# THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997

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# THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997

ACT No. XL OF 1997

***An Act to provide for the regulation of generation, transmission and distribution of electric power***

WHEREAS it is expedient to provide for the regulation of generation, transmission and distribution of electric power and matters connected therewith and incidental thereto;

[1][AND WHEREAS it is expedient to ensure the elimination of energy poverty in the country to ensure the highest standards of transparent, certain and effective regulation of the electric power markets of the Islamic Republic of Pakistan, to provide the legal framework within which a competitive electric power market can develop and sustain, to make special provisions for development of renewable electricity markets in accordance with the international commitments of the Islamic Republic of Pakistan as well as the responsibility of the Islamic Republic of Pakistan to support and encourage measures to effectively mitigate adverse climate change and to effectively manage conflict of interest of the State in relation to development of the electric power markets of the Islamic Republic of Pakistan;]

It is hereby enacted as follows:—

## CHAPTER I
## GENERAL

**1. Short title, extent and commencement.—** (1) This Act may be called the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

(2) It extends to the whole of Pakistan.

[2][shall apply to the Federally Administered Tribal Areas.]

[3][shall apply to the Provincially Administered Tribal Areas of the North-West Frontier Province, except the tribal area adjoining Manshera district and the former state of Amb.]

[1][(3) It shall come into force at once, except sections 23A, 23B, 23G and 23H which shall come into force within a period of five years of coming into force of the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 or on such earlier date as the Federal Government may, by notification in the official Gazette, appoint.]

**2. Definitions.—** In this Act, unless there is anything repugnant in the subject or context,

(i) **"Authority"** means the National Electric Power Regulatory Authority established under section 3;

(ii) **"bulk-power consumer"** means a consumer who purchases or receives electric power, at one premises, in an amount of one megawatt or more or in such other amount and voltage level and with such other characteristics as the Authority may [1][specify] and the Authority may [1][specify] different amounts and voltage levels and with such other characteristics for different areas;

[1][(iia) **"captive generating plant"** means a power plant setup by any person to generate electricity primarily for his own use and includes a power plant setup

[1]Added, Subs. and Ins. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), ss. 2-4

[2] This Act shall apply to F.A.T.A. vide SRO. 119(1)/2007, Dated. 7-2-2007

[3]Ins. vide Government of KPK Notification No. SO (FATA)/HD/1-105/06 dated 17.05.2006

by any co-operative society or association of persons for generating electricity primarily for use of members of such co-operative society or association;]

(iii) **"Chairman"** means the Chairman of the Authority;

[1][(iiia) **"consolidated accounts"** means the consolidated revenue requirement of public sector licensees, engaged in supply of electric power to consumers, complied by the uniform tariff applicant, on the basis of individual tariff determined by the Authority of such licensees;]

(iv) **"consumer"** means a person or his successor-in-interest who purchases or receives electric power for consumption and not for delivery or re-sale to others, including a person who owns or occupies a premises where electric power is supplied;

[2][(iva) "**consumer category**" means such category of consumers as may be prescribed;]

(v) **"distribution"** means the ownership, operation, management or control of distribution facilities for the movement or delivery [2][**] to consumers of electric power but shall not include the ownership, operation, management and control of distribution facilities located on private property and used solely to move or deliver electric power to the person owning, operating, managing and controlling those facilities or to tenants thereof shall not constitute distribution;

(vi) **"distribution company"** means a person engaged in the distribution of electric power;

(vii) **"distribution facilities"** means electrical facilities operating at distribution voltage and used for the movement or delivery of electric power;

(viii) **"distribution voltage"** means any voltage below minimum transmission voltage;

(ix) **"electric power"** means electrical energy or the capacity for the production of electrical power;

[2][(x) **"electric power service"** includes the generation, transmission, distribution, supply, sale or trading of electric power and all other services incidental thereto;]

[2][(xa) **"electric power supplier"** means a person who has been granted a licence under this Act to undertake supply of electricity;

(xb) **"electric power trader"** means a person who has been granted a licence under this Act to undertake trading in electricity;]

(xi) **"generation"** means the ownership, operation, management or control of generation facilities for delivery or sale of electric power and not solely for

[1]Ins. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2021 (XIV of 2021), s.2

[2]Ins. Omitted and subs. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018),s.4

consumption by the person owning, operating, managing, and controlling those facilities;

(xii) **"generation company"** means a person engaged in the generation of electric power;

(xiii) **"generation facility"** means the electrical facility used for the production of electric power;

(xiv) **"inter-connection service"** means the connection of one company's electrical facilities to another company's electrical facilities;

(xv) **"KESC"** means the Karachi Electric Supply Corporation, a public limited company, incorporated under the Companies Act, 1913;

(xvi) **"licence"** means a licence issued [1][* * * * *] under this Act;

(xvii) **"licensee"** means a holder of a licence;

[1][(xviia) **"market operator"** means a person responsible for organization and administration of trade in electricity and payment settlements among generators, licensees and consumers;]

(xviii) **"member"** means a member of the Authority including the Chairman [1][or a member of the Appellate Tribunal where the context so requires];

(xix) **"minimum transmission voltage"** means sixty-six kilovolts or such other voltage that the Authority may determine to be the minimum voltage at which electrical facilities are operated when used to deliver electric power in bulk;

[1][(xixa) **"national electricity policy"** means a policy approved by the Council of Common Interests and made under section 14A;

(xixb) **"national electricity plan"** means the plan made under section 14A;]

(xx) **"national grid company"** means the person engaged in the transmission of electric power and granted a licence under section 17;

[1][(xxa) **"Pakhtunkhwa Energy Development Organization"** or **"PEDO"** means the Pakhtunkhwa Energy Development Organization established under the Pakhtunkhwa Energy Development Organization Act, 1993 (Khyber Pakhtunkhwa Act No. I of 1993);]

(xxi) **"person"** shall include an association of persons, concern, company, firm or undertaking [2][,authority, or body corporate set up or controlled by the Federal Government or, as the case may be, the Provincial Government];

(xxii) **"prescribed"** means prescribed by rules made under this Act;

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[1]Omitted, Ins. and Added by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), s.4

[2]Added by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2011(XVIII of 2011), s.2

[1][(xxiia) **"provincial grid company"** means the person engaged in transmission of electric power and licensed under section 18A;]

(xxiii) **"public sector project"** means generation, transmission or distribution facilities constructed, owned, managed or controlled by the Federal Government, a Provincial Government, a local authority or any body owned or controlled by any such Government or authority;

(xxiv) **"regulations"** means regulations made under this Act;

[1][(xxiva) **"renewable electricity"** means electricity derived from—

(a) a wind, solar, renewable, biomass, ocean (including tidal, wave, current and thermal), geothermal or hydroelectric source; or

(b) hydrogen derived from renewable biomass or water using an energy source described in clause (a);

(xxivb) **"service territory"** means the area specified in a licence within which the licensee is authorized to conduct business;]

[1][(xxv) * * * * * * *]

[1][(xxva) **"specified"** means specified by regulations made under this Act;

(xxvb) **"system operator"** means a person licensed under this Act to administer system operation and dispatch;]

(xxvi) **"transmission"** means the ownership, operation, management or control of transmission facilities;

(xxvii) **"transmission facilities"** means electrical transmission facilities including electrical circuits, transformers and sub-stations operating at or above the minimum transmission voltage but shall not include—

(a) electrical circuits forming the immediate connection between generation facilities and the transmission grid to the extent that those circuits are owned by a generation company and are directly associated with that company's generation facilities;

(b) specified facilities operating at or above the minimum transmission voltage which the Authority, upon an application by a licensee under section 20, determines that such facilities shall be owned and operated by a distribution licensee;

[2][(xxviia) **"uniform tariff applicant"** means any entity designated by the concerned Minister in Charge for the purposes of filling uniform tariff application based on consolidated accounts; and

[1] Ins. and Omitted by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), s.4

[2]Ins. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act,2021 (XIV of 2021), s.2

(xxviib) **"uniform tariff application"** means an application filed by the uniform tariff applicant for the purposes of determination, modification and revision of the uniform tariff;]

(xxviii) **"WAPDA"** means the Pakistan Water and Power Development Authority established under the Pakistan Water and Power Development Authority Act, 1958 (W.P. Act XXXI of 1958).

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## CHAPTER II

## ESTABLISHMENT OF AUTHORITY

**3. Establishment of the Authority**.— [1][(1)As soon as may be, after the commencement of this Act, the Federal Government shall, by notification in the official Gazette, establish an Authority to be known as the National Electric Power Regulatory Authority which shall be a body corporate, having perpetual succession and a common seal with powers, subject to the provisions of this Act, to acquire and hold property, both moveable and immovable, and to sue and be sued by its name.]

[1][(2) The Authority shall consist of a Chairman and four specialized members, to be appointed by the Federal Government and shall comprise of,—

(a) the member tariff and finance who shall be a person holding a degree in the field of economics, corporate finance or chartered accountancy and is a professional of known integrity and eminence with a minimum of twelve years of related experience in the field of corporate finance or chartered accountancy and shall be nominated by the Provinces or Federal Government, as the case may be, by rotation in the following order, namely:—

(i) the member representing the province of Balochistan;

(ii) the member representing the province of Punjab;

(iii) the member representing the province of Khyber Pakhtunkhwa; and

(iv) the member representing the province of Sindh;

(b) the member technical shall be a person holding an engineering degree in the fields of electricity, energy or power and is a professional of known integrity and eminence with a minimum of twelve years of related experience in the field of electrical and power services business and shall be nominated by the Provinces or Federal Government, as the case may be, by rotation in the following order, namely:—

(i) the member representing the province of Sindh;

(ii) the member representing the province of Khyber Pakhtunkhwa;

(iii) the member representing the provinces of Punjab; and

(iv) the member representing the province of Balochistan;

[1] Subs. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2021 (LIV of 2021), s.2

(c) the member law who shall be a person holding a degree in the field of corporate and economics law and is a professional of known integrity and eminence with a minimum of twelve years of related experience in the field of corporate law and economics law and shall be nominated by the Provinces or Federal Government, as the case may be, by rotation in the following order, namely,—

(i) the member representing the province of Punjab;

(ii) the member representing the province of Sindh;

(iii) the member representing the province of Balochistan; and

(iv) the member representing the province of Khyber Pakhtunkhwa; and

(d) the member development who shall be a person holding a degree in the field of economics, chartered accountancy or an engineering in electricity, energy or power and is a professional of known integrity and eminence with a minimum of twelve years of related experience in the field of public policy, renewable energy or electric power services business and shall be nominated by the Provinces or Federal Government, as the case may be, by rotation in the following order, namely:—

(i) the member representing the provmce of Khyber Pakhtunkhwa;

(ii) the member representing the province of Balochistan;

(iii) the member representing the province of Sindh; and

(iv) the member representing the province of Punjab.]

[1][(3) The Chairman shall be a person known for his integrity and eminence having experience of not less than twelve years in any relevant field including law, business, engineering, finance, [2][chartered accountancy] or economics preferably in the electric power services business.]

[2][(4) Every member of the Authority shall be appointed for a period of three years on such terms and conditions as may be prescribed.]

[1][(4A) The Authority as a whole shall comprise the requisite range of skills, competence, knowledge and experience relevant to its functions.]

(5) The Chairman [2][***] shall, unless he resigns or is removed from office earlier as hereinafter provided, hold office for a term of four years and shall be eligible for re-appointment for similar term:

[2][Provided that the Chairman or a member shall not be appointed under sub-section (2) if he has attained the age of sixty years;]

[2][Provided further that the process of appointment of new Chairman or member under sub-section (2) shall be finalized ninety days prior to the retirement of incumbent Chairman or member as the case may be.]

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[1]Subs.and Ins. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), s.5

[2] Subs. and Omitted by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2021(LIV of 2021), s.2

[1][Provided also that the process of appointment shall be finalized within ninety days in case of vacancy created due to the death, resignation or removal of the Chairman or member. The Federal Government shall appoint a member to work as an acting Chainman till the appointment of new Chairman within the prescribed time period.]

(6) No act or proceeding of the Authority shall be invalid by reason only of the existence of a vacancy in, or defect in, the constitution of the Authority.

(7) The principal office of the Authority shall be in Islamabad and it may set-up offices at such place or places as it may deem appropriate.

**4. Resignation and removal of Chairman, etc.**—(1) The Chairman, or a member may, by writing under his hand, resign from his office.

(2) The Chairman or a member may be removed by the Federal Government from his office if, on an inquiry by the Federal Public Service Commission, he is found incapable of performing the functions of his office by reason of mental or physical incapacity or has been found guilty of misconduct [2][or fails to disclose a conflict of interest as provided for under this Act].

**5. Meetings of the Authority, etc.**—[2][(1) Subject to the provisions of this Act, the Authority shall, in performance of its functions and exercise of its powers, conduct its proceedings in accordance with regulations made under this Act.]

[1][(2) The Chairman and two other members shall constitute a quorum for a meeting of the Authority requiring a decision by the Authority:

Provided that the members of the Authority shall nominate a member amongst themselves to work as an acting Chairman in case of absence of the Chairman, as the case may be, for meeting of the Authority.]

(3) The member shall have reasonable notice of the time and place of the meeting and the matters on which a decision by the Authority shall be taken in such meeting.

(4) The decision of the Authority shall be taken by the majority of its members present, and in case of a tie, the person presiding the meeting shall have a casting vote.

**6. Decisions of the Authority**.— All orders, determinations and decisions of the Authority shall be taken in writing and shall identify the determination of the Chairman and each member.

**7. Powers and functions of the Authority.**—(1) The Authority shall be exclusively responsible for regulating the provision of electric power services.

(2) In particular and without prejudice to the generality of the foregoing power, only the Authority, but subject to the provisions of sub-section (4), shall—

[2][(a) grant licences under this Act;]

[2][(aa) specify procedures and standards for registration of persons providing electric power services;

[1]Ins. and Subs. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2021(LIV of 2021), ss.2-3

[2]Added, Subs. and Ins.by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018),ss.6-8

(ab) aid and advise the Federal Government, in formulation of national electricity plan;

(ac) ensure efficient tariff structures and market design for sufficient liquidity in power markets;]

[1][(b) specify procedures and standards for investment programmes by generation companies and persons licensed or registered under this Act;

(c) specify and enforce performance standards for generation companies and persons licensed or registered under this Act;

(d) specify accounting standards and establish a uniform system of account by generation companies and persons licensed or registered under this Act;]

(e) [1][specify] fees including fees for grant of licences and renewal thereof;

[1][(f) * * * * * * * *]

[2][(g) review its orders, decisions or determinations;

[1][(h) settle disputes between licensees in accordance with the specified procedure;]

[2][(i) issue guidelines and standards operating procedures;] [1][*]

[1][(ia) promote development of a market, including trading, in accordance with the national electricity policy and the national electricity plan; and]

[2][(j) perform any other function which is incidental consequential to any of the aforesaid functions.]

(3) Notwithstanding the provisions of sub-section (2) and without prejudice to the generality of the power conferred by sub-section (1) the Authority shall—

(a) determine tariff, rates, charges and other terms and conditions for supply of electric power services by the generation, transmission and distribution companies and recommend to the Federal Government for notification;

(b) review organizational affairs of generation [1][* * *] companies [1][and persons licensed or registered under this Act] to avoid any adverse effect on the operation of electric power services and for continuous and efficient supply of such services;

(c) encourage uniform industry standards and code of conduct for generation [1][* * *] companies [1][and persons licensed or registered under this Act];

(d) tender advice to public sector projects;

(e) submit reports to the Federal Government in respect of activities of generation [1][* * *] companies [and persons licensed or registered under this Act]; and

(f) perform any other function which is incidental or consequential to any of the aforesaid functions.

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[1]Subs., Omitted and Ins. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018( XII of 2018),s.8

[2]Subs. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2011 (XVIII of 2011), s.4

(4) Notwithstanding anything contained in this Act, the Government of a Province may construct power houses and grid stations and lay transmission lines for use within the Province and determine the tariff for distribution of electricity within the Province [1][and such tariff shall not be called into question by the Authority].

(5) Before approving the tariff for the supply of electric power by generation companies using hydro-electric plants, the Authority shall consider the recommendations of the Government of the Province in which such generation facility is located.

[1][(6) In performing its functions under this Act, the Authority shall protect interests of consumers and companies providing electric power services in accordance with the principles of transparency and impartiality.]

**[1][8. Remuneration of Chairman and members**.—(1) The Chairman and members of the Authority shall be eligible for such remuneration and allowances as the Authority may, with approval of the Federal Government, determine.

(2) The remuneration and allowances of the Chairman and members shall account for–

(a) the specialised nature of work to be performed by the Authority;

(b) the need to ensure the financial self-sufficiency of the Chairman and members; and

(c) the salaries paid in the private sector to individuals with equivalent responsibilities, expertise and skills.]

**[1][8A. Disclosure of interest by members of the Authority.—**(1) For the purpose of this and the following section, a person shall be deemed to have an interest in a matter if he has any direct or indirect financial interest, or has any connection with any company connected with the provision of electric power services in such manner which could reasonably be regarded as giving rise to a conflict between his duty to honestly perform his functions under this Act and such interest, so that his ability to consider and decide any question impartially or to give any advice without bias, may reasonably be regarded as impaired.

(2) A member of the Authority having any interest in any matter to be discussed or decided by the Authority or any of its committees shall, prior to any discussion of the matter, disclose in writing to the Authority, the fact of his interest and the nature thereof.

(3) A disclosure of interest under sub-section (2) shall be recorded in minutes of the Authority prior to any discussion of or decision on the matter and after disclosure the member of the Authority who has made the disclosure—

(a) shall not, except as provided in sub-sections (7) to (10), take part or be present in any deliberation or decision of the Authority; and

(b) shall be disregarded for the purpose of constitution of a quorum of the Authority.

[1]Ins. and Subs. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), ss.8-10

(4) The member of the Authority who fails to disclose his interest as required by this section shall be guilty of an offence and shall on conviction be liable to imprisonment for a term which may extend to one year, or a fine not exceeding ten million rupees, or with both.

(5) It shall be a valid defence for a person charged with an offence under sub-section (4), if he proves that he was not aware of the facts constituting the offence and that he exercised due care and diligence in discovering those facts which he ought reasonably to have known in the circumstances.

(6) Upon being appointed, a member of the Authority shall give written notice to the Federal Government of all direct or indirect pecuniary interests that he has acquired or acquires in a body corporate carrying on a business in the Islamic Republic of Pakistan. The nature of such interests and the particulars and any changes thereof shall be disclosed in the report of the Authority made under clause (a) of sub-section (1) of section 42.

(7) If the Chairman becomes aware that a member of the Authority has the interest, he shall—

(a) if he considers that the member of the Authority should not take part or continue to take part, as the case may require, in determining the matter, direct the member of the Authority accordingly, or

(b) in any other case, cause the member of the Authority's interest to be disclosed to the persons concerned in the matter, including any person whose application is pending decision or adjudication by the Authority.

(8) The member in respect of whom a direction has been given under clause (a) of sub-section (7) shall comply with the direction.

(9) The Chairman of the Authority shall disclose his interest to the persons concerned in the matter including any person whose application is pending decision or adjudication by the Authority.

(10) Subject to sub-section (7), the Chairman or the member who has any interest in any matter referred to in this section shall not take part or continue to take part, as the case may require, in determining the matter unless everyone concerned in it consents to the Chairman or, as the case may be, the member so taking part.

**8B. Notification of interest by others.—** (1) Where a person who, in the course of—

(a) performing a function or exercising a power, as a delegate of the Authority;

(b) performing functions or service as an employee; or

(c) performing a function or services in any capacity by way of assisting or advising the Authority or any of its committees or any delegate of the Authority,

is required to consider a matter in which he has an interest, such person shall forthwith give to the Authority a written notice stating that he is required to consider the matter and has an interest in it and setting out particulars of the interest.

(2) The person referred to in sub-section (1) shall also declare his interest in accordance with the said sub-section whenever it is necessary to avoid a conflict of interest.

(3) Any person referred to in sub-section (1) who fails to disclose his interest as required by this section shall be guilty of an offence and shall on conviction be liable to imprisonment for a term which may extend to one year, or a fine not exceeding ten million rupees, or with both.

(4) It shall be a valid defence for a person charged with an offence under sub-section (3), if he proves that he was not aware of the facts constituting the offence and that he exercised due care and diligence in discovering those facts which he ought reasonably to have known in the circumstances.]

**9. Chairman, etc. to be public servant.—** The Chairman, members, staff, experts, consultants, advisors and other employees of the Authority, when acting or purporting to act in pursuance of any of the provisions of this Act or the rules and regulations, shall be deemed to be public servants within the meaning of section 21 of the Pakistan Penal Code, 1860 (Act XLV of 1860).

**10. Staff and advisers, etc.—**(1) To carry out the purposes of this Act, the Authority may, from time to time, employ officers, members of its staff, experts, consultants, advisers and other employees on such terms and conditions as it may deem fit.

(2) All officers, members of staff, experts, consultants, advisers and other employees employed by the Authority shall not be deemed to be civil servants within the meaning of the Civil Servants Act, 1973 (LXXI of 1973).

[1][**10A. Indemnity.—** No suit, prosecution or other legal proceedings shall lie against the Chairman, members, officers or any employee of the Authority for anything done in good faith or intended to be done in pursuance of this Act or any rules or regulations made thereunder.]

**11. Tribunals.—** The Authority may, from amongst its professional staff, establish [1][*] tribunals for resolving contractual disputes between licensees or such other matters as the Authority may assign.

**12. Delegation.—** The Authority may delegate to the Chairman, a member or any of its officers or a special tribunal constituted under section 11, all or any of its powers, functions or duties under this Act, except—

(a) the power to grant, reject, amend, vary or revoke licences or any condition thereof;

(b) the power to determine or modify tariffs;

(c) the power to approve, disapprove or modify an investment programme or a power acquisition programme; [1][and]

[1][(d) the power to recommend rules or make or repeal regulations made under this Act.]

[1][(e) * * * * * * *]

## [1][CHAPTER IIA

## APPELLATE TRIBUNAL]

[1][**12A. Establishment of Appellate Tribunal.—** (l) The Federal Government shall, by notification in the official Gazette, establish an Appellate Tribunal for the purposes of exercising jurisdiction under this Act.

[1]Ins., Omitted, Added and Subs. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018),ss.11-13

(2) The members of the Appellate Tribunal shall be appointed by the Federal Government and shall comprise—

(a) a former judge of a High Court who shall be the Chairman, for a single term of four years on such terms and conditions as may be prescribed and shall be nominated by the Provinces or Federal Government, as the case may be, by rotation in the following order, namely:—

(i) the member representing the Federal Government;

(ii) the member representing the Province of the Punjab;

(iii) the member representing the Province of Khyber Pakhtunkhwa;

(iv) the member representing the Province of Sindh; and

(v) the member representing the Province of the Balochistan:

Provided that the Chairman of the Appellate Tribunal shall not be appointed if he has attained the age of sixty-five years.

(b) a member finance who shall be a qualified chartered accountant or a qualified cost and management accountant or a qualified chartered financial analyst and shall be nominated by the Provinces or Federal Government, as the case may be, by rotation in the following order, namely:—

(i) the member representing the Province of Sindh;

(ii) the member representing the Province of the Punjab;

(iii) the member representing the Federal Government;

(iv) the member representing the Province of Khyber Pakhtunkhwa; and

(v) the member representing the Province of Balochistan;

(c) a member electricity, who shall be a member of the Pakistan Engineering Council, with a specialization in electrical engineering and shall be nominated by the Provinces or the Federal Government, as the case may be, by rotation in the following order, namely:—

(i) the member representing the Province of Balochistan;

(ii) the member representing the Province of Khyber Pakhtunkhwa;

(iii) the member representing the Federal Government;

(iv) the member representing the Province of the Punjab; and

(v) the member representing the Province of Sindh.

[1]Ins. and Subs. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), ss.13-14

(3) The member finance and member electricity of the Appellate Tribunal shall be appointed for a period of three years on such terms and conditions as may be prescribed:

Provided that no person who has attained the age of sixty years shall be appointed as member finance and member electricity:

Provided further that no person shall be eligible to be the member finance or member electricity, if in case of being a civil servant, they hold a position which is less than BPS-21 or equivalent.

(4) No person shall be appointed as member of the Appellate Tribunal unless he is a citizen of Pakistan and such member shall be employed on full-time basis.

**12B. Qualifications and eligibility**.— No person shall be appointed as member of the Appellate Tribunal unless he—

(a) has at least a masters or professional degree or qualification from an accredited university;

(b) has at least fifteen years of professional work experience;

(c) has no past record of criminal conviction, other than for minor offences; and

(d) has no past record of any specific activities or conduct that could reasonably call into question his ability to discharge his duties as a member of the Appellate Tribunal with honesty, integrity, reliability, competence and objectivity.

**12C. Disqualifications.—** No person shall be appointed or continue as member or an employee of the Appellate Tribunal, if such person—

(a) has been convicted of an offence involving moral turpitude;

(b) has been or is declared insolvent; or

(c) is incapable of discharging his duties by reasons of physical or mental unfitness and has been so declared by a duly constituted medical board appointed by the Federal Government.

**12D. Automatic disqualification.—** If a member of the Appellate Tribunal remains absent from his position or otherwise fails to undertake his duties for any reason whatsoever for a period of three months it shall be a ground for automatic disqualification of such member.

**12E. Decisions, determinations and quorum.—**(1) Decisions and determinations of the Appellate Tribunal shall be taken by majority.

(2) If there are less than three members of the Appellate Tribunal, the presence of two members serving shall constitute a quorum:

Provided that in the case of a quorum of two, the decision shall be taken by consensus.

(3) Any decision or determination taken at a meeting where a quorum is present shall constitute a valid and enforceable decision or determination of the Appellate Tribunal.

**12F. Vacancy in the Appellate Tribunal.—**(1) If position of a member becomes vacant, the Federal Government shall designate a new member and where the vacancy arises in the position of the Chairman, the Federal Government shall appoint one of the existing members to serve as Acting Chairman:

Provided that no person shall serve as Acting Chairman for more than a period of three months:

Provided further that the Federal Government shall fill a vacancy in the Appellate Tribunal within a period of three months from the date such vacancy occurs.

(2) The absence of the Chairman or the temporary incapacity of the Chairman shall not affect the other members' ability to act as the Appellate Tribunal and to exercise its powers and authority under this Act.

**12G. Appellate procedures.—**(1) Any person aggrieved by a decision or order of the Authority or a single member thereof or a Tribunal established under section 11 may, within thirty days of the decision or order, prefer an appeal to the Appellate Tribunal in the prescribed manner and the Appellate Tribunal shall decide such appeal within three months after filing of the appeal.

(2) In examining an appeal under sub-section (1), the Appellate Tribunal may make such further inquiry as it may consider necessary and after giving the Authority or the Tribunal and an appellant an opportunity of being heard, pass such order as it thinks fit, confirming, altering or annulling a decision or order appealed against:

Provided that if the decision under appeal is a determination of tariff by the Authority, then the Appellate Tribunal may in case of disagreement with the determination of the Authority, remand the matter back to the Authority with relevant guidelines, which shall be duly considered by the Authority which shall be bound to review its determination within one month of the receipt of such guidelines from the Appellate Tribunal.

(3) The decision of the Appellate Tribunal shall be in writing, detailing the issues raised in the appeal and the arguments adopted by the appellant and the Authority or Tribunal, as the case may be. The Appellate Tribunal shall also provide reasons for reaching its decision with reference to the provisions of this Act and the facts of the case.

(4) The Appellate Tribunal shall provide copies of its decision to all the appellants and the respondents including the Authority or Tribunal, as the case may be, not later than five days from the date of rendering its decision.

(5) A decision or order of the Authority or Tribunal, as the case may be, shall be given full force and effect during the pendency of any appeal of such determination.

(6) The decision of the Appellate Tribunal shall be appealable before the High Court having territorial jurisdiction.

**12H. Disclosure of interest. —**The following shall apply to members of the Appellate Tribunal including the Chairman, namely:—

(a) a member of the Appellate Tribunal shall be deemed to have an interest in a matter if he has any interest, pecuniary or otherwise, in such matter which could reasonably be regarded as giving rise to a conflict between his duty to honestly perform his functions, so that his ability to consider and decide any question

impartially or to give any advice without bias, may reasonably be regarded as impaired;

(b) a member of the Appellate Tribunal having any interest in any matter to be discussed or decided by the Appellate Tribunal shall disclose in writing to the Secretary to the Appellate Tribunal, the fact of his interest and the nature thereof;

(c) a member of the Appellate Tribunal shall give written notice to the Secretary to the Appellate Tribunal of all direct or indirect pecuniary or other material or personal interests that he has or acquires in a body corporate involved in a matter before the Appellate Tribunal; and

(d) a disclosure of interest under clause (a) shall be made a part of the record of the Appellate Tribunal in that particular matter.

**12I. Powers of the Appellate Tribunal.—**(1) The Appellate Tribunal shall, for the purpose of deciding an appeal, be deemed to be a civil court and shall have the same powers as are vested in such court under the Code of Civil Procedure, 1908 (Act V of 1908), including the powers of —

(a) enforcing attendance of any person and examining him on oath;

(b) compelling production of documents; and

(c) issuing commissions for examination of witnesses and documents.

(2) The Appellate Tribunal may call for and examine any record, information or documents from any person in relation to the matter under appeal before it for the purposes of enabling it to come to a decision.

**12J. Panel of experts.—** The Appellate Tribunal may maintain a panel of national and international experts in power sector to assist it in performance of its functions under this Act as and when deemed fit by the Appellate Tribunal.

**12K. Budget**.— The Appellate Tribunal shall have an independent budget which shall comprise—

(a) an initial grant from the Federal Government; and

(b) fees and costs associated with appellate procedures as may be prescribed.]

**13. Funds.—**(1) The operations of the Authority shall be funded from—

(a) grants from the Federal Government, including an initial grant of one hundred million rupees; and

(b) fees and fines collected [1][* * * * * * *].

[2][(2) Any surplus of receipts over the actual expenditure in a year, after payment of tax, shall be remitted to the Federal Consolidated Fund and any deficit from the actual expenditure shall be made up by the Federal Government.]

**14. Accounts.—**(1) The Authority shall maintain complete and accurate books of accounts of its actual expenses and receipts.

(2) The Accounts of the Authority shall be audited annually by the Auditor General of Pakistan.

[1]Omitted by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), s. 15

[2]Added vide Finance Act, 2012(XVII of 2012)

## [1][CHAPTER IIB

## NATIONAL ELECTRICITY POLICY AND PLAN

**14A. National electricity policy and plan.—**(1) The Federal Government shall, from time to time, with approval of the Council of Common Interests, prepare and prescribe a national electricity policy for development of power markets:

Provided that in development of policies under this section, the Federal Government may seek such input and assistance from the Authority as may be required.

(2) The policies referred to in sub-section (1) shall provide for, *inter alia*,—

(a) development of systems based on optimal utilization of resources such as coal, natural gas, nuclear substances or materials, hydro and renewable sources of energy;

(b) development of efficient and liquid power market design;

(c) integration of national and provincial transmission systems;

(d) special provisions for ensuring development of a sustainable renewable energy market with a dedicated and gradually increasing share in electricity power sector; and

(e) any other matter pertaining to development, reform, improvement and sustainability of power sector.

(3) The Federal Government may either on its own motion or on recommendation of a Provincial Government and subject to approval of the Council of Common Interests, review or revise the policies referred to in sub-section (1).

(4) The Federal Government, in consultation with the Provincial Governments, shall prepare a national electricity plan in accordance with the policies prepared and prescribed under sub-section (1) and notify such plan once in five years:

Provided that the Federal Government, while preparing or amending the national electricity plan, shall publish the draft national electricity plan and invite suggestions and objections thereon within thirty days of the notification:

Provided further that a Provincial Government may, if required, propose an amendment to the national electricity plan, which may be adopted with the concurrence of the Provincial Governments and the Federal Government.

(5) The Authority shall perform its functions in accordance with the national electricity policy and the national electricity plan.

[1]Ins. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 ( XII of 2018|), s.16

## CHAPTER IIC

## GENERATION OF ELECTRICITY

**14B. Generation.—** (1) Subject to sub-section (5), no person shall, except under authority of a licence issued by the Authority under this Act and subject to the conditions specified in this Act and as may be imposed by the Authority, construct, own or operate a generation facility.

(2) An application for grant of a licence for generation facility shall specify—

(a) the type of facility for which the licence is applied;

(b) the location of the generation facility; and

(c) the expected life of the generation facility.

(3) The Authority may, after such enquiry as it may deem appropriate and subject to the conditions specified in this Act and as it may impose, grant a licence authorizing the licensee to construct, own or operate a connected generation facility.

(4) In the case of a generation facility connecting directly or indirectly to the transmission facilities of the national grid company, the licensee shall make the generation facility available to the national grid company for the safe, reliable, non-discriminatory, economic dispatch and operation of the national transmission grid and connected facilities, subject to the compensation fixed by the Authority for voltage support and uneconomic dispatch directed by the national grid company.

(5) The Federal Government may, after consultation with the Authority and by notification in the official Gazette, provide a mechanism for gradual cessation of the generation licences for various classes of generation licence holders, which shall not extend beyond a period of five years from the coming into effect of the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 and thereafter, any generation company may establish, operate and maintain a generation facility without obtaining a licence under this Act if it complies with the technical standards relating to connectivity with the grid as may be specified:

Provided that a generation company intending to set up a generating facility shall prepare and submit a detailed scheme covering all financial, geological, hydrological, technical, safety and environmental aspects to the Authority for its concurrence:

Provided further that, while considering the scheme submitted by a generation company intending to set up a hydro-generating facility, the Authority shall consider whether or not in its opinion the proposed river work will prejudice the prospects for the best ultimate development of the river or its tributaries for power generation and are consistent with the requirements of drinking water, irrigation, flood control and other public purposes and shall satisfy itself that necessary approvals have been sought from the concerned authorities of the Federal Government and Provincial Governments.

**14C. Captive generation.—** (1) Notwithstanding anything contained in this Act, a person may construct, maintain or operate a captive generating plant and dedicated transmission lines:

Provided that the supply of electricity from the captive generating plant through the grid shall be regulated in the same manner as the generating facility of a generating company.

(2) Every person, who has constructed a captive generating plant and maintains and operates such plant, shall have the right to open access for the purposes of carrying electricity from his captive generating plant to the destination of his use:

Provided that such open access shall be subject to availability of adequate transmission facility and such availability of transmission facility shall be determined by the national grid company or the provincial grid company, as the case may be:

Provided further that any dispute regarding the availability of transmission facility shall be adjudicated upon by the Authority.

**14D. Duties of generating companies.—**(1) Subject to the provisions of this Act, the duties of a generating company shall be to establish, operate and maintain generating stations, tie-lines, sub-stations and dedicated transmission lines connected therewith and within the generation facility, in accordance with the provisions of this Act or the rules or regulations made thereunder.

(2) In the case of a generation facility connecting directly or indirectly to the transmission facilities of the national grid company or a provincial grid company, the generation company shall make the generation facility available for the safe, reliable, non-discriminatory, economic dispatch and operation of the national transmission grid and connected facilities, subject to the compensation fixed by the Authority for voltage support and uneconomic dispatch directed by the system operator.

(3) A generating company may supply electricity to any transmission, distribution, supply or market trader licensee in accordance with this Act and the rules and regulations made thereunder and may, subject to section 23E, supply electricity to any consumer.

(4) Every generating company shall—

(a) submit technical details regarding its generating stations to the Authority; and

(b) co-ordinate with the relevant transmission company, for transmission of the electricity generated by it.]

## CHAPTER III
## LICENCES [1][AND REGISTRATION]

[1][**15*** * * * * * *]

**16. Transmission licence.—** [1][(l) Subject to the conditions laid down in this Act, no person shall engage in the transmission of electric power without obtaining a licence issued by the Authority.

(1A) The eligibility criteria for grant of transmission licence shall be prescribed by the Federal Government and shall include, without limitation—

(a) minimum solvency requirements; and

(b) minimum technical and human resource requirements.]

(2) An application for licence for transmission of electric power shall specify—

(i) the type of service for which the licence is being sought; [1][*]

(ii) the territory with location maps and plans to which electric power shall be transmitted [1][;and]

[1][(iii) any other information as may be specified.]

**17. National Grid Company.—** [1][(1) The Authority may, subject to the provisions of this Act and after such enquiry as it may deem appropriate, grant a licence authorizing the licensee to engage in the transmission of electric power subject to such conditions as it may impose:

Provided that only one such licence shall be granted at any one time.]

(2) The licensee referred to in sub-section (1) shall have exclusive right to provide transmission service in the [1][service] territory specified in such licence [1][* * * * * *].

[1][(3) The eligibility criteria for grant of licence as a national grid company shall be prescribed and shall include, without limitation,—

(a) minimum solvency requirements; and

(b) minimum technical and human resource requirements.]

**18. Responsibilities of National Grid Company.—**(1) The national grid company shall be responsible to operate and provide safe, reliable transmission and inter-connection services on a non-discriminatory basis, including to a bulk-power consumer who proposes to become directly connected to its facilities.

(2) Without prejudice to the foregoing responsibilities, the national grid company shall—

(a) make available to the general public the tariffs specifying the Authority's approved rates, charges and other terms and conditions for transmission and inter-connection services;

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[1]Added, Omitted, Subs. and Ins. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018),ss.17-20

(b) not levy any rate or charge or impose any condition for the transmission of electric power which has not been approved by the Authority as a tariff;

(c) not cause a division or any associated undertaking to engage in generation and distribution :

Provided that this clause shall not apply to the KESC and WAPDA so long as their electric systems remain integrated; [1][*]

(d) develop, maintain and publicly make available, with the prior approval of the Authority, an investment programme for satisfying its service obligations and acquiring and selling its assets [1][;and]

[1][(e) perform functions of a system operator.]

**[1][18A. Provincial grid company.—**(l) The Authority may, subject to the provisions of this Act and after such enquiry as it may deem appropriate, grant a licence authorizing a company owned by a Provincial Government to engage in transmission of electric power within territorial limits of such Province, subject to such conditions as it may impose:

Provided that only one such licence shall be granted for each Province at any one time.

(2) The eligibility criteria for grant of license as a provincial grid company shall be prescribed and shall include, without limitation,—

(a) minimum solvency requirements; and

(b) minimum technical and human resource requirements.

**18B. Responsibilities of provincial grid company.—**(1) The provincial grid company shall be responsible to operate and provide safe and reliable transmission services on a non-discriminatory basis, including to a bulk-power consumer who proposes to become directly connected to its facilities.

(2) Without prejudice to the foregoing responsibilities, the provincial grid company shall—

(a) provide transmission and inter-connection services to the national grid company and to others, wherever necessary, at such rates, charges and terms and conditions as the Authority may determine;

(b) purchase inter-connection service from the national grid company as may be necessary and to connect its facilities to the national transmission grid at the rates, charges and terms and conditions determined by the Authority;

(c) follow the performance standards laid down by the Authority for transmission of electric power, including safety, health and environmental protection instructions issued by the Authority or any governmental agency;

(d) make available to general public the tariff specifying the Authority's approved rates, charges and other terms and conditions for transmission services;

(e) not levy any rate or charge or impose any condition for transmission of electric power which has not been approved by the Authority as a tariff;

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[1]Omitted, Added and Ins. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), ss.21-22

(f) not cause a division or any associated undertaking to engage in generation and distribution; and

(g) develop, maintain and publicly make available, with prior approval of the Authority, an investment program for satisfying its service obligations and acquiring and selling its assets.]

**19. Special purpose transmission licence.—** Notwithstanding anything contained in section 17, the Authority may, in the public interest, grant a licence authorising the licensee to engage in the construction, ownership maintenance and operation of specified transmission facilities on the conditions that the licensee shall—

(a) provide transmission and inter-connection services to the national grid company and to others, wherever necessary, at such rates, charges and terms and conditions as the Authority may determine ;

(b) purchase inter-connection service from the national grid company as may be necessary and to connect its facilities to the national transmission grid at the rates, charges and terms and conditions determined by the Authority ;

(c) make its transmission facilities available for operation by the national grid company consistent with applicable instructions established by such company;

(d) follow the performance standards laid down by the Authority for transmission of electric power, including safety, health and environmental protection instructions issued by the Authority or any Governmental agency;

(e) make public the tariff specifying the rates, charges and other terms and conditions of service for transmission and inter-connection services determined by the Authority; and

(f) maintain accounts in accordance with the manner and procedure [1][specified] by the Authority.

**20. Distribution licences.—** (1) No person shall, except under the authority of a licence issued by the Authority under this Act and subject to the conditions specified [1][* * * * * * *], engage in the distribution of electric power.

[1][(1A) The eligibility criteria for grant of distribution licence shall be prescribed and shall include, without limitation,—

(a) minimum solvency requirements; and

(b) minimum technical and human resource requirement.]

(2) An application for a licence for distribution of electric power shall specify—

(i) the type of service for which licence is being sought;

(ii) the territory in which the electric power shall be distributed ; and

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

[1]Subs., Omitted and Ins. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), ss.23-24

**21. Duties and responsibilities of distribution licensees.—**(1) The Authority may, after such enquiry as it may deem appropriate and subject to the conditions specified [1][* * * * * * *], grant a licence for distribution of electric power.

(2) The licensee shall—

(a) possess the [1][*] right to provide, for such period as may be specified in the licence, distribution service [1][* * * * * * *] in the [1][service territory] specified in the licence; and to frame schemes in respect of that [1][service territory]:

Provided that a generation company may make sales of electric power to bulk-power consumers [1][* * * * * * *];

(b) be responsible to provide distribution service [1][* * * * * *] within its [1][service] territory on a non-discriminatory basis to all the consumers who meet the eligibility criteria laid down by the Authority:

[1][* * * * * * *]

(c) publicly make available tariff specifying the Authority's approved rates, charges and other terms and conditions for distribution services [1][* * * * *];

[1][(d) establish, within three months of the issue of its licence for distribution of electric power and make available to public, the manner and procedure for obtaining its service;]

[1][(e) make its transmission facilities available for operation by any other licensee, consistent with applicable instructions established by the system operator;]

(f) follow the performance standards laid down by the Authority for distribution and transmission of electric power, including safety, health and environmental protection instructions issued by the Authority or any Government agency [1][or Provincial Government];

(g) maintain accounts in accordance with the manner and procedure laid down by the Authority; and

(h) develop, maintain and publicly make available, with the prior approval of the Authority, an investment programme for satisfying its service obligations and acquiring and selling its assets.

**22. Sale to bulk power consumers.—** [1][(1) Notwithstanding anything contained in section 21, the Authority may permit sale of electric power to bulk power consumers located in service territory of the holder of a license under this Act.]

(2) Where a bulk power consumer intends to stop purchase of electric power from a distribution company, it shall convey its intention by notice in writing [1][one year] before such stoppage [1][.]

[1][* * * * * * *]

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[1]Omitted, Subs. & Ins. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), ss.25-26

**23. Sale of electric power to other distribution companies.—** A distribution company may sell electric power to other distribution companies and distribute electric power sold by generation companies to other distribution companies [1][* * * * * * *] in accordance with the rates, charges and other terms and conditions of service for such sales as approved by the Authority.

**[1][23A. Market operator licence.—**(1) No person shall, unless licensed by the Authority under this Act and subject to the prescribed conditions, act as a market operator:

Provided that any person acting as a market operator on commencement of the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018, shall within a period of one year apply for a licence under this Act:

Provided further that only one market operator licence shall be granted at one time.

(2) The eligibility criteria for grant of licence as a market operator shall be prescribed by the Federal Government and shall include, without limitation,—

(a) minimum solvency requirements;

(b) minimum technical and human resource requirements; and

(c) public service obligations of the licensee including quality of service, transparency of transactions, timely collection and dissemination of payments, effective collection and dissemination of any and all taxes and surcharges as may be imposed by the Federal Government, etc.

(3) A person eligible for a licence to be licensed as a market operator may make an application to the Authority in such form and manner and on such conditions as may be specified.

(4) An application for licence under sub-section (3) shall be accompanied by a draft commercial code governing the form and manner in which the market operator shall undertake its licensed activities.

(5) The Authority may require an applicant under sub-section (3) to provide such further information as it considers necessary in relation to the application, in such form or verified in such manner as the Authority may direct.

**23B. Duties and responsibilities of a market operator.—** (l) A market operator may, from time to time and subject to approval by the Authority, make such commercial code as may be required to enable it to perform its functions as a market operator.

(2) A market operator shall regulate its operations, standards of practice and business conduct of market participants and their representatives in accordance with its commercial code, policies and procedures as approved by the Authority.

(3) The Authority may, if requited in the public interest, direct a market operator to make such commercial code or amend its existing regulations as it may specify in writing:

Provided that if the market operator does not comply with the direction of the Authority within a period of thirty days without providing just cause for such non-compliance to the Authority, the commercial code of the market operator shall be deemed to have been made or amended, as the case may be, and shall take effect accordingly.

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[1]Omitted and Ins. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), ss.27-28

**23C. Electric power trader licence.—**(1) No person shall, unless licensed by the Authority under this Act, engage in trading of electric power.

(2) The eligibility criteria for grant of licence for trading of electric power shall be prescribed and include, amongst others,—

(a) minimum solvency requirements;

(b) minimum technical and human resource requirements; and

(c) public service obligations of the licensee including quality of service, transparency of transactions, timely collection and dissemination of payments, effective collection and dissemination of any and all taxes and surcharges as may be imposed by the Federal Government, etc.

(3) An application for a licence under sub-section (1) shall specify—

(a) the type of service for which the licence is being sought;

(b) the mode and manner in which the service is proposed to be provided; and

(c) any other information as may be specified.

**23D. Duties and responsibilities of electric power trader.—** (1) The Authority may, after such enquiry as it may deem appropriate and subject to the conditions specified, grant a licence for trading of electric power.

(2) The licensee shall—

(a) possess a right to trade in electric power subject to the conditions of licence;

(b) be responsible to carry out trade bilaterally between the parties by entering into appropriate contracts containing necessary safeguards with regard to supply of electricity through trading;

(c) ensure that appropriate meters are in place for the purpose of energy accounting and comply with the specifications as specified by the Authority;

(d) have requisite agreements with transmission licensees and distribution licensees for transmission or wheeling of electricity, as the case may be;

(e) declare to the Authority its maximum trading monthly volume and five-year trading plan;

(f) comply with any direction issued by the system operator;

(g) publicly make available the Authority's approved applicable rates, charges and other terms and conditions for power sales to consumers;

(h) maintain accounts in accordance with the manner and procedure laid down by the Authority; and

(i) any other obligations as may be imposed by the Authority.

**23E. Electric power supply licence**.—(1) No person shall, unless licensed by the Authority under this Act, engage in supply of electric power to a consumer:

Provided that the holder of a distribution licence on the date of coming into effect of the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 shall be deemed to hold a licence for supply of electric power under this section for a period of five years from such date.

(2) The eligibility criteria for grant of licence to supply electric power shall be prescribed by the Federal Government and shall include, without limitation,—

(a) minimum solvency requirements;

(b) minimum human resource requirements;

(c) provisions with respect to a supplier of the last resort, as the case may be; and

(d) public service obligations of the licensee including quality of service, transparency of transactions, timely collection and dissemination of payments, effective collection and dissemination of any and all taxes and surcharges as may be imposed by the Federal Government, etc.

(3) An application for a licence for supply of electric power shall specify—

(a) the type of service for which the licence is being sought;

(b) the mode and manner in which the service is proposed to be provided; and

(c) any other information as may be specified.

**23F. Duties and responsibilities of an electric power supplier**.—The Authority may, after such enquiry as it may deem appropriate and subject to the conditions specified, grant a licence for supply of electric power.

(2) The licensee shall—

(a) possess a right to make sales of electric power to consumers in the territory specified in the licence and to frame schemes in respect of that territory;

(b) be responsible to make sales of electric power within its territory on a non-discriminatory basis to all the consumers who meet the eligibility criteria laid down by the Authority:

Provided that—

(i) the licensee may not be required to make sale of electric power to a bulk power consumer who has contracted for electric power supply from another supplier; and

(ii) the licensee may request the concerned distribution licensee to disconnect the provision of electric power to a consumer for default in payment of power charges or to a consumer who is involved in theft of electric power;

(c) publicly make available the Authority's applicable rates, charges and other terms and conditions for power sales to consumers;

(d) establish, within three months of the issue of its licence and make available to the public, instructions specifying—

(i) procedures for obtaining service; and

(ii) the manner and procedure for metering, billing and collection of the licensee's approved charges and disconnection in case of non-payment of charges, electric power theft and use of energy for purposes other than for which it was supplied and procedures for re-connection and recovery of arrears and other charges;

(e) maintain accounts in accordance with the manner and procedure laid down by the Authority; and

(f) develop, maintain and publicly make available, with prior approval of the Authority, an investment program for satisfying its service obligations and acquiring and selling its assets.

[1][(g) ensure timely submission of annual or multiyear petitions and quarterly petitions, as specified by the Authority and to the extent applicable to it, ensure timely submission of all information and data to the uniform tariff applicant so that the uniform tariff application duly supported by consolidated accounts is moved by it within a period of fifteen days of intimation of tariff by the Authority under sub-section 4 of section 31of this Act:

Provided that in the event timely submissions are not made, then the Authority may call for requisite information in terms of section 44 of this Act.]

**23G. System operator licence**.— (1) No person shall, unless licensed by the Authority under this Act, undertake functions as a system operator as may be specified by the Authority, including but not limited to—

(a) generation scheduling, commitment and dispatch;

(b) transmission scheduling and generation outage coordination;

(c) transmission congestion management;

(d) cross border transmission coordination;

(e) procurement and scheduling of ancillary services and system planning for long term capacity; and

(f) such other activities as may be required for reliable and efficient system operations:

Provided that only one such licence shall be granted at any one time:

Provided further that the national grid company shall be deemed to be a system operator for a period of two years from commencement of the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018.

[1]Ins. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2021 (XIV of 2021), s.3

(2) The eligibility criteria for grant of licence as a system operator shall be prescribed by the Federal Government and shall include, without limitation,—

(a) minimum technical and human resource requirements; and

(b) public service obligations of the licensee including quality of service and transparency of transactions.

(3) A person eligible for a licence to be licensed as a system operator may make an application to the Authority in such form and manner and on such conditions as may be specified.

(4) An application for licence under sub-section (3) shall be accompanied by a draft grid code governing the form and manner in which the system operator shall undertake its licensed activities.

(5) The Authority may require an applicant under sub-section (3) to provide such further information as it considers necessary in relation to the application, in such form or verified in such manner as the Authority may direct.

**23H. Duties and responsibilities of a system operator**.— (1) A system operator shall, from time to time and subject to approval by the Authority, make such grid management code as may be required to enable it to carry out its functions as a system operator.

(2) A system operator shall regulate its operations, standards of practice and business conduct in accordance with policies and procedures as approved by the Authority.

(3) The Authority may, if required in the public interest, direct the system operator to make such grid code or amend its existing grid code as it may specify in writing:

Provided that if the system operator does not comply with the directions of the Authority within a period of thirty days without providing just cause for such non-compliance to the Authority, the grid code of the system operator shall be deemed to have been made or amended, as the case may be, and shall take effect accordingly.]

**24. Licensees to be companies.** Except the WAPDA the [1][PEDO] or any other person specially exempted by the Authority, a [1][* * * * *] licence shall not be granted to any person unless it is a company registered under the Companies Ordinance, 1984(XLVII of 1984).

**25. Licences of Territory Served by KESC.—**(1) Notwithstanding anything contained in this Act and subject to the provisions of this section, the Authority may grant licences [1][or registration under this Act] [1][* * * * * * *] to one or more licensees [1][or registered persons] for the territory served by the KESC at the time of commencement of this Act.

(2) For a period of six months from the commencement of this Act, the KESC shall be deemed to be a licensee under this Act and, shall during the said period apply for an appropriate licence in accordance with the provisions of this Act.

(3) Where a licence under this section is granted to the KESC, the conditions applicable to a licensee [1][or registered person] under this Act [1][* * * * * * *], shall equally be applicable to the KESC.

**[1][25A. Registration.—** (1) Any person providing electric power services, other than generation under Chapter IIA or an electric power service requiring a licence under this Act, shall be registered with the Authority in the manner and subject to such conditions as may be prescribed.

[1]Subs., Omitted and Ins. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), ss.29-31

(2) Without prejudice to the generality of sub-section (1), a person registered under this section shall, at all times,—

(a) maintain the prescribed minimum capital requirement;

(b) maintain adequate facilities to ensure efficient provision of the service it is registered to provide; and

(c) comply with the provisions of this Act and the rules and regulations made hereunder.]

**26. Modifications.—** If the Authority is of the opinion that it is in the public interest it may, with the consent of the licensee, amend or vary the conditions of any licence issued [1][or registration granted] under this Act and in the absence of licensee's consent, the Authority shall conduct a public hearing on whether the proposed amendment or variance is in the public interest and shall make a determination consistent with the outcome of that hearing.

**27. Assignment of licence prohibited.—** A licensee [1][or a registered person, as the case may be] shall not, without the prior approval of the Authority, surrender, assign or transfer its licence [1][or registration] to any person.

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[1]Ins. and Subs. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), ss. 32-33

## [1][CHAPTER IIIA

## ENFORCEMENT

**27A. Investigation and proceedings by the Authority.—**(1) The Authority may appoint not less than two officers to conduct investigations in respect of any matter that is a violation of this Act, the rules, regulations and codes made thereunder or the conditions of a licence issued or registration granted under this Act, as the case may be.

(2) The Authority, in the notice of appointment of investigation officers under sub-section (1), shall specify—

(a) the reason for initiation of investigation;

(b) the possible violations which are to be investigated; and

(c) the time frame within which the investigation is to be completed:

Provided that a copy of the notice of investigation shall be provided to the persons under investigation, who shall be bound to facilitate the investigation officers in all aspects of the investigation.

(3) When an investigation has been ordered under sub-section (1), an investigating officer may, by notice in writing, require any person to produce before him such books, registers or documents as are in custody or under control of that person.

(4) A person who obstructs or hinders an investigating officer while exercising any of the powers under this section or deliberately fails to produce any such books, registers or documents as are required by the Authority or an investigating officer, shall be liable to—

(a) proceedings under sections 27B and 28, where the Authority is of the view that non-compliance with the investigation would adversely affect the interest of the consumers of the person under investigation and where the person under investigation is a licensee or a registered person; and

(b) imposition of penalty under section 27B, in all other cases.

(5) Any person aggrieved by the conduct of an investigating officer may lodge a complaint in respect thereof to the Authority.

(6) The Authority shall, within fifteen days of receipt of the complaint under sub-section (5), commence a hearing to determine the veracity of such complaint in accordance with the specified procedure.

**27B. Penalty for default or contravention.—** Any person who acts in contravention of this Act or the rules and regulations made thereunder or fails to comply with the conditions of a licence issued or registration granted to that person and such person is a party to such contravention shall be punishable in case of—

(a) a company, with a minimum fine of ten million Rupees which may extend to two hundred million Rupees and, in the case of a continuing default, with an

[1]Ins. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), s. 34

additional fine which may extend to one hundred thousand Rupees for every day during which the contravention continues; and

(b) an individual, with a minimum fine of one million Rupees which may extend to ten million Rupees and, in the case of a continuing default, with an additional fine which may extend to ten thousand Rupees for every day during which the contravention continues:

Provided that a fine shall only be imposed under this section after providing a reasonable opportunity of being heard to the person alleged to be in contravention:

Provided further that where the person is a generation company, a licensee or a person registered under this Act, a penalty imposed under this section shall not be treated as a cost for the purposes of tariff determination by the Authority.

**27C. Prohibition order.—**(1) The Authority may, after recording reasons in writing, for continuing violations of this Act or the rules or regulations made thereunder—

(a) prohibit a generation company, a licensee or a registered person, from providing electric power services; or

(b) in the case of a generation company, prohibit any or all persons from purchasing electricity from such generation company; or

(c) require a generation company, a licensee or a registered person, to improve the provision of electric power services so as to ensure compliance with this Act and the rules and regulations made thereunder.

(2) The Authority may, either on its own motion or on the application of a generation company, a licensee or a registered person, against whom a prohibition or requirement has been imposed under sub-section (1), rescind or vary such prohibition or requirement if the Authority is satisfied that no violation of this Act or rules or the regulations made thereunder exists to that extent.]

**28. Suspension and revocation.—**[1][(1) Notwithstanding anything contained in section 27B, the Authority may suspend or revoke any licence issued or registration granted under this Act for consistent failure of the licensee or registered person to comply with the conditions of the licence or registration:

Provided that before taking action under this section, the Authority shall issue a notice to show cause and may provide an opportunity to rectify the omission subject to such conditions as the Authority may specify.]

(2) Where the Authority revokes or suspends a licence [1][or registration], it may undertake all or any of the following actions for continuance of the facilities covered under the licence [1][or registration], namely—

(a) permit the licensee [1][or registered person] to continue operating such facilities under such terms and conditions as the Authority may specify;

[1]Subs. and Ins. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), s.35

(b) contract with another person to immediately take over the operation of the facilities; or

(c) appoint an administrator to take over the operation of the facilities.

(3) The actions specified in sub-section (2) may continue till a successor licensee [1][or registered person] takes over the charge of the facilities on such terms and conditions as the Authority may determine including payment of compensation for the plant, machinery and other equipment installed at a facility of the licensee [1][or registered person] whose licence [1][or registration] was revoked.

[1][**29**. * * * * * * *]

**30. WAPDA and [1][PEDO] to be licensees.—**Notwithstanding anything contained in this Act for a period of six months from the commencement of this Act, the WAPDA and the [1][PEDO] shall be deemed to be licensees under this Act, and shall, during the said period, apply for appropriate licences in accordance with the provisions of this Act.

(2) Where a licence under this section is granted to the WAPDA or the [1][PEDO], the conditions applicable to a licensee under this Act for generation, transmission and distribution of electric power, as the case may be, shall equally be applicable to WAPDA or [PEDO].

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[1]Ins., Omitted and Subs. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), ss.35-37

## [1][CHAPTER IIIB

## TARIFF]

[1][31. Tariff.—](l) The Authority shall, in the determination, modification or revision of rates, charges and terms and conditions for the provision of electric power services, be guided by the national electricity policy, the national electricity plan and such guidelines as may be issued by the Federal Government in order to give effect to the national electricity policy and national electricity plan.

(2) The Authority, in the determination, modification or revision of rates, charges and terms and conditions for the provision of electric power services shall keep in view—

(a) the protection of consumers against monopolistic and oligopolistic prices;

(b) the research, development and capital investment programme costs of licensees;

(c) the encouragement of efficiency in licensees, operations and quality of service;

(d) the encouragement of economic efficiency in the electric power industry;

(e) the economic and social policy objectives of the Federal Government; and

(f) the elimination of exploitation and minimization of economic distortions.

(3) Without prejudice to the generality of sub-section (2), the following general guidelines shall be applicable to the Authority in the determination, modification or revision of rates, charges and terms and conditions for provision of electric power services, namely:—

(a) tariffs should allow licensces the recovery of any and all cost prudently incurred to meet the demonstrated needs of their customers:

Provided that assessments of licensees' prudence may not be required where tariffs are set on other than cost of service basis, such as formula based tariffs that are designed to be in place for more than one year;

(b) tariffs should generally be calculated by including a depreciation charge and a rate of return on the capital investment of each licensee commensurate to that earned by other investments of comparable risk;

(c) tariffs should allow licensees a rate of return which promotes continued reasonable investment in equipment and facilities for improved and efficient service;

(d) tariffs should include a mechanism to allow licensees a benefit from and penalties for failure to achieve the efficiencies in the cost of providing the service and the quality of service;

(e) tariffs should reflect marginal cost principles to the extent feasible, keeping in view the financial stability of the sector;

(f) the Authority shall have a preference for competition rather than regulation and shall adopt policies and establish tariffs towards that end;

[1]Ins. and Subs. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), ss.38-39

(g) tariffs may be set below the level of cost of providing the service to consumers categories consuming electric power below such consumption levels as may be prescribed, as long as such tariffs are financially sustainable;

(h) tariffs should, to the extent feasible, reflect the full cost of service to consumer categories with similar service requirements;

(i) tariffs should seek to provide stability and predictability for customers; and

(j) tariffs should be comprehensible, free of misinterpretation and shall state explicitly each component thereof:

Provided that the Authority shall strike a balance to the extent possible, among the general guidelines in order to optimize the benefits to all persons likely to be affected by the determination, modification or revision of rates, charges and terms and conditions.

(4) Subject to sub-sections (2) and (3), the Authority shall, [1][on the basis of uniform tariff application, determine a uniform tariff for public sector licensees, engaged in supply of electric power to consumers, in the consumer's interest,] on the basis of their consolidated accounts.

(5) The Authority may specify procedures for determination, modification or revision of rates, charges and terms and conditions for the provision of electric power services, including without limitation–

(a) time frame for decisions by the Authority on tariff applications;

(b) opportunity for customers and other interested parties to participate meaningfully in the tariff approval process; and

(c) protection for refund, if any, to customers while tariff decisions are pending.

(6) The time frame for determination by the Authority on tariff petition shall not exceed four months after the date of admission of the tariff petition:

Provided that this time frame shall commenc after the applicant has complied with all requirements of rules and regulations and the Authority has admitted the tariff petition.

[1][(7) Notification of the Authority's approved tariff or uniform tariff, as the case may be; rates, charges, and other terms and conditions for the supply of electric power services shall be made, in the official Gazette, by the Federal Government within thirty days of intimation of the same by the Authority. In the event the Federal Government falls to notify the tariff so determined by the Authority, or refer the matter to the Authority for reconsideration, within the time period specified, then the Authority may direct immediate application of its recommended and approved tariff or uniform tariff as the case may be, by way of notification of the same, subject to adjustment which may arise on account of reconsideration, if any, subsequently filed by the Federal Government:

Provided that—

[1]Subs. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2021 (XIV of 2021), s.4

(i) the Federal Government may, as soon as may be, but not later than thirty days of receipt of the Authority's intimation of its approved tariff of public sector licensees involved in distribution and supply business, require the Authority to reconsider its determination of such tariff to the extent of issues common to these licensees. Whereupon the Authority shall, within thirty days, determine these after reconsideration and intimate the same to the Federal Government;

(ii) the Authority may, on a quarterly basis and not later than a period of fifteen days, make quarterly adjustments in the approved tariff on account of capacity and transmission charges, impact of transmission and distribution losses, variable operation and maintenance and, policy guidelines as the Federal Government may issue and, intimate the tariff so adjusted to the Federal Government prior to its notification in the official Gazette. The Federal Government may, as soon as may be, but not later than fifteen days of receipt of the Authority's intimation of its recommendation for adjustment, require the Authority to reconsider its determination of such quarterly adjustment. In the event the Federal Government does not refer the matter to the Authority for reconsideration, within the time period specified above, then the Authority shall notify the tariff so adjusted in the official Gazette. However, in case of filing of the reconsideration request by the Federal Government, within the time period specified above, the Authority shall, within fifteen days, determine such adjustments after reconsideration and intimate the same to the Federal Government prior to its notification in the official Gazette;

(iii) the Federal Government in lieu of reconsideration requests may opt to file an appeal, however, in the event the Federal Government moves reconsideration request then it shall not subsequently be entitled to avail the remedy of appeal against the decision of reconsideration request;

(iv) the Authority may, on a monthly basis and not later than a period of seven days, make adjustments in the approved tariff on account of any variations in the fuel charges and policy guidelines as the Federal Government may issue and, notify the tariff so adjusted in the official Gazette.]

[1][(8) Notwithstanding anything contained in this Act and in addition to the tariff, rates and charges notified under sub-section (7) and this sub-section, each electric power supplier shall collect such surcharges from any or all categories of consumers, as the Federal Government may charge and notify in the official Gazette from time to time, in respect of each unit of electric power sold to any or all categories of consumers and deposit the amount so collected in such manner as may be prescribed. The amount of such surcharges shall be deemed as a cost incurred by the electric power supplier and included in the tariff notified under sub-section (7):

Provided that such surcharges shall be levied for the following purposes, namely:—

[1]Ins. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2021 (XIV of 2021), s.4

(a) funding of any public sector project of public importance [to the extent decided by the Federal Government]; and

(b) fulfillment of any financial obligation of the Federal Government with respect to electric power services [to the extent decided by the Federal Government].

*Explanation.*— For the purposes of this proviso, the term "financial obligations" includes obligations of the Federal Government to make payments in respect of purchase of electric power as well as obligations related to electric power services secured through issuance of sovereign guarantee:

Provided further that the aggregate amount of such surcharges shall not exceed ten percent of the aggregate revenue requirement of all electric power suppliers, engaged in supply of electric power to end consumers, as determined by the Authority.]

**32. Investment and power acquisition programmes.—** (1) The Authority shall, within eighteen months from the commencement of this Act, [1][specify] procedures and standards for the Authority's prior approval of the transmission companies' and distribution companies' investment and power acquisition programmes.

(2) Any procedures [1][specified] by the Authority under this section shall advance the goal of minimizing regulatory oversight of contracts entered into by the national grid company [1][,the provincial grid companies] and distribution companies.

(3) Any investment programme or power acquisition programme, approved by the Authority under this section shall take into account the national energy plans issued by the Federal Government.

(4) Upon the Authority's approval of an investment programme or a power acquisition programme, the Authority shall, subject to such terms and conditions including rates and charges of electric power, permit the distribution company to enter into long term contracts for power purchases.

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[1]Subs. and Ins. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), s.40

## [1][CHAPTER IIIC
## PERFORMANCE AND STANDARDS]

**33. Organizational matters.—** Subject to the procedures established by the Authority under this Act, the Authority may, in the public interest, with or without modifications, approve the following activities by a licensee for generation, transmission and distribution, namely :—

(a) the undertaking of a merger or a major acquisition or sale of facilities;

(b) the expansion of the licensee's business activities; and

(c) the undertaking of a re-organization of the licensee's business structure.

**34. Performance standards.—**The Authority shall [1][specify] performance standards for generation, transmission and distribution companies to encourage safe, efficient and reliable service, including standards for–

(i) service characteristics such as voltage and stability;

(ii) scheduled and unscheduled outages ;

(iii) reserve margins where applicable;

(iv) time required to connect new customers; and

(v) principles and priorities of load shedding.

**35. Industry standards and codes of conduct.—**The Authority shall [1][specify] industry standards and uniform codes of conduct so as to provide—

(a) planning criteria for safety, reliability and cost effectiveness of the generation, transmission and distribution facilities;

[1][(aa) technical standards for construction of electrical plants, electric lines and connectivity to the grid;

(ab) grid standards for operation and maintenance of transmission lines;]

(b) construction practices and standards of such facilities;

(c) operating standards and procedures;

(d) maintenance schedules;

(e) maintenance of adequate spinning reserves and plans to satisfy demand;

(f) equipment specification and standardization; and

(g) load-shedding and restoration procedures.

**[1][35A. Offices of complaints regarding over-billing etc.—** (1) Notwithstanding anything contained in section 38 or section 39, the Authority may establish district level complaint offices to hear and decide complaints regarding overbilling, non-compliance of instructions respecting metering

[1]Ins. and Subs. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), ss.41-43

and collection of approved charges, disconnection in case of non-payment of charges, electric power theft and use of energy for purposes other than for which it was supplied.

(2) The manner and procedure whereby consumers and licensees may make complaints under this section shall be specified:

Provided that the office of complaints shall, on receipt of a complaint and before taking any action thereon, give notice to the licensee or any other person against whom such complaint has been made to show cause and provide such licensee or such other person an opportunity of being heard.

(3) If, on inspection by an office of complaints, a willful contravention against a licensee or any other person is established, a licensee person and any such anyother person that is party to the contravention shall be punishable in case of—

(a) a licensee, with a fine under section 27B;

(b) an employee of a licensee who is found to be party to the contravention complained of, to imprisonment for a term which may extend to three years or to a fine which may extend to ten million Rupees or to both;

(c) a consumer that is a company, with a fine under section 27B; and

(d) any other individual who is found to be party to the contravention complained of, to imprisonment for a term which may extend to three years or to a fine which may extend to ten million Rupees or to both.]

**36. Uniform system of accounts.—** The Authority shall [1][specify] a uniform system of accounts which shall be followed by the licensee of generation, transmission and distribution facilities within such period as may be [1][specified].

**37. Review of public sector projects.—**(1) For the purposes of coordination, in the case of any public sector project, the advice of the Authority shall be sought by the agency planning to undertake such projects.

(2) The provision of sub-section (1) shall not apply to public sector projects which do not supply electricity to the national grid.

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[1]Ins. and Subs. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), ss.44-45

## CHAPTER-IV
## ADMINISTRATION

**38. Provincial offices of inspection.—** (1) Each Provincial Government shall—

(a) establish offices of inspection that shall be empowered to—

(i) enforce compliance with distribution companies' instructions respecting metering, billing, electricity consumption charges and decision of cases of theft of energy; and

(ii) make determination in respect of disputes over metering, billing and collection of tariff and such powers may be conferred on the Electric Inspectors appointed by the Provincial Government under section 36 of the Electricity Act, 1910 (Act IX of 1910), exerciseable, in addition to their duties under the said Act.

(b) establish procedures whereby distribution companies and consumers may bring violations of the instructions in respect of metering, billing and collection of tariff and other connected matters before the office of inspection; and

(c) enforce penalties determined by the Provincial Government for any such violation.

(2) The Provincial Governments may, upon request by the Authority, submit to the Authority—

(a) a copy of any document in the charge of the Provincial Government relating to Provincial offices of inspection; and

(b) other reports, statements and information as the Authority determines to be necessary or appropriate for the Authority's periodic assessment of the effectiveness of inspection made by Provincial Officers of inspection.

[1][(3) Any person aggrieved by any decision or order of the Provincial Office of Inspection may, within thirty days of the receipt of the order, prefer an appeal to the Authority in the [2][specified] manner and the Authority shall decide such appeal within sixty days.]

**39. Complaints.—** (1) Any interested person, including a Provincial Government, may file a written complaint with the Authority against a licensee for contravention of any provision of this Act or any order, rule, regulation, licence or instruction made or issued thereunder.

(2) The Authority shall, on receipt of a complaint, before taking any action thereon, give notice to the licensee or any other person against whom such complaint has been made to show cause and provide such licensee or such other person an opportunity of being heard.

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[1]Added by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2011 (XVIII of 2011), s. 8

[2]Subs. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), s. 46

## [1][CHAPTER IVA
## MISCELLANEOUS]

**40. Enforcement of orders of the Authority.—** The Authority's determinations on decisions by tribunals set-up under section 11 of this Act shall be deemed to be decrees of a civil court under the Code of Civil Procedure, 1908 (Act V of 1908).

**41. Sum payable to the Authority to be recoverable as land revenue.—** All sums payable to the Authority in accordance with the provisions of this Act and the rules shall be recoverable as arrears of land revenue.

**42. Reports of the Authority.—** (1) The Authority shall submit, to the Council of Common Interests and to the Federal Government, at the end of every financial year, but before the last day of September of that year—

(a) a report on the conduct of its affairs for that year including anticipated developments for the following year ; and

(b) report on the state of the electric power services in the country identifying the ownership, operation, management, efficiency and control of electric power facilities, amount of transmission and generation capacity, present and future demand of electricity, cost of electric power services and other matters relating to electric power services.

**43. Inspection by public.—** (1) The Authority shall maintain public files that shall be kept open in convenient form for public inspection and examination during reasonable business hours.

(2) Subject to procedures and standards for confidentiality, the Authority's public files shall include all relevant documents to be maintained and indexed as the Authority deems fit.

(3) The Provincial Governments shall keep open in convenient form for public inspection and examination during reasonable business hours all complaints, responses and decisions relating to the Provincial inspection offices.

**44. Information.—** The Authority may call for any information, required by it for carrying out the purposes of this Act from any person involved directly or indirectly, in the provision of electric power services or any matter incidental or consequential thereto. Any such person shall be liable to provide the [1][*] information called by the Authority, failing which he shall be liable to a [1][* * *] penalty [1][under this Act.]

**45. Relationship to other laws.—** The provisions of this Act, rules and regulations made and licences issued thereunder shall have effect notwithstanding anything to the contrary contained in any other law, rule or regulation, for the time being in force and any such law, rule or regulation shall, to the extent of any inconsistency, cease to have any effect from the date this Act comes into force and the Authority shall, subject to the provisions of this Act, be exclusively empowered to determine rates, charges and other terms and conditions for electric power services :

[1]Ins., Omitted and Subs. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), ss.47-48

Provided that nothing in this Act shall affect the jurisdiction, powers or determinations of the Corporate Law Authority or the Monopoly Control Authority.

[1][**46. Rules.—**](1) The Federal Government may, either on its own motion or on recommendation of the Authority and by notification in the official Gazette, make rules for matters required to be prescribed under this Act:

Provided that the power to make rules conferred by this section shall be subject to consultation with the Authority and the Provincial Governments and be subject to previous publication for eliciting public opinion thereon within a period of not less than fourteen days from the date of publication:

Provided further that in case of a disagreement between the Federal Government and the Provincial Governments, such rules shall be referred to the Council of Common Interests for a decision thereon.

(2) Without prejudice to the generality of the foregoing powers, such rules may provide for—

(a) procedure for seeking nominations of members of the Authority and the Appellate Tribunal from the Provincial Governments;

(b) publication of rates and charges of electricity consumption;

(c) procedure for submission of various reports to the Council of Common Interests or to the Federal Government and the manner of preparation of such reports;

(d) procedure for inquiry and investigation into affairs of an applicant for a licence and for any contravention of any provision of this Act;

(e) seeking of information; and

(f) any other matter incidental or consequential.

**47. Regulations.—**(1) The Authority may, for performance of its functions under this Act and by notification in the official Gazette, make regulations not inconsistent with the provisions of this Act and the rules.

(2) Without prejudice to the foregoing powers, such regulations may provide for—

(a) appointment of officers, members of staff and such other persons and the terms and conditions of their service;

(b) the form and manner of applications to be made for a licence for generation, transmission or distribution facilities;

(c) the fees and documents to be accompanied with the applications for licences;

(d) procedure for metering, billing and collection of electric power charges by the licensees;

(e) procedure for resolving disputes amongst the licensees and consumers;

(f) manner and procedure of show cause notices; and

(g) any other matter incidental or consequential.

[1]Subs. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), s.49

(3) The power to make regulations conferred by this section shall be subject to the condition of previous publication and before making any regulations the draft thereof shall be published in two newspapers of wide circulation for eliciting public opinion thereon within a period of not less than thirty days from the date of its publication.]

[1][**48. Power of the Authority to issue directives, circulars, guidelines, etc.—** The Authority shall have the power to issue such directives, codes, guidelines, circulars or notifications as are necessary to carry out the purposes of this Act and the rules and regulations made hereunder.

**49. Cognizance of offences.—** Notwithstanding anything contained in the Code of Criminal Procedure, 1898 (Act V of 1898), no court other than the court of sessions shall take cognizance of an offence under this Act except on a complaint by an officer authorized in this behalf by the Authority.

**50. Savings.—** (1) Notwithstanding anything contained in the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 or any repeal effected thereby, nothing shall affect or be deemed to affect anything done or any action taken or purported to have been taken, including any rule, regulation, notification, determination, order or notice made or issued, any approval, appointment or declaration made, any operation undertaken or direction given, any proceedings taken or any penalty, punishment or fine imposed under this Act before the commencement of the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018.

(2) Subject to sub-section (1), any order, rule, notification, regulation, appointment, conveyance, deed, document or direction made, fee directed, determination given, proceedings taken, instrument executed or issued or thing done under or in pursuance of any provision of the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 shall, if in force before the commencement of the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018, continue to be in force and shall have effect as if made, directed, passed, given, taken, executed, issued or done under or in pursuance of this Act:

Provided that, pursuant to the coming into effect of the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018, the rules and regulations issued under this Act shall be brought into conformity with the amended provisions of this Act, wherever required, within a period of one year from the date of coming into effect of the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018.

(3) Any person appointed to any office prior to the coming into force of the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 shall be deemed to have been appointed to that office under and by virtue of this Act and any condition or term of service or employment modified through the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 shall not have retrospective application or effect.

[1]Added by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018), s. 50

**51. Validation.—** [1][(1)] Anything done, actions taken, orders passed, instruments made, notifications issued, agreements made, proceedings initiated, processes or communications issued, powers conferred, assumed or exercised by the Federal Government in terms of sub-section (5) of section 31 on or after the first day of July, 2008 till the coming into force of the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 shall be deemed to have been validly done, made, issued, taken, initiated, conferred, assumed and exercised and shall be deemed to have effect accordingly.

[1][(2) All acts done or taken and notifications issued by the Federal Government with respect to electric power services, from the enactment of the Regulation of the Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 till the coming into force of the Regulation of the Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2021, shall be deemed to have been validly made and issued under this Act].

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[1]Renumbred and Ins. by The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2021 (XIV of 2021), s.5