



# **SUKKUR ELECTRIC POWER COMPANY**

## **ADMN BLOCK THERMAL POWER STATION OLD SUKKUR**

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Office of The  
Chief Executive Officer,  
SEPCO, Sukkur

No. CEO/ SEPCO/SUK/ MIRAD/ 33-44

Dated: 02/05/2025

→ The Registrar,  
National Electric Power Regulatory Authority (NEPRA),  
NEPRA Tower, Ataturk Avenue (East), G-5/1,  
Islamabad.

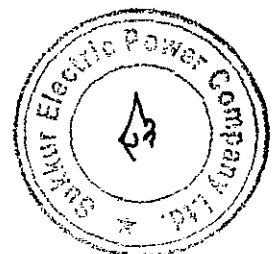
**Subject: SUBMISSION OF APPLICATION FOR LICENCE MODIFICATION AS AS DISTRIBUTION NETWORK OPERATOR(DNO) & EXTENSION FOR THE PERIOD OF TWENTY YEARS IN FAVOR OF DISTRIBUTION LICENCE TO SUKKUR ELECTRIC COMPANY LIMITED (SEPCO)**

**Reference:** [1] NEPRA Letter No. NEPRA/DG(L)/LAD-35/19666 dated 27-07-2023.  
[2] NEPRA Letter No. NEPRA/DG(L)/LAD-35/9672 dated 26.06.2024.  
[3] NEPRA Letter No. NEPRA/DG(L)/LAD-35/1990 dated 24.02.2025.  
[4] SEPCO Board Resolution 13/2025, notified vide Letter NO. 2653-69/Dated:- 23.04.2025  
[5] DG MIRAD SEPCO, letter No. DG/MIRAD/SEPCO/351-56/Dated;- 29.04.2025.

It is submitted that as per Regulatory frame work, NEPRA vide letter under reference # 01 directed SEPCO to file an application for Licensee Proposed Modification of its Distribution Licence No. 21/DL/2011 issued dated 18-08-2011 in terms of the NEPRA Act and the NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021.

Accordingly, in pursuance of Regulation (10) & (13) of the NEPRA Licensing (Application, Modification, Extension, and Cancellation) Procedure Regulations, 2021, SEPCO is submitting License proposed modification and extension (for a period of Twenty years or as deemed fit by Authority) application along with required documents, are submitted herewith,

1. Check list & Prospectus (**Annex-A**),
2. HBL cross cheque No. 00013121 sum of PKR 41,71,094 (After income tax deduction), being the license application modification fee calculated in accordance with Schedule II of the NEPRA Licensing Regulations, 2021, is also attached (**Annex-B**).
3. An Affidavit in original regarding correctness of data of distribution licence (**Annex-C**).
4. Board Resolution No. 13/2025, Circulated vide Company Secretary SEPCO Letter No. 2653-69/B-333/(Ag-13)/2025/CS/BOD/SEPCO/Dated:- 23.04.2025, **Authorizing under signed to sign & submission of application for extension, modification in SEPCO Distribution licence along with approval of applicable fees. (Annex-D).**
5. The text of the proposed modification and the reasons in support of the proposed modification are attached herewith as (**Annex-E**). →



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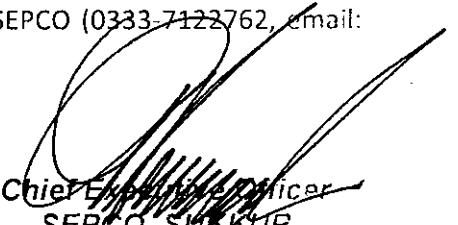
4. Board Resolution No. 13/2025, Circulated vide Company Secretary SEPCO Letter No. 2653-69/B-333/(Ag-13)/2025/CS/BOD/SEPCO/Dated:- 23.04.2025, ~~Authorizing under signed to sign~~ & submission of application for extension, modification in SEPCO Distribution licence along with approval of applicable fees. (Annex-D).

5. The text of the proposed modification and the reasons in support of the proposed modification are attached herewith as (Annex-E).

Due to other meetings and official works at Islamabad, Mr. Khalid Hussain Shaikh, Director General (MIRAD) SEPCO, was authorized to submit application along with applicable fees, keeping in view shortage of time and to avoid further delay, However Original affidavit and copies of required documents are submitted herewith.

Consequently, I Engr. Aijaz Ahmed Channa, Chief Executive Officer SEPCO, hereby request the honorable Authority for grant of modification & extension of existing Distribution Licence No. 21/DL/2011 issued to Sukkur Electric Power Company (SEPCO).

For any clarification & additional information or any other matter relating to this application Engr. Khalid Hussain Shaikh (Director General MIRAD) SEPCO (0333-7122762, email: [dgmiradsepc@gmail.com](mailto:dgmiradsepc@gmail.com)) is designated as focal person.

  
Chief Executive Officer  
SEPCO, SUKKUR

Documents Attached.

- [1] Check List as per Regulations 3(1) as per NEPRA Licensing.  
HBL Crossed Cheque no:-00013121/Dated:28.04.2025 on account of applicable Licence fee net amounting Rs.41, 71,094/- after deduction of
- [2] applicable Tax of Rs.04, 12,526/- @ (09%) from total applicable fee amounting RS. 45, 83,620/-.
- [3] Board Resolution of the company.

Already submitted by DG MIRAD SEPCO vide letter under reference # 05, however copies are being submitted again.

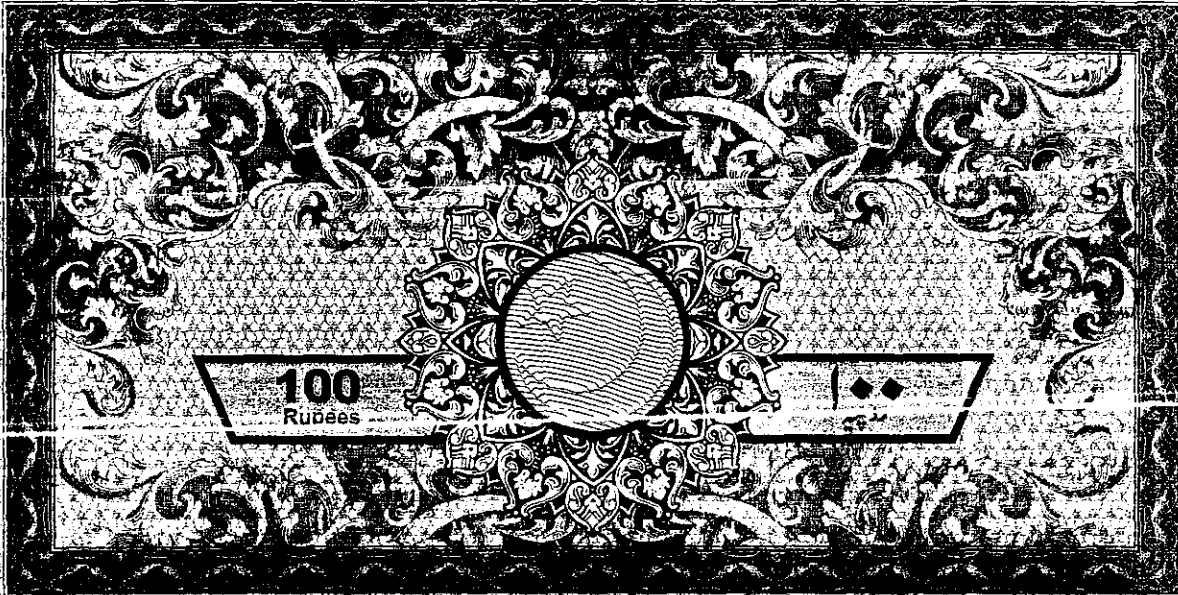
- [4] Affidavit of CEO SEPCO (Authorized Officer) on non-judicial stamp paper worth Rs.100/- Regarding correctness and accuracy of documents. ( In original), along with copies of all documents are submitted here with application.

Attached

Copy to:

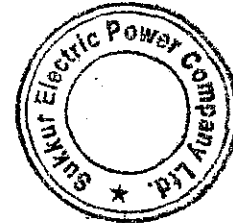
- 1. Head MOD, CPPA-G, Islamabad.
- 2. Finance Director, SEPCO, Sukkur.
- 3. Director General (HR&Admn), SEPCO, Sukkur.
- 4. Chief Operating Officer, SEPCO, Sukkur.
- 5. Chief Commercial Officer, SEPCO, Sukkur.
- 6. Chief Technical Officer, SEPCO, Sukkur.
- 7. Chief Engineer (Development) PMU, SEPCO, Sukkur.
- 8. Director General (MIRAD), SEPCO, Sukkur.
- 9. Company Secretary, BOD SEPCO, Sukkur.
- 10. Manager Legal, SEPCO, Sukkur.
- 11. PSO, to CEO SEPCO.





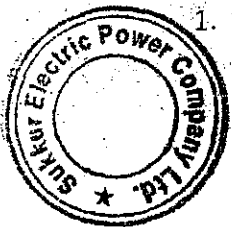
423/-  
28/04/25

Subhan Muhammad Ibrahim Soomro,  
Stamp Vendor



### AFFIDAVIT

I, Aijaz Ahmed Channa S/O Behram Khan, Designation: Chief Executive Officer, Sukkur Electric Power Company (SEPCO) Limited bearing CNIC No. 43304-0562219-1, having its office at Admin Block, Thermal Power Station, Old Sukkur, being duly authorized by SEPCO BoD, do hereby, solemnly affirm and testify that the contents of the application for Modification & Extension of existing Distribution License as Distribution Network Operator (DNO) are in accordance with Regulation (10) & (13) of the NEPRA Licensing (Application, Modification, Extension, and Cancellation) Procedure Regulations, 2021 and that the Annexed documents are true and correct to the best of my knowledge, belief on the basis of provided data by the concerned formations put before me; and further declare that:



1. I am the Chief Executive Officer of the Sukkur Electric Power Company (SEPCO) Limited and fully aware of the affairs of the Company particularly to endorse application for Modification & Extension of Existing Distribution License as Distribution Network Operator.
2. Whatsoever stated in the application and accompanied documents are true and nothing has been concealed.

**DIRECTOR GENERAL (MIRAD)**

SEPCO Sukkur

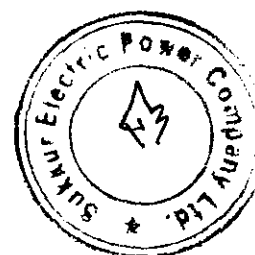
(Aijaz Ahmed Channa)  
Chief Executive Officer

SEPCO, Sukkur

Dated:- 28.04.2025

**CHECKLIST AS PER NEPRA LICENSING (APPLICATION, MODIFICATION, EXTENSION, AND CANCELLATION) PROCEDURE REGULATIONS, 2021.**

Sr. No	Description	SEPCO Remarks
1.	The type or category of License	1. Modification of Distribution License as Distribution Network Operator(DNO) 2. Extension of Distribution License (for a period of Twenty years)
2.	The proposed time-period of extension	Proposed time-period for extension is 20 years, from the date of expiry.
3.	Prospectus	Attached as Annex-A
4.	Application fee as set out in schedule-II (Fee for Grant, Extension of Term or Modification of Licence)	Cheque Attached as Annex-B <i>(A1-Ready Submitted)</i>
5.	Affidavits: 1) Affidavit regarding correction of Distribution License information	Attached as Annex-C.
6.	Board Resolution	Attached as Annex-D.
7.	Text of the Proposed Modification & reason.	Attached as Annex-E.

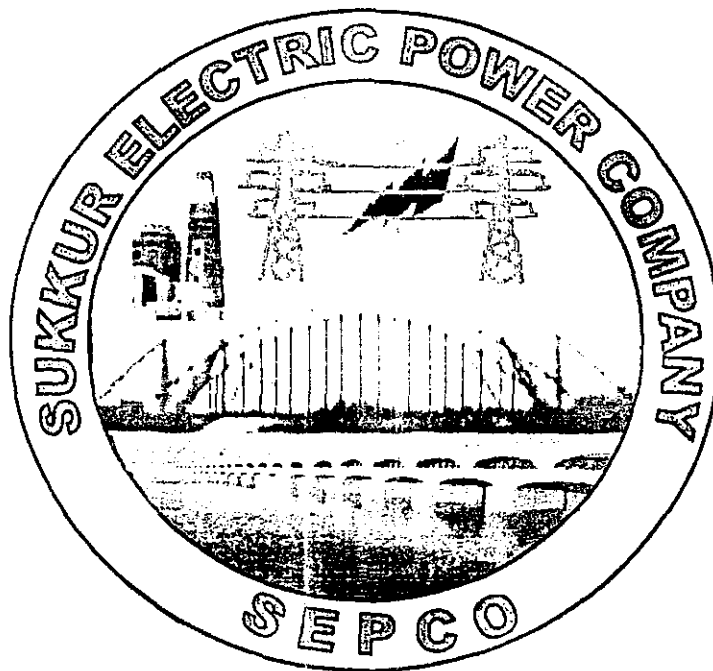




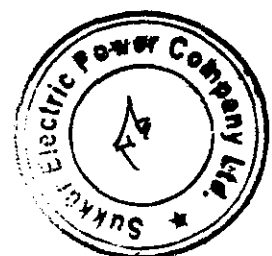
Annex-A.

SUKKUR ELECTRIC POWER COMPANY

## PROSPECTUS



Annex-A .





## 1.1 History / Company overview:

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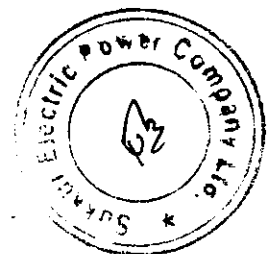
In 1950s, the Govt. of Pakistan (GoP) had decided to set up an independent and autonomous Authority to deal with all available water resources and power system network including power generation, transmission and distribution. The department was formed and named as Water and Power Development Authority (WAPDA). In 1980s, the power distribution network of WAPDA was sub-divided into eight Area Electricity Boards (AEB), Hyderabad was one of the AEBs among said Area Electricity Boards dealing with power distribution system.

In 1998, WAPDA was dis-integrated into two main sectors PEPCO and WAPDA. Where, WAPDA was restricted to only deal with water resources as well as hydro power generation and PEPCO (Pakistan Electric Power Company) was formed as overall in-charge / Company of Thermal Power Generation (GENCOs: Generation Companies), Transmission (NTDC: National Transmission & Dispatch Company) and Distribution (DISCOs: Distribution Companies). PEPCO was formed as temporary in-charge Company of Pakistan Power Sector reforms; currently the PEPCO has been renamed as Power Planning and Monitoring Company (PPMC) Pvt. Limited to take macro monitoring and planning roles while leaving the micro-management of the affairs of individual companies to the respective Managements and the BODs of each company.

SEPCO was formed as a public company, incorporated in November 2010 under the Companies Ordinance, 1984 as a result of bifurcation of Hyderabad Electric Supply Company (HESCO). It was granted license by the regulator NEPRA on August 18, 2011.

The core function is to supply, distribute and sell electricity in the licensed area in 10 districts starting from the district of Rahim Yar Khan of Punjab in the north to district of Benazir Abad in the South of Sindh.

The core function is to supply, distribute and sell electricity in the licensed area ,The SEPCO is responsible for Supply of Electricity to almost 0.83 Million Consumers of 10 districts of Sindh province starting from the district of Rahim Yar Khan of Punjab in the north to district of Benazir Abad in the South of Sindh , except areas under the jurisdiction of KESC and HESCO, The project covers districts Sukkur, Jacobabad, Shikarpur, Larkana, Ghotki, Kamber, Kandhkot, Dadu, Naushero Feroze, and Khairpur as set out in SEPCO's Distribution License No.21/DL/2011, granted by NEPRA under the NEPRA Act. The Company is Headed by a Chief Executive Officer (CEO) and SEPCO Board of Directors.





Further to the above, all DISCOs including SEPCO was made Deemed Licensee for Supply of Electric Power as per provision to Sub-Section (1) of Section 23E of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, amended up to date for period of five (05) years expiring on May 01, 2023.

Moreover, as per Regulation 3(2)(b) of NEPRA Licensing (Electric Power Supplier) Regulations, 2022 notified as per SRO No. 466(1)/2022 dated March 28, 2022, SEPCO submitted an application, Dated:- 23.06.2023, for grant of Electric Power Supply License to SEPCO, which is still awaited due to Modification required in some articles of Distribution Licence.

Therefore, under clause 10(2)(c) of the NEPRA Licensing (Application, Modification, Extension, and Cancellation) Procedure Regulations, 2021, duly authorization of applicant by virtue of [Board resolution/Power of Attorney] is required for submission of application. The complete case has been prepared along with proposed modifications.





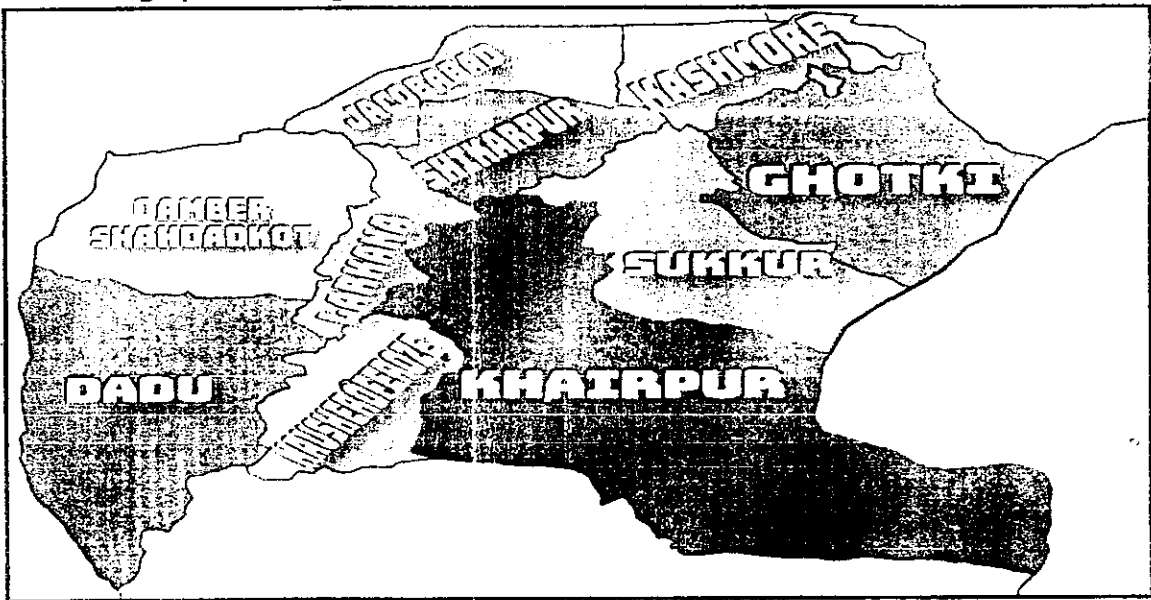
## 1.2 MARKET ANALYSIS OF SEPCO

SEPCO is one of the X-WAPDA distribution companies, Market analysis of SEPCO for the period 2023-24, includes:

Residential: 48.2%, Commercial: 7.3%, Industrial: 17.1%, Agricultural: 3.5%, Public Lighting 9.4%, Bulk Supply 6.6 %, General Services 08.0%, and Others: 0.02% of total consumption. Growth Rate: of 2-3% per annum.

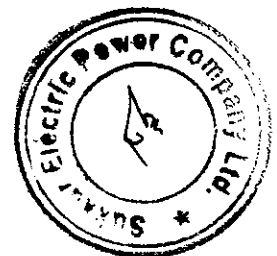
SEPCO sustained 34.9 % Transmission and Distribution Losses with billed amount of Rs. 110.42 Billions and recovered amount of Rs. 73.51 Billions, average AT&C losses recorded at 56.66%. Computed receivables recorded Rs. 229.93 Billion, including Rs. 42 Billions against Federal and Provincial Government at the end of the Business period 2023-24.

## 1.3 Geographic Coverage

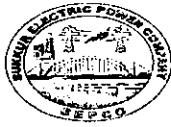


## MAIN AREAS OF RESPONSIBILITY DISTRICTS

Service area comprises of 10 civil districts of Sindh Province, spanning a total service area of 56300 sq.km and 824079 consumers.

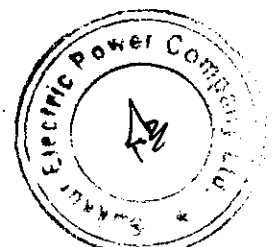
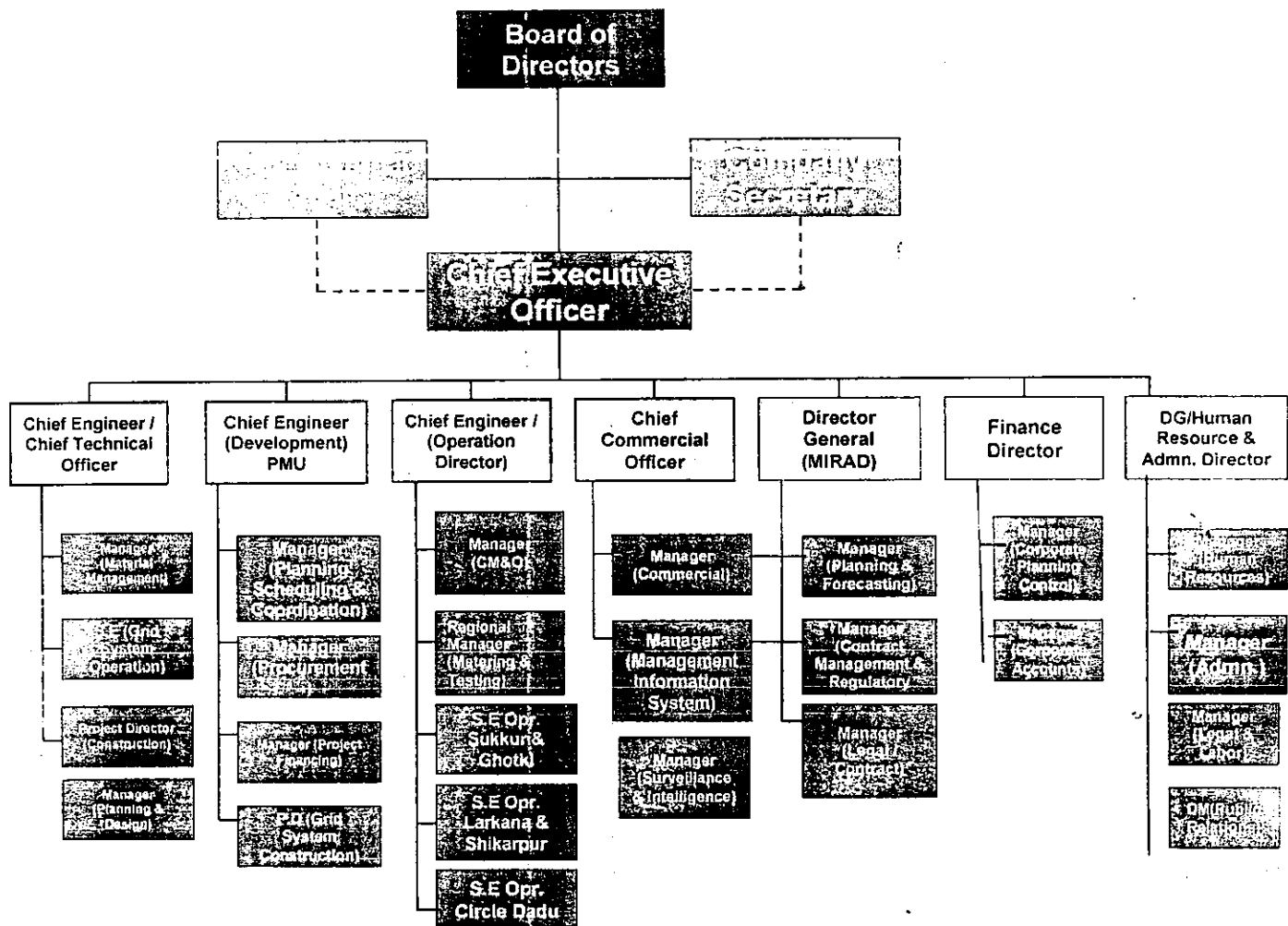






#### 1.4 Company Structure

The Organizational structure of the Company under upcoming Wholesale (CTBCM) scenario is as under:





## **2.1 Vision, Mission and Core Values of the Company:**

All actions and efforts of SEPCO team are guided by its Vision and Mission embodying the Core Values, as detailed below, at the heart.

### **Vision Statement of SEPCO:**

To become the leading Electric Power Utility in Pakistan and maintain that position.

### **Mission Statement of SEPCO:**

To maintain a high level of Safety and provide excellent customer services as an Electric Power Utility matching the standards set forth by the Regulator, while making profits and ensuring sustained growth. Infuse contemporary technology into our infrastructure and modernize it regularly.

### **Core Values of SEPCO:**

#### **Ethics:**

We are committed to maintaining high professional standards of conduct and personal integrity in our daily activities.

#### **Leadership:**

Our seniors take responsibility for their people. They provide the direction, the means and tools for their success.

They remain devoted to developing, stimulating, encouraging and empowering individuals.

#### **Teamwork:**

Sound strategy and execution require diverse talents to work in unison where people work together towards common objectives. We emphasize ability to listen, observe and understand each other.

#### **Culture of excellence:**

Our organizational culture reflects an environment where leadership, innovation and achievements are encouraged and rewarded at all levels. We foster trustworthiness through open dialogue with our employees, sharing of information, knowledge, experience and mutual respect.

#### **Courtesy:**

We are courteous with our customers, stakeholders, and towards each other and encourage open communication.

#### **Responsibility:**

We are responsible as individuals and as teams for our work and our actions. We welcome scrutiny, and we hold ourselves accountable.

#### **Integrity:**

We have integrity as individuals and as teams our decisions are characterized by honesty and fairness.





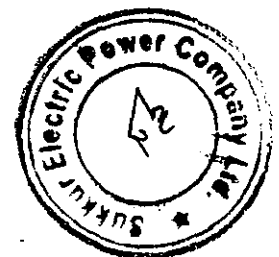
## 2.2 Strategic Positioning:

As the Pakistan Power Sector (PPS) undergoes another set of continued reforms, SEPCO is all set to add value to the evolving wholesale competitive electricity market in line with Competitive Trading Bilateral Contract Market (CTBCM) regime.

Towards this end, moving ahead of the single territorial electric power service provider within service territory; SEPCO, as per envisaged CTBCM, has initiated transformation as multi role service provider as "Electric Power Supplier" and "Power Distributer". As per regulation, SEPCO shall, however, continue to be "Supplier of Last Resort" to ensure continued, uninterrupted, reliable and adequate power supply to any and all the customers at all times, within the Service Territory.

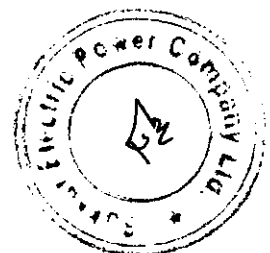
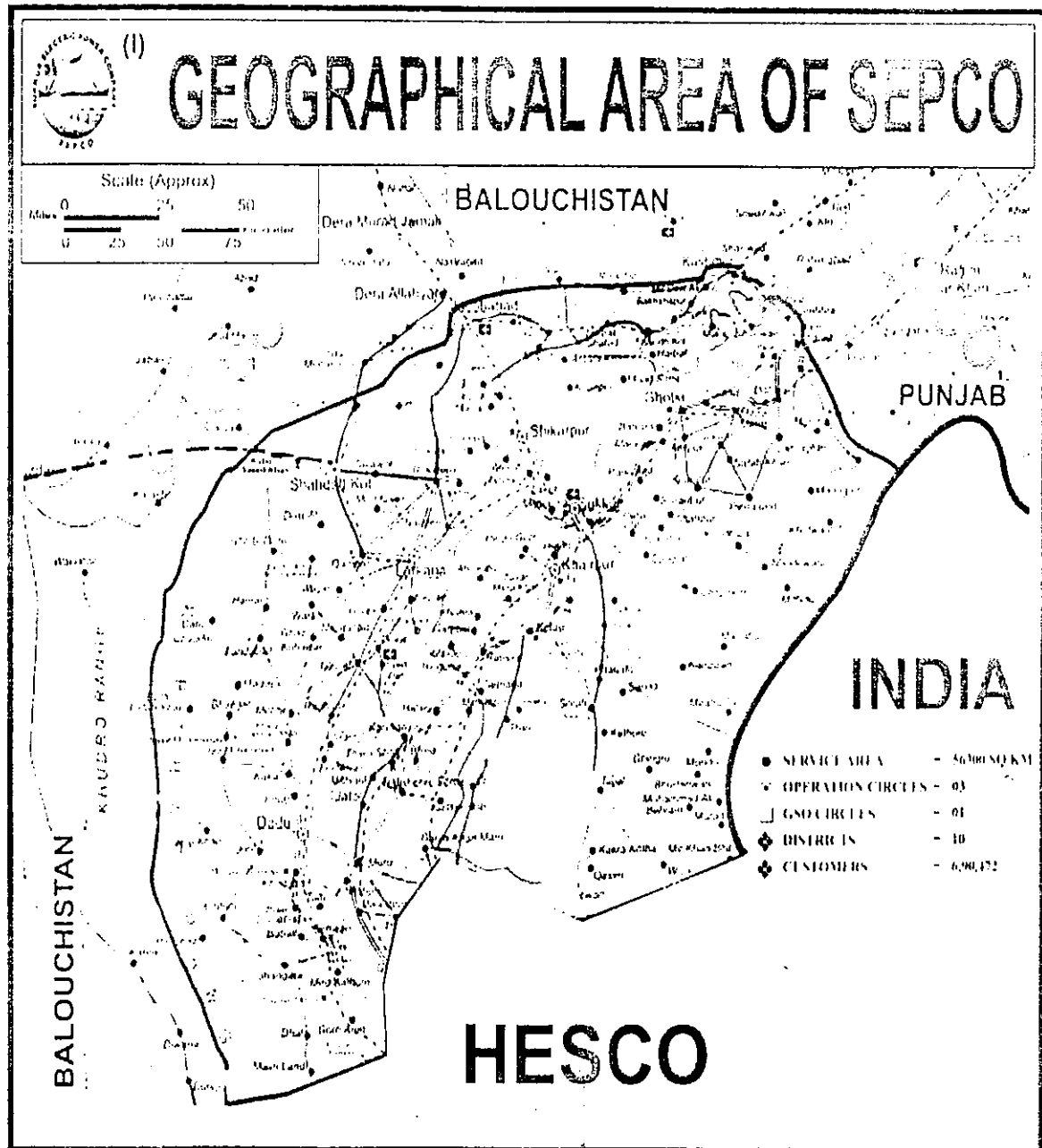
As Power Distributor, i.e., the Distribution Network Operator (DNO), SEPCO pledges to provide interconnection facility and open access to its system for all intending Users (Market Participants) including, but not limited to, the eligible Generation Companies, Bulk Power Consumers, Traders, Competitive Electric Power Suppliers, Distributed Generation etc. at reasonable and affordable prices, without any favor or, otherwise, discrimination or restrictions. Taking natural monopoly wire-business role, the DNO, we are well aware that the position requires us to ensure embedding principles of impartiality, non-discrimination and arm's length transaction even while dealing with Power Supplier arms of our own company.

The Management and the Administration is entrusted to its Board of Directors (BOD) nominated by Ministry of Energy (Power Division), Islamabad after approval of Federal Cabinet headed by the Prime Minister of Islamic Republic of Pakistan under the umbrella of regulator i.e., National Electric Power Regulatory Authority (NEPRA).





LOCATION OF SEPCO/LICENSEE AREA WISE SERVICE AREA:

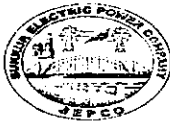




### **2.3 MANAGEMENT TEAM , HEADED BY BOARD OF DIRECTORS**

<b>Aijaz Ahmed Channa</b> <b>Chief Executive Officer</b>	
Raja Abdul Aziz Rid Chief Operating Officer	Mushtaque Ahmed Abbassi Chief Commercial Officer
Meer Azhar Ali Talpur Chief Engineer (Dev.) PMU	Aijaz Ahmed Channa Chief Technical Officer
Imdad Ali Mirani Finance Director	Deepak Kumar D.G HR & Admn
Khalid Hussain Shaikh Director General MIRAD	





### 3.1 Existing Operation System of SEPCO

Table- ( Operating Structure )			
Formation	Circles	Divisions	Sub Divisions
Operation	05	16	61
Construction	01	4	11
GSO	01	4	14
GSC	01	2	04
M&T	01	3	-
CIVIL	-	1	4
TOTAL	09	30	94

### 3.2 Network Condition OF SEPCO

#### 3.2.1 Secondary Transmission

Following is the current detail of Secondary Transmission Network of SEPCO:

- No. of Grid Stations = 68Nos.
- 132 kV Grid Stations = 61 Nos.
- 66 kV Grid Stations = 07 Nos.
- No. of Power Transformers =135 Nos.
- Installed Capacity of Power Transformers = 3096 MVA
- Length of 132 kV Transmission Line = 2314 km
- Length of 66 kV Transmission Line = 687 km

#### 3.2.2 11 KV & BELOW DISTRIBUTION NETWORK

Following is the detail of Distribution Network of SEPCO:

- No. of 11 kV Feeders = 591 Nos.
- No. of Distribution Transformers = 40410 Nos.
- Total Installed Capacity of Dis; T/F = 2392 MVA
- Length of 11 kV (HT) Line = 25490 km
- Length of 0.415 kV (LT) Line = 13130 km
- HT/LT Ratio= 1.94





### 3.3 Network Performance:

#### 3.3.1 Power Outages:

( Outages)					
Nature of Outage		FY- 2023-24	132 kV Feeder	66 kV Feeders	11 kV Feeders
1	Planned	No. of Tripping	879	95	5135
		Duration (min.)	301179	34075	1351493
2	Forced	No. of Tripping	203	29	30648
		Duration (min.)	114276	4425	14816940

#### 3.4 Key Performance Indicators:

Following table highlights the results achieved by SEPCO in terms of steady improvements made as per NEPRA's Performance Standards for Distribution Companies:

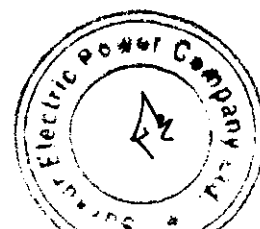
SEPCO Performance Indicators for last 3 years

S.No	Performance indicator	2020-21	2021-22	2022-23	2023-24
1	SAIFI (Nos.)-Tentative 2023-24)	455	411	118	81
2	SAIDI ( Min) -Tentative 2023-24)	3890	3593	1468	1379
3	Fault Rate/Km (11 KV)	1.76	1.64	1.91	1.08
4	Fatal/Non-Fatal Accidents (Employee & Public)	26	19	17	16
5	T&D Losses (%)	35.3	35.7	34.5	34.74
6	Recovery (%)	64.5	63.8	68.19	66.57
7	Average Daily Load Management(MW)/Hrs.	237	261	294	377
8	Average Daily Load Management Hrs.	09:25	10:32	09:59	10:46
9	Time Frame for new connection (% Variation/Pending)	8.76	4.2	5.9	3.5

#### 3.5 Transmission & Distribution Network Losses:

Table 2.4 ( SEPCO Losses Details)

Transmission Network Line Losses					
Period	Units (Millions)			% Losses	% Inc/Dec
	Units Received as Per CPPA	Units Received at Grids	Lost		
2023-24	4032.9	3938.7	94.16	2.33	+0.45%
2022-23	3871.90	3799	72.9	1.88	-0.05%
2021-22	4489	4402	87	1.93	+0.2%
2020-21	4291	4216	75	1.73	-0.05%
2019-20	4252	4176	76	1.78	0.0%





Distribution Network Line Losses					
Period	Units (Millions)			% Losses	% Inc/Dec
	Received	Billed	Lost		
2023-24	3948.5	2625.6	1322.9	33.5	+0.22%
2022-23	3804	2538	1266	33.28	-1.12%
2021-22	4406	2890	1516	34.40	+0.23%
2020-21	4217	2776	1441	34.17	-93%
2019-20	4176	2710	1466	35.1	-

Overall, Company Line Losses					
Period	Units (Millions)			% Losses	% Inc/Dec
	Total Units Received	Units Billed	Lost		
2023-24	4032.95	2625.6	1407.35	34.9	+0.4
2022-23	3872	2538	1329	34.5	-1.2%
2021-22	4493	2890	1600	35.7	+0.4%
2020-21	4292	2776	1515	35.3	-1.0%
2019-20	4253	2710	1542	36.3	-







### 3.6 SEGREGATION OF TECHNICAL AND ADMINISTRATIVE LOSSES::

The Transmission and Distribution network technical losses study was conducted in year 2012-13, by M/S PPI and reported 4.53 % losses in transmission network. Whereas, total 19.33% the said reports have already been submitted before NEPRA; the abstract of Technical losses study is given as under, however NEPRA allowed losses for the period 2021-25 are also mentioned.

S. #	Description	3 <sup>rd</sup> Party % Assessed Technical losses	NEPRA Allowed				
			2020- 21	2021- 22	2022- 23	2033- 24	2024- 25
1	Annual Energy Loss In The HT Network Including Lines And Distribution Transformers	11.463	11.46	11.18	11.02	10.85	10.68
2	Average Energy Loss In The LT Network	2.946	2.946	2.946	2.946	2.946	2.946
3	Average Energy Loss In The Cables	0.391	0.391	0.391	0.391	0.391	0.391
A	Average annual energy loss of SEPCO Distribution network	14.8	14.8	14.52	14.36	14.19	14.02
B	Analytically Evaluated T&T Losses	4.53	1.69	1.59	1.49	1.39	1.29
C	Margin of Law & Order	0	1.4	1.3	1.2	1.1	1.0
Total Analytically Evaluated Technical T&D Losses		19.33	17.89	17.41	17.05	16.68	16.31

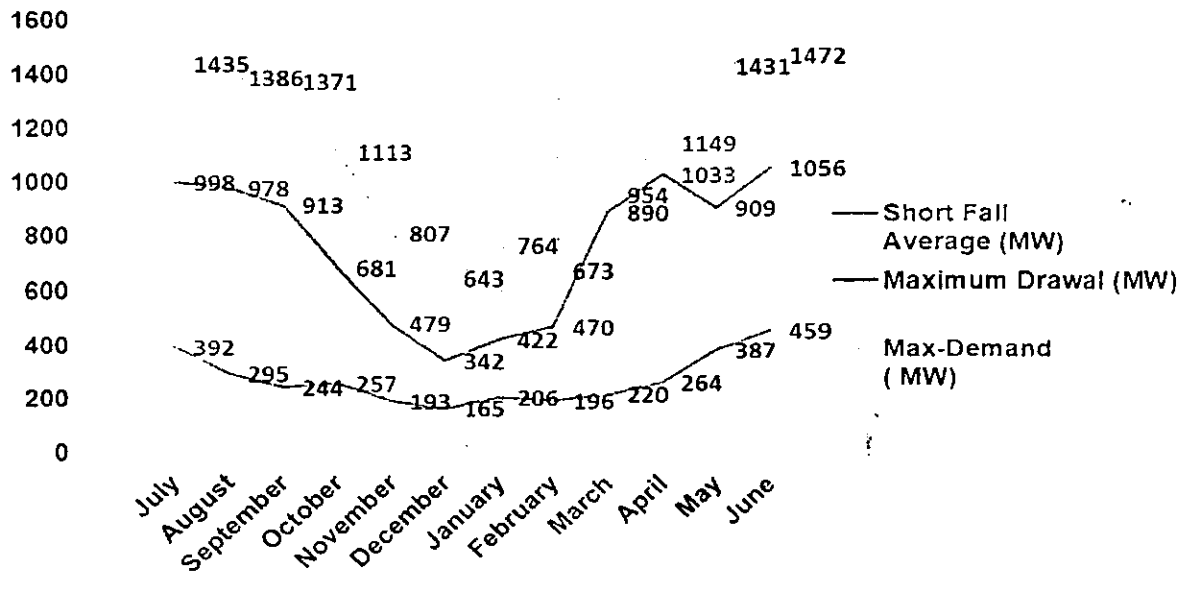
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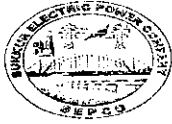


#### 4.0 Power Demand & Supply:

During FY 2023-24 the maximum load of 1056 MW was recorded on 17.06.2024. @ 22:00 Hrs.

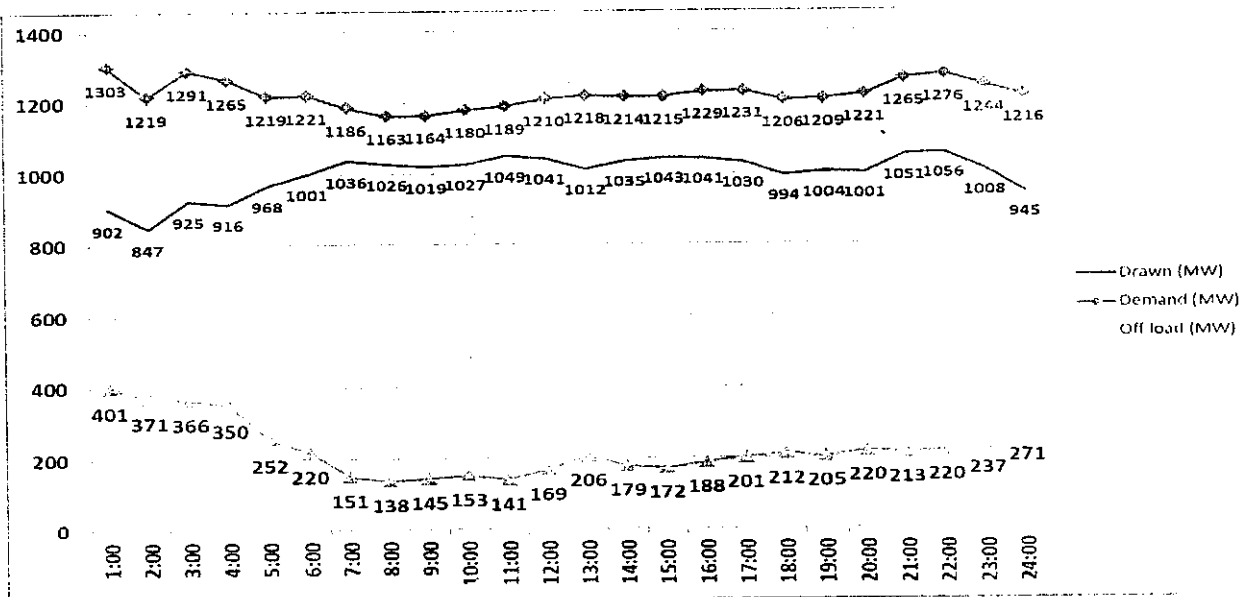
Month	SHORT FALL Average	DRAWAL Max	DEMAND Max
Jul-23	392	998	1435
Aug-23	295	978	1386
Sep-23	244	913	1371
Oct-23	257	681	1113
Nov-23	193	479	807
Dec-23	165	342	643
Jan-24	206	422	764
Feb-24	196	470	673
Mar-24	220	890	954
Apr-24	264	1033	1149
May-24	387	909	1431
Jun-24	459	1056	1472
Total Avg	273	764	1100
Maximum	459	1056	1472





4.1 Daily Hourly load recorded on above date (17.06.2024) is as under,

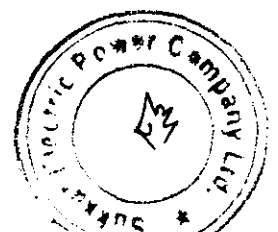
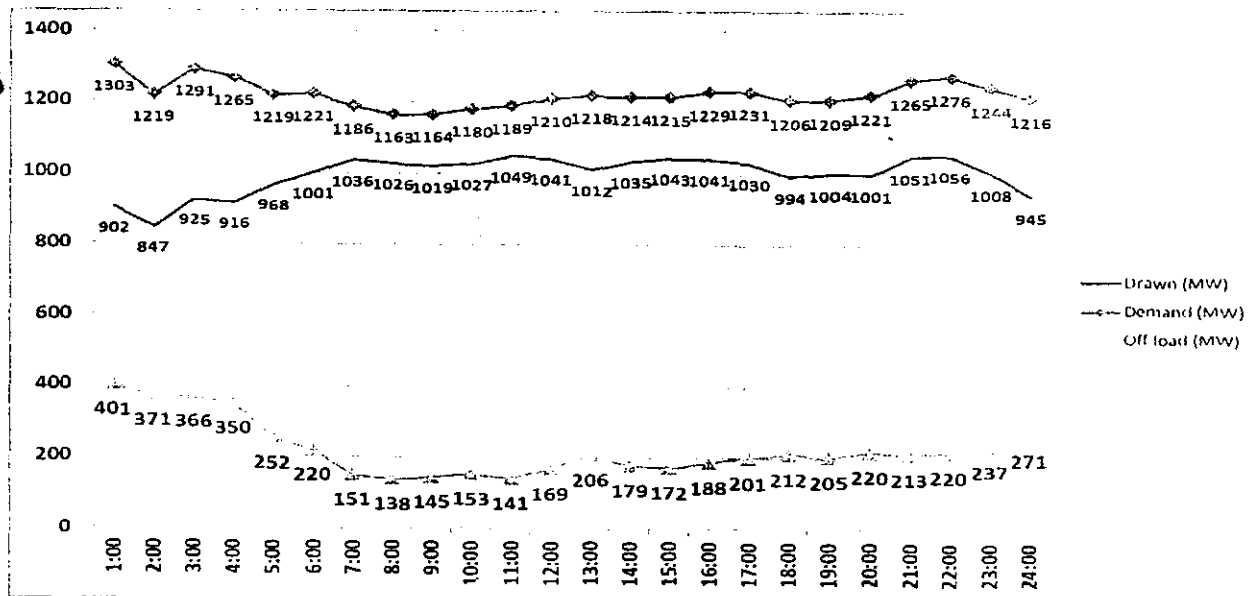
Time	Demand	Drawn	Off load
1:00	1303	902	401
2:00	1219	847	371
3:00	1291	925	366
4:00	1265	916	350
5:00	1219	968	252
6:00	1221	1001	220
7:00	1186	1036	151
8:00	1163	1026	138
9:00	1164	1019	145
10:00	1180	1027	153
11:00	1189	1049	141
12:00	1210	1041	169
13:00	1218	1012	206
14:00	1214	1035	179
15:00	1215	1043	172
16:00	1229	1041	188
17:00	1231	1030	201
18:00	1206	994	212
19:00	1209	1004	205
20:00	1221	1001	220
21:00	1265	1051	213
22:00	1276	1056	220
23:00	1244	1008	237
24:00	1216	945	271





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1:00	1303	902	401
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12:00	1210	1041	169
13:00	1218	1012	206
14:00	1214	1035	179
15:00	1215	1043	172
16:00	1229	1041	188
17:00	1231	1030	201
18:00	1206	994	212
19:00	1209	1004	205
20:00	1221	1001	220
21:00	1265	1051	213
22:00	1276	1056	220
23:00	1244	1008	237
24:00	1216	945	271





#### 4.2 Customers, Sales and Revenue Mixes:

Table:- Customers Mix:

SEPCO Category-wise No. of Consumers			
Category of Consumers	As on 30 <sup>th</sup> June 2024		%
	Unit	Nos.	
Domestic	Nos.	658826	79.9%
Commercial	Nos.	127788	15.5%
Industrial	Nos.	13726	1.7%
Agricultural	Nos.	10106	1.2%
Bulk Supply	Nos.	542	0.1%
Public Lighting	Nos.	486	0.1%
Residential colonies	Nos.	20	0.01%
Others/ general Service	Nos.	12585	1.5%
<b>Total</b>	Nos.	<b>824079</b>	<b>100%</b>

Table:- Sales Mix:

SEPCO Category-wise Electricity Sold or Units Billed			
Category of Consumers	Unit	2023-24	%
Domestic	GWh	1265.8	48.2%
Commercial	GWh	190.8	7.3%
Industrial	GWh	449.7	17.1%
Agricultural	GWh	90.6	3.5%
Bulk Supply	GWh	172.8	6.6%
Public Lighting	GWh	245.5	9.4%
Res Colonies with industries	GWh	0.6	0.01
Others/ General service	GWh	209.7	8.0%
<b>Total</b>	GWh	<b>2625.6</b>	<b>100.0%</b>

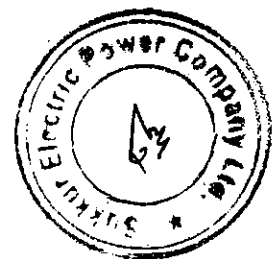




Table: Amount Billed;

SEPCO Category-wise Amount of Units Billed			
Category of Consumers	Amount of Billed Units		
	Unit	2023-24	%
Domestic	Million Rupees	36111	32.7%
Commercial	Million Rupees	12886	11.7%
Industrial	Million Rupees	25175	22.8%
Agricultural	Million Rupees	3672	3.3%
Bulk Supply	Million Rupees	9712	8.8%
Public Lighting	Million Rupees	12655	11.5%
Residential colonies	Million Rupees	34	0.01
Others	Million Rupees	10172	9.2%
<b>Total</b>	Million Rupees	<b>110417</b>	<b>100.0%</b>

Table; Amount Realized / Payment:

SEPCO Category-wise Amount Realized based on Billed Units			
Category of Consumers	Amount of Billed Units Realized		
	Unit	2023-24	%
Domestic	Million Rupees	15766	43.7%
Commercial	Million Rupees	12438	96.5%
Industrial	Million Rupees	22168	88.1%
Agricultural	Million Rupees	2922	63.3%
Bulk Supply	Million Rupees	6144	12.9%
Public Lighting	Million Rupees	5860	46.3%
Residential colonies	Million Rupees	34	100%
Others / General Supply	Million Rupees	8178	80.4%
<b>Total</b>	Million Rupees	<b>73510</b>	<b>68.7%</b>





#### 4.3 Commercial Management:

##### 4.3.1 Statistical & Financial information:

Purchase and sale of electricity, network energy losses in respect of SEPCO for the last five years are as under:

Period	Units (Millions)						% Losses	Million Rupees		
	Units Received as Per CPPA	SPP	Net metering	Total received	Units Billed	Lost		Cost of Electricity Billed	Cost of Electricity Recovered	Receivables
2023-24	3823	199.9	9.53	4033	2626	1407	34.9	110417	73510	235266
2022-23	3836	31.74	4.30	3872	2538	1329	34.5	81232	54022	198344
2021-22	4480	9.54	3.09	4493	2890	1600	35.7	63210	40315	172236
2020-21	4289	1.85	0.89	4292	2776	1515	35.3	50267	32235	145058
2019-20	4253	-	-	2710	2710	1542	36.3	47837	27050	130133





#### 4.4 Financial Saving due to reduction in losses:

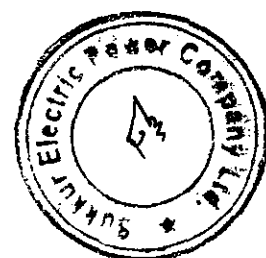
The financial loss/saving achieved through sustained reduction/increase in line losses are:

Sr. No.	Description	Unit	2019-20	2020-21	2021-22	2022-23	2023-24
1	Units Received	M.Kwh	4753	4792	4493	3872	4033
2	Units Billed	M.Kwh	2710	2776	2890	2538	2626
3	Units Lost	M.Kwh	1542	1515	1600	1329	1407
3	Line Losses	%	36.3	35.3	35.7	34.5	34.9
	Units to be Lost at previous losses	M.Kwh	1574	1558	1586	1382.3	1388
4	Units Saved Impact	M.Kwh	32	43	-14	53.3	-19
5	Units Saved (Cumulative)	M.Kwh	32	65	51	104.3	85.3

#### 4.5 Pending Dues (Receivables):

Abstract of SEPCO receivables against energy dues towards government, Federal, provincial, private running, disconnected and defaulter consumers for the period ending June 2023 and up to June 2024 is mentioned as under:

Description	2020-21	2021-22	2022-23	2023-24
<b>Govt:</b>				
Federal	1534	2787	4655	9134
Provincial	13609	15992	21660	33520
<b>Total Govt Receivables</b>	<b>15142</b>	<b>18779</b>	<b>26315</b>	<b>42654</b>
<b>Private:</b>				
Running Defaulters	114405	133265	150528	171981
Disconnected Defaulters	14377	14345	13639	13695
Others(Deferred, installments, un identified)	(396)	(434)	(1165)	(1281)
<b>Total Pvt Receivables</b>	<b>128385</b>	<b>147176</b>	<b>163002</b>	<b>184395</b>
<b>Total Receivables (GOV+PVT)</b>	<b>143528</b>	<b>165955</b>	<b>189317</b>	<b>227049</b>
Spill Over	2408	2877	2964	3429
<b>Total</b>	<b>145936</b>	<b>168832</b>	<b>192281</b>	<b>230478</b>
Subsidies	2122	3404	6063	4788
<b>Total Receivables all</b>	<b>145058</b>	<b>172236</b>	<b>198344</b>	<b>235266</b>







### 5.0 Health Safety & Environment:

SEPCO is committed towards health, safety and environment policy, committed to provide safe atmosphere for its workers, general public, properties, animals, other livings, provide environment free from hazards.

Capacity buildings of employees through safety seminars, workshops and safety parades are being done to achieve zero accident targets.

SEPCO safety team is fully functional for training of field staff and site visits during works / shutdowns, assures availability of T&P and PPE, during works to avoid any damages / hazards.

SEPCO has provided quality tools, vehicles and equipment, and also conducted different trainings of line staff on the latest tools and equipment that are used worldwide to make line work effective and prevent lineman from fatal and severe non-fatal accidents. A hundred purpose-built vehicles have been provided making the line staff able to carry all necessary tools and equipment that are mandatory to perform their job safely.

In this business plan SEPCO has incorporated such needs in lineman safety with extensive homework and calculations. In this plan, all the needs of Safety Organization restructuring, Trainings and Safety Professional Development Programs for management and line staff, provision of Bucket Mounted Trucks for transport for supply complaints handling, communication, Linemen equipment and PPEs have been catered with to make SEPCO lineman safe, effective and efficient (that includes miscellaneous gang-tools, individual tools, personal protective equipment are planned to be procured). This plan also includes provision for customized trainings for LM.

- This plan under safety when executed well save SEPCO from huge losses due to poor quality of work and rampant accidents of experienced lineman caused in the shape of heavy financial losses and human loss and it will also improve response to complaint time resulted in improved customer services.

Besides purchases of T&P, PPE, vehicle SEPCO is also going to procure fire proof / arc proof uniforms for GSO staff to ensure best measures for safety.

In order to ensure safety of line staff and general public, safety hazards are being identified by field surveys and being removed for tilted poles, broken conductor, crossing over houses, details of removal of hazards is submitted as under.

Sr. No.	Year	Total Hazards removed	Amount in M.Rs
01	2020-21	103	58
02	2021-22	42	19
03	2022-23	53	85
04	2023-24	4	5
	Total	202	167

The outcome of above efforts results into reduction of accidents as under: However SEPCO is committed to reduce these values to zero in future.





Sr. No.	Year	Employee (Nos.)		General Public (Nos.)		Total
		Fatal	Non-Fatal	Fatal	Non-Fatal	Accidents
01	2019-20	4	7	9	1	21
02	2020-21	2	10	12	2	26
03	2021-22	2	9	8	-	19
04	2022-23	6	7	3	1	17
05	2023-24	1	10	4	1	16

### 5.1 Establishment and Operationalization of MIRAD:

In line with NEPRA's approval of CTBCM and roadmap, SEPCO has established Market Implementation & Regulatory Affairs Department (MIRAD). The charter of MIRAD, as envisaged by NEPRA and the Ministry of Energy (Power Division) includes the following functions:

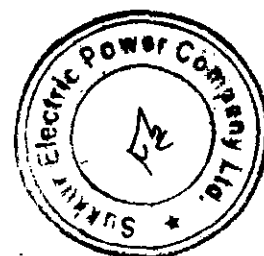
- Bilateral power purchase contract agreement
- Legal and Regulatory affairs
- Billing and settlement with the market operator
- Financial Health Assessment / Security Cover
- Demand Forecasting
- Transmission planning.
- Integrated Business Planning & Performance Monitoring

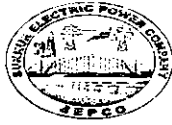
Further, Policy, Strategy, & Marketing Reforms (PSM) Committee of the Board of Directors of SEPCO is also in place to support and guide MIRAD in complying with its charter as directed by NEPRA and the Ministry of Energy (Government of Pakistan).

### 5.2 Project Design and Implementation System of SEPCO:

At present projects are being executed through the following financial arrangements:

- Own resources
- Consumer Deposits
- World bank /ADB
- Federal PSDP (GoP)





## 6.0 Financial Performance of SEPCO:

The overall financial performance (Profit / Loss) of SEPCO is as under.

Profit And Loss Account				(Rs. in Mln)	
Description	2022-23	2023-24	2024-25	2025-26	2026-27
Revenue					
Electricity Turnover	78,148	100,240	126,767	141,195	159,801
Cost of Electricity	88,356	106,185	102,153	104,211	106,295
Gross Profit	(10,209)	(5,946)	24,599	36,984	53,505
Amortization of Deferred Credit	396	324	330	630	641
Net Profit	(9,813)	(5,622)	24,930	37,614	54,146
Operating Cost					
O&M Cost	12,302	17,587	19,752	22,407	26,151
Depreciation	1,864	1,704	1,705	1,790	1,933
Provision for doubtful debts	1,956	1,884	5,258	5,875	6,747
Total Expenses	16,122	21,175	26,715	30,072	34,832
Operating Profit	(25,935)	(26,796)	(1,785)	7,542	19,314
Other Income	1,991	1,952	1,884	2,570	2,698
EBIT	(23,944)	(24,844)	99	10,112	22,012
Financial Charges	15,564	1,640	1,640	2,580	8,205
EBT	(39,508)	(26,484)	(1,541)	7,532	13,807
Taxation	18	148	189	211	243
Profit/ (Loss) After Taxation	(39,526)	(26,336)	(1,352)	7,743	14,050

## 6.1 Ratio Analysis

Ratio Analysis	2022-23	2023-24	2024-25	2025-26	2026-27
Gross Profit / (Loss) Ratio - %	-13.06%	-5.93%	19.41%	26.19%	33.48%
Net Profit Ratio-%	-50.58%	-26.27%	-1.07%	5.48%	8.79%
Operating Expense Ratio-%	-8.21%	30.05%	10.96%	11.85%	14.32%
Interest Coverage Ratio	-154%	-1515%	6%	392%	268%





## 6.2 Internal Control:

### Investment Approval:

Investment approval is requested each year in different heads including STG, ELR, DOP and other system development programs.

### Internal Audit:

Internal Audit is functioning as a part of internal control in SEPCO for efficient and effective utilization of funds. The scope of internal audit is to:

- Review major decisions for economy, efficiency and effectiveness.
- Review the measures employed to safeguard assets and conduct physical verification of such assets and to review actual v/s budgeted income / expenses and assess reasons for major variances.
- Review the suitability of the accounting policies employed and to review the accounting and internal control systems including design of the system and monitoring their operations.
- Presentation and Analysis of the main issues being faced by the Company.

## 6.3 Analysis of main Issues:

### • Financial Issues:

The Company has the following financial issues:

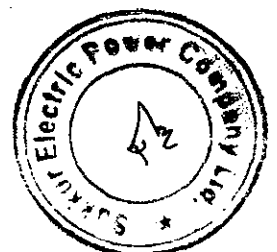
- Tax Issues with FBR
- Subsidies.

### • Investment Needs:

- STG head
- ELR head
- DOP head
- Other system development program

### • Other Issues:

SEPCO is facing shortage of 147-Nos. officers out of which 66-Nos are technical whereas 81-Nos out of 110 Nos are non-technical officers. Furthermore, 1466-Nos posts of Technical officials are also vacant due to which it is very problematic to manage the operational & maintenance work of the company. Overall, SEPCO is facing shortage of 3436-Nos of employees, working strength is 6163 out of 9554, and the recruitment process initiated under the directions of the BOD expected to be completed by this financial year (2024-25).





## 7.0 DEMAND FORECAST FOR NEXT FIVE YEARS

### 7.1 Introduction

Demand Forecast based on Power Market Survey and is prepared by SEPCO MIRAD team with assistance of NTDC. The report consists of year wise detailed forecast of SEPCO energy sale and power demand for the whole company and each sub-station within the company's distribution network. In addition to this, forecast for Civil Administrative areas such as Divisions and Districts served by the company's distribution network.

Load forecasting is an important element of the power planning process involving prediction of energy and demand in the future. The forecast serves as the basis for demand and supply side planning. Load forecasts are typically prepared by utilities for different time frames and the level of details required depends upon different planning applications and operations for which the forecast will be used.

### 7.2 Actual & estimated number of Consumers

Year	Domestic	Commercial	Small Industry	Medium & Large Industry	Agriculture	Bulk	Public Lights	Total
2016-17	593378	117824	9696	2910	12145	503	412	736868
2017-18	603070	119384	9657	3048	9221	507	421	745308
2018-19	617185	151776	9788	3161	9270	527	425	762132
2019-20	641556	123808	9896	3237	9346	531	442	788816
2020-21	656597	125388	10017	3366	9370	534	445	805717
2021-22	664061	126816	10074	3459	9377	542	449	814778

### 7.7 Projected Number of Consumers

After Analyzing the previous trends and keeping the potential growth in urbanization in two major cities of SEPCO, as many of new housing societies are emerging rapidly Majorly in said cities and in other cities as well. In view of that below table has been formulated to project the approximate number of consumers for next three years.

Over the Business Plan (2025-27) horizon of the Supply of Electric Power business of SEPCO:

Year	Dom:	Comm:	Indus:	Agri:	Others	Total
2023-24	658826	127788	13726	10106	13633	824079
New	4379	870	92	92	5	5440
2024-25	663205	128658	13818	10198	13638	829519
New	4379	870	92	92	5	5440
2025-26	657584	129528	13910	10290	13643	834959
New	5839	1160	123	123	7	7253
2026-27	663423	130688	14033	10413	13650	842212
Inc	14597	2900	307	307	17	18128



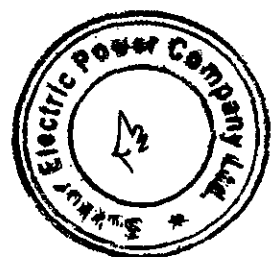


## 7.8 Energy and Demand Forecasts (Recorded)

Demand Forecast for the period 2023-27, as already submitted with honorable Authority, has been developed under two (2) scenarios, viz:

- Low Forecast (Recorded);
- Base Forecast (Computed)

Where the Base Forecast represents, the total expected sale, had the load shedding is not implemented, i.e., the computed loads; whereas the Low Forecast represents only loads served, i.e., the recorded loads. Accordingly, the position for the plan horizon 2023-32, under both the above- mentioned scenarios, each provided separately, has emerged as under: following is the expected demand (GWh and MW) under base case (Computed)

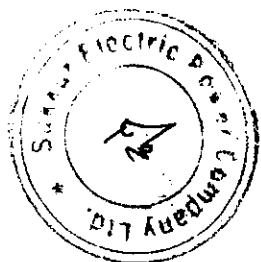




### 7.9 Demand Forecast –Base Case Forecast

As per Demand Forecast (PMS) already submitted with NEPRA, following is the expected demand (GWh and MW) under base case (Computed) scenario over the plan horizon 2022-23 to 31-32.

Year	Energy Sale		Distribution Losses		Energy Received at 11 Kv	Peak Demand at 11 kV	Transmission Losses		Energy Sent out at 132 kV	Load Factor	Peak Demand at 132 kV
	(GWh)	G.R	(GWh)	(%)	GWh	MW	(GWh)	(%)	(GWh)	(%)	(MW)
2022-23	2524		1219	32.6	3743	973	126	3.26	3869	43.9	1006
2023-24	2613	3.5	1237	32.1	3850	996	103	2.61	3953	44.1	1022
2024-25	2703	3.4	1253	31.7	3956	1018	102	2.51	4058	44.4	1044
2025-26	2794	3.4	1268	31.2	4061	1040	101	2.42	4162	44.6	1066
2026-27	2885	3.3	1281	30.7	4166	1063	99	2.32	4265	44.8	1088
2027-28	2977	3.2	1292	30.3	4270	1084	97	2.23	4367	44.9	1109
2028-29	3070	3.1	1302	29.8	4373	1106	95	2.13	4468	45.1	1130
2029-30	3164	3.0	1311	29.3	4475	1128	93	2.04	4568	45.3	1151
2030-31	3258	3.0	1318	28.8	4576	1149	91	1.94	4667	45.5	1171
2031-32	3353	2.9	1323	28.3	4677	1170	88	1.84	4765	45.6	1192
2032-33	3449	2.9	1327	27.8	4776	1190	85	1.75	4861	45.8	1212
Av:	3.17%				2.47%	2.04%			2.31%		1.88%





## 7.10 Category wise Energy and Demand Forecast (Recorded)

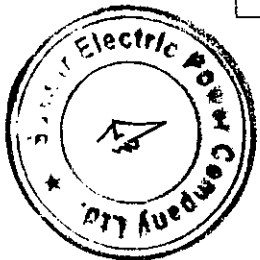
Year	Domestic		Commercial		Public Light		Small Industries		M&L Industries		Tube Well		Bulk		Total	
	GWh	GR %	GWh	GR %	GWh	GR %	GWh	GR %	GWh	GR %	GWh	GR %	GWh	GR %	(GWh)	G.R (%)
2022-23	1547		214		139		82		291		175		77		2524	
2023-24	1597	3.2	221	3.4	144	3.1	84	2.8	305	4.8	183	4.6	81	4.8	2613	3.5
2024-25	1647	3.1	228	3.3	148	3	86	2.7	319	4.7	191	4.4	85	4.6	2703	3.4
2025-26	1697	3.1	235	3.2	152	2.9	88	2.7	334	4.6	199	4.2	88	4.4	2794	3.4
2026-27	1748	3	243	3.1	157	2.9	91	2.6	349	4.5	207	4	92	4.2	2885	3.3
2027-28	1799	2.9	250	3	161	2.8	93	2.5	364	4.4	215	3.9	96	4	2977	3.2
2028-29	1850	2.9	257	3	165	2.7	95	2.5	379	4.3	223	3.7	100	3.9	3070	3.1
2029-30	1902	2.8	265	2.9	170	2.6	98	2.4	395	4.2	231	3.6	103	3.7	3164	3
2030-31	1954	2.7	272	2.8	174	2.6	100	2.4	411	4.1	239	3.5	107	3.6	3258	3
2031-32	2007	2.7	280	2.8	178	2.5	102	2.4	428	4	247	3.3	111	3.5	3353	2.9
2032-33	2060	2.6	287	2.7	183	2.5	105	2.3	445	3.9	255	3.2	114	3.4	3449	2.9
Av:	2.9%		3%		2.8%		2.5%		4.3%		3.8%		4%		3.2%	





### 7.11 Energy and Demand Forecasts (Computed)

Year	Computed Sale		Distribution Losses		Energy Received at 11 kV	Peak Demand at 11 kV	Transmission Losses		Energy Sent out at 132 kV	Load factor	Computed Peak Demand at 132 kV	
	(GWh)	G.R %	(GWh)	(%)	GWh	MW	(GWh)	(%)	(GWh)	(%)	(MW)	G.R (%)
2022-23	2670		1290	32.6	3959	1029	133.3	3.26	4093	43.9	1064	
2023-24	2759	3.3	1306	32.1	4065	1051	108.9	2.61	4174	44.1	1080	1.5
2024-25	2849	3.3	1321	31.7	4169	1073	107.5	2.51	4277	44.3	1101	2.0
2025-26	3013	5.8	1367	31.2	4381	1122	108.6	2.42	4489	44.5	1150	4.5
2026-27	3179	5.5	1411	30.7	4589	1171	109.2	2.32	4699	44.7	1199	4.2
2027-28	3418	7.5	1484	30.3	4902	1245	111.7	2.23	5014	44.9	1274	6.3
2028-29	3658	7.0	1552	29.8	5210	1318	113.5	2.13	5324	45.1	1347	5.8
2029-30	3973	8.6	1646	29.3	5620	1416	116.8	2.04	5736	45.3	1446	7.3
2030-31	4289	7.9	1735	28.8	6024	1512	119.2	1.94	6143	45.5	1542	6.7
2031-32	4679	9.1	1847	28.3	6525	1632	122.6	1.84	6648	45.6	1663	7.8
2032-33	5070	8.4	1951	27.8	7020	1750	124.9	1.75	7145	45.8	1781	7.1
Av:	6.62%				5.89%	5.45%			5.73%		5.29%	





### 7.12 Category Wise Energy and Demand Forecasts (Computed)

Year	Domestic		Commercial		Public Light		Small Industries		M&L Industries		Tube Well		Bulk		Total	
	G.Wh	G.R	G.Wh	G.R	G.Wh	G.R	G.Wh	G.R	G.Wh	G.R	G.Wh	G.R	G.W/h	G.R	G.Wh	G.R
2022-23	1636		226		147		86		307		185		82		2670	
2023-24	1686	3.0	233	3.2	152	2.9	89	2.6	322	4.6	193	4.3	86	4.6	2759	3.3
2024-25	1735	3.0	240	3.1	156	2.8	91	2.5	336	4.5	201	4.1	89	4.4	2849	3.3
2025-26	1830	5.5	254	5.6	164	5.3	95	5.1	360	7.0	214	6.5	95	6.8	3013	5.8
2026-27	1925	5.2	267	5.3	172	5.1	100	4.8	384	6.7	228	6.5	101	6.4	3179	5.5
2027-28	2065	7.3	287	7.4	185	7.1	107	6.9	418	8.8	247	8.3	110	8.4	3418	7.5
2028-29	2205	6.8	307	6.9	197	6.6	114	6.4	452	8.2	266	7.7	113	7.8	3658	7.0
2029-30	2389	8.3	333	8.4	213	8.2	123	8.0	496	9.8	290	9.0	130	9.3	3973	8.6
2030-31	2573	7.7	358	7.8	229	7.5	132	7.3	542	9.1	315	8.6	141	8.6	4289	7.9
2031-32	2800	8.9	390	8.9	249	8.7	143	8.5	597	10.2	345	9.5	155	9.7	4679	9.1
2032-33	3028	8.1	422	8.2	268	7.9	154	7.8	654	9.5	375	8.7	168	8.9	5070	8.4
Av:	6.3%		6.5%		6.2%		6.0%		7.8%		7.3%		7.5%		6.6%	

As per Demand Forecast (PMS) already submitted with NEPRA, following is the expected demand (GWh and MW) under base case (Computed)

scenario over the plan horizon 2021-22 to 2026-27.



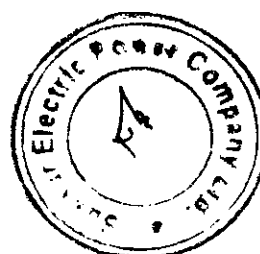
## 8.0 Environmental and Social Assessment and Mitigation Plans

### ENVIRONMENTAL AND SOCIAL ASSESSMENT AND MITIGATION PLANS

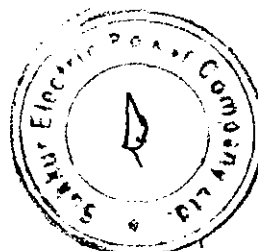
There are environmental and social impacts of implementing the projects. A detailed environmental and social assessment is required to be carried out as per Sindh Environmental Protection Act-2014 and its Regulations 2021 to successfully complete the projects.

Following are some of the Environmental, Social Impacts and Mitigation Measures, whereas details of impacts and mitigation measures can be ascertained after environmental and social assessment (s).

Environmental impacts	Mitigating measures
Noise	<ol style="list-style-type: none"> <li>1. Project proponent to ensure compliance of National Environmental Quality Standards (NEQS) i.e., less than 85 db (A) Noise for 08 hours of working</li> <li>2. Provision of silencer or muffler for construction work equipment which generates excessive noise.</li> <li>3. Adopt acoustic methods/ mitigation plan.</li> <li>4. Transformers should not be overloaded and power factor should be maintained.</li> <li>5. Hammer type percussive piling to be conducted in day light hours.</li> <li>6. Use of well-maintained trucks/ machinery with proper alignment/ lubrication to be ensured.</li> </ol>
Waste Water/ Drainage	<ol style="list-style-type: none"> <li>1. Proper installation of temporary drainage and erosion control before works (like septic tank and soak pits). No direct waste water to be discharged into water bodies and ensure compliance of National Environmental Quality Standards (NEQS)</li> <li>2. Cover the construction material/ chemicals to reduce material loss/ spillage into water bodies.</li> <li>3. Storage of lubricants, fuels and chemicals in self-contained dedicated enclosures to avoid spillage/ leakage into water bodies.</li> </ol>
Air Pollution	<ol style="list-style-type: none"> <li>1. Spraying of bare areas with water/ sprinkling.</li> <li>2. Stockpiled soil and sand shall be slightly wetted before loading, particularly in windy conditions.</li> <li>3. Well maintained trucks/ machinery with proper alignment/ lubrication.</li> <li>4. Vehicle transporting soil, sand and construction material shall be covered.</li> <li>5. Transport through densely populated areas should be avoided.</li> <li>1. At completion, all debris and waste shall be removed and not burned. Landscaping, trees plantation and road verges to be re-installed upon completion.</li> </ol>
Waste Disposal	<ol style="list-style-type: none"> <li>1. Develop waste management plan to identify sufficient locations for storage and reuse of transformers and recycling of breaker oils and disposal of transformer oil residually contaminated soils, scrap metal; "Cradle to Grave" phenomenon may be adopted.</li> <li>2. Designate disposal sites in the contract and disposal rates accordingly.</li> <li>3. Regular monitoring of transformer seal and transformer oil, gravel base should be provided in Switchyard and transformer may be repaired in situ in or sent to workshop.</li> <li>4. Proper operation and maintenance of transformer (O&amp;M).</li> </ol>



Environmental impacts	Mitigating measures
Safety Control Measures	<ol style="list-style-type: none"> <li>1. Provide induction safety training/ capacity building of all staff (GSC/GSO) including contractor labor on health and safety matters, adequate warning signs, PTW (Permit to Work System) for HT Lines 11kV and above especially use of personal protective equipment (PPEs) like hard hat, hard toe shoes, protective rubber/ ladder gloves, safety belt and safety ladder and ear plug/muff to be ensured.</li> <li>2. There is always potential for spread of vector borne and communicable diseases like AIDS, Hepatitis, Tuberculosis, Small Pox and Influenza from labor camps to local community shall be avoided. hence medical screening/ vaccination to be ensured by the contractor prior to project commencement.</li> <li>3. Prevent any illegal encroachments/ entries of irrelevant personnel especially children, beggar etc.</li> <li>4. Transportation Routes used in the vicinity of given project sites like schools/ hospitals/college to be avoided.</li> <li>5. Local community grievances on construction nuisance/ agriculture land damages, access to agriculture land, hospitals/schools close to ROW, air/ noise pollution and high-speed transportation activities must be considered and responded promptly.</li> </ol>
Fire Hazard	<ol style="list-style-type: none"> <li>1. Continuous operation of transformers over long period of time to be avoided in-order to avoid melting of seals. Proper operation &amp; maintenance of transformer (O&amp;M) to avoid oil spillage/ leakage. Transformer should not be overloaded and power factor should be maintained.</li> <li>2. Short circuiting of system.</li> <li>3. Each sub-project site is provided with firefighting equipment including CO<sub>2</sub>, foam type and sand containers as well as land line/ power line carrier telephone to call the nearby fire brigade/ Rescue 1122.</li> </ol>
Public Complaints	<ol style="list-style-type: none"> <li>1. Public complaints regarding delays in civil works, ROW issues, late compensation on account of Kharaba of seasonal crops and tree cutting etc. Grievance Redressal committee should be constituted to solve these issues on projects sites.</li> </ol>



00013121

Habib Bank Limited, Pakistan

SUKKUR-FRERE ROAD  
SUKKUR



00013121

2024/04/20

Pay M/S NEPRA or bearer

Rupees four million one hundred & seventy  
one thousand ninety four only.

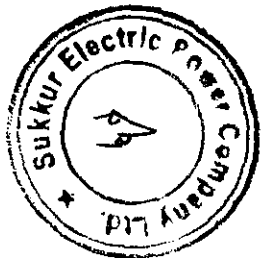
PKR 4,17,10,94/-

PK31 HABB 0000827900242803  
CEO SEPCO SUK

SUKKUR ELECTRIC POWER COMPANY  
(Signature)

Please do not write below this line

00013121054008210000827900242803000



Amir-B.

Row No.3.16  
NEPRA Licensing (Application, Modification,  
Extension and Cancellation) Procedure  
Regulations, 2021  
S.R.O. 760(i)/2021 Dated 17 June, 2021 Fees  
modified as per CPI as on April 2025  
(Attached)

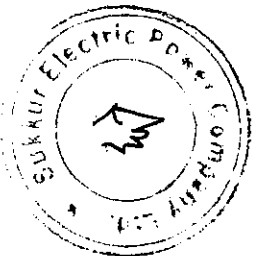
APPLICATION FEE LICENCE  
MODIFICATION IN DISTRIBUTION  
LICENCE AS DISTRIBUTION NETWORK  
OPERATOR (DNO) & EXTENSION FOR  
THE PERIOD OF 20 YEARS IN FAVOR OF  
SUUKUR ELECTRIC POWER COMPANY  
(SEPCO)

To be  
deducted as  
per rules

SEPCO Board Resolution, vide letter no.2653-  
69/B-333 (Ag-  
13/2025)/Cs/BOD/SEPCO/Dated:-  
23.04.2025, regarding Case & allied Fee  
approval (Copies attached)

Rs:- 45,83,620/-  
Passed for Payment Rs: 45,83,620/-  
Less deduction Rs: 41,35,261/-  
Net Amount Rs: 4,48,359/-  
Inwards Four Million one hundred  
Seventy one thousand and nine  
hundred only

Deputy Manager (Finance) MIRAD  
O/o Finance Section  
SEPCO SUUKUR



Deputy Manager (Finance) MIRAD

Passed For Rs: 45,83,620/-  
Rupees Forty Five Lacs Eighty Three Thousand  
As verified by Office / Section Controller

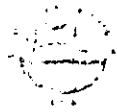
Director General (MIRAD) SEPCO

D.D.O SEPCO H.Q.

LOCATION 750006  
Passed for Payment Rs: 45,83,620/-  
Inwards Four Million one hundred  
Seventy one thousand and nine  
hundred only

Deputy Manager (Finance) MIRAD  
O/o Finance Section  
SEPCO SUUKUR

25/04/2025



**SUKKUR ELECTRIC POWER COMPANY LIMITED**  
**OFFICE OF THE COMPANY SECRETARY BOD SEPCO**

Add. Admin Block Thermal Power Station Sukkur

Ph: 071-9310939 PBX: 3310795-6 Fax: 9310797 Email: sepcobod@sepcol.com

No. 21.54-62 /B-333/AQ-13/2025/CS/BOD/SEPCO/

Dated 25/05/2025

**RESOLUTION THROUGH CIRCULATION NO. 13/2025**

Article 66 of SEPCO Ordinance 1978 & Articles of Association and Section 41 of Companies Act, 2017

**Subject:** Approval for Power Attorney for submission of Application for License Modification as Distribution Network Operator (DNO) & Extension for Period of Twenty Years in favour of Sukkur Electric Power Company (SEPCO)

**Decision:** The Board of Directors SEPCO has considered and accorded the approval for the following due to Regulatory Requirement:

- 1) Submission of application for Modification in SEPCO Distribution Licence & extension for the period of 20 years from date of expiry or more as deemed appropriate.
- 2) Approval of Applicable fees for amounting to Rs.45,83,620/-
- 3) Authorization in favour of CEO SEPCO, for filing & Signing application for Modification in Distribution Licence as Distribution Network Operator.

The above will be ratified from the Board.

This is issued with the approval Chairman, BoD SEPCO.

(Imdad Ali Mirani)  
Company Secretary

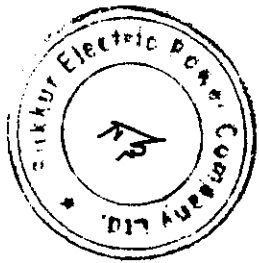
**Copy to the:-**

- Chairman/ Members of BoD SEPCO.
- Chief Executive Officer SEPCO.
- ✓ DG MIRAD SEPCO.
- Finance Director SEPCO.
- Master File.



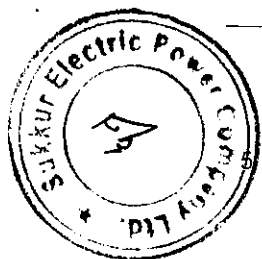
Annex-E.

Text of the  
Proposed Modification & reason.

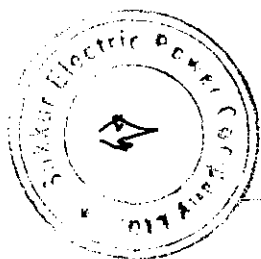




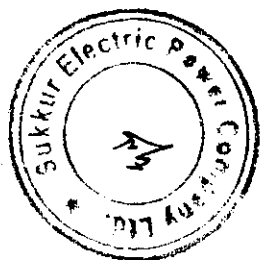
No.	Article No.	Existing Clause	Modification Requested	Reason
1	Article-I	<b>Compliance with the Applicable Law:</b> Save as expressly provided otherwise the provisions of the National Electric Power Regulatory Authority Licensing (Distribution) Rules 1999 (hereafter referred to as "Rules"), as amended from time to time, shall apply to this Licence.	This Article shall contain definitions of Act, Authority, Applicable documents, Commercial code, CTBCM, Connection Agreement, connection charges, Consumer, Distribution code, Distribution Service Rules, Distribution Eligibility Criteria Rules, Distribution facilities, Distribution regulations, Distribution/wire business, distribution services, distribution system, Distribution voltage, Grid code, Investment program, Distribution Investment Plan, Licensing regulations, license, licensee, National grid Company, Net metering regulations, Open access, Performance Standard Distribution Rules, Power Safety code, Service territory and Use of system charges.	For easy understanding of document, the definitions are necessary in the beginning of articles. Also, further definitions were added for further clarity.
2	Article-II	Definitions:	<b>Compliance with the Applicable Law:</b> a) The Licensee shall comply with the Applicable Law, as amended, or replaced from time to time, while performing its functions as Licensee. b) The Licensee shall be obligated to follow and comply with the Distribution Regulations in letter and spirit, as if all provisions of the said regulations are incorporated in the terms and conditions of this Licence	Article-I swapped with Article-II and further details are added for better clarity.
3	Article-III	3.1 This Licence is granted to the licensee to engage in the distribution business within the Service Territory	3.1 This Licence is granted to the Licensee to provide Distribution Services within its Service Territory, as provided in Schedule-I of this Licence on a non-discriminatory and non-exclusive basis, in accordance with the Act and relevant provisions of the Applicable Documents in a prudent, safe, reliable and efficient manner.	The article is re-produced again with further details, under the updated applicable laws and better clarification.
4	Article-IV	4.1 After the grant of the Distribution Licence, the Licensee shall pay to the Authority the Licence fee, in the amount and manner set out in the National Electric Power Regulatory Authority (Fees) Rules, 2002	The Licensee shall pay to the Authority the licence fee in the amount, time and manner as specified in the National Electric Power Regulatory Authority (Fees) Regulations, 2021 as amended or replaced from time to time.	The article modification is requested because of updated National Electric Power Regulatory Authority (Fees) Regulations, 2021.
	Article-V	Term and Renewal: 4.2: Unless suspended or revoked earlier, the Licensee may within ninety (90) days prior to the expiry of the term of the Licence, apply for renewal of the Licence under the National Electric Power Regulatory Authority Licensing (Application and Modification Procedures) Regulations, 1999 as amended	5.2: Unless suspended or revoked earlier, the Licensee may within ninety (90) days prior to the expiry of the term of the Licence, apply for renewal of the Licence under the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021 as amended or replaced from time to time.	The article modification is requested because of mistake in numbering, as the articles here is Article 5, but clauses shown are 4.1 & 4.2 as well as updated NEPRA Licensing



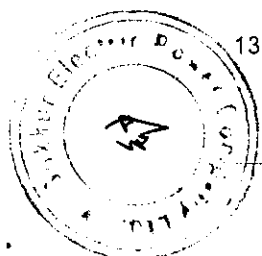
No.	Article No.	Existing Clause	Modification Requested	Reason
		or replaced from time to time.		(Application, Modification, Extension and Cancellation) Procedure Regulations, 2021.
6	Article-VI	6.1 The licensee shall charge only such tariff as is approved by the Authority from time to time.	6.1 The Licensee shall charge a person availing Distribution Services, only such tariff including Use of System Charges or Connection Charges as determined and approved by the Authority from time to time.	Modification requested Subject to the Open Access regulations
7	Article-VII	<b>Exclusivity:</b> Subject to the provisions of Section 22 of the Act the Licensee shall, during the term of this License, have the exclusive right to provide distribution service, make sales of electric power, make schemes, and engage in incidental activities in the Service Territory, as per provision of Article 3.2(i).	Subject to the provisions of Section 22 of the Act the Licensee shall, during the term of this License, have the right to provide distribution service, make sales of electric power, make schemes, and engage in incidental activities in the Service Territory, as per provision of Article 3.2(i).	Modification requested Subject to the provisions of Section 22 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, where exclusivity is omitted.
8	Article-IX	<b>Use of system and obligation to offer terms:</b> 9.1 The Licensee shall, within ninety days following the date of issue of the Distribution Licence, if and to the extent not covered in or comprising part of the tariff, prepare and submit to the Authority for approval, statements in a form approved by the Authority setting out the basis upon which the use of system charges and connection charges in each case, as part of the distribution business, shall be calculated (hereinafter referred to as the "charges statement") in all cases in such manner and with such details as shall be necessary to enable any licensee seeking to become a second-tier supplier in respect of the Service Territory to make a reasonable estimate of the charges which may be payable by such person for the use of system.	<b>Obligation to Provide Open Access and Maintaining Quality of Services:</b> 9.1 The Licensee shall be obligated to provide Open Access to its Distribution System during the term of its Licence as mentioned in Article-5, within its Service Territory on a non-discriminatory basis and shall frame schemes in respect of the same. 9.2 The Licensee shall comply with the applicable Performance Standards to ensure quality of Distribution Services by establishing and maintaining the standardized and non-discriminatory procedures for the timely provision of connections, Open Access, redressal of complaints, effective customer services and maintenance of Distribution System in accordance with provisions of the applicable rules, Distribution Regulations, Distribution Code, Grid Code and other Applicable Documents.	Modification requested subject to clause 21(2)(b) of National Electric Power Regulatory Authority Act 1997, amended from time to time & NEPRA Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022.



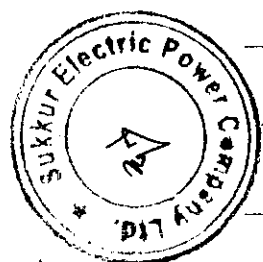
No.	Article No.	Existing Clause	Modification Requested	Reason
9	Article-X	Investment programs, acquisition, and disposal of assets: 10.1 The Licensee shall not, except under a prior authorization acquire whether on ownership basis, lease, hire-purchase or other mode of possession or use, any tangible or intangible asset of a nature or value inconsistent with or which is not expressly or by necessary implication stated in the Licensee's investment program approved by the Authority in accordance with its rules and regulations provided that until such time the Licensee's investment program is approved by the Authority in accordance with Rule 17(1), the licensee may acquire assets required for the operation and maintenance of the distribution system or assets of a value not exceeding ten per cent of the figure of the approved investment program of the Licensee for that year.	10.1 The Licensee shall develop and submit its five (05) years Investment Programme or Distribution Investment Plan to the Authority for its approval as stipulated in Section 32 of the Act, and in accordance with the Distribution Regulations and other Applicable Documents. The Licensee shall maintain and publicly make available the approved Investment Programme for satisfying its service obligations. The implementation status and any changes in the approved five (05) years Investment Programme shall be submitted to the Authority on an annual basis for its consideration and approval.	Modification requested Subject to the provisions of Section 32 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 amended, and NEPRA (Electric Power Procurement) Regulations, 2022.
		10.2 The Licensee shall not except under a prior authorization, sell or dispose in any manner any of the tangible assets comprised in the distribution system or any intangible assets accruing or likely to accrue to the Licensee from the distribution business or the second-tier supply business in a manner inconsistent with or which is not expressly stated in the Licensee's investment program approved by the	10.2 The Licensee shall not, except under a prior authorization, acquire, whether on ownership basis, lease, hire-purchase, or any other mode of possession or use, any tangible or intangible asset of a nature or value inconsistent with or which is not expressly or by necessary implication stated in the Investment Programme of the Licensee and approved by the Authority in accordance with the Applicable Documents.  10.3 The Licensee shall not sell, dispose of, encumber or otherwise transfer any asset unless such sale, disposal,	Modification requested Subject to the 21(2)(h) of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 amended from time to time & NEPRA (Electric Power Procurement) Regulations, 2022.



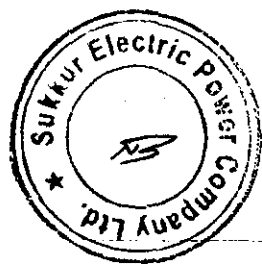
No.	Article No.	Existing Clause	Modification Requested	Reason
		<p>Authority in accordance with its rules and regulations, provided that until such time the Licensee's investment program is approved by the Authority in terms of Rule 17(1), the Licensee may dispose or sell assets of a value not exceeding ten per cent of the figure specified in the approved investment program of the Licensee for that year.</p> <p>10.3 The Licensee shall not assume any responsibility for any encumbrance in relation to any asset unless the ownership thereof vests in the Licensee.</p>	<p>encumbrance or transfer of assets is properly documented and done in a manner that ensures transparency, value for money and in accordance with the approved policy of the Board of Directors for this purpose. Any sale, disposal of assets, encumbrance etc. shall be properly reflected in its books of accounts and accounted for its tariff determination.</p> <p>Provided that any proposed sale, disposal, encumbrance or transfer of assets amounting to more than ten percent (10%) of its total assets in a financial year shall require prior approval of the Authority.</p>	
10	Article-XII	<p>Compliance with Environmental Standards: The Licensee shall conform to the Environmental standards as may be prescribed by the relevant competent Authority.</p>	<p>Compliance with Health Safety and Environmental Standards: The Licensee shall follow the standards laid down by the Authority for distribution and transmission of electric power, including health, safety, and environmental protection in accordance with the Power Safety Code and such other instructions as may be issued by any Federal or Provincial Agency.</p>	Modification requested Subject to the 21(2)(f) of NEPRA Act, 1997 amended from time to time & Power Safety Code for licensees 2021.
12	Article-XIII	<p>Accounting practice: The Licensee shall maintain separate accounts for its sale of power business and network business in addition to those provided in Rule 14(2).</p>	<p>The Licensee shall maintain accounts in the manner laid down by the Authority in the National Electric Power Regulatory Authority (Uniform System of Accounts) Regulations, 2022, as well as in accordance with relevant provisions of the Distribution Regulations and other Applicable Documents.</p>	Modification requested subjected to the revised National Electric Power Regulatory Authority (Uniform System of Accounts) Regulations, 2022 and other revised regulations.
13	Article-XIV	<p>Maintenance of record: 14.1 The Licensee shall keep complete and accurate record and the date in respect of all aspects of the distribution business and the second-tier supply business, in their original form. Three years after the issuance of this Licence the Licensee shall start</p>	<p>13.1 The Licensee shall keep complete and accurate record and other data relating to the licensed activities including any contractual arrangements, agreements and any other information as may be specifically required by the Authority.</p> <p>13.2 All records and data referred to above shall be maintained in good order and condition and by taking reasonable measures to</p>	Modification requested for easy tracing, transparency, accountability and security record, documents of the company.



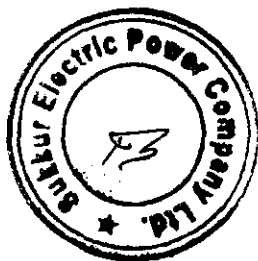
No.	Article No.	Existing Clause	Modification Requested	Reason
		<p>maintaining the above-mentioned record in electronic form also.</p> <p>14.2 Without prejudice to the provisions of the Rule 14(3), unless provided otherwise under the law or the applicable documents, all record and data shall be maintained for a period of five year after the creation of such record or data. The Licensee shall not destroy or dispose off any such record or data after the aforesaid period without thirty days prior written notice to the Authority. The Licensee shall not dispose off or destroy any record or data which the Authority directs the Licensee to preserve.</p> <p>14.3 All record and data maintained in an electronic form shall, subject to just claims of confidentiality, be accessible by staff authorized by the Authority.</p>	<p>ensure security of the data for a minimum period of five (05) years after the expiry of such record, arrangement, or agreement or for such further extended period as the Authority may specifically require under the Distribution Regulations.</p> <p>13.3 The Authority shall have the right, upon forty-eight (48) hours prior written notice to the Licensee, to examine the records and data of the Licensee at any time during normal office hours.</p>	
14	Article-XV	<p>Provision of information:</p> <p>15.1 The obligation of the Licensee to provide information to the Authority shall be in accordance with Section 44 of the Act.</p> <p>15.2 The Licensee shall be subject to such penalties as may be specified in the relevant rules made by the Authority, for failure to furnish such information as may be required from time to time by the Authority and which is or has been in the control or possession of the Licensee.</p>	<p>15.1 Any information required by the Authority from the Licensee, shall be provided in good faith ensuring that it is accurate, up-to-date and presented in a manner that is Distribution Licence Tribal Areas Electricity Supply Company Limited easily understandable and in accordance with Section 44 of the Act. The Licensee shall ensure that the correspondence with the Authority is made by a duly authorized person not below the rank of Chief Engineer.</p> <p>15.2 The Licensee shall be subject to such penalties as may be specified in the relevant Regulations made by the Authority, for failure to furnish such information as may be required from time to time by the Authority and which is or has been in the control or possession of the Licensee.</p>	Modification requested under the relevant clauses of NEPRA Act.
15	Article-XVI	<p>Interpretation of Licence:</p> <p>All disputes relating to the interpretation of the Licence will be decided by the Authority.</p>	<p>Interpretation of Licence:</p> <p>34.1 In accordance with the provisions of the Act, the Authority shall make the interpretation of any or all of the provisions of this Licence. The decision of the Authority in this regard shall be final.</p> <p>34.2 Where any obligation under this Licence is expressed to</p>	Modification requested for creating further clarity regarding Interpretation of Licence.



No.	Article No.	Existing Clause	Modification Requested	Reason
			require performance within a specified time limit, that obligation shall continue to be binding and enforceable after that time limit if the Licensee fails to perform that obligation within that time limit (but without prejudice to all rights and remedies available against the Licensee by reason of failure of the Licensee to perform within the specified time limit).	
16	Article-XVII	Nil	<p>Distribution Planning:</p> <p>17.1 The Licensee shall ensure that its Distribution System is planned, designed, implemented, reinforced, expanded, maintained and operated in a manner that fully complies with the Distribution Regulations, quality of service and achieving distribution Performance Standards, in compliance with the Act, the Grid Code, the Distribution Code and other Applicable Documents.</p>	Modification requested subject to the Distribution Planning Code, Grid code and other Applicable documents. Previously non-existent.
17	Article-XVIII	Nil	<p>Obligations with Respect to CTBCM:</p> <p>18.1 The Licensee shall participate in the development of CTBCM in such manner as may be directed by the Authority from time to time. The Licensee shall, in good faith, work towards implementation and operation of the aforesaid competitive trading arrangement in advancing a goal of market liberalization in a manner and time period specified by the Authority.</p> <p>18.2 The Licensee shall ensure that it enters into necessary agreements as may be required under the Grid Code, Market Commercial Code, Distribution Code, or any other Applicable Documents. The Licensee shall carry out its obligations under these agreements in good faith and shall ensure non-discriminatory treatment to all electric power suppliers, consumers including bulk power consumers, generation companies and other licensees.</p> <p>18.3 The Licensee shall establish and maintain market implementation and regulatory affairs department which shall be appropriately staffed for dealing with market related agreements, planning, regulatory affairs, matters related to CTBCM implementation and operations, or such other matters as may be directed by the Authority from time to time.</p>	Modification requested subject to the Detailed design of CTBCM, Commercial Code and Open Access regulation approved by the authority. Previously non-existent.



No.	Article No.	Existing Clause	Modification Requested	Reason
			18.4 The Licensee shall not indulge itself in discriminatory and anti-competitive practices and shall follow the directions of the Authority or Competition Commission of Pakistan in this regard.	
18	Article-XIX	Nil	<p><b>Net Metering:</b></p> <p>19.1 The Licensee shall ensure that it complies with the requirements and timelines specified in the Net Metering Regulations. Further, the Licensee shall submit periodic reports in such form and manner as may be required by the Authority with regard to compliance with the Net Metering Regulations. Subject to any further details required by the Authority, the Licensee shall submit a monthly report to the Authority specifying number of applications received along with the installed capacity, number of applications allowed along with the date of approval and status of installation of net metering facility, number of applications pending along with capacity thereof and reasons for delays, if any</p> <p>19.2: The Licensee shall establish adequate processes, checks and balances that may be necessary to ensure unnecessary delays in processing of net metering facility applications filed under the Net Metering Regulations are avoided and any persons responsible for any delays in this regard are held accountable.</p>	Modification requested subjected to the National Electric Power Regulatory Authority (Alternative & Renewable Energy) Distributed Generation and Net Metering Regulations, 2015. Previously non-existent.
19	Article-XX	Nil	<p><b>Compliance with the Grid Code and Distribution Code:</b></p> <p>20.1 The Licensee shall comply with the relevant provisions of the Grid Code and Distribution Code as may be approved by the Authority, as amended or replaced from time to time.</p>	Modification requested subjected to the National Electric Power Regulatory Authority Approved Grid Code & Distribution code.



No.	Article No.	Existing Clause	Modification Requested	Reason
20	Article-XXI	Nil	<p><b>Complaints and Dispute Resolution:</b></p> <p>21.1 The Licensee shall make available complaint-handling mechanism that provide consumers, electric power suppliers, other licensees and generation companies with expeditious, fair, transparent, in-expensive, accessible, speedy and effective dispute resolution related to Distribution Services in accordance with the Distribution Regulations and other Applicable Documents.</p> <p>21.2 The Licensee shall maintain daily, weekly, monthly, quarterly and yearly data of all the complaints received, resolved and pending with the Licensee for resolution. The Licensee shall submit an annual report to the Authority regarding the complaints received, resolved and pending thereof.</p> <p>21.3 The Licensee shall develop and maintain an online complaint handling and tracking system that shall be updated in real time to inform the complainant regarding status of its complaint.</p>	Modification requested for better consumer services and
21	Article-XXII	Nil	<p><b>Insurance</b></p> <p>22.1 The Licensee shall ensure that all its assets are adequately insured against possible risks in accordance with an assets insurance policy approved by its Board of Directors.</p> <p>22.2 All field workforce of the Licensee who may be vulnerable to life risks owing to their nature of work, shall be adequately insured.</p> <p>22.3 Any insurance claims shall be promptly made to the respective insurance company and realized appropriately.</p>	Modification requested for safety of equipment and human resource.

