 29th December 1953 and

was duly approved.

...and to determine whether subject to the ...

cases, and all other matters related to the proposed bifurcation of PESCO's distribution territory and to carve out HAZECO's Service Territory.

22. PESCO's Board of Directors further resolved to file a license modification petition before the Authority to seek the deletion of HAZECO's Proposed Service Territory by modifying PESCO's Distribution License.
23. As per the scheme of bifurcation approved by PESCO's Board of Directors, HAZECO's Proposed Service Territory, and PESCO's remaining Service Territory is depicted in the map below:



24. Based on the feasibility studies and bifurcation plan approved by the Federal Government on 20th July 2023, as well as PESCO's Board of Directors in its 195th meeting held on 29th December 2023, and on the basis of the e documents annexed with this petition, the Petitioner seeks modification of its Supplier's License No. SOLR/07/2023 to exclude the areas comprising of the HAZECO's Proposed Service Territory from the PESCO's Service

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1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

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Journal of Management Studies, 36(7), 809–826.

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1. The first group of people who are not allowed to enter the country are those who are not citizens of the United States. This group includes all foreign-born individuals, regardless of their legal status in the country.

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1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

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1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

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Territory of supply as supplier of last resort.

25. **The Petitioner hereby certifies** that the proposed modification to remove HAZECO's Proposed Service Territory from the PESCO's Service Territory:

- (i) Shall not adversely affect PESCO's performance of its obligations under its existing Supplier's License (SOLR), or the Applicable Documents;
- (ii) Is reasonably necessary for PESCO to efficiently and effectively perform its obligations under its Distribution License;
- (iii) Is likely to benefit PESCO's consumers; and
- (iv) Is reasonably necessary to ensure the continuous, safe, and reliable supply to electric power to the consumers, keeping in view PESCO's financial and technical viability.
- (v) Shall have no effect on PESCO's tariff, quality of service, and its ability of fulfill its obligations under the Supplier's License (SOLR).

26. The Petitioner has duly complied with all requirements under the provisions of National Electric Power Regulatory Authority Licensing (Application Modification, Extension, and Cancellation) Procedure Regulations, 2021 and undertakes to fulfill any other requirements in this regard prescribed by the Authority.

27. The Petitioner furthermore understands that HAZECO has also filed a petition before the Authority for the grant of a new Supplier's license as Supplier of Last Resort license for the areas falling under HAZECO's Proposed Service Territory.

F. Prayer

28. In view of the foregoing, it is prayed that the Authority may be pleased to

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approve the instant licensee proposed modification under Section 26 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, read with Regulations 9 and 10 of the National Electric Power Regulatory Authority Licensing (Application Modification, Extension, and Cancellation) Procedure Regulations, 2021, and to remove the following districts in the province of Khyber Pakhtunkhwa from the Service Territory of PESCO.

- (i) Abbottabad;
- (ii) Haripur;
- (iii) Mansehra;
- (iv) Battagram;
- (v) Kohistan Upper;
- (vi) Kohistan Lower;
- (vii) Torghar; *and*
- (viii) Kolai Palas

29. It is further prayed that all other provisions of PESCO's Supplier's License s Supplier of Last resort should remain unchanged.

Islamabad, 19th of August 2024

Petitioner/Peshawar Electric Supply Company Limited
through

Akhtar Hamid Khan
Chief Executive Officer
PESCO, Peshawar

**National Electric Power Regulatory Authority
(NEPRA)
Islamabad – Pakistan**

ELECTRIC POWER SUPPLY LICENCE

No. SOLR/07/2023

In exercise of the powers conferred under Sections-23E and 23F of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 as amended from time to time (the "Act"), the Authority hereby grants the Electric Power Supply Licence to:

PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

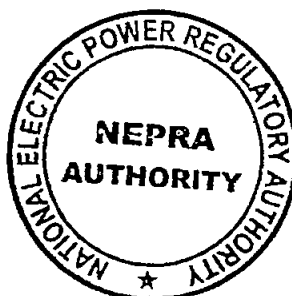
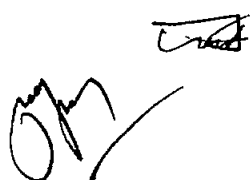
Incorporated Under the Companies Ordinance, 1984
having Certificate of Incorporation No. L09497 of 1997-98
Dated April 23, 1998

to engage in electric power supply business as Supplier of Last Resort (SoLR) subject to and in accordance with the terms and conditions of this licence.

This Licence is given under my hand on 27th day of December Two Thousand & Twenty Three and shall remain valid with effect from 27th April 2023 up to 26th April 2043



Registrar



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DEPARTMENT OF THE HISTORY OF ARTS

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PESHAWAR ELECTRIC SUPPLY COMPANY

Phone No. 091-9210226
Fax No. 091-9223136
Email: sec.pesco@gmail.com

Office of the
Company Secretary PESCO
Room No.158 Wapda House,
Shami Road, Peshawar

No. 3134-35/RTC

Dated 29 /08/2024

Director General (MIRAD)
PESCO HQ.

Subject: - RESOLUTION THROUGH CIRCULATION FOR AUTHORIZATION OF CHIEF EXECUTIVE OFFICER PESCO TO SUBMIT PETITION OF MODIFICATION OF DISTRIBUTION AND SUPPLIER LICENSES TO NEPRA.

Reference: - Item note submitted vide letter No. 1461 dated 28-08-2024.

As per your request mentioned in the above referred letter/item note, the case was submitted to PESCO Board of Directors, to accord approval through circulation for "Authorization of Chief Executive Officer PESCO to submit petition of modification of Distribution and Supplier Licenses to NEPRA". The same resolution through circulation has been duly approved/singed by the majority of the Board of Directors, PESCO.

RESOLUTION THROUGH CIRCULATION: -

Considering the request of the management, the Board resolved to approve the authorization of Chief Executive Officer, PESCO to apply for the modification of the PESCO Distribution License, Supplier License in accordance with NEPRA licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021.

Board resolution as stated above is based on the following confirmations from the management:

- No material information has been withheld and the working papers represent all facts of the case.
- All legal and codal formalities have been complied with.
- There is no conflict of interest of any officer of the PESCO.
- Concerned Official/Officer of PESCO's management would be liable for any omission/misstatement of the facts and figures in the working papers.

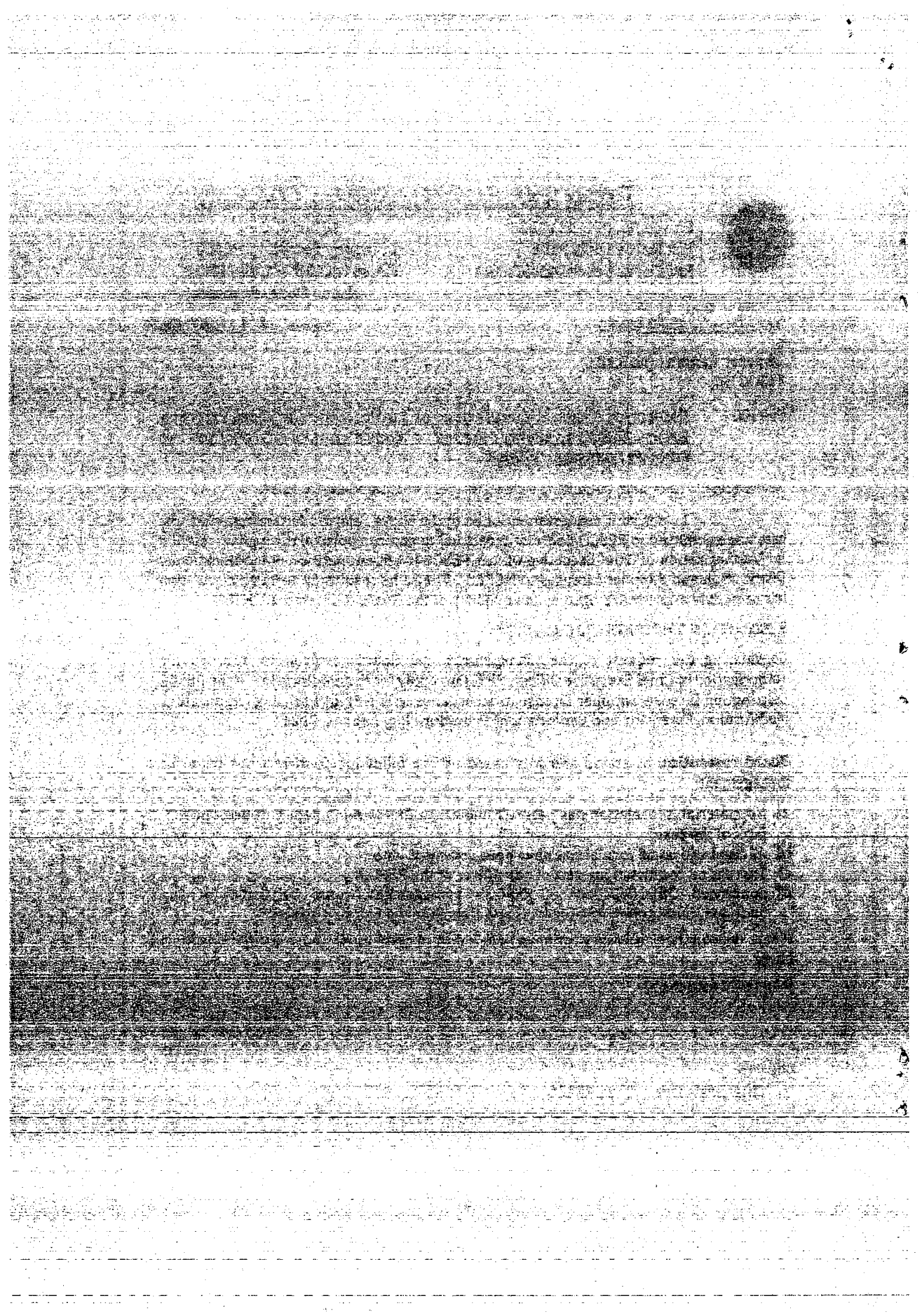
Please take further necessary action in light of Board resolution; under intimation to this office.

DA/ (RTC attached).

COMPANY SECRETARY
PESCO

Copy to:

- Chief Executive Officer, PESCO.





PESHAWAR ELECTRIC SUPPLY COMPANY

Phone No. 091-9210226
Fax No. 091-9223136
Email: sec.pesco@gmail.com

Office of the
Company Secretary PESCO
Room No.158 Wapda House,
Shami Road, Peshawar

No. 2318-20 /194th BoD

Dated 01/12/2023

Chief Engineer (Technical),
PESCO, HQ.

Director General (HR),
PESCO, HQ.

Finance Director,
PESCO, HQ.

Subject - Decision of the 194th Meeting of Board of Directors, PESCO.

PESCO Board of Directors in its 194th Board meeting held on 23-11-2023, deliberated the below mentioned agenda point. The discussion and the decision of the Board are cited as under: -

Other Agenda Point # (i)

Bifurcation of PESCO and Establishment of HAZEKO

Chief Executive Officer, PESCO apprised the Board that Hazara Electric Supply Company Limited (HAZEKO) has been incorporated on 31-10-2023 by the SECP. He further apprised that the following committees have constituted to oversee and facilitate a smooth transition in the bifurcation process with respect to distribution of assets and modification in license etc. etc. -

- i. Technical/Commercial Committee
- ii. Finance Committee
- iii. HR Committee

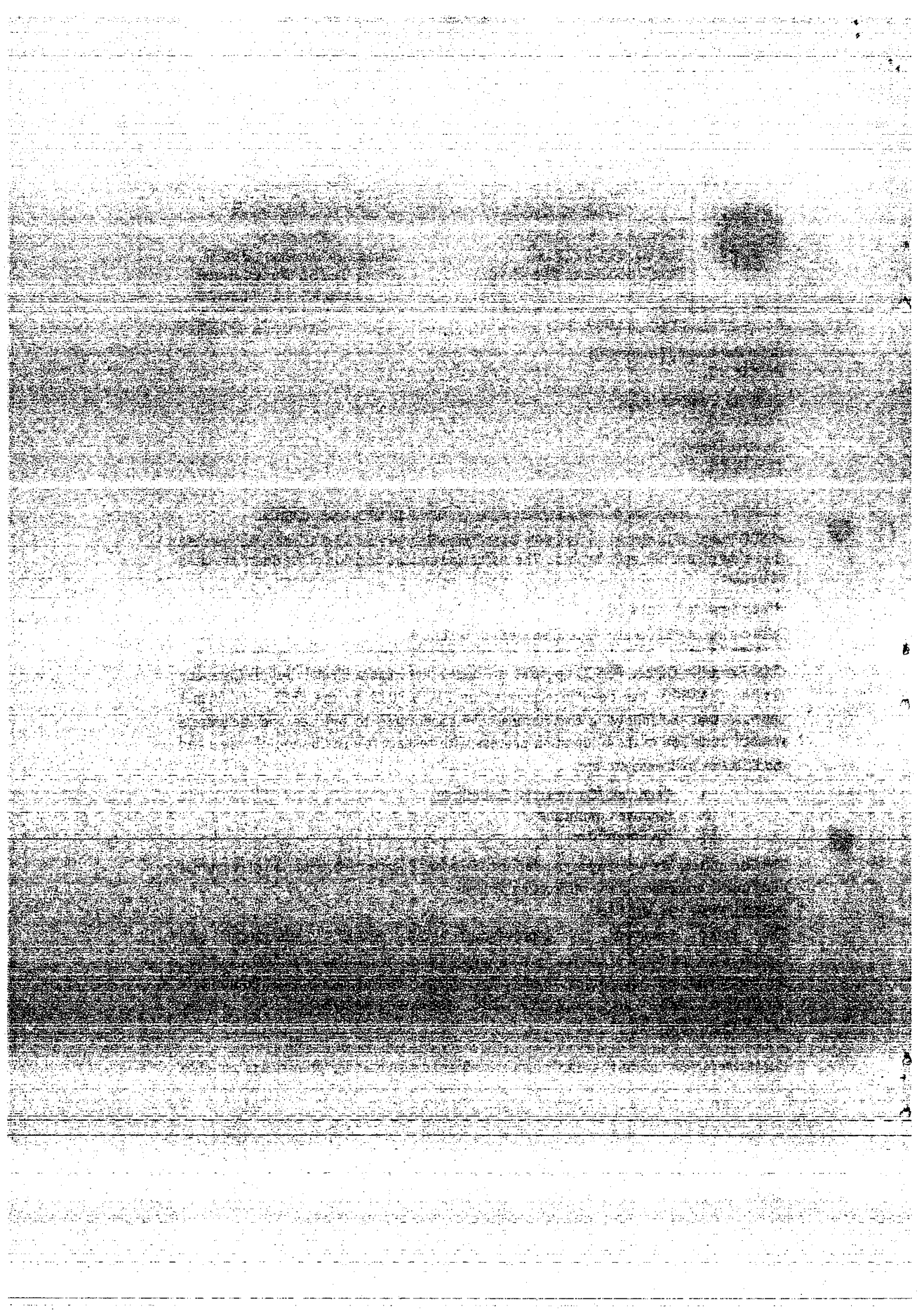
The Committees are working as per defined TORs for allocation/distribution of resources and smooth transition of the bifurcation process.

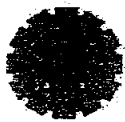
RESOLUTION 194-BOD-R6

The Board resolved to approve/ratify the PESCO's bifurcation and creation/incorporation of Hazara Electric Supply Company Limited (HAZEKO). Further, the Board directed management to place the reports/detail working of the Committees constituted above in respective BoD sub-committees/Board for further deliberation/approval.

Please take further necessary action in light of the Board decision, under intimation to this office.

COMPANY SECRETARY
PESCO





PESHAWAR ELECTRIC SUPPLY COMPANY

Phone No. 091-9210226
Fax No. 091-9223136
Email: sec.pesco@gmail.com

Office of the
Company Secretary PESCO
Room No.158 Wapda House,
Shami Road, Peshawar

No. 2510 /196th BoD

Dated 29/12/2023

Finance Director,
PESCO, HQ.

Subject: - Decision of the 196th Meeting of Board of Directors, PESCO.

PESCO Board of Directors in its 196th Board meeting held on 27-12-2023, deliberated the following agenda point. The discussion and the decision of the Board are as under:-

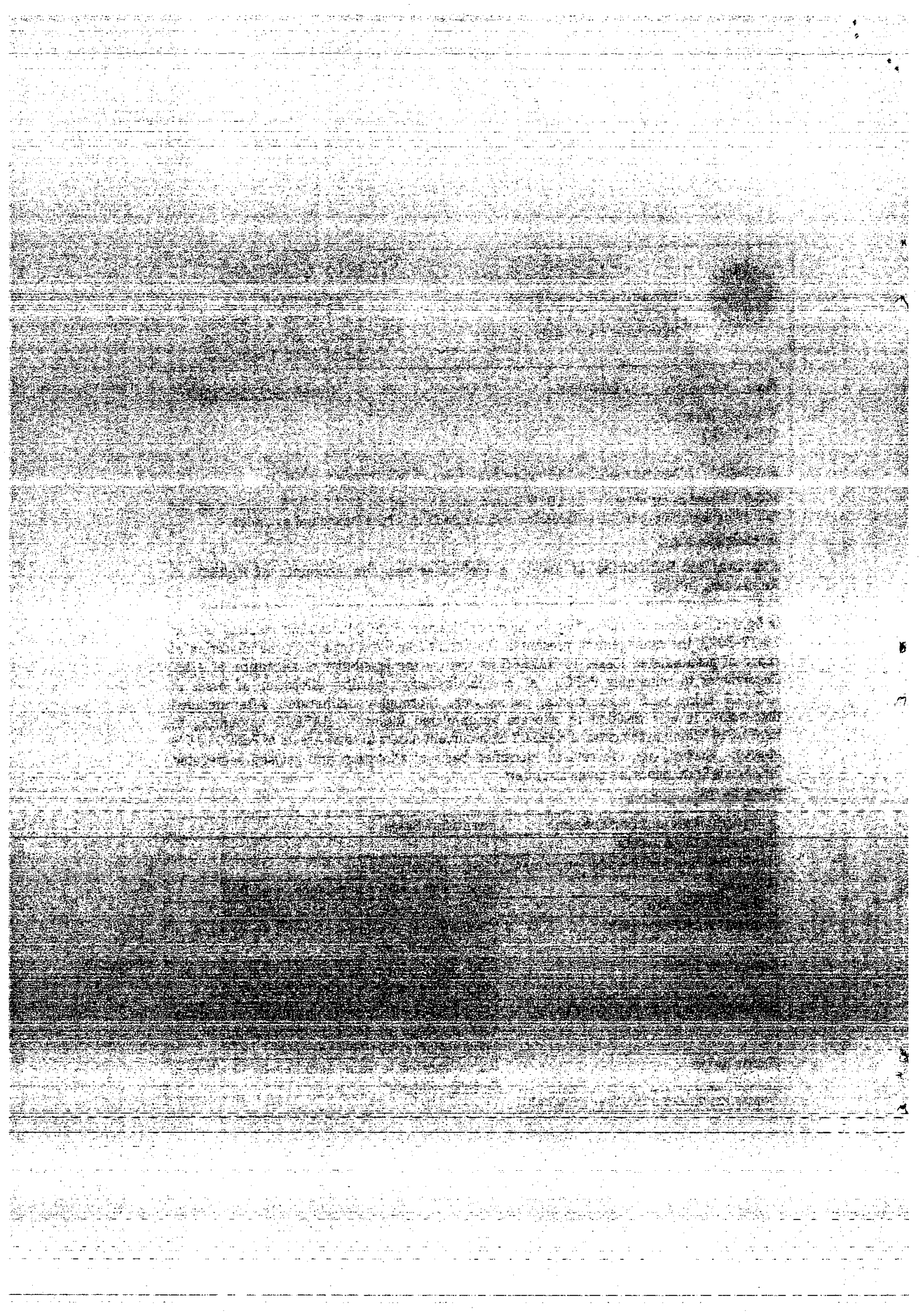
Agenda Point # 3

Approval for Bifurcation of Assets & Liabilities and the Accounts of HAZECO & Remaining PESCO.

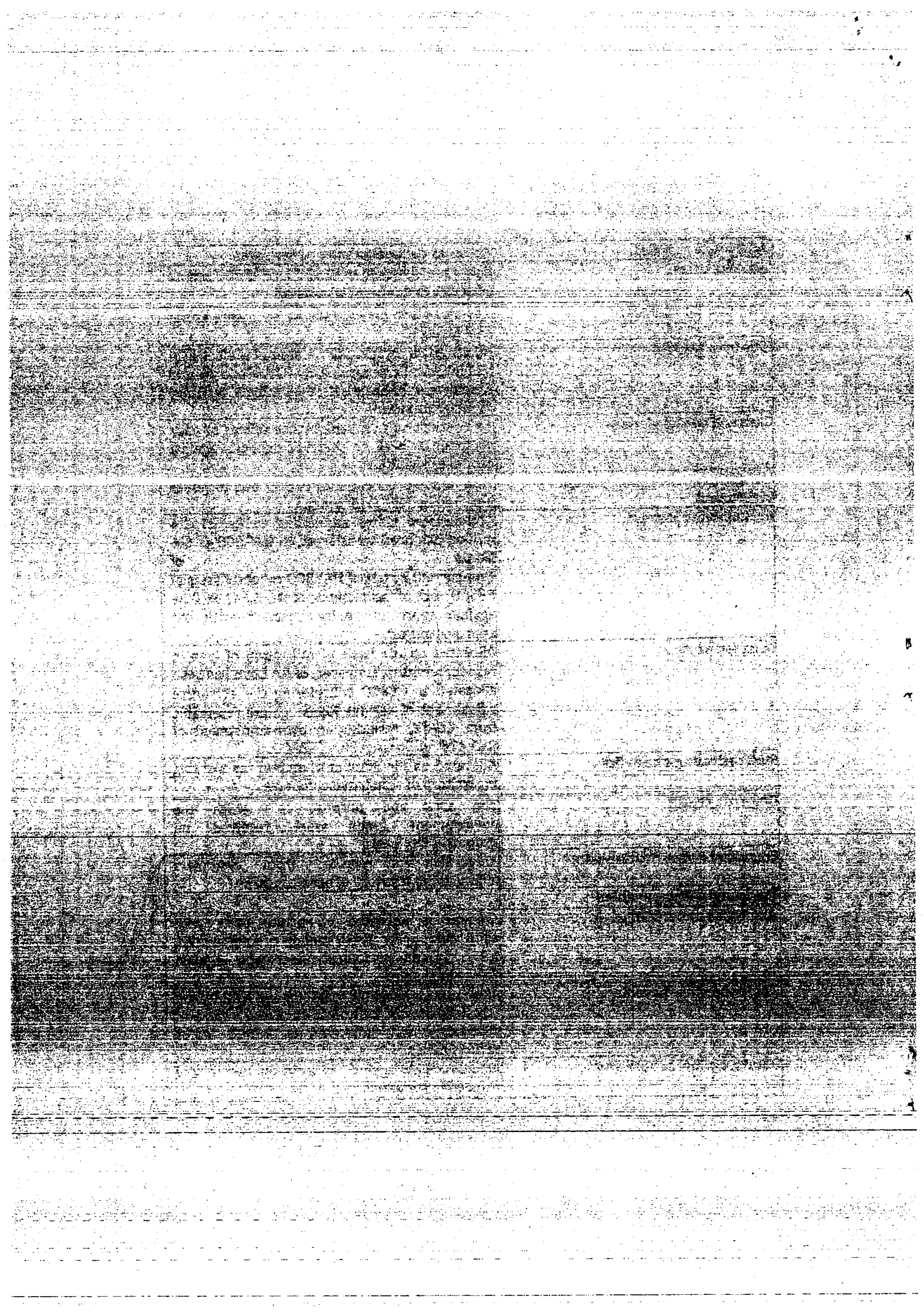
In light of the directions issued by the Board of Directors, PESCO in its 195th meeting held on 19-12-2023, the management presented the detailed analysis regarding the allocation of share of accumulated losses to HAZECO as well as the feasibility of allocation of A/J&K Receivables to remaining PESCO. All possible aspects regarding allocation of losses to HAZECO along with other critical points were thoroughly deliberated. After detailed discussion, it was decided to allocate accumulated losses to HAZECO amounting to Rs. 21.814 Billion in the ratio of HAZECO Non-current Assets to total Assets of PESCO i.e 5% approx. Accordingly, the revised identified basis of allocation and revised segregated Financials Statements are given as under:-

Basis for Segregation:-

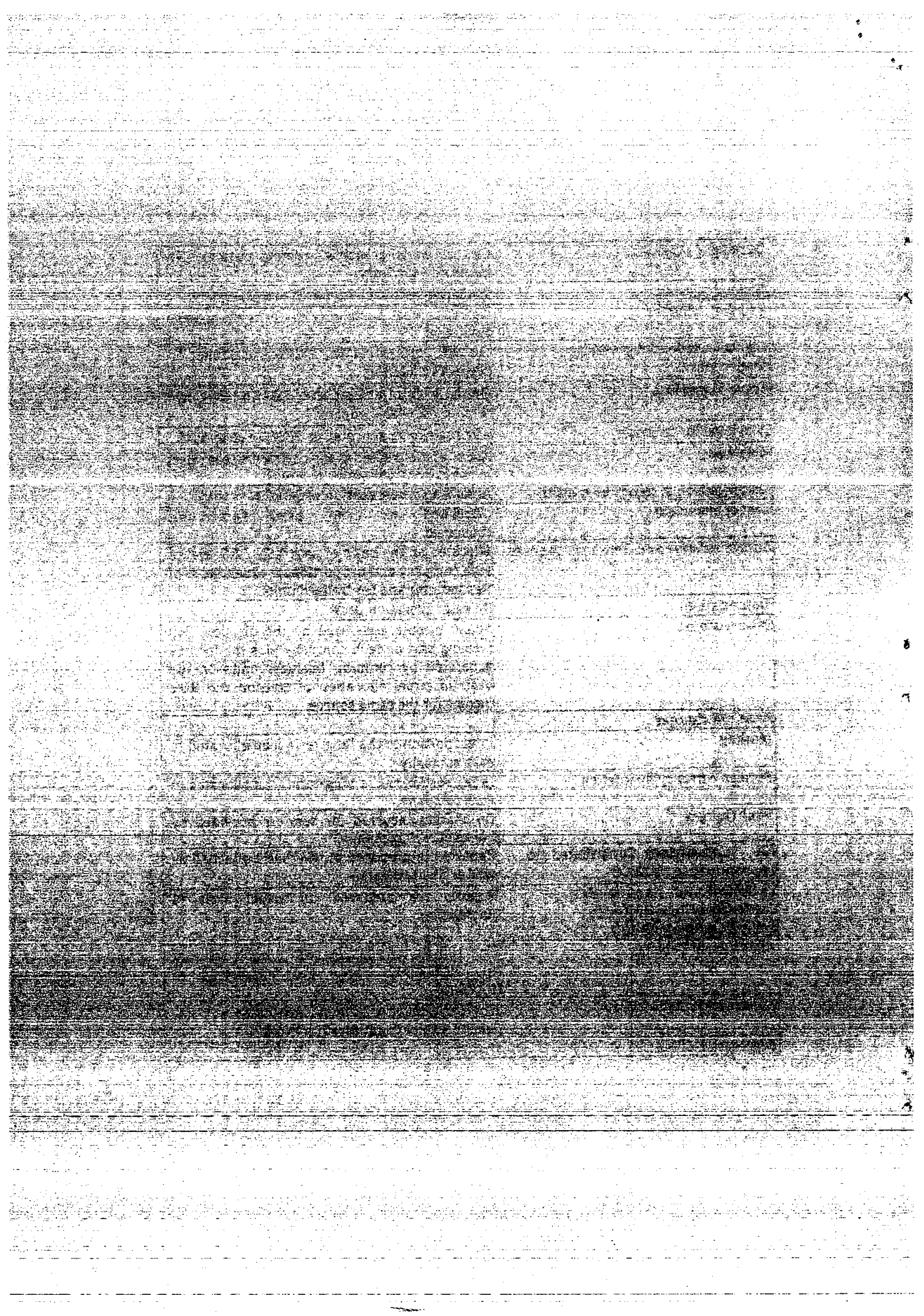
Financial Statement component	Identified Basis
Operating fixed assets	
Land, Building Distributable equipment's	Geographical presence.
Vehicles	Physical possession at balance sheet date.
Other equipment's	Physical possession at balance sheet date.
Capital Work in Process	Geographical presence of work in process at balance sheet date.
Long term loans	Bifurcation is made on employee wise falls under respective territory of HAZECO and PESCO.
Stores, spare parts and loose tools	Bifurcation is made on Geographical presence as well as share of work in process under the territory of respective companies.
Trade debts	Actual receivable from customers in jurisdiction of each company.
Loans, advances and other receivable	



Advance to supplier	Actual as per trial balance of each area.
Advance taxes	Taxes are allocated to PESCO as HAZECO has no NTN due to newly incorporation.
Advances for expenses	Advance given for expense for each area as per trial balance.
Due from WAPDA	Allocated on actual basis i.e. supply of electricity and for receivable against WAPDA Welfare Fund Employee wise basis is used working in territory of each company.
Cash and bank balances	Actual cash held at bank by the offices of each company as well as share of deposits against capital expenditure.
Liabilities against government investment	Total amount allocated to PESCO due to losses incurred by PESCO territory.
Accumulated losses	Accumulated losses amounting to Rs. 21,814 million has been transferred to HAZECO at 5% (Ratio of Non-current Assets of HAZECO to total Assets of PESCO) net off adjustment of Rs. 5,641 million against share of equity injection with the approval of BoD.
Long term loans	Allocated on the basis of utilization of loan in respect territory. However, ERRA Loan has been allocated to PESCO considering the at source adjustment of various loans against receivable from GoA/K, resulting in over-adjustment of Rs.1,420 million, against HAZECO.
Staff retirement benefits	Allocated on the number of employees working in territory of respective company.
Deferred credit	The area and purpose for which the development funds were received on proportionate basis.
Consumers' security deposits	Actual deposits received from customers falling in the territory of each company.
Trade and other payables	
Associated undertakings	Amount is allocated on actual basis with adjustment of Rs. 1,420 million of loan and Rs. 5,274 million of Subsidy receivable against CPPA-G payables.
Trade and other payable	All amount is allocated to PESCO and HAZECO on actual basis and by considering the nature of transaction fully allocated to PESCO under various heads.
Receipt against deposit work	Actual receipts against works in the territory of respective company.



Duties and other taxes	On the basis of actual existing customer in respective territory.
General sales tax	Actual payable of customer of each company.
Accrued liabilities	Actual accrual pertaining to territory of each company.
Capital contribution awaiting connections	On the basis of actual existing customer in respective territory.
Accrued markup	On the basis of utilization of loan in respective territory of each company.
Provision for taxation	All provision is allocated to PESCO due to NTN.
Revenue	Actual amount billed to the customers that exists in territory of respective company.
Amortization of deferred credits	According to segregation of deferred credits.
Cost of electricity	Calculated on the basis of actual unit consumed.
Administrative and General expenses	Allocated on the basis of each XEN / RO trial of each company and proportionate expenditure of Headquarter and centralized units.
Depreciation	On asset allocation basis.
Other income	Actual income generated by the division/ RO forming part of each company plus the income generated by common business units on the basis of actual allocation of division and RO's income for the same source.
Financial charges	
Markup	In proportion to the long-term loan allocated to each company.
Foreign currency fluctuation	In proportion to the long-term loan allocated to each company.
Bank charges	On charges incurred for services provided by banks of each company
HR Committees Constituted to operationalize HAZECO	Reports are prepared on the basis of actual as well as on need base.
Technical and Commercial Committees Constituted to operationalize HAZECO	Reports are prepared on actual basis of jurisdiction.
Allocation of Vehicles	The 130 No. of vehicles with a book value of Rs. 75,517,099 have been transferred to HAZECO.
Allocation of Grid stations	The 23 Grid stations out of 2 are under construction are allocated to HAZECO.
Segregation of Plots	The 36 plots are allocated to HAZECO.



GOVERNMENT OF PAKISTAN
MINISTRY OF ENERGY
(POWER DIVISION)

Islamabad the January 18, 2023

NOTIFICATION

No.12(24)/ 2019-DISCO-II. In pursuance of Rule-4(5) of Rules of Business, the Prime Minister has been pleased to approve the establishment of Hazara Electric Supply Company (HAZECO), vide their U.O. No.22/PSPM/2023 dated 4.01.2023. For overall better management of the Electricity Utility of Peshawar Electric Supply Company (PESCO), to increase the operational efficiency and reduce line losses and for improvement in customer services, the Prime Minister has been pleased to approve bifurcation of PESCO.

2. Accordingly, the following decisions are made: -

- (a) PESCO shall be bifurcated into 02 Companies i.e. PESCO and new Company with the name of Hazara Electric Supply Company (HAZECO).
- (b) PESCO shall comprise 06 Circles namely Peshawar, Khyber, Swat, Bannu, Mardan and Swabi Circles, whereas HAZECO shall consist of 02 Circles namely Hazara-I and Hazara-II Circles with new Company's Headquarter at Abbottabad.
- (c) To implement the bifurcation plan successfully, PPMC will assist PESCO and HAZECO.

Any point of difference in implementation of the above bifurcation between PESCO & HAZECO will be referred to Power Division.

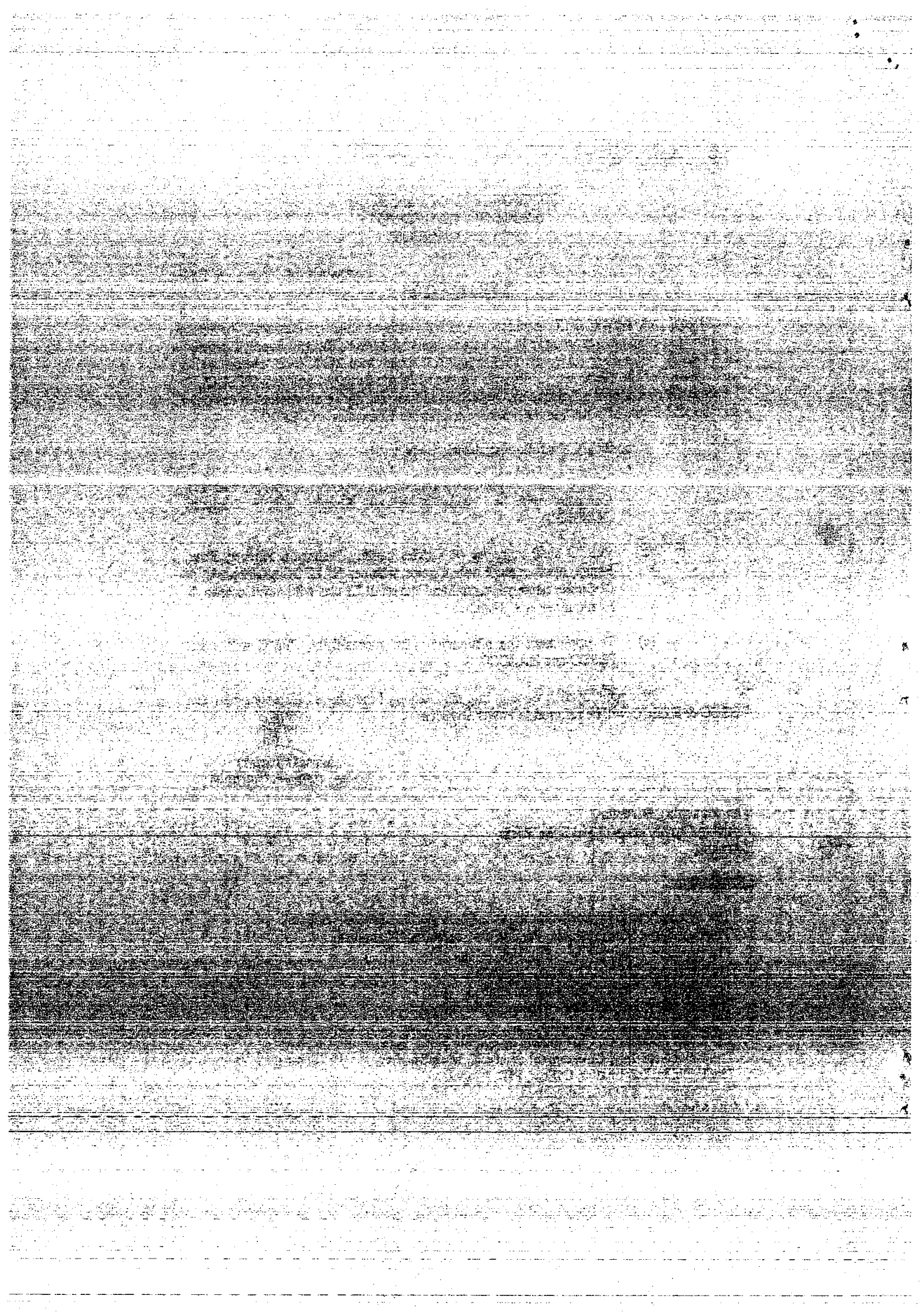
(Musafa Nazar)

Section Officer (DISCO-II)

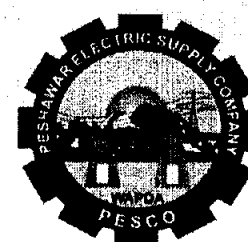
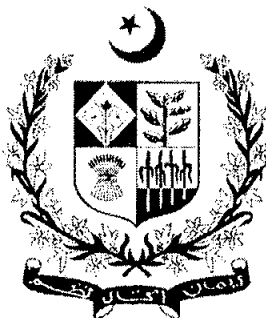
The Managing Director,
Printing Corporation of Pakistan Press,
Karachi.

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4. The Secretary, Cabinet Division, Islamabad.
5. The Secretary, Finance Division, Islamabad.
6. The Secretary, Privatization Division, Islamabad.
7. The Chairman, SECP, Islamabad.
8. The Chief Secretaries, Government of Punjab, Sindh, KPK, Balochistan.
9. The Chief Secretary, Government of AJ&K, Muzaffargarh.
10. The Principal Information Officer, PID, Islamabad.
11. The Chairman, NEPRA, Islamabad.
12. The Managing Director, PPMC, Islamabad.
13. The Chairman BOD all DISCOs,
14. The CEOs of all DISCOs.



PROPOSAL FOR BIFURCATION OF PESCO



❖ PESHAWAR ELECTRIC SUPPLY COMPANY (PESCO)

❖ PROPOSED HAZECO

References:

- Section Officer (ELECTRIC SUPPLY COMPANYS-II) Ministry of Energy (Power Division) Islamabad Letter No. 12 (01) / 2018-ELECTRIC SUPPLY COMPANYS-II dated 09.03.2022
- General Manager (Technical Services) PPMC Islamabad Letter No. 1214-18 dated 10.03.2022
- Addl; Director General (HR) Office Order No. 17833-40 dated: 11.03.2022 regarding constitution of committee.
- Prime Minister office Islamabad Record Note dated: 30.05.2022
- General Manager (Technical Services) PPMC Islamabad Letter No. 1925-27 dated 02.06.2022
- Minutes of Meeting (Held on 17-11-2023 on Bifurcation of PESCO and Establishment of HAZECO)

PROPOSAL FOR BIFURCATION OF PESCO

PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

Phone# 091-9212230
Fax # 091-9212024

Office of the Chief Executive
Wapda House, Peshawar

No. 17833-4 Bifurcation of DISCOs

Date: 11 03/2022

OFFICE ORDER

Subject: **DECISION TAKEN IN THE CABINET MEETING HELD ON TUESDAY 21ST DECEMBER 2021- BIFURCATION OF LARGE DISCOs**

In pursuance of Section Officer (DISCOs-II) Ministry of Energy (Power Division) GoP Islamabad Letter No. 12(01)/2018-DISCOs-II dated 09.03.2022 and General Manager (Technical Services)PPMC Islamabad Letter No. 1214-18 dated 10.03.2022, Chief Executive Officer PESCO Peshawar is pleased to constitute the committee comprising of the following officers for submission of visible proposal for Bifurcation of PESCO:

- | | |
|---------------------------------------|----------|
| 1. Chief Engineer (P&E) PESCO H/Q | Convener |
| 2. Chief Commercial Officer PESCO H/Q | Member |
| 3. Chief Engineer (O&M)T&G PESCO H/Q | Member |
| 4. Director General (HR) PESCO H/Q | Member |
| 5. Finance Director PESCO H/Q | Member |
| ✓ 6. PD GSC PESCO Peshawar | Member |
| 7. Manager (MIRAD) PESCO H/Q | Member |


Addl Director General (HR)
PESCO H/Q Peshawar

Copy to:

1. Chief Engineer (P&E) PESCO H/Q
2. Chief Commercial Officer PESCO H/Q
3. Chief Engineer (O&M)T&G PESCO H/Q
4. Director General (HR) PESCO H/Q
5. Finance Director PESCO H/Q
6. PD GSC PESCO Peshawar
7. Manager (MIRAD) PESCO H/Q
8. Circulation File.

Alongwith relevant copies of the order and procedure /steps required for the Bifurcation of DISCOs

PROCEDURES & STEPS REQUIRED FOR BIFURCATION OF DISCO

3/5

1) Preparation of Working Paper

DISCOs will prepare a comprehensive working paper but not limited to the following activities:

- i) Study of existing of electrical networks of the company viz-a-viz:
 - a. Area of Jurisdiction
 - b. Customer profile
 - c. No. of Employees
 - d. HT/LT networks (Feeders, Average length of feeders, Distribution transformers
 - e. Grid Stations and transmission lines etc
 - f. Commercial parameters like losses, receivables
 - g. Quality of service
- ii) Study of proposed networks after bifurcation
- iii) Study of the CDPs, power sources from where proposed companies can import power
- iv) Load flow studies for ascertaining the stability of proposed networks
- v) Justification of bifurcation
 - a. Loss reduction
 - b. Improvement in recovery
 - c. Reduction in damage rate of distribution of transformers
 - d. Increase in sale of power etc.
- vi) Benefit cost analysis
- vii) HR setup for the proposed companies
- viii) Man power transition.
- ix) Distribution of assets and liabilities
- x) Proposed location of Headquarters
- xi) Proposed budget approval
- xii) Arrangement for posting of manpower in new companies
- xiii) Allocation of Stores & Assets

2) Permission from the Privatization Commission

Permission from the Privatization Commission is required as they plan and implement the transaction for private-sector participation in the management of DISCOs using a concession or management contract model.

PROPOSAL FOR BIFURCATION OF PESCO



General Manager
(Technical Services)

POWER PLANNING AND MONITORING COMPANY (PVT.) LIMITED
Office # 112, 1st Floor, Khyber Trust Complex, Agha Khan Road, Islamabad
051-9211302, Fax: 051-2726916, Email: pmc@ppmc.com

No. 1925-27 / GM(TSY)
Dated 22-06-2022

Chief Executive Officer,
PESCO, Peshawar.

Sub: BIFURCATION OF LARGE DISCOs.

Ref: This office letter No.1214-18 dated 10.3.2022, your letter No.CEO/PESCO/162-66/CEP&R dated 30.3.2022 and telephonic discussion dated 01.06.2022.

The proposal received in this office vide your above referred letter has thoroughly been examined and discussed by the committee constituted at PPMC level. It has been desired by the convener of the committee that alternate simulations be also carried out to arrive at most appropriate and viable proposal.

The subject case may please be expedited and additional proposal(s) in light of committee's directions be submitted at the earliest possible to proceed further.

(Engr. Aduan Riaz Mir)
General Manager (Technical Services)
PPMC

cc:

1. GM (HR) PPMC Islamabad.
2. SO to MD PPMC Islamabad.



02/06/22
@ AMERS / PDGSC
PD
TH

2/6

20/6
CE (P&E) / DGM / 18/2
- PD 45C
For kind attention
11/6/2022

PRIME MINISTER'S OFFICE (PUBLIC)
ISLAMABAD

RECORD NOTE

30th May, 2022

Subject: PRIME MINISTER'S VISIT TO MANSEHRA ON 29TH MAY, 2022

Prime Minister of Pakistan visited Mansehra on 29th May, 2022 and was pleased to make the following announcements.

S. #	Request/Issue	Action by
i.	Establishment of Medical College at Mansehra	- Secretary, M/o National Health Services Regulations and Coordination - Chief Secretary, KPK
ii.	Development package worth one billion rupees for the Hazara region	- Secretary, M/o Finance - Secretary, M/o Planning Development and Special Initiatives
iii.	Establishment of Hazara Electric Supply Company	Secretary, M/o Energy (Power Division)

2. All concerned Ministries / Divisions / Departments are requested to take further necessary action for implementation of the above directives as per rules / policy under intimation to this Office at the earliest.

(Nadeem Aslam Chaudhary)
Additional Secretary-III

- Secretary, M/o National Health Services Regulations and Coordination, Islamabad
 - Secretary, M/o Energy (Power Division), Islamabad
 - Secretary, Ministry of Finance, Islamabad
 - Secretary, M/o Planning Development and Special Initiatives, Islamabad
- PM's Office u.o. No. 114/Nisr/Mansehra/2022/PAU-II/KP dated 30.05.2022

SECRET

PROPOSAL FOR BIFURCATION OF PESCO



POWER PLANNING AND MONITORING COMPANY

Office # 112, Evacuee Trust Complex, Agha Khan Road, Islamabad
Tele: 051-9211301, 051-9211302, Fax: 051-2726915, E-mail: gmcspesco@gmail.com

MINUTES OF MEETING HELD ON 17.11.2023 ON BIFURCATION OF PESCO AND ESTABLISHMENT OF HAZECO.

A meeting was held on 17.11.2023 at 10.00 AM in PPMC Committee Room to formulate a strategic plan aimed at facilitating HAZECO in initiating its operations as an independent DISCO. The meeting was attended by the following:

- (1) Director BoD HAZECO
- (2) CEO HAZECO
- (3) General Manager (R&CO) PPMC
- (4) General Manager (TS) PPMC
- (5) General Manager (HR) PPMC
- (6) CFO PPMC
- (7) Director General (Law) PPFB
- (8) Technical Director/GM(Technical) PESCO
- (9) CFO PESCO
- (10) DG (HR) PESCO
- (11) Mr. Rizwan Falz, Advocate
- (12) Company Secretary PPMC

The meeting deliberated necessary steps required for the bifurcation of PESCO and the seamless initiation of HAZECO's operations. The consensus among the participants was that the bifurcation of PESCO and the establishment of HAZECO should adhere to high professional standards, encompassing all essential legal, administrative, and regulatory prerequisites.

It was informed by reps of PESCO that the data required for bifurcation of PESCO is already completed. It was emphasized that the data necessitates updating upto October 2023. To ensure credibility and mitigate potential conflicts or objections from stakeholders in the future, it was suggested to authenticate this data through a third-party audit firm.

It was further informed that PESCO requires to file a spinning-off petition with the National Electric Power Regulatory Authority (NEPRA) and the Securities and Exchange Commission of Pakistan (SECP). Simultaneously, HAZECO will apply for a distribution license and submit a tariff petition to NEPRA.

The Committee expressed that the entire process should be meticulously planned to enable HAZECO to submit its application for the grant of a distribution license to NEPRA well before end of December 2023 and before that all prerequisites be completed.

To ensure the efficiency of the transition process, the Committee put forth the following recommendations:

- a. A comprehensive work plan will be developed, with detailed outline of all activities, along with clearly defined timelines.



POWER PLANNING AND MONITORING COMPANY

Office # 112, Evacuee Trust Complex, Agha Khan Road, Islamabad
Tele: 051-9211301, 051-9211302, Fax: 051-2726915, E-mail: gmcspesco@gmail.com

- b. PESCO to update all existing financial, commercial, technical, and human resource data upto October 2023.

- c. An independent audit firm be hired by CEO PESCO to authenticate the data prepared, contributing to the credibility and thoroughness of the data within two weeks.

- d. Following three committees were recommended to oversee and facilitate a smooth transition in the process:

1. Technical/Commercial Committee

- Mr. Adnan Mir, GM (Technical Services) PPMC-Convener
- Mr. Tahir Moeen, Technical Director PESCO – Member
- Mr. Habib-ur-Rehman, SE Khyber Circle PESCO-Member
- Mr. Muhammad Tufail, Manager Commercial PESCO-Member

2. Finance Committee

- Mr. Basharat Ali, CFO PPMC-Convener
- Mr. Yasir Naseem, CFO PESCO-Member
- Mr. Shahzad Hanaan, Manager Finance CPC PESCO-Member

3. HR Committee

- Mr. Saghir Ahmad, GM(HR) PPMC-Convener
- Sardar Sajid Nawaz, DG HR PESCO-Member
- Mr. Siab Ahmad, Manager (HR) PESCO Member

- e. The above Committees will submit their reports on or before Monday, 27th November 2023.

- f. The Terms of Reference of the Committees are annexed.

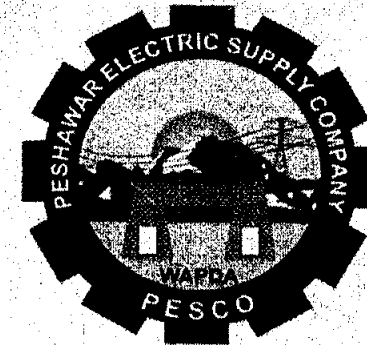
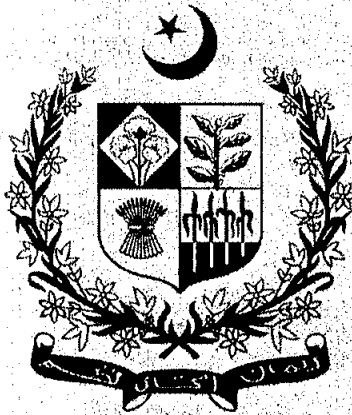
- g. A WhatsApp group consisting of all relevant officers will be formed.

- h. Mr. Rizwan Falz will prepare draft legal documents required for the bifurcation of PESCO and establishment of HAZECO

(Saghir Ahmad)
General Manager (R&CO) PPMC/
Convener of the Committee

- c.c.
1. Additional Secretary-I, Power Division, Islamabad.
 2. CEO HAZECO, Islamabad.
 3. CEO PESCO, Peshawar.
 4. All Members of Committees.

PROPOSAL FOR BIFURCATION OF PESCO



Agenda Point #(i)

❖ STUDY OF EXISTING ELECTRICAL NETWORKS OF THE COMPANY

VIZ-A-VIZ

PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(i) a.

EXISTING AREA OF JURISDICTION

- Peshawar Electric Supply Company (PESCO) was established as Public Limited Company on April 1998
- PESCO was granted license by NEPRA for distribution of electricity to 28 administrative districts of Khyber Pakhtunkhwa province.

- | | | |
|-----------------|-------------------|--------------------|
| 1) Peshawar | 10) Hangu | 19) Chitral Lower |
| 2) Charsadda | 11) Kohat | 20) Kohistan Upper |
| 3) Nowshera | 12) Swat | 21) Kohistan Lower |
| 4) Mardan | 13) Swabi | 22) Kolai Palas |
| 5) Tank | 14) Buner | 23) Abbottabad |
| 6) Bannu | 15) Dir (Upper) | 24) Haripur |
| 7) D.I.Khan | 16) Dir (Lower) | 25) Mansehra |
| 8) Karak | 17) Shangla | 26) Battagram |
| 9) Lakki Marwat | 18) Chitral Upper | 27) Torghar |
| | | 28) Malakand |

PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(i) a.

Remaining PESCO

- 1) Peshawar
- 2) Charsadda
- 3) Nowshera
- 4) Kohat
- 5) Hangu
- 6) Karak
- 7) Bannu
- 8) Lakki Marwat
- 9) D.I.Khan
- 10) Tank
- 11) Mardan
- 12) Swabi
- 13) Swat
- 14) Malakand
- 15) Buner
- 16) Shangla
- 17) Dir (Upper)
- 18) Dir (Lower)
- 19) Chitral Upper
- 20) Chitral Lower

Proposed HAZECO

- 1) Abbottabad
- 2) Haripur
- 3) Mansehra
- 4) Battagram
- 5) Kohistan Upper
- 6) Kohistan Lower
- 7) Torgar
- 8) Kolai Palas

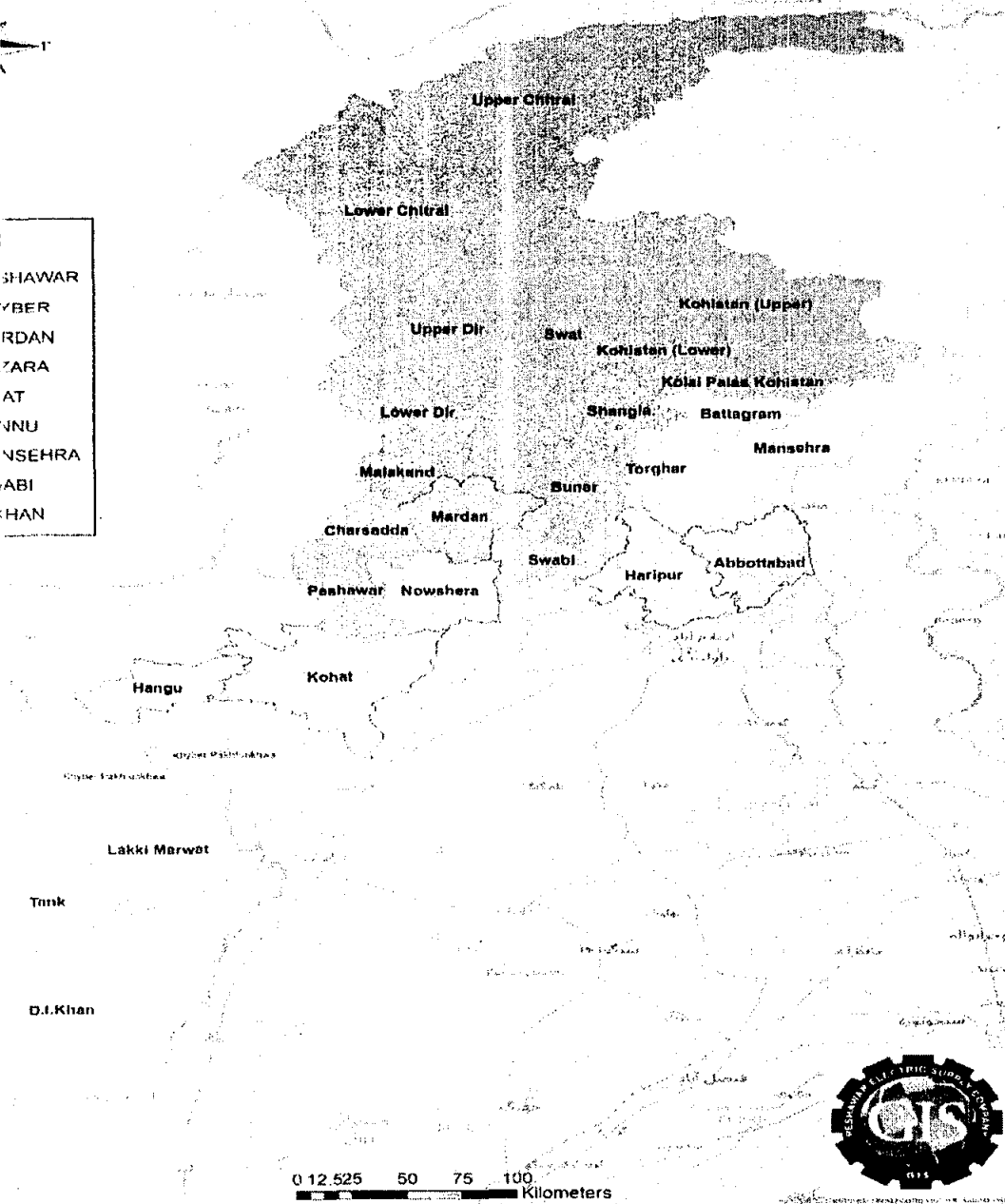
PESCO JURISDICTION

GEOGRAPHICAL MAP OF PESCO OPERATON CIRCLES



Legend

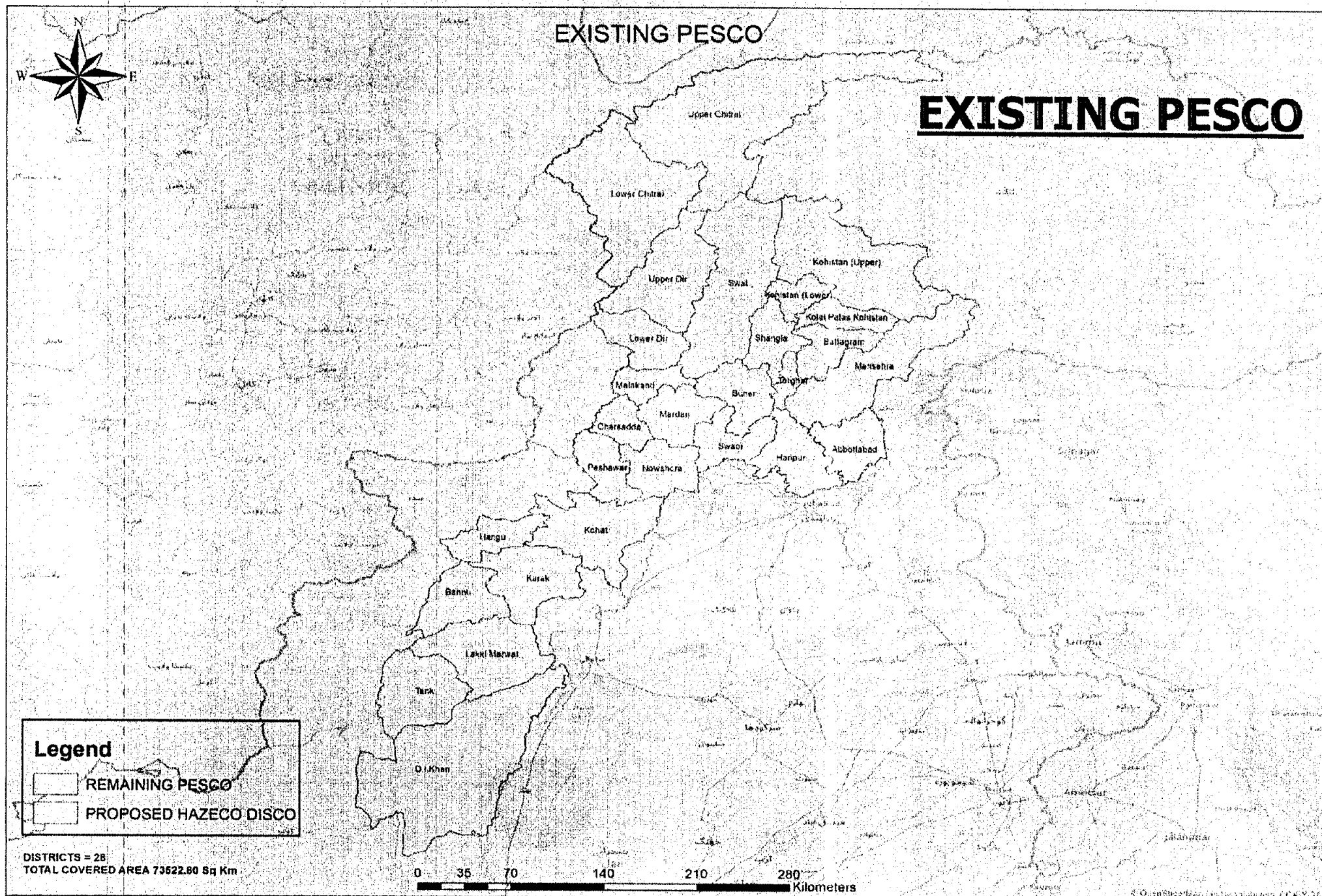
PESHAWAR
KHYBER
MARDAN
HAZARA
SWAT
BANNU
MANSEHRA
SWABI
DIKHAN



Districts: 28 No.
Covered Area: 74,521 Sq Km
Population: 35.53 Million
Circle: 08 No
Division: 39 No
Sub Divn: 191 NO

Circle	Consumers in Million
Peshawar	0.712
Khyber	0.619
Mardan	0.365
Hazara-I	0.447
Swat	0.815
Bannu	0.215
Hazara-II	0.280
Swabi	0.289
D.I Khan	0.362
PESCO	4.2

Agenda Point #(i) a. PROPOSAL FOR BIFURCATION OF PESCO

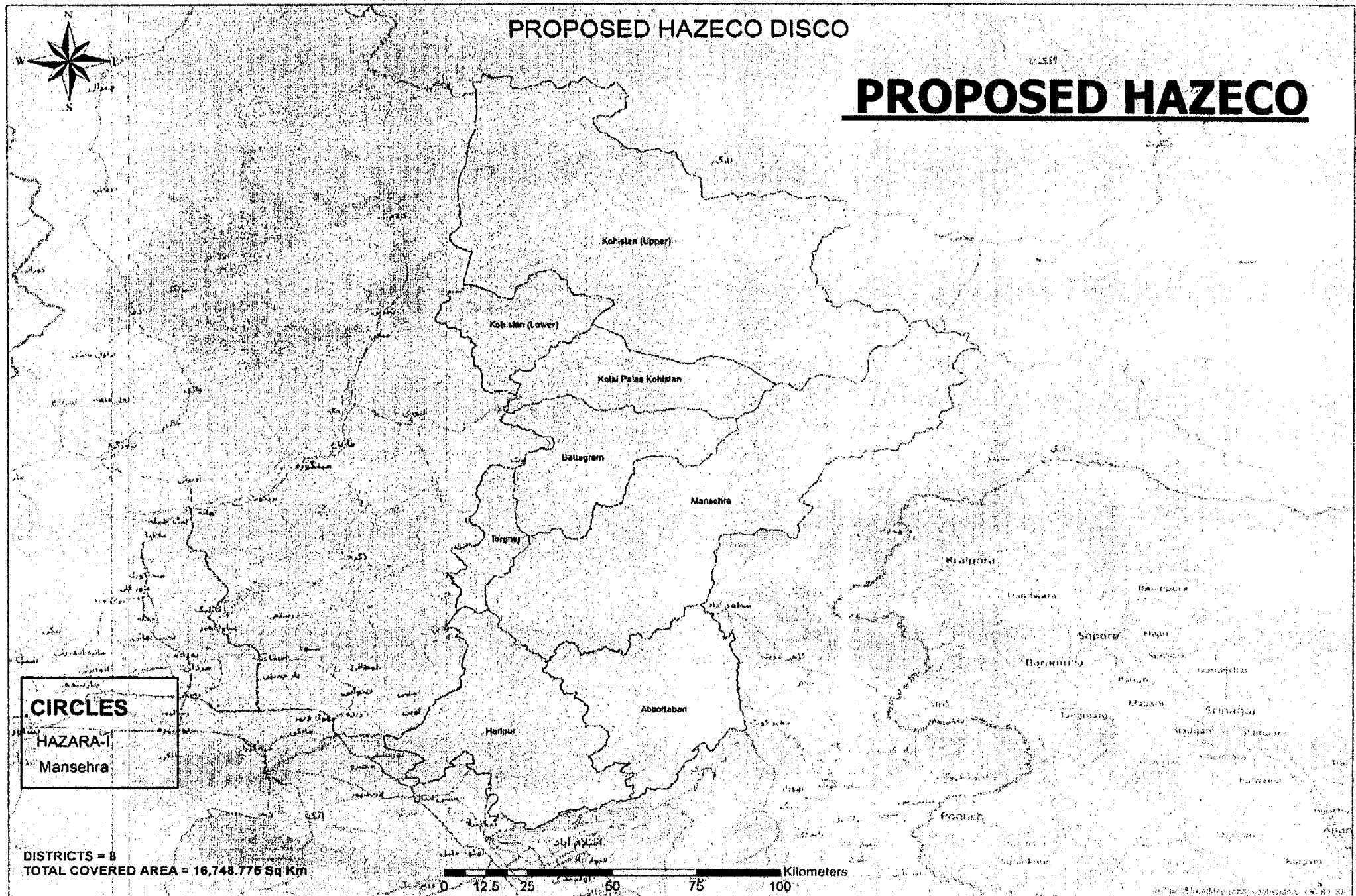


Agenda Point #(i) a.



PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(i) a.



PROPOSAL FOR BIFURCATION OF PESCO

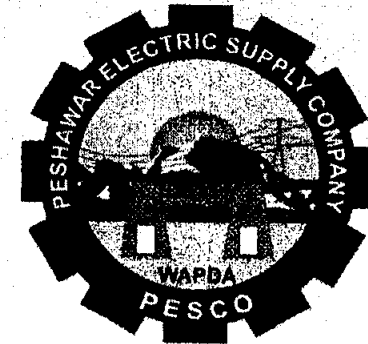
Agenda Point #(i) b. **CONSUMER'S PROFILE**

ELECTRIC SUPPLY COMPANY		Domestic	Commercial	Industrial	Bulk	Tube Wells	General Services	Other	Total
PESCO (Existing)	No.	3,735,839	411,378	28,595	901	23,147	1,241	45,781	4,246,882
	%age	87.97	9.69	0.67	0.02	0.55	0.03	1.08	(100)
PESCO (Remaining)	No.	3,040,906	341,915	25,062	719	22,473	1,047	37,955	3,470,077
	%age	87.63	9.85	0.72	0.02	0.65	0.03	1.09	(81.71)
Proposed HAZECO	No.	694,933	69,463	3,533	182	674	194	7,826	776,805
	%age	89.46	8.94	0.45	0.02	0.09	0.02	1.01	(18.29)

PROPOSAL FOR BIFURCATION OF PESCO



Agenda Point #(i) d.



❖ HT/LT NETWORKS

(FEEDERS, AVERAGE LENGTH OF FEEDERS), DISTRIBUTION TRANSFORMERS.

PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(i) d

EXISTING PESCO HT / LT NETWORKS

S.No	Circle	Feeders		HT Lines (Km)	LT Lines (Km)	Distribution T/Fs	
		No.	Average Length (Km)			No.	MVA
1	Peshawar	258	14.81	3822.24	3680.64	20591	1,887.54
2	Khyber	251	19.84	4978.99	5762.92	17110	1,441.70
3	Mardan	89	27.24	2424.21	2526.57	9736	765.605
4	Hazara I	138	21.03	2902.76	2366.76	7566	816.25
5	Swat	185	33.08	6118.93	7074.53	17641	1,382.83
6	Bannu	108	43.88	4739.39	6793.43	13668	820.785
7	Hazara II	72	34.31	2470.27	10445.9	5939	418.685
8	Swabi	95	24.19	2297.97	5021.37	7067	580.755
9	DI Khan	80	40.18	3214.59	2379.7	7720	531.76
Total		1276	25.84	32969.4	46052	107038	8,645.90

PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(i) d.

REMAINING PESCO HT / LT NETWORKS

S.No	Circle	Feeders		HT Lines (Km)	LT Lines (Km)	Distribution T/Fs	
		No.	Average Length (Km)			No.	MVA
1	Peshawar	258	14.81	3822.24	3680.64	20591	1,887.54
2	Khyber	251	19.84	4978.99	5762.92	17110	1,441.70
3	Mardan	89	27.24	2424.21	2526.57	9736	765.605
4	Swat	185	33.08	6118.93	7074.53	17641	1,382.83
5	Bannu	108	43.88	4739.39	6793.43	13668	820.785
6	Swabi	95	24.19	2297.97	5021.37	7067	580.755
7	DI Khan	80	40.18	3214.59	2379.7	7720	531.76
Total		1066	25.89	27596.3	33239	93533	7410.97

PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(i) d.

PROPOSED HAZECO HT / LT NETWORKS

S.No	Circle	Feeders		HT Lines (Km)	LT Lines (Km)	Distribution T/Fs	
		No.	Average Length (Km)			No.	MVA
1	Hazara-I	138	21.03	2902.76	2366.76	7566	816.25
2	Hazara-II	72	34.31	2470.27	10445.9	5939	418.685
Total		210	25.59	5373.03	12813	13505	1234.94

PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(i) e.

GRID STATIONS & TRANSMISSION LINES

Circle	Grid Stations (KV)								Transmission Lines (Km)				
	500	220	132	66	33	Consumer Grid (132)	Total	MVA		132KV	66KV	33KV	Total
PESCO (Existing)	01	07	94	10	02	11	125	7706.75	Line wise	3092.976	414.460	75.0	3582.436
									Circuit wise	4570.923	427.590	75.0	5073.513

PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(i) e.

GRID STATIONS & TRANSMISSION LINES

Circle	Grid Stations (KV)								Transmission Lines (Km)				
	500	220	132	66	33	Consumer Grid (132)	Total	MVA	Description	132KV	66KV	33KV	Total
PESCO (Remaining)	01	06	75	08	-	07	97	6452.45	Line wise	2516.677	338.26	-	2854.937
									Circuit wise	3822.789	351.390	-	4174.179
Proposed HAZECO	-	01	19	2	2	04	28	1254.30	Line wise	576.299	76.20	75.0	727.499
									Circuit wise	748.134	76.2	75.0	899.334

PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(i) e.

Circle	Grid Stations						
	500KV	220KV	132KV	66KV	33KV	132KV Consumer Grid	Total
Peshawar	-	1	17	-	-	-	18
Khyber	1	1	16	3	-	5	26
Mardan	-	1	6	-	-	1	8
Hazara-I	-	-	12	2	-	4	18
Swat	-	1	17	1	-	-	19
Bannu	-	1	7	2	-	-	10
Hazara-II	-	1	7	-	2	-	10
Swabi	-	-	5	-	-	1	6
D.I.Khan	-	1	7	2	-	-	10
Total	01	07	94	10	2	11	125

- ❖ 2 x 220KV Grid Station Kohat & Swabi are proposed by NTDC under Remaining PESCO
- ❖ 1 x 220KV Grid Stations Haripur is proposed by NTDC under Proposed HAZCO

PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(i) e.

Remaining PESCO	Circle	Grid Stations						
		500KV	220KV	132KV	66KV	33KV	132KV Consumer Grids	Total
	Peshawar	-	1	17	-	-	-	18
	Khyber	1	1	16	3	-	5	26
	Mardan	-	1	6	-	-	1	8
	Swat	-	1	17	1	-	-	19
	Bannu	-	1	7	2	-	-	10
	Swabi	-	-	5	-	-	1	6
	D.I.Khan	-	1	7	2	-	-	10
	Total	01	06	75	08	-	07	97

Proposed HAZEKO	Circle	Grid Stations						
		500KV	220KV	132KV	66KV	33KV	132KV Consumer Grids	Total
	Hazara-I	-	-	12	02	-	04	18
	Hazara-II	-	01	07	-	02	-	10
	Total	-	01	19	02	02	04	28

PROPOSAL FOR BIFURCATION OF PESCO (Existing)

SR: NO.	NAME OF GRID STATION	SR: NO.	NAME OF GRID STATION	SR: NO.	NAME OF GRID STATION
1	132KV Abbottabad	21	132KV Gumbat	41	132KV Kohat
2	132KV AMC - Abbottabad	22	132KV Gurguri	42	132KV Kotal Town Kohat
3	132KV Balakot	23	132KV Hangu	43	132KV Kulachi
4	132KV Barikot	24	132KV Haripur	44	132KV Lachi
5	132KV Bannu	25	132KV Hussai	45	132KV Lal Qilla Maidan
6	132KV Battal	26	132KV Hattar-1	46	132KV Madyan
7	132KV Batkhela	27	132KV Hattar-2	47	132KV Mansehra
8	132KV Besham	28	132KV Hattar Economic Zone	48	132KV Mardan-2
9	132KV Chakdara	29	132KV Hattian (AJK)	49	132KV Mardan-3
10	132KV Charsadda	30	132KV Havellian	50	132KV Marble City
11	132KV D.I.Khan	31	132KV Hayatabad	51	132KV Mattani
12	132KV Dalazak	32	132KV Jalala	52	132KV Matta
13	132KV Daggar	33	132KV Jamrud	53	132KV Munda Jandol
14	132KV Dir Chukiyatan	34	132KV Jehangira	54	132KV Musazai (Badaber)
15	132KV Drosh (Chitral)	35	132KV Jutilasht (Chitral)	55	132KV Muzaffarabad (AJK)
16	132KV Draban	36	132KV Karak	56	132KV Nathia Gali
17	132KV Dargai	37	132KV Kernal Sher Khan	57	132KV Nishat Tarbela
18	132KV Dohbian	38	132KV Katlang	58	132KV Nizampur
19	132KV Gadoon Amazai	39	132KV Khanpur	59	132KV Noseri (AJK)
20	132KV Gomal Unity DIKhan	40	132KV Khwaza Khela	60	132KV Nowshera City

PROPOSAL FOR BIFURCATION OF PESCO (Existing)

SR: NO.	NAME OF GRID STATION	SR: NO.	NAME OF GRID STATION	SR: NO.	NAME OF GRID STATION
61	132KV Nowshera Industrial	81	132KV Shahibagh	101	66KV Kurram Garhi
62	132KV Oghi	82	132KV Shangla Par	102	66KV Tajazai (No Load)
63	132KV Pabbi	83	132KV Siraj Baba	103	66KV Tank (No Load)
64	132KV Panyala (Abdul Khel)	84	132KV Swabi	104	66KV Timergara
65	132KV Pezu	85	132KV Swat	105	33KV Pattan
66	132KV Peshawar Cantt	86	132KV Tall	106	33KV Thakot
67	132KV Peshawar City	87	132KV Tangi	Existing NTDC Grid Stations	
68	132KV Peshawar Fort	88	132KV Taru Jabba		
69	132KV Pesh Industrial	89	132KV Tank		
70	132KV Pesh University	90	132KV Tajazai	1	500KV GSS Sheikh Mohammadi Peshawar
71	132KV Prova	91	132KV Timergara	2	220KV GSS D.I.Khan
72	132KV Rampura (AJK)	92	132KV Warsak	3	220KV GSS Domail (Bannu)
73	132KV Rajjar	93	132KV Wapda House Peshawar	4	220KV GSS Shahibagh Peshawar
74	132KV Regi Model Town	94	132KV Wari	5	220KV GSS Nowshera
75	132KV Rehman Baba	95	66KV Badaber	6	220KV GSS Mardan
76	132KV Right Bank Tarbela	96	66KV Band Kurai	7	220KV GSS Chakdara
77	132KV Sabirabad	97	66KV Haripur	8	220KV GSS Mansehra
78	132KV Sakhi Chashma	98	66KV Havelian	Consumer Grids (132KV) 11 Nos	
79	132KV Serai Nourang	99	66KV Kheski		
80	132KV Shabqadar	100	66KV Kohat		

PROPOSAL FOR BIFURCATION OF PESCO (Remaining)

NTDC GSS		PESCO GSS					
S.#	Grid Station	S.#	Grid Station	S.#	Grid Station	S.#	Grid Station
1	500KV Sheikh Muhammadi	15	132KV Taru Jabba	39	132KV Mardan-2	63	132KV Dhobian
2	220KV Shahi Bagh	16	132KV Warsak	40	132KV Mardan-3	64	132KV Barikot
3	220KV Mardan	17	132KV Wapda House	41	132KV Bannu	65	132KV Batkhela
4	220KV Domel Bannu	18	132KV Gumbat	42	132KV D.I.Khan	66	132KV Chakdara
5	220KV D.I.Khan	19	132KV Hangu	43	132KV Gomal Uni DIK	67	132KV Marble City
6	220KV Nowshera	20	132KV Hayatabad	44	132KV Panyala	68	132KV Daggar
7	220KV Chakdara	21	132KV Musazai	45	132KV Karak	69	132KV Drosh (Chitral)
8	220KV Kohat (Proposed)	22	132KV Jamrud	46	132KV Kulachi	70	132KV Dargai
9	220 KV Swabi (Proposed)	23	132KV Jehangira	47	132KV Pezu	71	132KV Jutilasht (Chitral)
	(PESCO)	24	132KV Kohat	48	132KV Prova	72	132KV Khwaza Khela
1	132KV Charsadda	25	132KV Kotal Town	49	132KV Gurguri	73	132KV Lal Qilla
2	132KV Dalazak	26	132KV Lachi	50	132KV Serai Nourang	74	132KV Madyan
3	132KV Pabbi	27	132KV Mattani	51	132KV Siraj Baba	75	132KV Matta
4	132KV Peshawar Cantt	28	132KV Nizampur	52	132KV Tank	76	132KV Munda Jandol
5	132KV Peshawar City	29	132KV RMT	53	132KV Tajazai	77	132KV Shangla Par
6	132KV Peshawar Fort	30	132KV Nowshera City	54	132KV Sabirabad	78	132KV Swat
7	132KV Pesh Industrial	31	132KV Nowshera Indl	55	66KV Band Kurai	79	132KV Timergara
8	132KV Pesh University	32	132KV Tall	56	132KV Draban	80	132KV Wari
9	132KV Rajjar	33	66KV Badaber	57	66KV Kurram Garhi	81	132KV Dir
10	132KV Rehman Baba	34	66KV Kohat	58	66KV Tajazai	82	132KV Karnal Sher Khan
11	132KV Sakhi Chashma	35	66KV Khashki	59	66KV Tank	83	66KV Timergara
12	132KV Shabqadar	36	132KV Hussai	60	132KV Swabi	Consumer Grids (132KV) 07 Nos	
13	132KV Shahibagh	37	132KV Jalala	61	132KV G/Amazai		
14	132KV Tanai	38	132KV Katlan	62	132KV R R Tarhela		

PROPOSAL FOR BIFURCATION OF PROPOSED HAZECO

NTDC		PROPOSED HAZECO			
S.#	Grid Station	S.#	Grid Station	S.#	Grid Station
1	220KV Manshera	1	132KV Abbottabad	13	132KV Hattian (AJK)
2	220KV Haripur (Proposed / Under Construction)	2	132KV AMC A/Abad	14	132KV Mansehra
Consumer Grids (132KV) 04 Nos		3	132KV Haripur	15	132KV M/Abad (AJK)
		4	132KV Hattar-1	16	132KV Noseri (AJK)
		5	132KV Hattar-2	17	132KV Oghi
		6	132KV Havellian	18	132KV Rampura (AJK)
		7	132KV Khanpur	19	132KV Hattar Economic Zone
		8	132KV Nathia Gali	20	66KV Haripur
		9	132KV Nishat Tarbela	21	66KV Havelian
		10	132KV Balakot	22	33KV Pattan
		11	132KV Besham	23	33KV Thakot
		12	132KV Battal		

PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(i) f. **COMMERCIAL PARAMETERS (DISTRIBUTION LOSSES)**

Figures in Million

ELECTRIC SUPPLY COMPANY	Fiscal Year 2023-24			
	Unit Received	Unit Billed	Unit Lost	%age Loss
PESCO (Existing)	5875.39	3814.24	2061.14	35.08
PESCO (Remaining)	4913.98	2986.27	1927.70	39.23
Proposed HAZECO	961.41	827.97	133.44	13.88

PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(i) f.

❖ COMMERCIAL PARAMETERS (BILLING & COLLECTION)

Figures in Million

DISCO	Fiscal Year 2023-24								
	Billing			Collection			%Age Collection		
	Govt;	Private	Total	Govt;	Private	Total	Govt;	Private	Total
PESCO (Existing)	19456.83	135099.71	154556.54	13859.66	117612.29	131471.95	71.23	87.06	85.06
PESCO (Remaining)	11635.6	110707.4	122343	10474.4	94336.45	104810.9	90.0	85.2	85.7
Proposed HAZECO	7821.2	24392.34	32213.54	3385.25	23275.84	26661.07	43.3	95.4	82.8

PROPOSAL FOR BIFURCATION OF PESCO
Agenda Point #(i) f.
COMMERCIAL PARAMETERS (RECEIVABLES)

With Subsidy

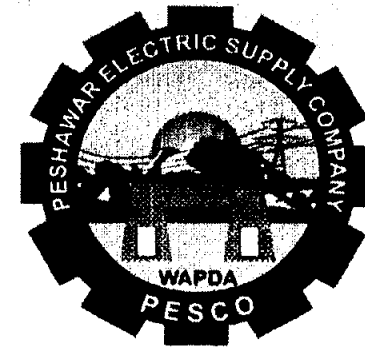
Figures in Rs; Billion

DISCO	Fiscal Year 2023-24		
	Govt;	Private	Total
PESCO (Existing)	21.08	198.44	219.52
% Age	100	100	100
PESCO(Remaining)	8.17	190.64	198.81
% Age	38.76	96.07	90.57
Proposed HAZECO	12.91	7.8	20.71
% Age	61.24	3.93	9.43

Without Subsidy

DISCO	Fiscal Year 2023-24		
	Govt;	Private	Total
PESCO (Existing)	20.82	194.2	215.02
% Age	100	100	100
PESCO(Remaining)	8.03	187.3	195.3
% Age	38.57	96.42	90.82
Proposed HAZECO	12.79	6.94	19.74
% Age	61.43	3.57	9.18

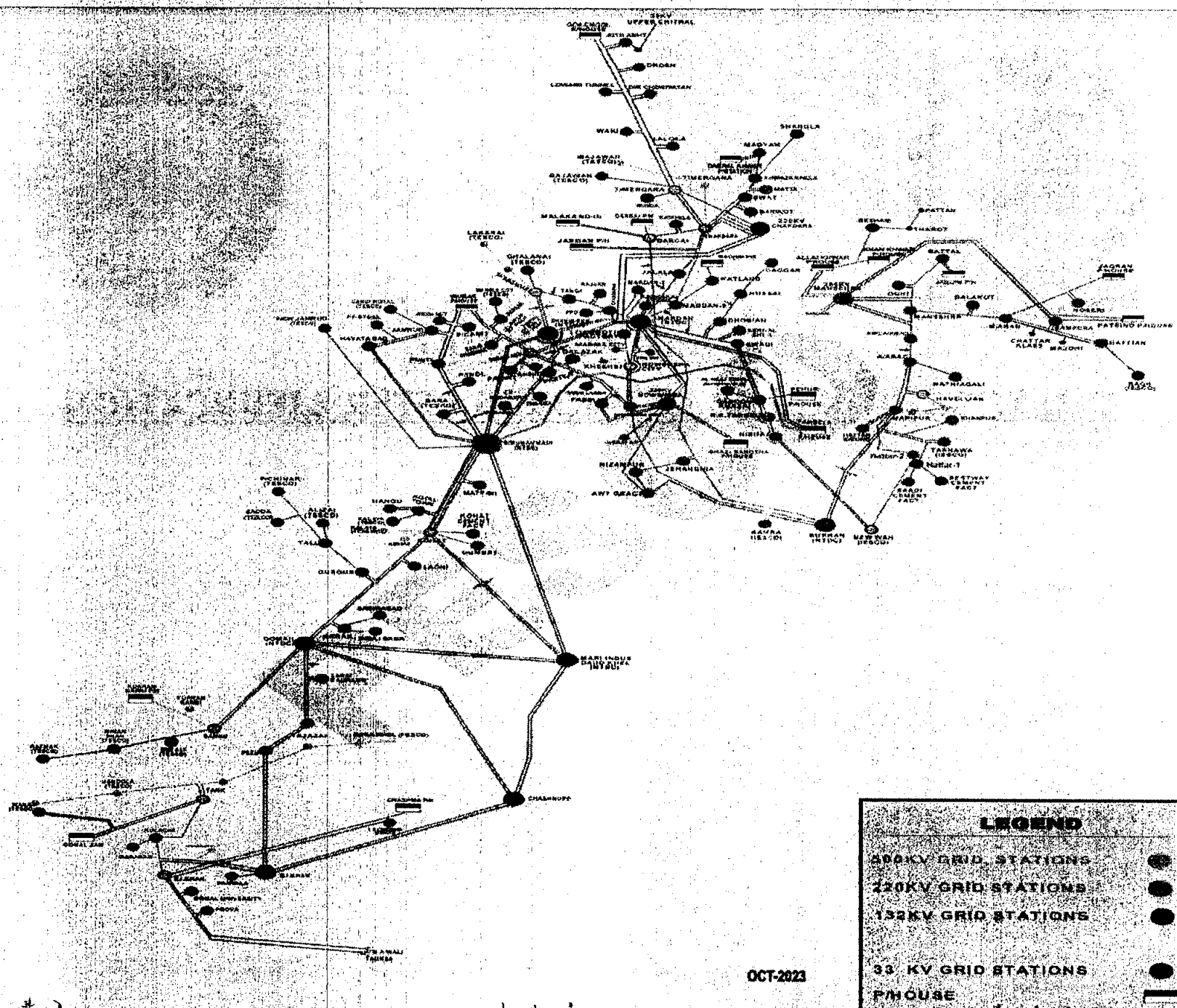
PROPOSAL FOR BIFURCATION OF PESCO



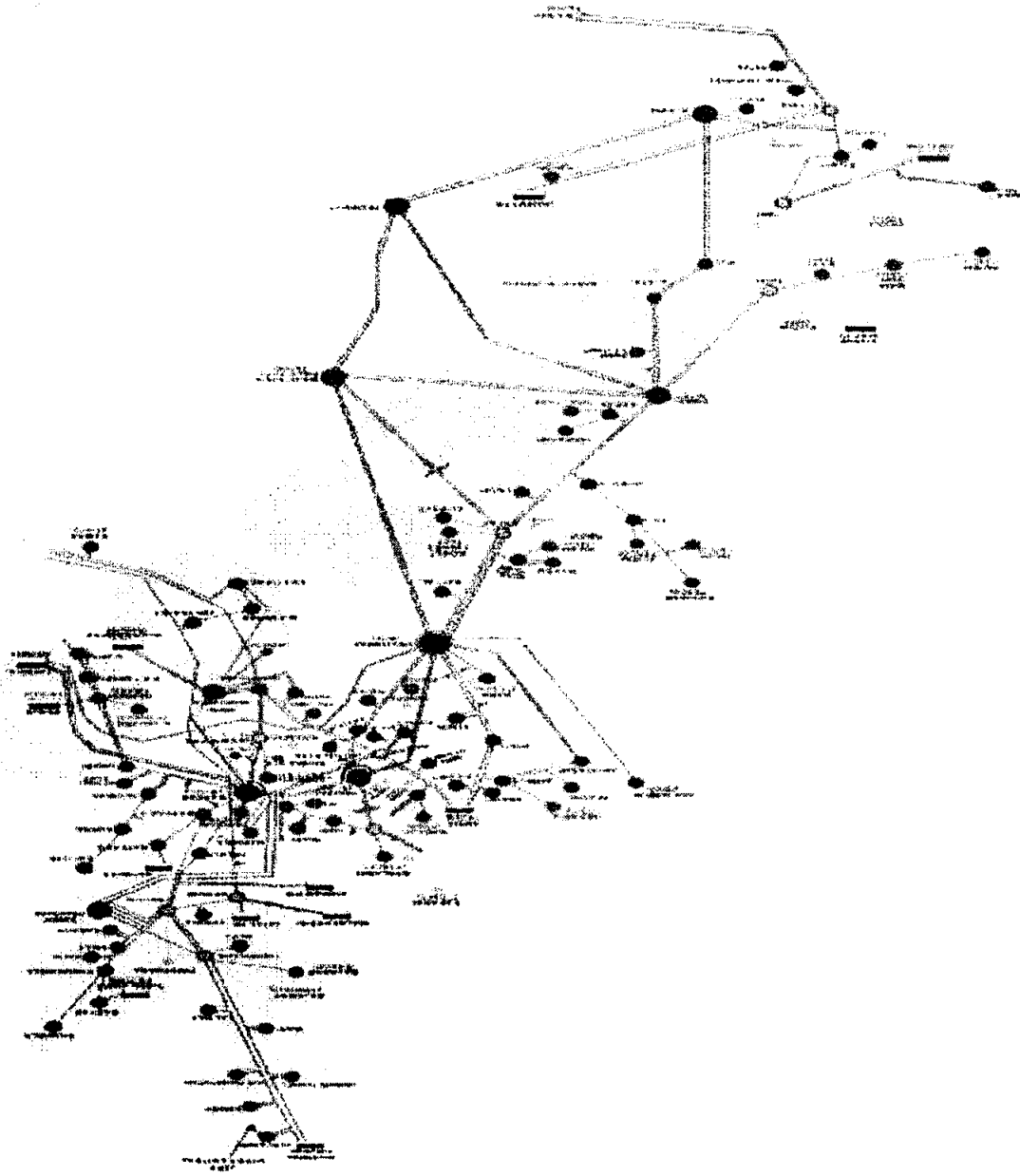
Agenda Point #(ii).

STUDY OF PROPOSED NETWORKS AFTER BIFURCATION

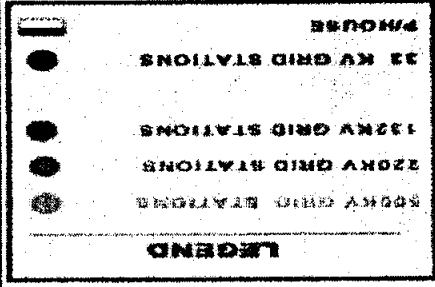
GEOGRAPHICAL MAP OF PESCO



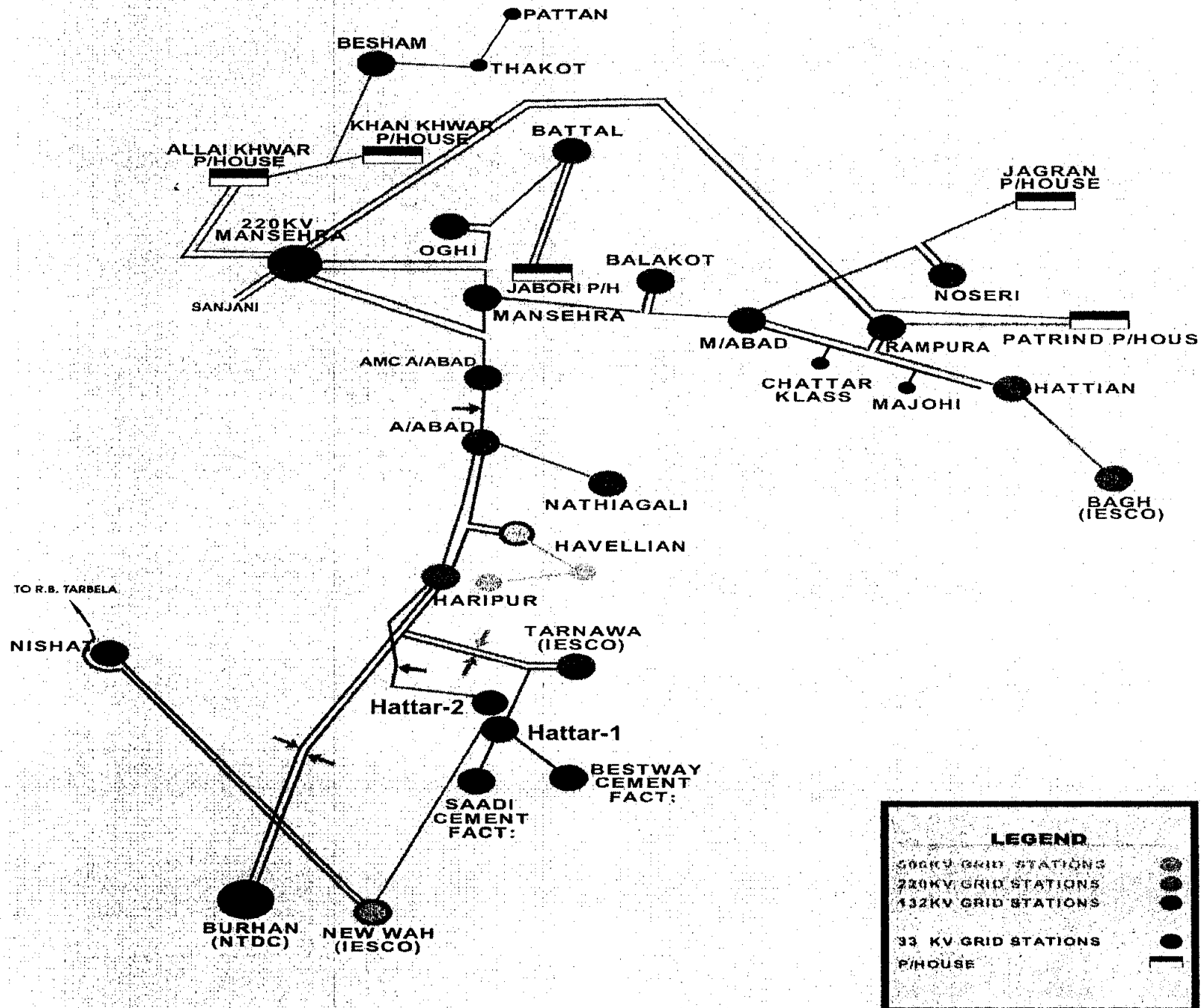
GEOKARTHAL MAP OF REMAINING PESCU



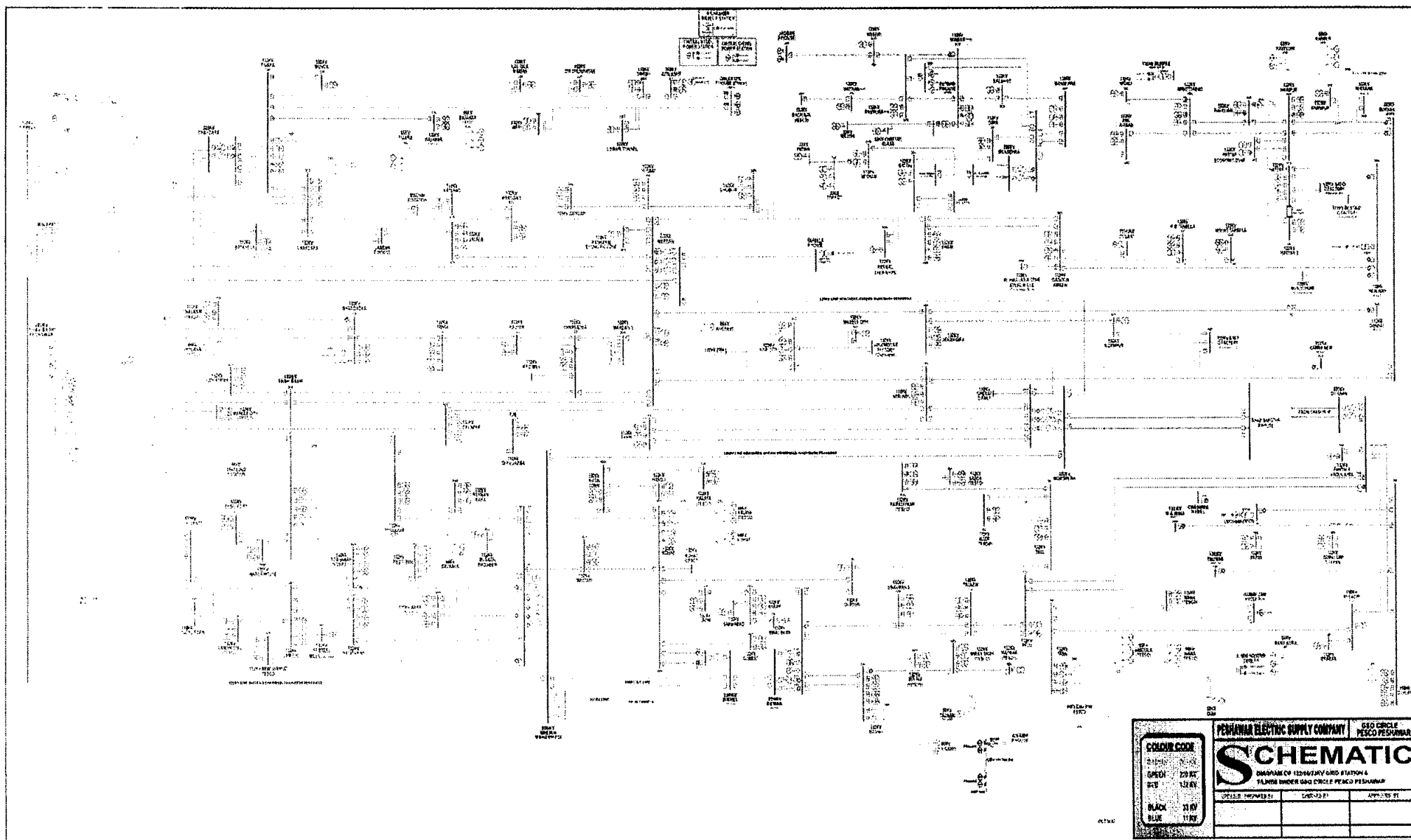
OCT 1972



GEOGRAPHICAL MAP OF PROPOSED HAZECO

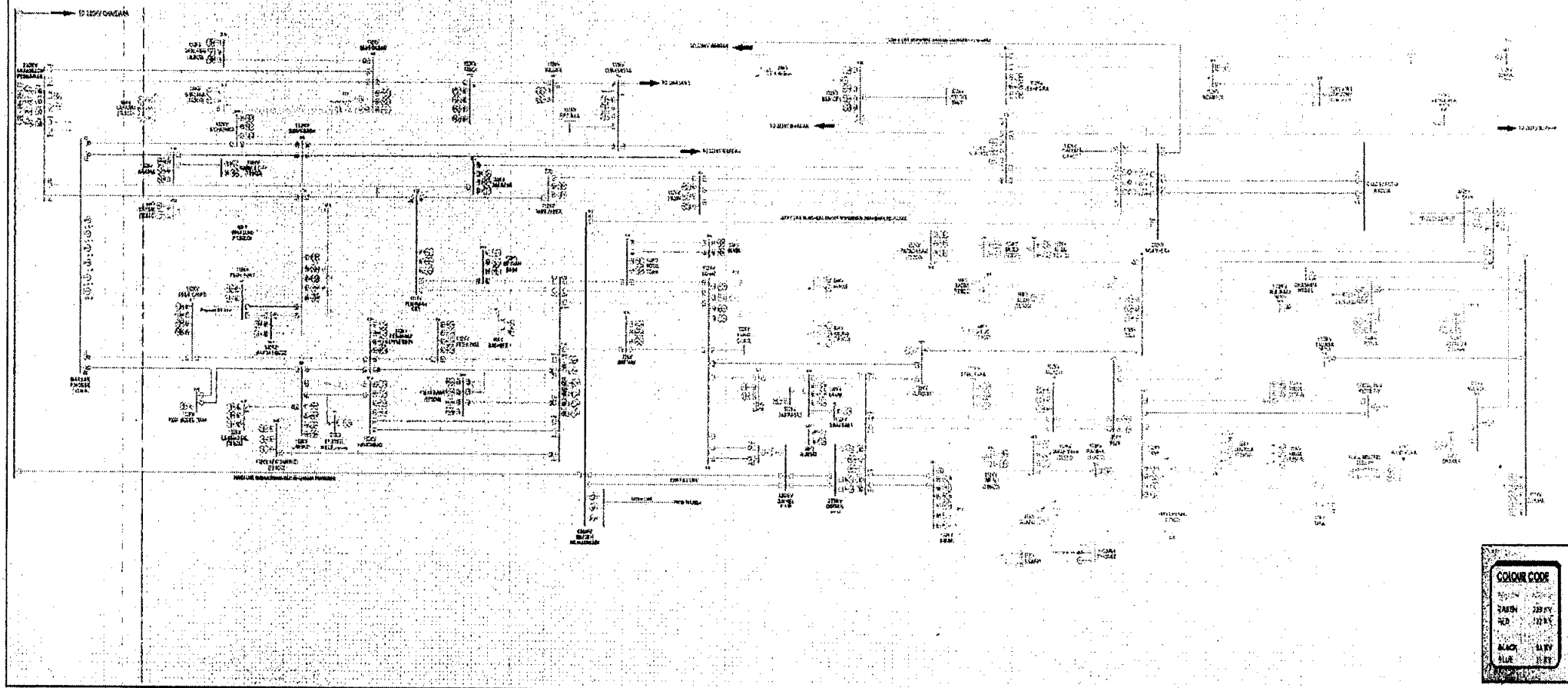


SYSTEM NETWORK DIAGRAM OF PESCO

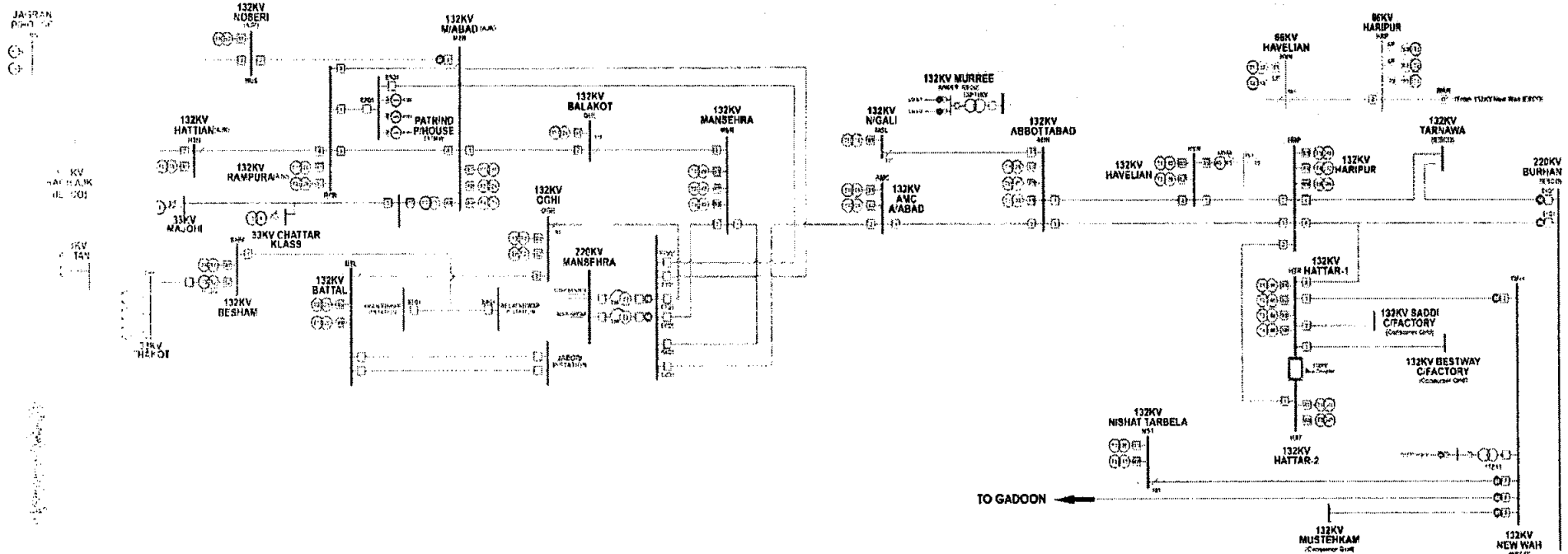


SYSTEM NETWORK DIAGRAM OF REMAINING PESCO

SYSTEM DIAGRAM - REMAINING PESCO

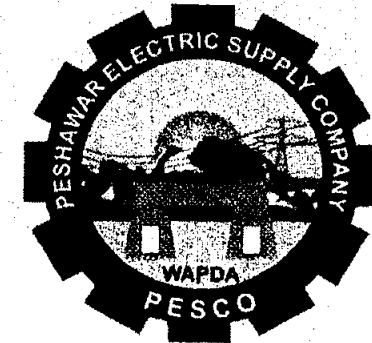
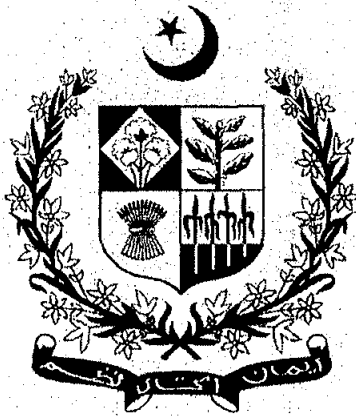


SYSTEM NETWORK DIAGRAM OF PROPOSED HAZECO



COLOUR CODE	
BROWN	220 KV
GREEN	220 KV
RED	132 KV
BLACK	33 KV
BLUE	11 KV

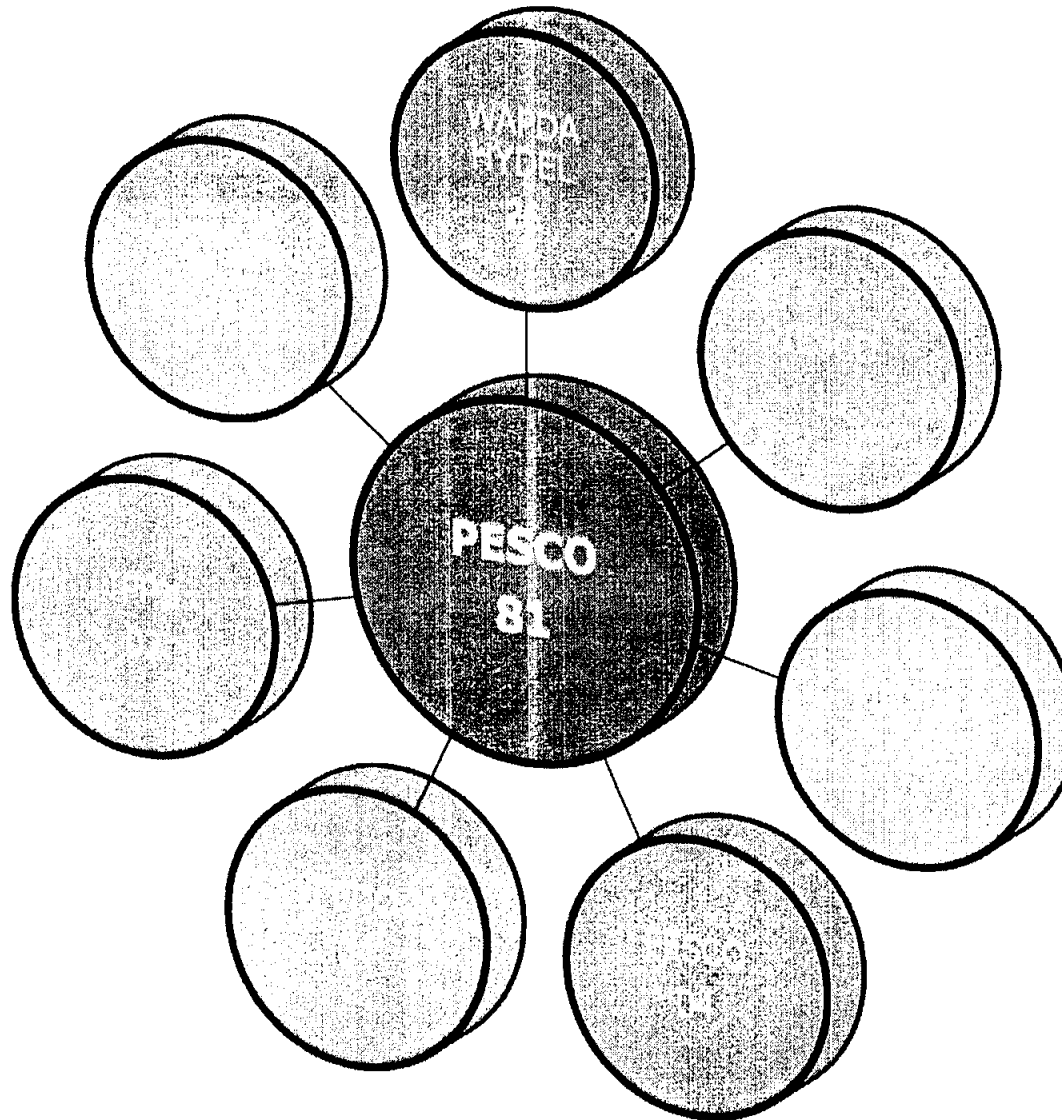
PROPOSAL FOR BIFURCATION OF PESCO



Agenda Point #(iii).

STUDY OF CDPs POWER SOURCES FROM WHERE PROPOSED COMPANIES CAN IMPORT POWER

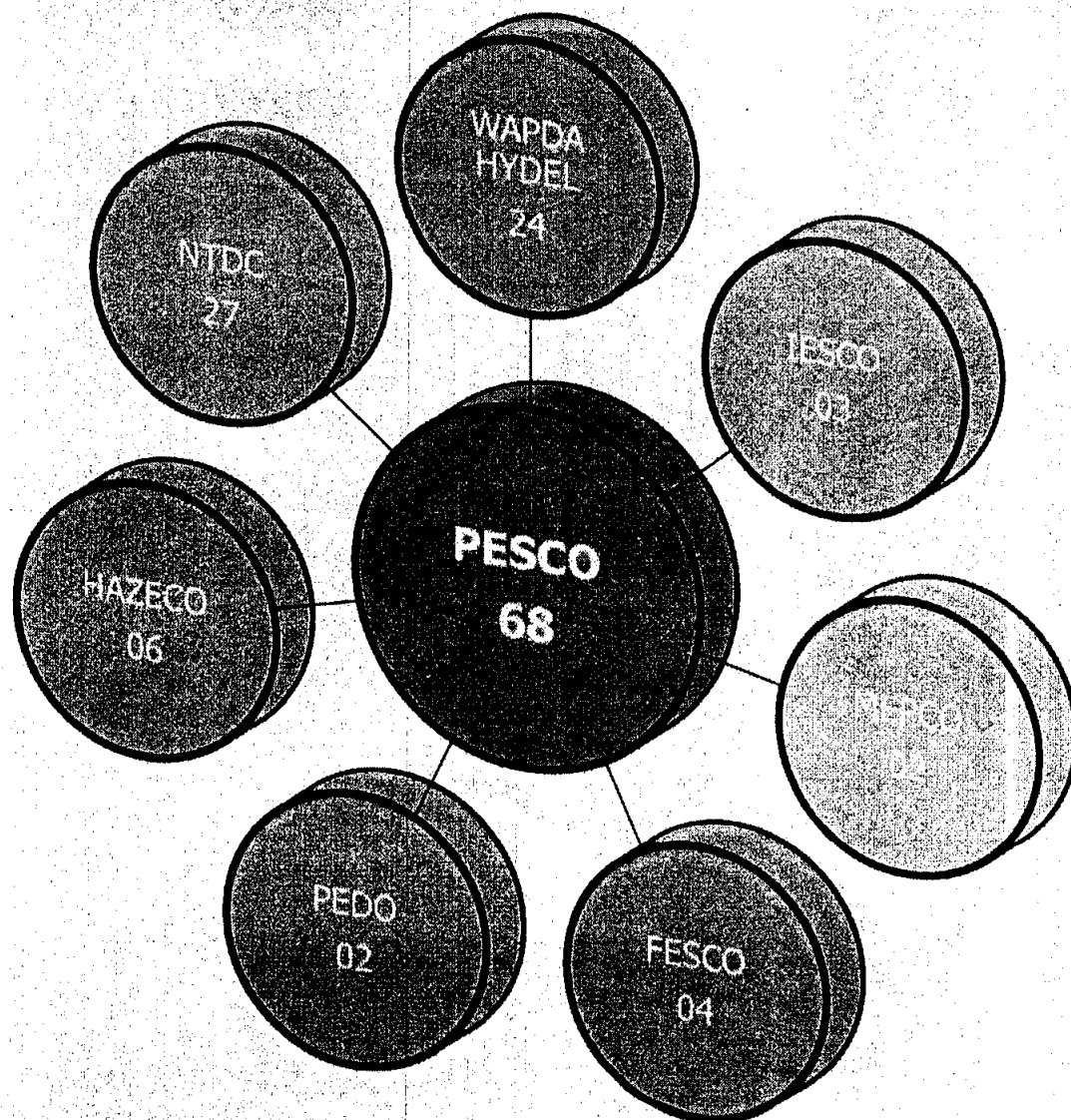
COMMON DISTRIBUTION POINTS (PESCO & OTHER COMPANIES)



PESCO

132KV	:	58
66KV	:	02
11KV	:	21

COMMON DISTRIBUTION POINTS (REMAINING PESCO & OTHER COMPANIES)

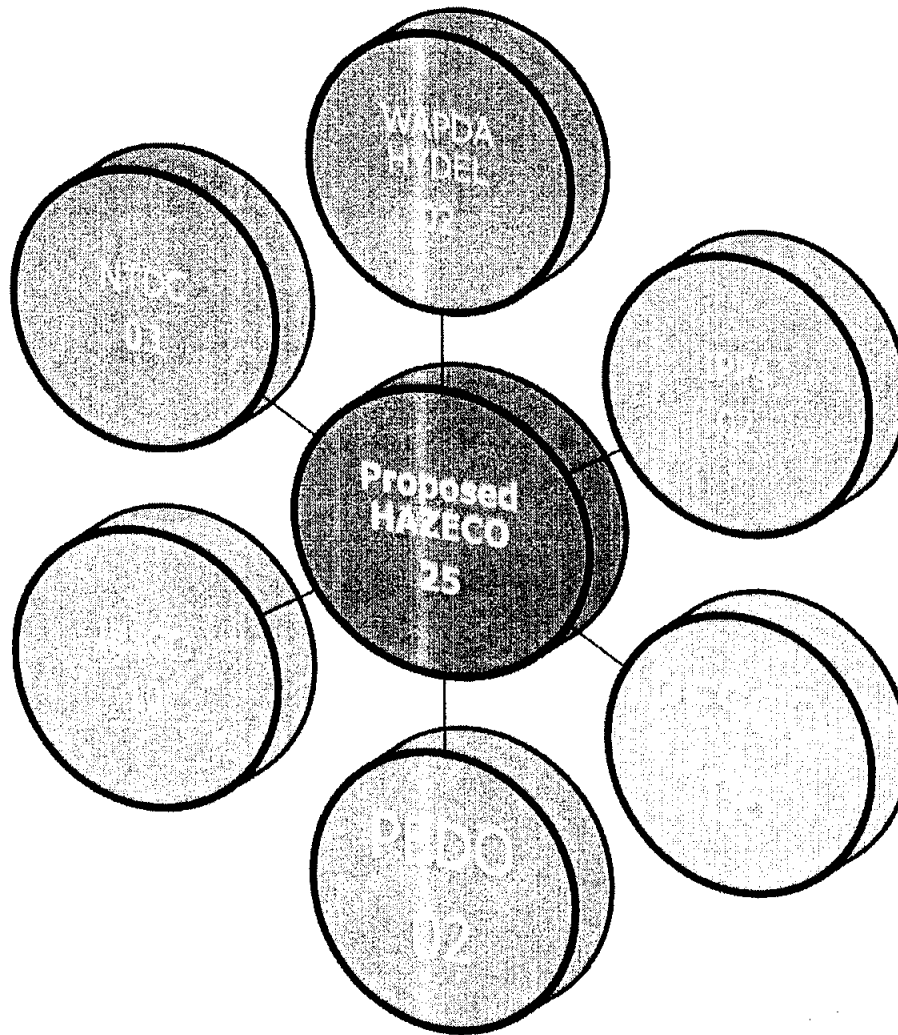


REMAINING PESCO

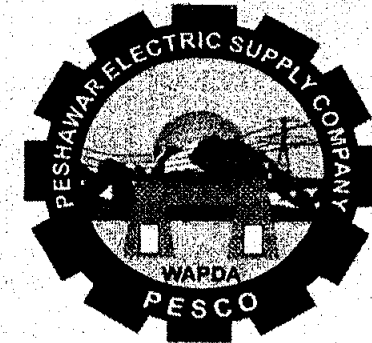
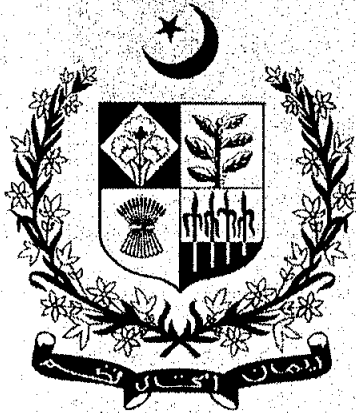
132KV	:	44
66KV	:	01
11KV	:	23

COMMON DISTRIBUTION POINTS (PROPOSED HAZECO & OTHER COMPANIES)

132KV: 15
66KV : 01
11KV : 09



PROPOSAL FOR BIFURCATION OF PESCO



Agenda Point #(iv).

LOAD FLOW STUDIES FOR ASCERTAINING THE STABILITY OF PROPOSED NETWORKS.

PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(iv).

❖ TECHNICAL LOSS

Company	Total Demand (MW) as per study	Demand (MW)	Power Loss	%age Technical Loss As per Study
PESCO (Existing)	2787.6	2712.8	74.8	2.68
PESCO (Remaining)	2251.8	2195.3	56.5	2.51
Proposed HAZECO	535.9	517.5	18.4	3.43

Agenda Point #(iv).

PESCO - HAZECO LOAD FLOW STUDIES BASE CASE 2023-24

PTI INTERACTIVE POWER SYSTEM SIMULATOR--PSS(R)E MON, NOV 27 2023 13:44

PESCO - HAZECO LOAD FLOW STUDIES

AREA TOTALS

BASE CASE-2023-24

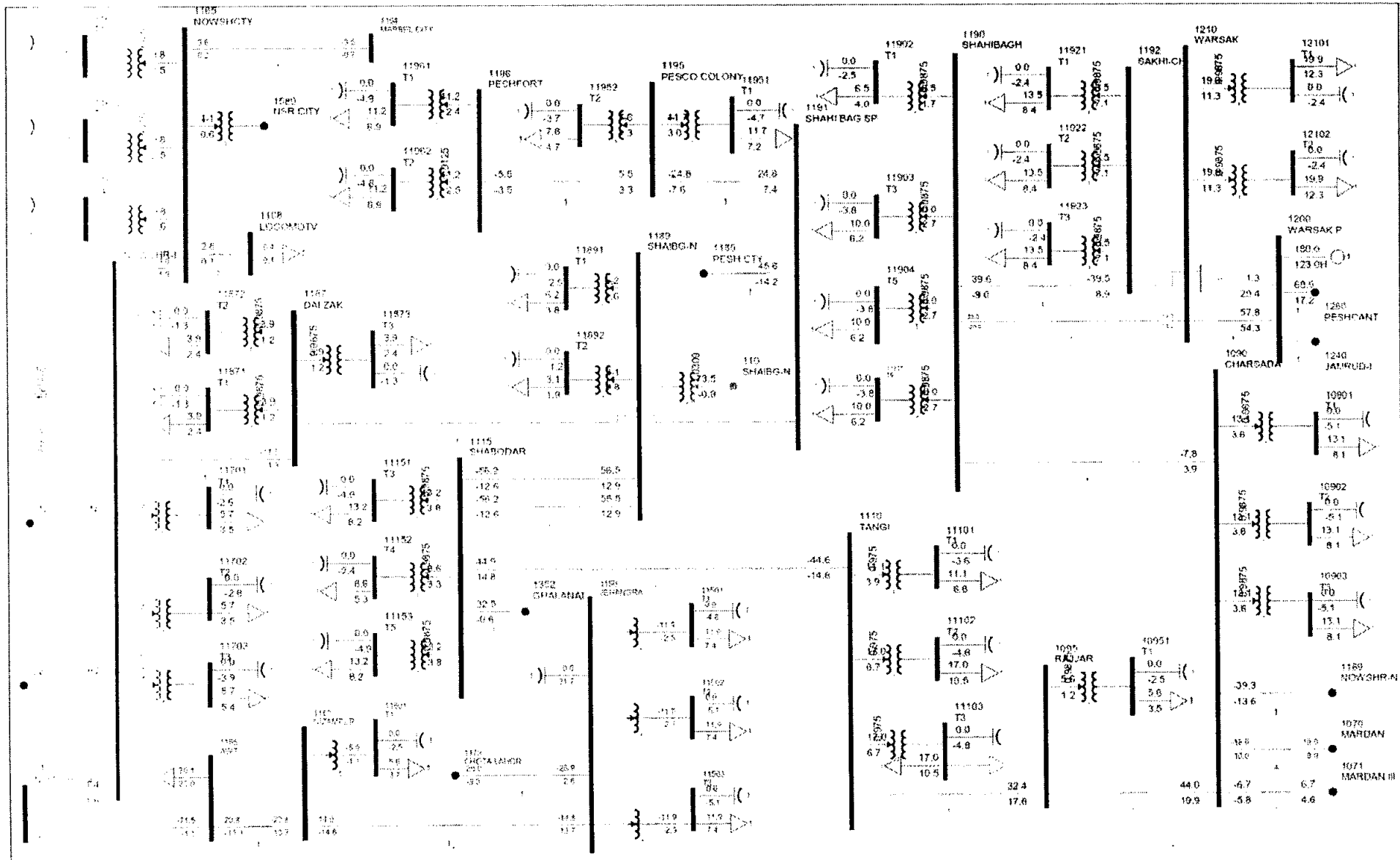
IN MW/MVAR

		FROM ---ASSIGNED TO THE AREA---				TO			-NET INTERCHANGE-				
X-- AREA --X INT		GENE- FROM IND	TO IND	TO	TO BUS	GNE BUS	TO LINE	FROM	TO	TO TIE	TO TIES	DESIRED	NET
		RATION GENERATN	MOTORS	LOAD	SHUNT	DEVICES	SHUNT	CHARGING	LOSSES	LINES	+ LOADS		
1		648.6	0.0	0.0	2195.3	0.0	0.0	0.0	0.0	56.5	-2043.5	-1603.1	0.0
PESCO		186.6	0.0	0.0	1266.9	-1124.1	0.0	-0.0	207.9	451.2	-466.9	-199.6	
11		455.7	0.0	0.0	517.5	0.0	0.0	1.1	0.0	18.4	272.8	-81.3	0.0
HAZECO		-14.8	0.0	0.0	267.5	-20.1	0.0	-0.0	42.6	74.5	-80.3	-294.0	
COLUMN		1104.3	0.0	0.0	2712.8	0.0	0.0	1.1	0.0	74.8	-1770.7	-1684.4	0.0
TOTALS		171.8	0.0	0.0	1534.4	-1144.2	0.0	0.0	250.6	525.7	-547.2	-493.6	

Agenda Point #(iv). (REMAINING PESCO)

PESCO LOAD FLOW STUDY YEAR 2023-24: BASE CASE

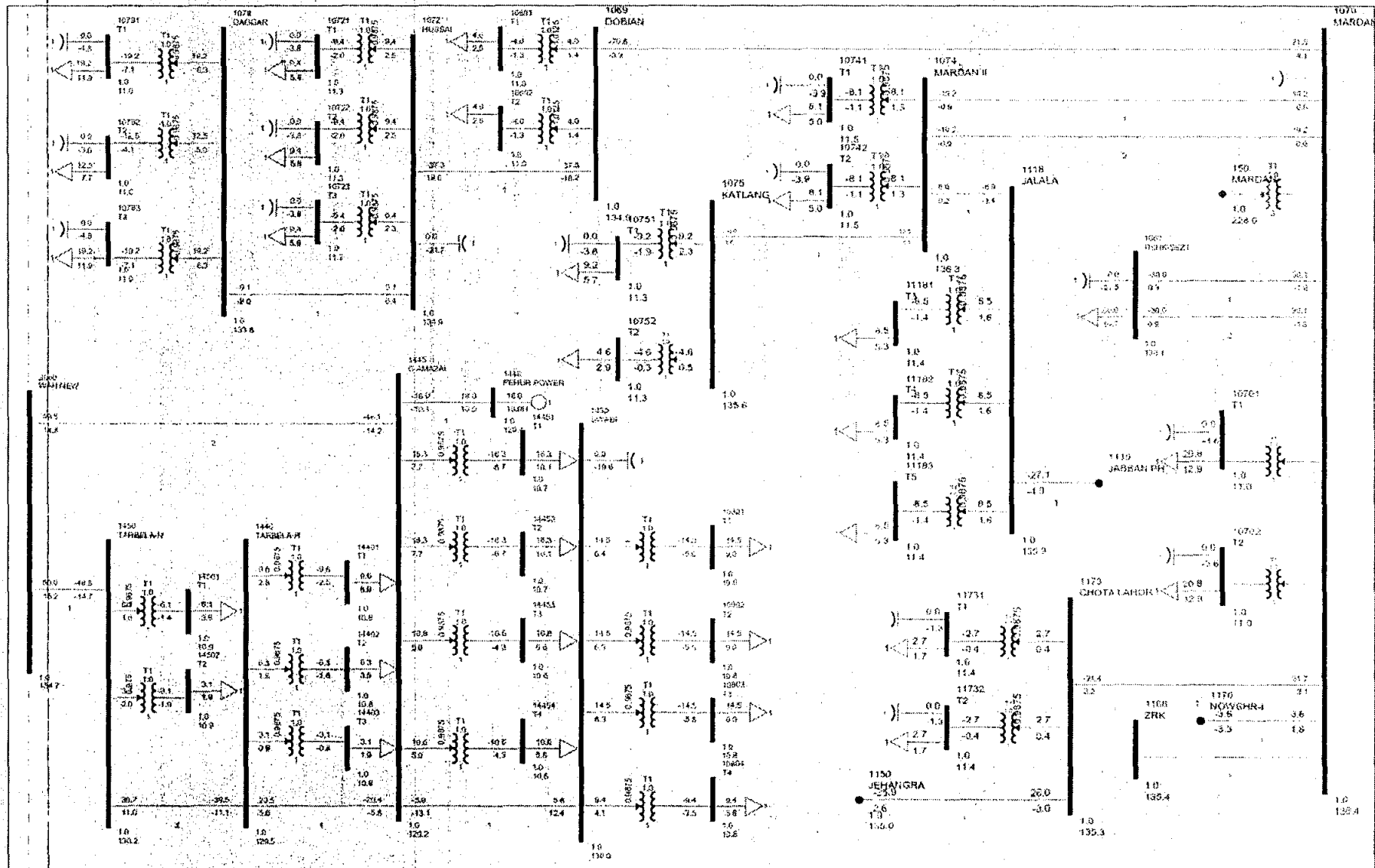
Exhibit-1



Agenda Point #(iv).
(REMAINING PESCO)

**MARDAN LOAD FLOW STUDY
YEAR 2023-24: BASE CASE**

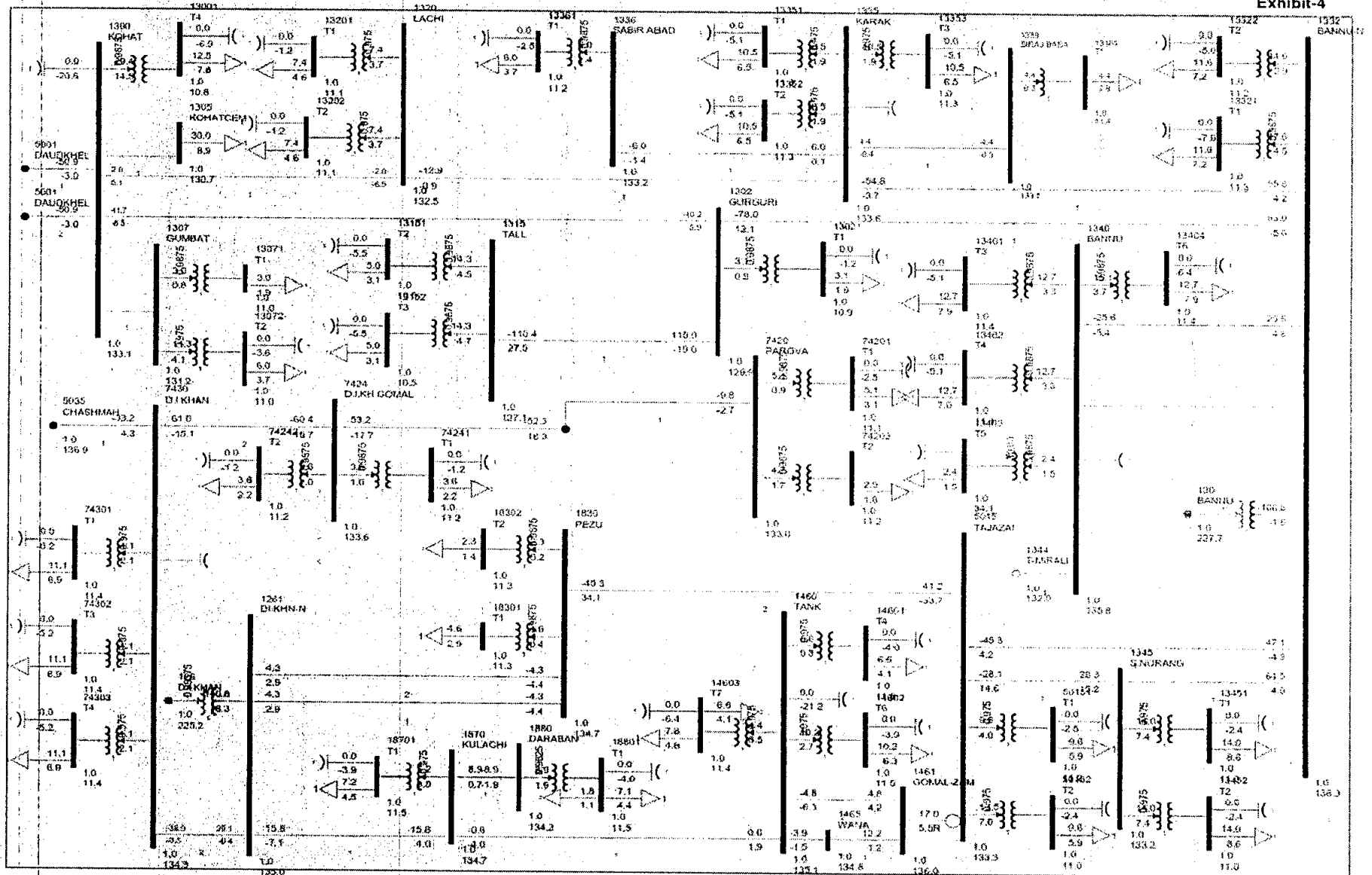
Exhibit-2



Agenda Point #(iv). (REMAINING PESCO)

PESCO LOAD FLOW STUDY YEAR 2023-24: BASE CASE

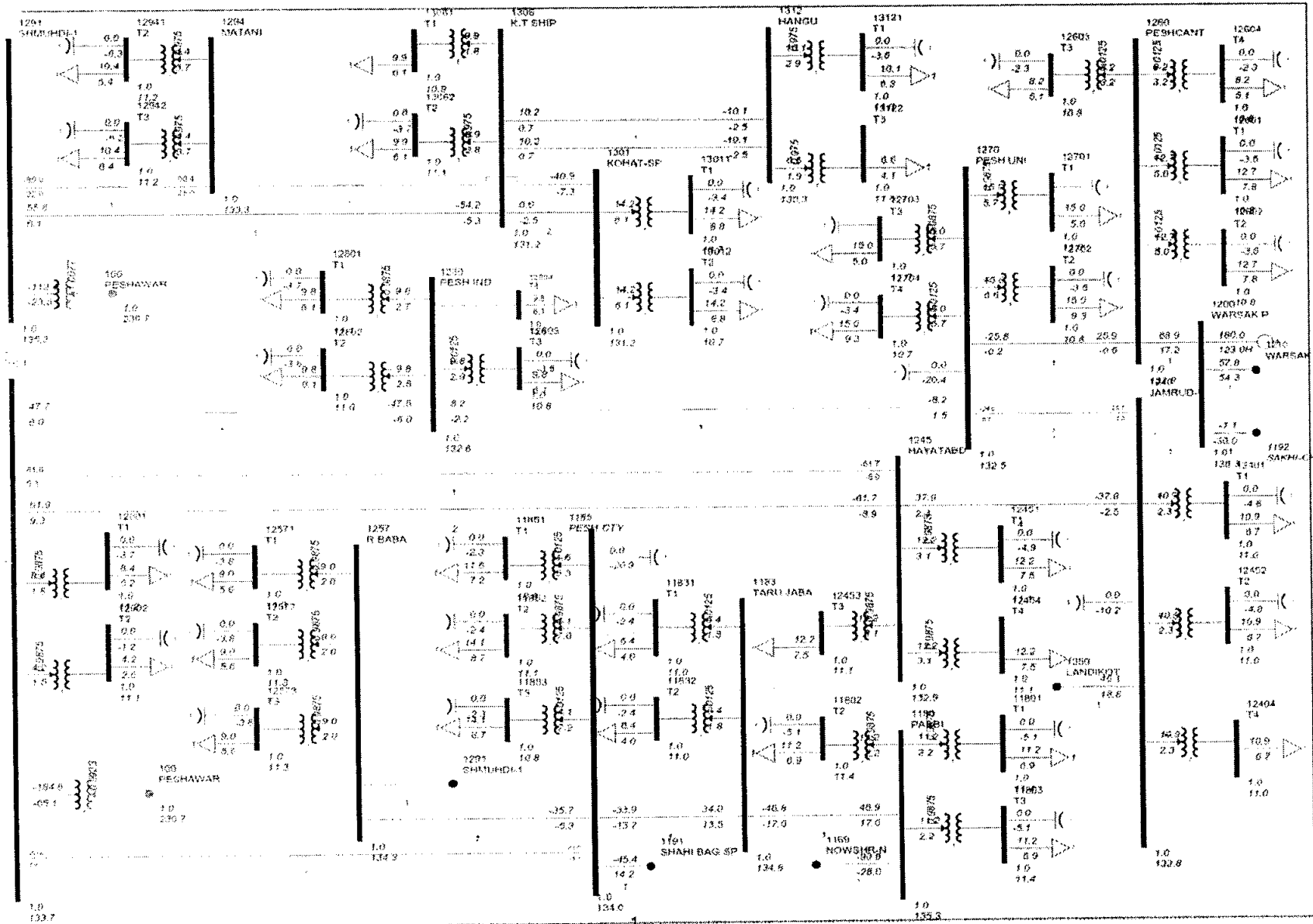
Exhibit-4



Agenda Point #(iv). (REMAINING PESCO)

PESCO LOAD FLOW STUDY YEAR 2023-24: BASE CASE

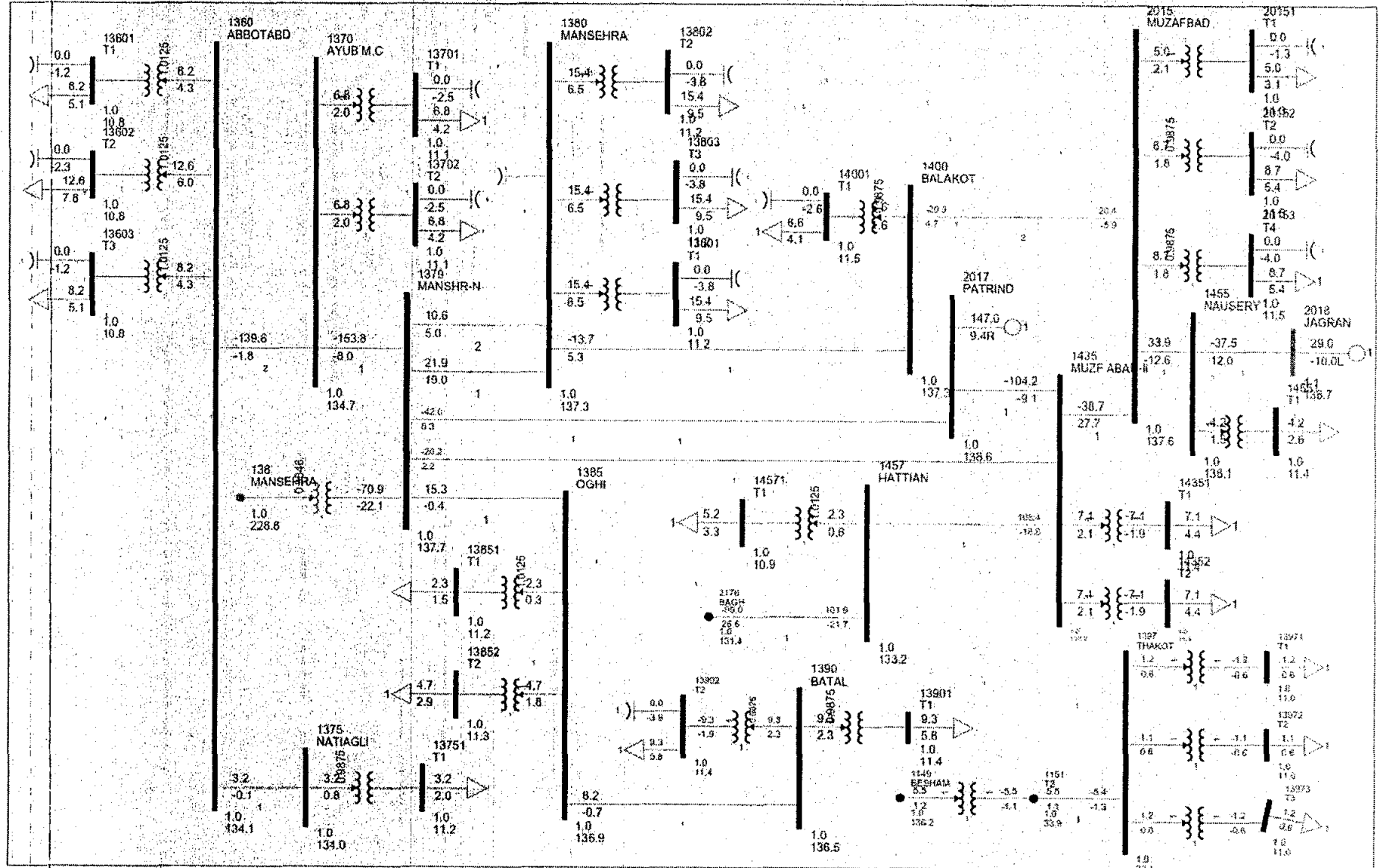
Exhibit-5



Agenda Point #(iv). **(PROPOSED HAZECO)**

HAZECO LOAD FLOW STUDY **YEAR 2023-24: BASE CASE**

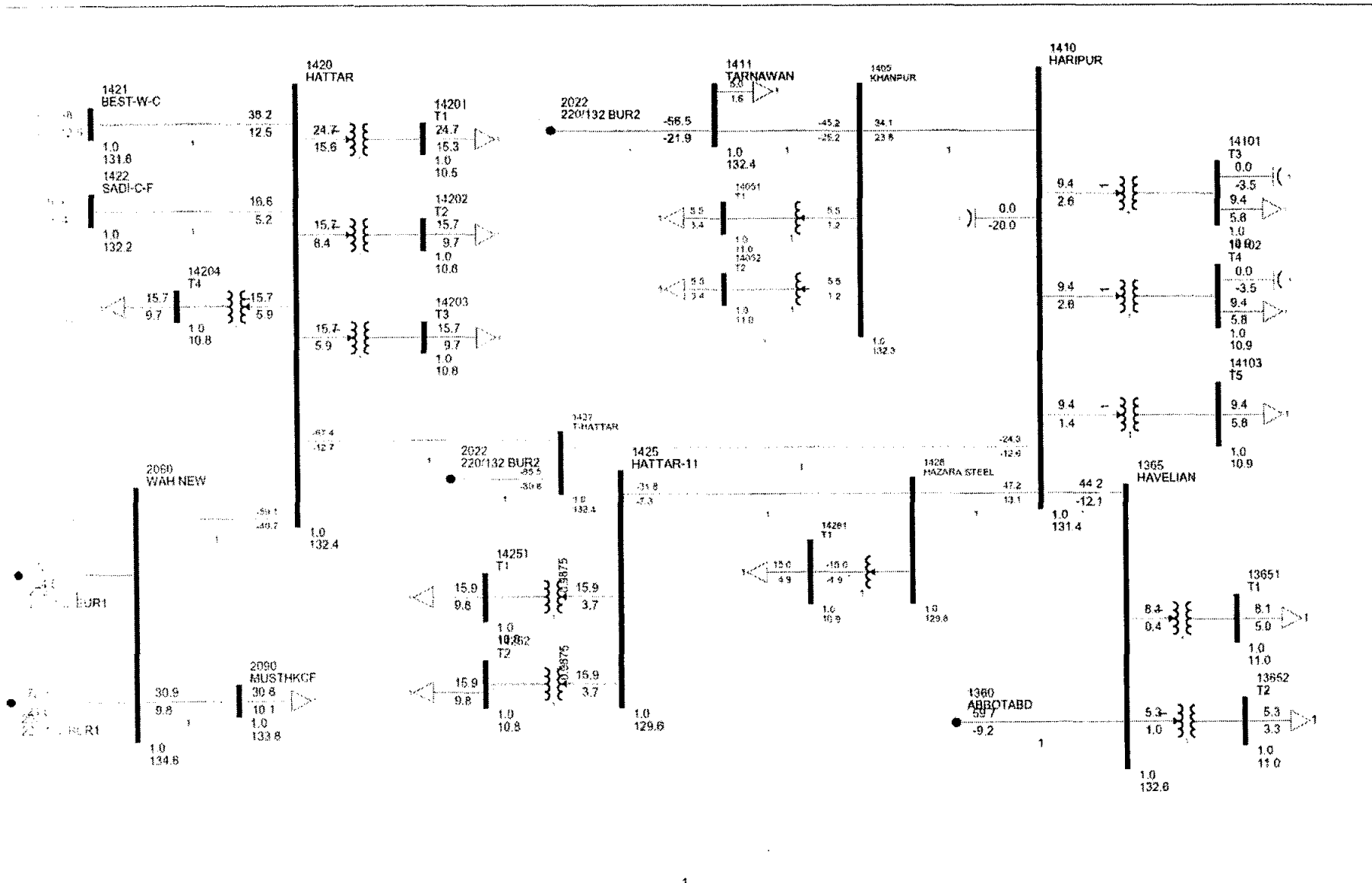
Exhibit-1



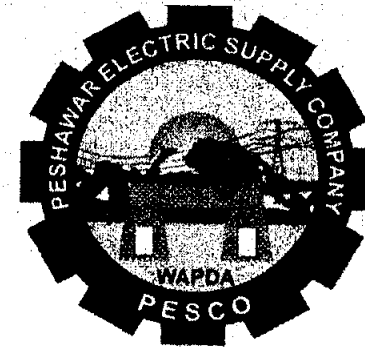
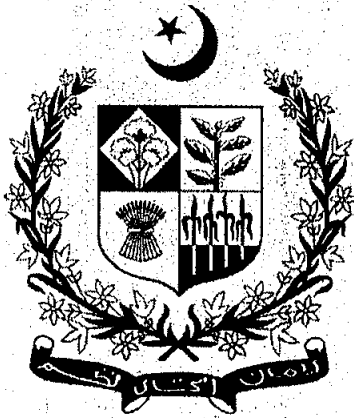
Agenda Point #(iv). (PROPOSED HAZECO)

HAZECO LOAD FLOW STUDY YEAR 2023-24: BASE CASE

Exhibit-2



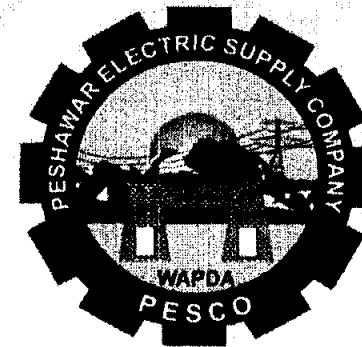
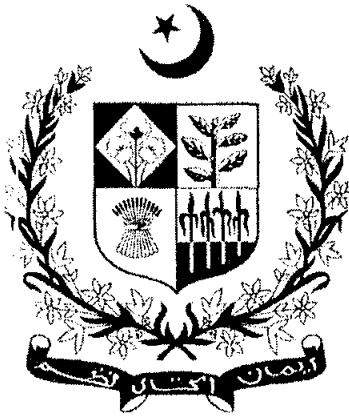
PROPOSAL FOR BIFURCATION OF PESCO



Agenda Point #(v).

❖ Allocation of Stores & Assest to HAZECO

PROPOSAL FOR BIFURCATION OF PESCO



Agenda Point #(vi) b.

- ❖ **Complete Information regarding receivables from consumers related to HAZECO as well as subsidy receivables**

PROPOSAL FOR BIFURCATION OF PESCO
Agenda Point #(vi) b.
COMMERCIAL PARAMETERS (RECEIVABLES)

With Subsidy

Figures in Rs; Billion

DISCO	Fiscal Year 2023-24		
	Govt;	Private	Total
PESCO (Existing)	21.08	198.44	219.52
PESCO(Remaining)	8.17	190.64	198.81
Proposed HAZECO	12.91	7.80	20.71

Without Subsidy

DISCO	Fiscal Year 2023-24		
	Govt;	Private	Total
PESCO (Existing)	20.82	194.20	215.02
PESCO(Remaining)	8.03	187.25	195.28
Proposed HAZECO	12.79	6.94	19.74

PROPOSAL FOR BIFURCATION OF PESCO

Agenda Point #(xiii).

ALLOCATION OF STORES & ASSESTS

EXISTING SETUP OF (MM) STORES OF PESCO

Regional Stores

- 1) Regional Store Peshawar
- 2) Regional Store Nowshera
- 3) Regional Store Bannu
- 4) Regional Store Abbotabad
- 5) Regional Store Chakdara

Field Stores

- 1) Field Store Charsadda
- 2) Field Store Mardan
- 3) Field Store Kohat
- 4) Field Store Hangu
- 5) Field Store D.I.Khan
- 6) Field Store Swabi
- 7) Field Store Swat
- 8) Field Store Haripur
- 9) Field Store Mansehra

SETUP OF (MM) STORES REMAINING PESCO

Regional Stores :

- 1) Regional Store Peshawar
- 2) Regional Store Nowshera
- 3) Regional Store Bannu
- 4) Regional Store Chakdara

Field Stores :

- 1) Field Store Charsadda
- 2) Field Store Mardan
- 3) Field Store Kohat
- 4) Field Store Hangu
- 5) Field Store D.I.Khan
- 6) Field Store Swat
- 7) Field Store Swabi

SETUP OF (MM) STORES PROPOSED HAZECO

Regional Stores :

- 1) Regional Store Abbotabad

Field Stores :

- 1) Field Store Haripur
- 2) Field Store Mansehra

1) Field Stone

Field Stone

NOTICE TO THE PUBLIC

- 3) Field Stone
- 1) Field Stone

Field Stone

Field Stone

Field Stone

Field Stone

Field Stone

Field Stone

Field Stone

Field Stone

Field Stone

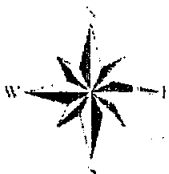
Field Stone

Field Stone

Field Stone

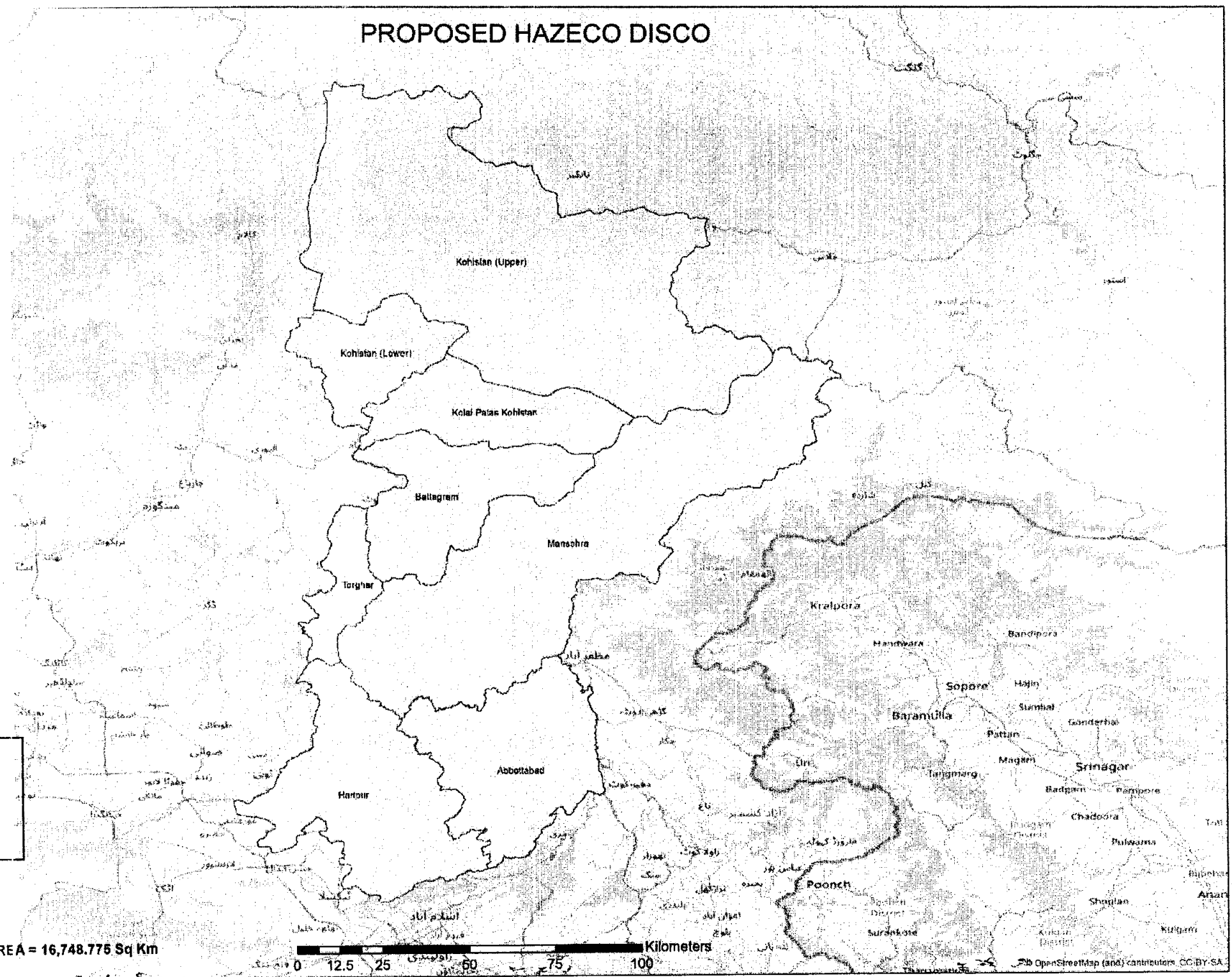
Field Stone

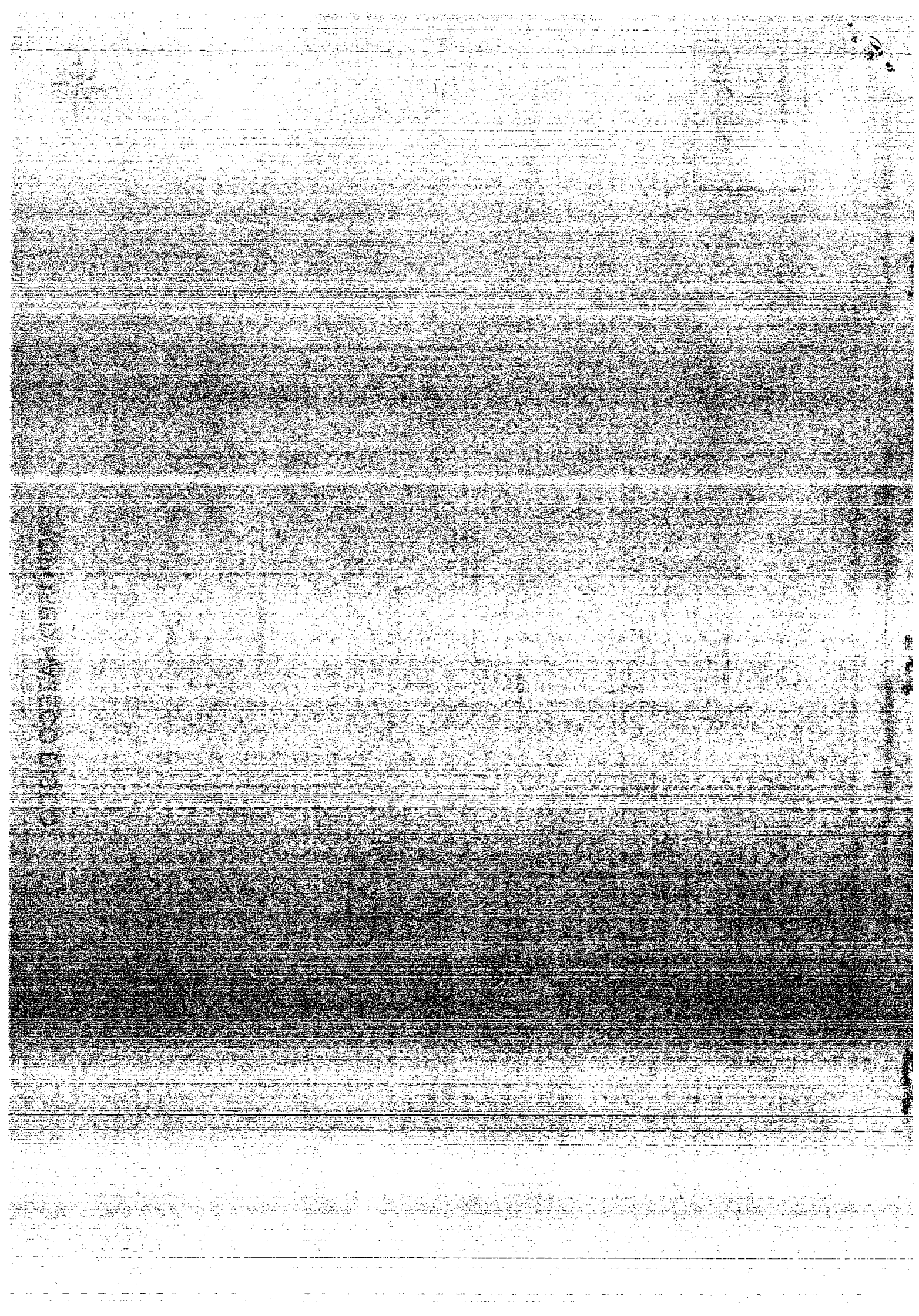
PROPOSED HAZECO DISCO



CIRCLES
HAZARA I
Manshira

DISTRICTS : 8
TOTAL COVERED AREA = 16,748.775 Sq Km





REMAINING PESCO



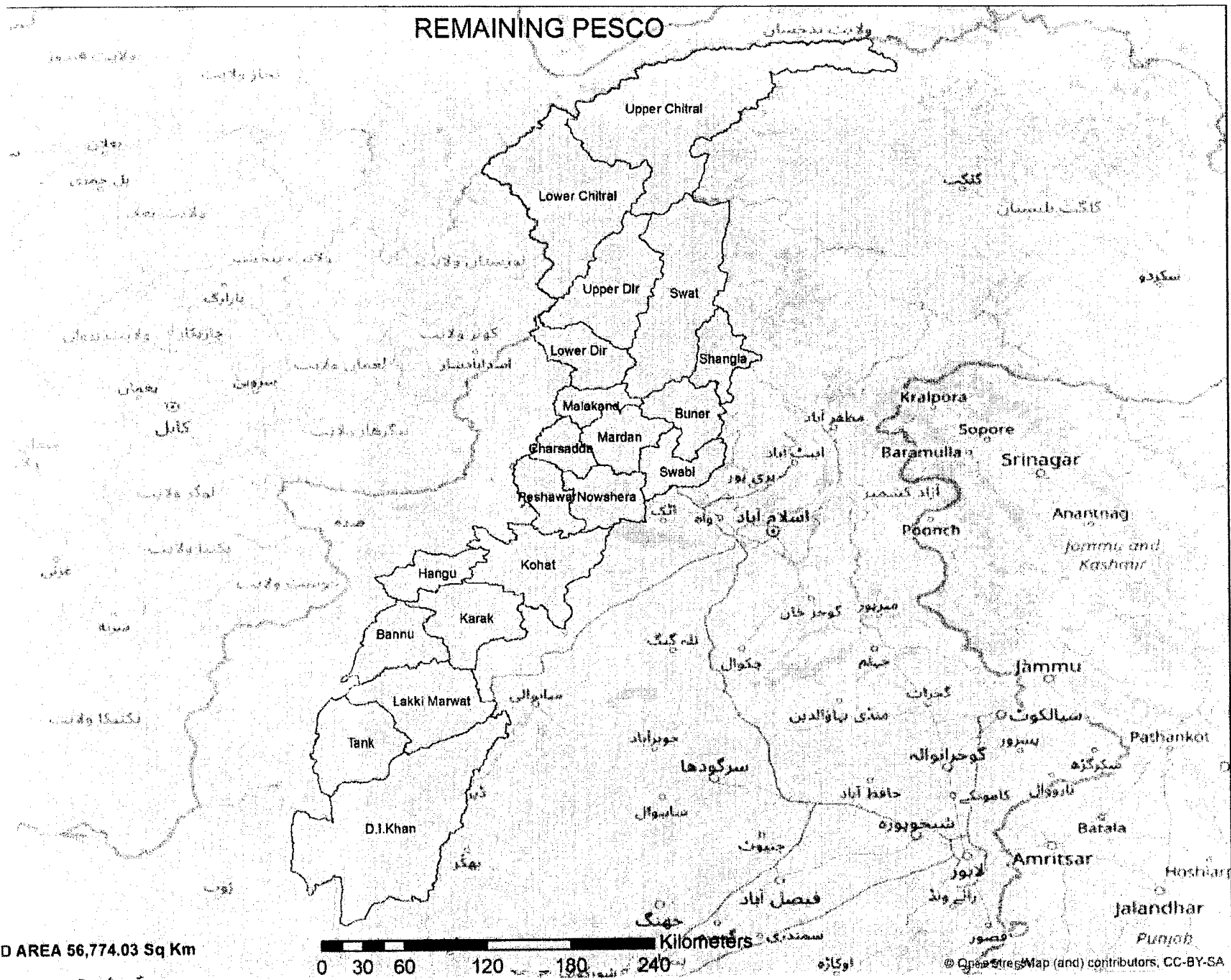
CIRCLES

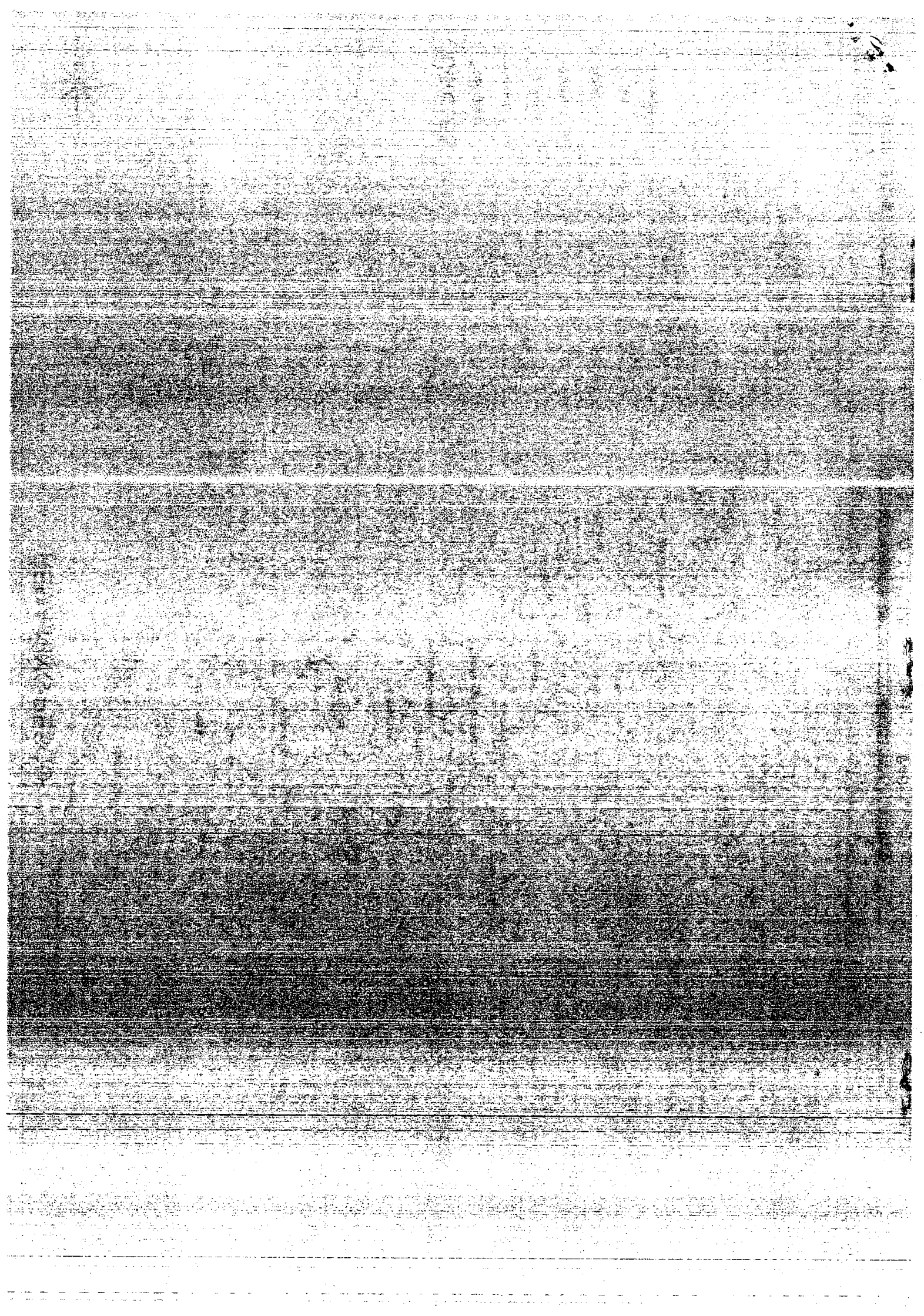
Peshawar
Khyber
Mardan
Swat
Buner
Swabi
D.I. KHAN

DISTRICTS = 20

TOTAL COVERED AREA 56,774.03 Sq Km

0 30 60 120 180 240 Kilometers







EXISTING PESCO

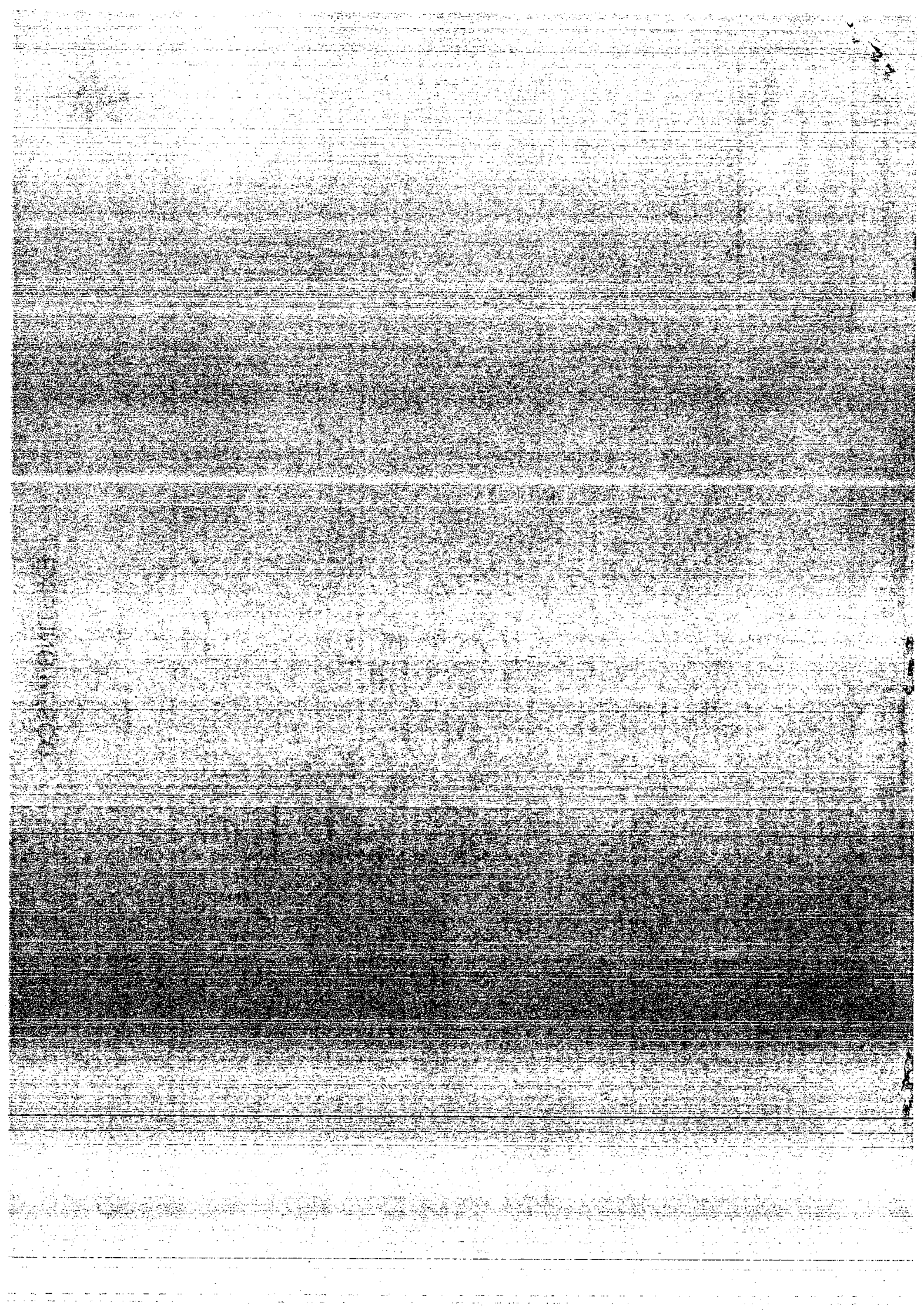
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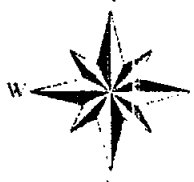
REMAINING PESCO

PROPOSED HAZECO DISCO

DISTRICTS = 28
TOTAL COVERED AREA 73522.80 Sq Km

0 35 70 140 210 280 Kilometers





EXISTING PESCO

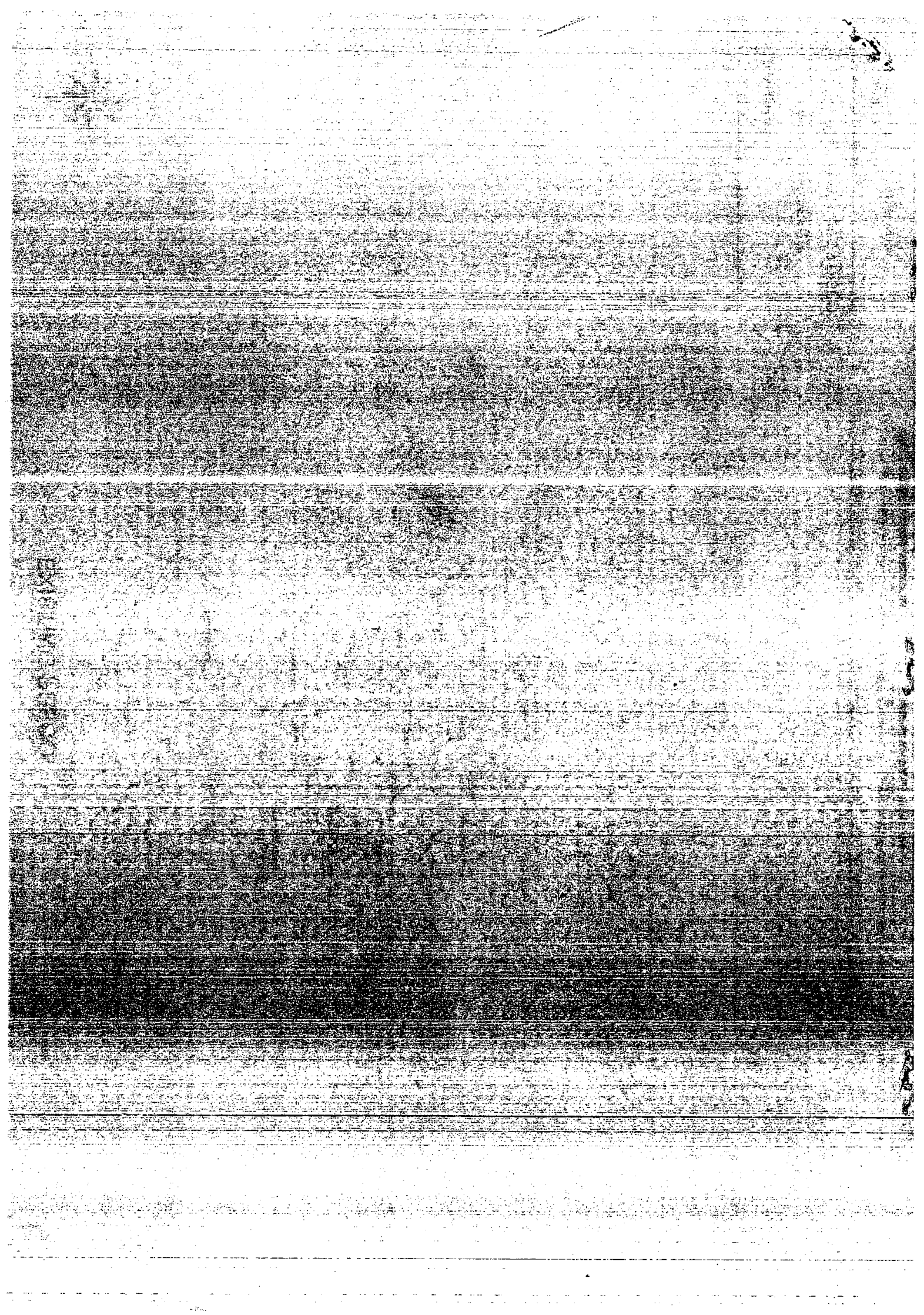
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REMAINING PESCO

PROPOSED HAZECO DISCO

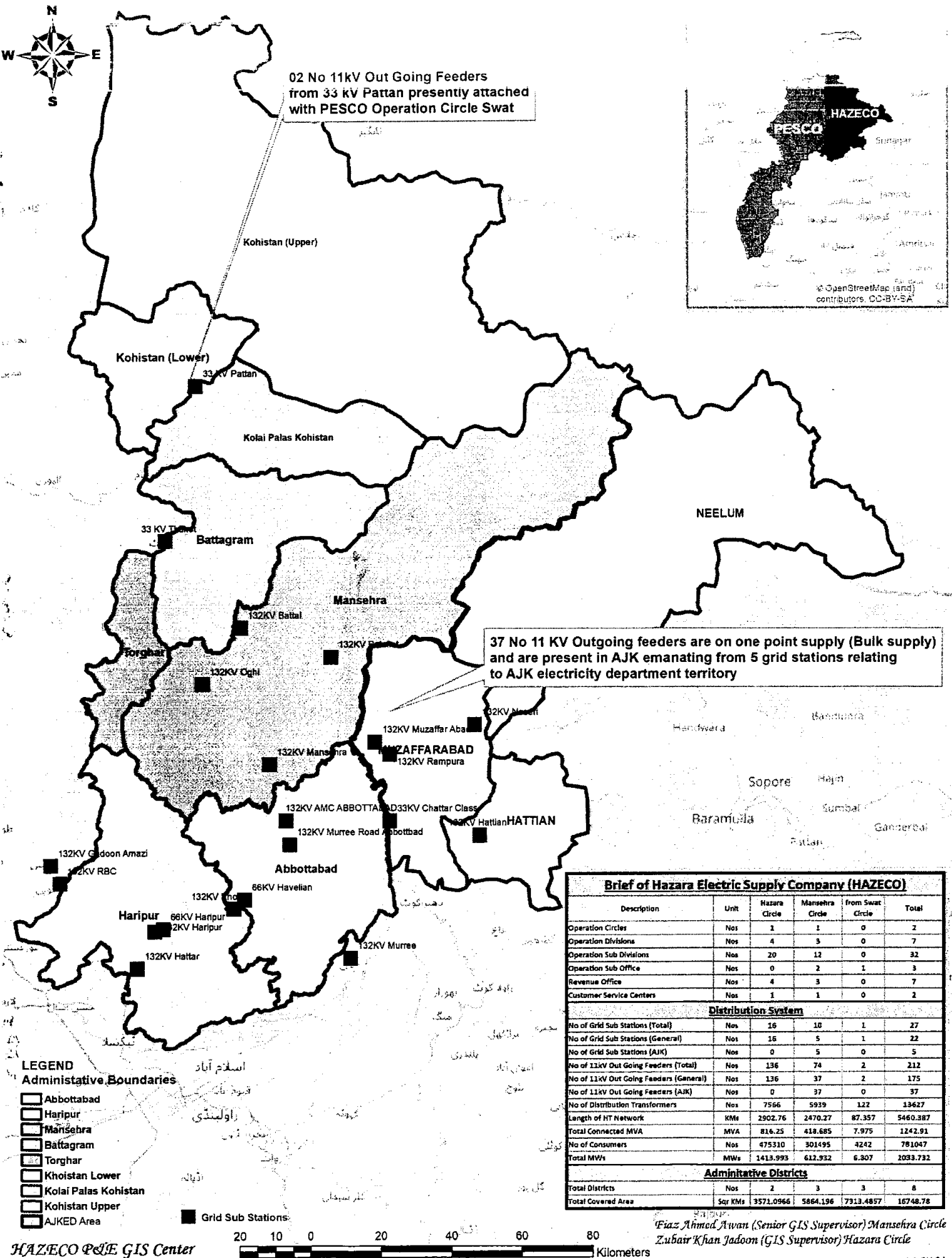
DISTRICTS = 28
TOTAL COVERED AREA 73522.80 Sq Km

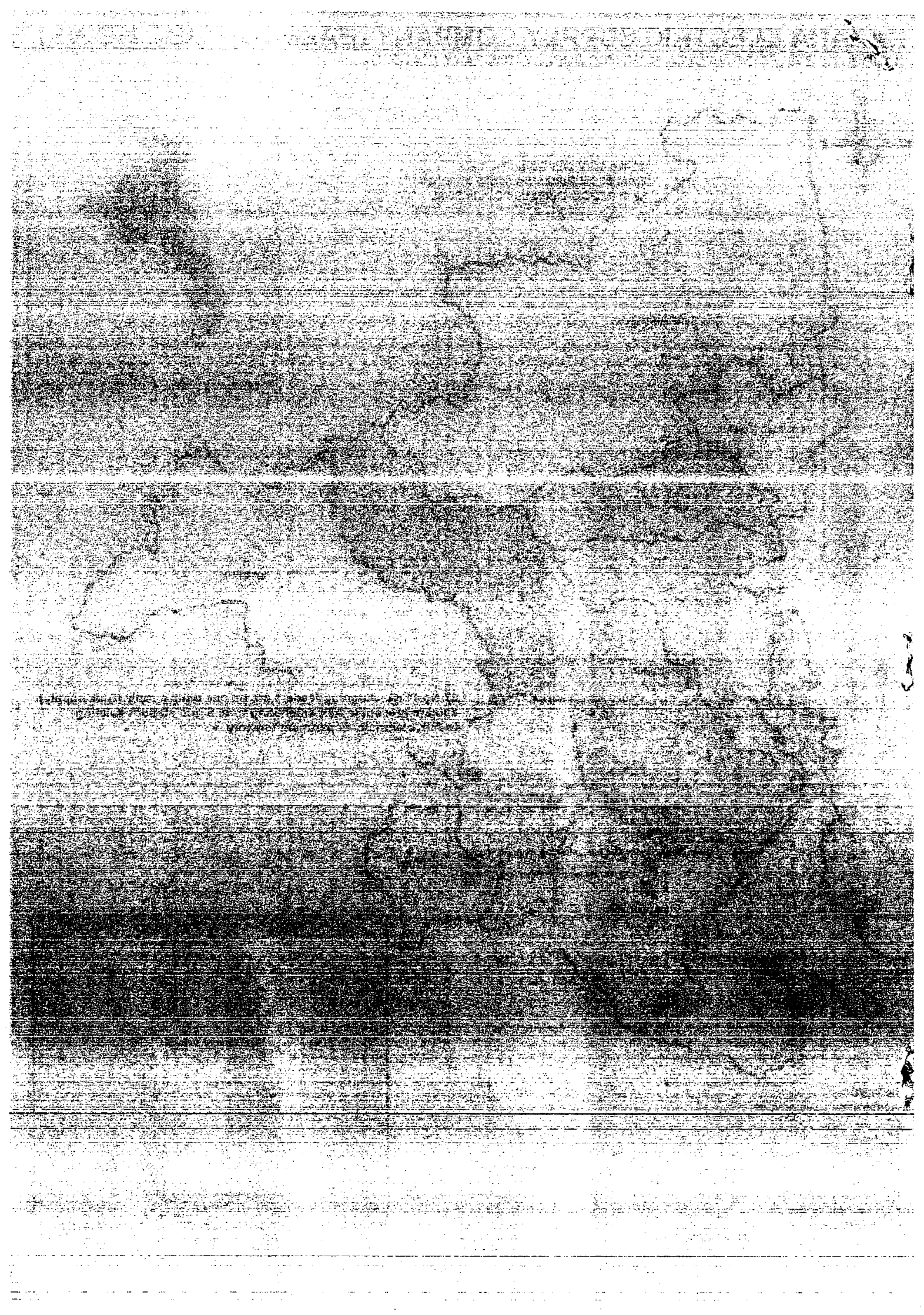
0 35 70 140 210 280 Kilometers



HAZARA ELECTRIC SUPPLY COMPANY (HAZEKO) DOC NO.N11

JURIDUCTION AREA OF HAZARA ELECTRIC SUPPLY COMPANY (HAZEKO)





GOVERNMENT OF PAKISTAN
MINISTRY OF ENERGY
(POWER DIVISION)



Islamabad, the January 07th, 2025

NOTIFICATION

No. 12(24)/2024-CA-I. In pursuance of the approval granted by the Federal Cabinet in Case No. 379/ 41/ 2024 dated 17-12-2024, it is hereby notified that Hazara Electric Supply Company (HAZECO) is authorized to take over the power distribution and supply business of Peshawar Electric Supply Company (PESCO) in the present districts of Kohistan Lower, Kohistan Upper, and Kolai Pallas.

2. HAZECO shall commence its business operations in the aforementioned districts subject to compliance with all applicable legal and regulatory requirements.
3. All concerned authorities and stakeholders are directed to facilitate the smooth transition and operationalization of HAZECO in accordance with the law.

(Qudrat Ali Khan)
Section Officer (Corporate Affairs-I)
Ph: 051-9209119

The Manager,
Printing Corporation of Pakistan Press, University Road,
Karachi.

Copy to:

1. The DG to the Minister for Energy (Power Division), Islamabad.
2. The PS to Secretary, Ministry of Energy (Power Division), Islamabad.
3. The Chairman, National Electric Power Regulatory Authority (NEPRA), Islamabad.
4. The CEO, Peshawar Electric Supply Company (PESCO), Peshawar.
5. The CEO, Hazara Electric Supply Company (HAZECO), Abbottabad.
6. Office File

THE UNIVERSITY OF CHICAGO

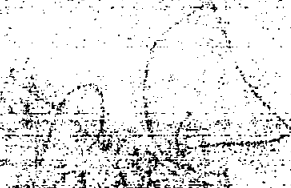
PHYSICS DEPARTMENT

CHICAGO, ILL.

TO THE PHYSICS DEPARTMENT, UNIVERSITY OF CHICAGO, FROM THE PHYSICS DEPARTMENT, UNIVERSITY OF CHICAGO, CHICAGO, ILL.

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PHYSICS DEPARTMENT

UNIVERSITY OF CHICAGO

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POWER PLANNING AND MONITORING COMPANY

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No. 3888-3904/GM(R&CO)/NEPRA/22

Dated: 27/11/2024

**Chief Executive Officers,
All DISCOs**

Subject: Modification of Distribution and Supply Licenses

Reference: SO (DISCOs-III) Ministry of Energy (Power Division) letter No. F.No.5/3/2013 D-III dated 14.11.2024 (copy attached)

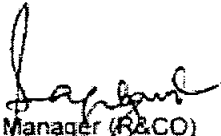
The Ministry of Energy (Power Division) has notified the Eligibility Criteria (Electric Power Supplier Licenses) Rules, 2023 via SRO 1107(1)/2023 on September 04, 2023. Rule 4(1) of these rules stipulates:

"Only an applicant holding a distribution license shall be eligible to obtain a supplier of last resort license from the Authority in its specified service territory as defined in the distribution license..."

In accordance with this obligation, the Ministry of Energy (Power Division) has addressed a letter to the Registrar, NEPRA, dated November 14, 2024, requesting modifications to the Supplier and Distribution licenses issued to DISCOs. The proposed changes include removing the provisions that mandate the legal separation of supply and distribution businesses. This adjustment aims to align the licenses with the Eligibility Criteria (Electric Power Supplier Licenses) Rules, 2023.

In this context, it is required for all DISCOs to immediately approach NEPRA for modifications to their respective licenses to ensure compliance with the rules and the Ministry's directive. A copy of the Ministry's letter dated November 14, 2024, is attached for reference.

D/A as above


General Manager (R&CO)
PPMC

Copy to: -

1. SO to Secretary, Ministry of Energy (Power Division), Islamabad.
2. SPS to Additional Secretary-I, Ministry of Energy (Power Division), Islamabad.
3. PS to Additional Secretary-II, Ministry of Energy (Power Division), Islamabad.
4. PS to JS (CAD), Ministry of Energy (Power Division), Islamabad.
5. APS to JS (Privatization), Ministry of Energy (Power Division), Islamabad.
6. CEO, CPPAG Islamabad.
7. SO to MD PPMC Evacuee Trust Complex, Islamabad.

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