



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/DG(M&E)/LAD-06/ 1965

February 03, 2025

Chief Executive Officer,  
Multan Electric Power Company Limited (MEPCO),  
MEPCO Complex, WAPDA Colony,  
Khanewal Road, Multan

Subject: **ORDER OF THE AUTHORITY IN THE MATTER OF OF SHOW CAUSE  
NOTICE ISSUED TO MEPCO UNDER REGULATION 4(8) AND 4(9) OF NEPRA  
(FINE) REGULATIONS, 2021, ON ACCOUNT OF FAILURE TO EXECUTE  
EARTHING/GROUNDING OF HT/LT POLES/STRUCTURES IN ITS SERVICE  
TERRITORY.**

Please find enclosed herewith, the Order of the Authority (total 14 page) in the subject matter for information and compliance.

Enclosure: As above

*Wasim Anwar Bhinder*  
(Wasim Anwar Bhinder)



# National Electric Power Regulatory Authority

## ORDER

### IN THE MATTER OF SHOW CAUSE NOTICE ISSUED TO MEPCO UNDER REGULATION 4(8) AND 4(9) OF NEPRA (FINE) REGULATIONS, 2021, ON ACCOUNT OF FAILURE TO EXECUTE EARTHING/GROUNDING OF HT/LT POLES/STRUCTURES IN ITS SERVICE TERRITORY.

1. Multan Electric Power Company Limited (MEPCO) (the "Licensee") was granted a Distribution License (No. DL/06/2023) by the National Electric Power Regulatory Authority (the "Authority") on 09.05.2023, for providing Distribution Services in its Service Territory as stipulated in its Distribution License, pursuant to section 21 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 ("NEPRA Act").

#### Background:

2. During the investigation conducted by NEPRA with respect to fatal accidents in the service territories of DISCOs including the Licensee, it was revealed that one of the major causes of electrocutions is lack of earthing/grounding of poles/structures. The Authority while taking notice of such safety hazards, directed all the DISCOs including the Licensee vide letter dated June 07, 2022, followed by a reminder dated July 06, 2022, to submit the data pertaining to the total number of poles/structures, number of poles/structures installed in its service territory and number of poles/structures lacking earthing. Accordingly, the Licensee submitted the required information vide its email dated June 20, 2022.
3. The Authority after carefully examining the data submitted by the Licensee called CEO of the Licensee vide letter dated September 26, 2022, for a meeting/hearing via Zoom at NEPRA Head Quarter with the direction to come up with a comprehensive plan along with specific timelines pertaining to the execution of earthing/grounding of HT/LT poles/structures in its service territory, in order to avoid fatal accidents in future. The Authority also directed that the Licensee shall submit the response to specific queries/questions including, SOP of the Licensee pertaining to earthing/grounding of the poles/structures, scope of earthing in the contracts at the time of their installation, checking of poles/structures grounding at the time of handing over of the system from construction to operation departments, tackling these hazards in the absence of proper earthing/grounding, and time required to execute the earthing/grounding of 100% of the remaining poles/structures.
4. Accordingly, the said meeting/hearing was held on October 04, 2022, wherein, the Authority directed the Licensee to submit complete details of PCC poles and steel structures with and without earthing/grounding. The Authority further directed the Licensee to submit a comprehensive plan of the execution of earthing/grounding of poles & structures along with concrete timelines. Moreover, the Authority also desired



that the Licensee should provide a mechanism on how they will efficiently perform the execution task within the minimum possible time. A letter dated October 28, 2022, containing all above directions was also sent to the Licensee.

5. In addition to the above, NEPRA Regional Office, Multan, also reported and affirmed that in past contracts, the scope of earthing/grounding was only included in Steel Structures. However, in the latest contracts, the scope of earthing/grounding was included in both the Steel Structures and PCC poles and the same is present in the field too. The Regional Office further highlighted that Steel Structures installed in the past had earthing/grounding, however, the same has become ineffective due to deterioration and change of moisture contents at the sites over time. The same was also endorsed by the Licensee in its submitted replies.
6. In response to NEPRA's letter dated October 28, 2022, the Licensee vide its letter dated November 08, 2022, submitted its reply. The Licensee submitted that work for earthing/grounding through outsourcing has been initiated. It is pertinent to highlight here that the Licensee shared a revised number of poles/structures i.e. 1,773,544 which is much higher than the previous number i.e. 1,113,517. The submission of a revised number with a difference of more than 6 Lac poles/structures again shows the inefficiency of the Licensee, that being a distribution company it has not the proper idea that how many poles/structures are in operation in its distribution system. The Licensee wasted considerable time to determine the exact number of poles/structures, which raises serious concerns over the Licensee's performance.
7. The Licensee vide the aforementioned letter dated November 08, 2022, also submitted a month/phase-wise execution plan regarding earthing/grounding of poles/structures which will be completed within four (04) years time. The same was reviewed and noted that the plan is segregated into four phases. The first three phases will be executed within two years, whereas, the 4th phase will be completed in the next two years which seems quite high time period. Accordingly, some observations were communicated to the Licensee vide email dated December 26, 2022. A Zoom meeting was also held with the Licensee on December 23, 2022, wherein the Licensee was directed to re-submit its plan in light of observations highlighted by NEPRA. However, the Licensee did not submit the response, within the considerable time period.

8. The detail of poles/structures already earthed or to be earthed as submitted by the Licensee is as under:

Total Number of HT/LT Structures	Details of HT Structures			Details of LT Structures			Total Number of HT/LT Structures have Earthing	Total Number of HT/LT Structures to be Earthed
	Total Number of HT Structures	HT Structures have Earthing	HT Structures to be Earthed	Total Number of LT Structures	LT Structures have Earthing	LT Structures to be Earthed		
1,225,635	744,048	37,202	706,846	481,587	74,916	406,671	112,118	1,113,517

9. After repeated telephonic calls, the Licensee submitted its response vide its letter dated February 22, 2022, whereby the Licensee claimed that upto February 20, 2023, the earthing of 193,957 No. of structures have been completed, however, 705,542 No. of structures are expected to be completed by December 2023, as per the earlier submitted plan. A revised plan has also been submitted by the Licensee, citing the non-

participation of earthing material suppliers as the reason. The same has been reviewed and noted with concern that the Licensee has again changed the total number of poles/structures i.e. 1,947,802, which is very alarming. Further, the Licensee has not considered the observations of NEPRA communicated to the Licensee vide email as mentioned above, and has not responded to any one of them. All this indicates the seriousness of the Licensee towards inculcating a safety culture in its service territory. The Licensee is trying to mislead the Authority by submitting different numbers rather than any concrete ones. The Licensee should have realized that the operation of poles/structures without earthing/grounding in the field is highly dangerous and can lead to the occurrence of fatal accidents at any time.

10. It is a matter of record that despite repeated and continuous correspondence, the Licensee has failed to produce any specific number of HT/LT poles/structures along with its concrete plan indicating specific timelines. The Licensee also failed to submit the so-far progress for executing the earthing/grounding of HT/LT poles/structures as per its original phase-wise plan. The Licensee should have understood that the operation of poles/structures without earthing/grounding in the field is highly dangerous and can lead to the occurrence of fatal accidents at any time.
11. Therefore, the Authority decided to initiate legal proceedings against the Licensee under NEPRA Fine Regulations, 2021.

#### **Explanation:**

12. In view thereof, an Explanation was served to the Licensee under Regulation 4(1) and 4(2) of NEPRA (Fine) Regulations, 2021, vide NEPRA's letter dated April 27, 2023, on account of violation of Section 21(2)(f) of the NEPRA Act, Article 11 of the Distribution License read with Rule 4(g) of the NEPRA Performance Standards (Distribution) Rules, Clause 4 of Safety Requirements, Clause 4 of Design Code & Clause 1 of Protection Requirements of the Distribution Code and Clause 12.2 of Chapter 12 of the Consumer Service Manual.
13. The Licensee vide its letter dated May 12, 2023, submitted its response. Furthermore, in order to satisfy the requirement of law, a hearing in light of Regulation 4(5) of NEPRA (Fine) Regulations, 2021, was held on July 19, 2023, wherein, CEO of the Licensee along with his team participated and made submissions.

#### **Show Cause Notice**

14. The Authority considered the submissions of the Licensee and after detailed deliberations rejected the response submitted by the Licensee against the Explanation served upon it and directed to issue a Show Cause Notice (SCN) to the Licensee under Regulation 4(8) & (9) of the NEPRA (Fine) Regulations, 2021 on account of violation of Performance Standards, Distribution Code, Power Safety Code, and other applicable documents.

Accordingly, NEPRA vide letter dated December 19, 2023, issued an SCN to the Licensee upon failure to execute earthing/grounding of HT/LT poles/structures in its service territory. The salient points of the served SCN are as follows:



*[Handwritten signature]*

3. **“WHEREAS**, pursuant to section 21(2)(f) of the NEPRA Act, the Licensee is required to follow the performance standards laid down by the Authority for distribution and transmission of electric power, including safety; and
4. **WHEREAS**, pursuant to Rule 4(g)(ii), Overall Standards 7-Safety of NEPRA Performance Standards (Distribution) Rules:

*“A distribution company shall ensure that its distribution facilities do not cause any leakage of electrical current or step potential beyond a level that can cause harm to human life, as laid down in the relevant IEEE/IEC Standards; prevent accessibility of live conductors or equipment; and prevent development of a situation due to breakdown of equipment which results in voltage or leakage current that can cause harm to human life, property and general public including without limitation, employees and property of the distribution company.”*

5. **WHEREAS**, according to clause SR 4 Safety Management Criteria of Distribution Code:

*b. “A distribution company shall ensure that its distribution facilities do not cause any leakage of Electrical Current or Step Potential beyond a level that can cause harm to human life, as laid down in the relevant IEEE/IEC Standards; prevent accessibility of live conductors or equipment; and prevent development of a situation due to breakdown of equipment which results in voltage or leakage current that can cause harm to human life, property and general public including without limitation, employees and property of the distribution company.”*

6. **WHEREAS**, as per clause DDC 4, Design Code- Earthing of Distribution Code:

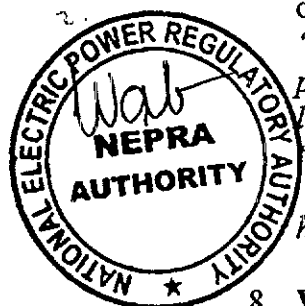
*“...The earthing of a distribution transformer, the neutral, and body of the transformer should be connected to ground rods as per IEC and PSI Standards Design Specifications. Earthing of Consumer Service and its meter shall be as per design standards adopted by the Licensees; and consistent with IEC, and IEEE Standards. The earth resistance of the distribution transformers and HT/LT structures/poles shall not be more than  $2.5\Omega$  and  $5\Omega$  respectively.”*

7. **WHEREAS**, pursuant to clause PR 1 Protection System Practices and System Co-ordination of Distribution Code:

*“The Licensee shall follow suitable and necessary provisions regarding protection system practices and co-ordination such as the following but not limited to achieve the aims of proper functioning of the distribution system of the Licensee at all times:*

*h. ...Provide protective earthing devices.”*

8. **WHEREAS**, as per clauses 12.2.4 and 12.2.5 of Chapter 12 of the Consumer Service Manual:



*[Handwritten signature]*

*"12.2.4. The earthing systems installed shall be dimensioned and regularly tested to ensure protection from shock hazards.*

*12.2.5. The steel structure installed on the public places shall be earthed at one point through steel/copper conductor, in accordance with the DISCO laid down procedures."*

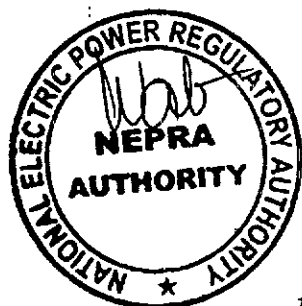
9. **WHEREAS**, the Authority issued an Explanation to the Licensee under Regulation 4(1) and 4(2) of NEPRA (Fine) Regulation, 2021 on April 27, 2023, on account of failure to execute earthing/grounding of HT/LT poles/structures in its service territory. The salient points of the said Explanation are reproduced below:

9. *"WHEREAS, during the investigation conducted by NEPRA with respect to fatal accidents in DISCOs, it was observed that the distribution facilities of DISCOs particularly HT/LT poles/structures lack earthing/grounding which is one of the major causes of the occurrence of fatal accidents. The Authority took notice of such serious safety hazards and directed to obtain data from all the DISCOs including the Licensee, with respect to the total number of HT/LT poles/structures, the number of HT/LT poles/structures already earthed/grounded, and the number of HT/LT poles/structures to be earthed/grounded. The same was obtained vide Licensee's letter dated August 17, 2022, and the detail is as under:*

Total Number of HT/LT Poles/Structures	Details of HT Poles/Structures			Details of LT Poles/Structures			Total Number of HT/LT Poles/Structures have Earthing	Total Number of HT/LT Poles/Structures to be Earthed
	Total Number of HT Poles/Structures	HT Poles/Structures have Earthing	HT Poles/Structures to be Earthed	Total Number of LT Poles/Structures	LT Poles/Structures have Earthing	LT Poles/Structures to be Earthed		
1,225,635	744,048	37,202	706,846	481,587	74,916	406,671	112,118	1,113,517

10. **WHEREAS**, a hearing/meeting on the matter was also held on October 04, 2022, wherein the representatives from all DISCOs including CEO MEPCO participated. During hearing/meeting, the Authority directed all DISCOs along with the Licensee to submit complete details of PCC Poles and steel structures with and without earthing/grounding. The Authority further directed the Licensee to submit a comprehensive plan of the execution of earthing/grounding of poles/structures along with concrete timelines. Moreover, the Authority desired that DISCOs should provide a mechanism on how they will efficiently perform the execution task within the minimum possible time. However, the Licensee did not submit anything in this regard; and

11. **WHEREAS**, vide NEPRA's letter dated October 28, 2022, the Licensee was again directed to submit the said information. In response, the Licensee vide its letter dated November 08, 2022, submitted its reply, wherein, the Licensee submitted that work for earthing/grounding through outsourcing

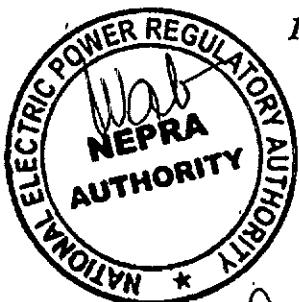


has been initiated. The Licensee further submitted that within two years all the HT/LT poles/structures would be earthed properly. It is pertinent to highlight here that the Licensee shared a revised number of poles/structures i.e. 1,773,544 which is much higher than the previous number i.e. 1,113,517. Submission of a revised number with a difference of more than 6 Lac poles/structures again shows the inefficiency of MEPCO, that being a distribution company it has not the proper idea that how many poles/structures are in operation in its distribution system. The Licensee wasted almost four (04) months to determine the exact number of poles/structures, which raises serious concerns over the Licensee's performance; and

12. **WHEREAS**, the Licensee vide its letter dated November 08, 2022, further submitted a month/phase-wise execution plan regarding earthing/grounding of poles/structures which will be completed within four (04) years time. The same was reviewed and noted that the plan is segregated into four phases. The first three phases will be executed within two years, whereas, the 4<sup>th</sup> phase will be completed by next two years which seems quite high time period. Accordingly, some observations were communicated to the Licensee vide email dated December 26, 2022. A zoom meeting was also held with the Licensee on December 23, 2022, wherein the Licensee was directed to re-submit its plan in light of observations highlighted by NEPRA. However, the Licensee did not submit the response, within the considerable time period; and

13. **WHEREAS**, after repeated telephonic calls, the Licensee submitted its response vide its letter dated February 22, 2022, whereby the Licensee claimed that upto February 20, 2023, the earthing of 193,957 No. of structures have been completed, however, 705,542 No. of structures are expected to be completed by December 2023, as per the earlier submitted plan. A revised plan has also been submitted by the Licensee, citing the non-participation of earthing material suppliers as the reason. The same has been reviewed and noted with concern that the Licensee has again changed the total number of poles/structures i.e. 1,947,802, which is very alarming. Further, the Licensee has not considered the observations of NEPRA communicated to the Licensee vide email as mentioned above, and has not responded to any one of them. All this indicates the seriousness of the Licensee towards inculcating a safety culture in its service territory. The Licensee is trying to mislead the Authority by submitting different numbers rather than any concrete ones. The Licensee should have realized that operation of poles/structures without earthing/grounding in the field is highly dangerous and can lead to the occurrence of fatal accidents at any time; and

14. **WHEREAS**, it is a matter of record that despite repeated and continuous correspondence, the Licensee has failed to produce any specific number of HT/LT poles/structures along with its concrete plan indicating specific timelines. The Licensee also failed to submit the so-far progress for executing the earthing/grounding of HT/LT poles/structures as per its original phase wise plan. Hence, it can be said that the Licensee has, prima facie, violated Section 21(2)(f) of the NEPRA Act, Article 11 of the



*Distribution License read with Rule 4(g) of the NEPRA Performance Standards (Distribution) Rules, Clause 4 of Safety Requirements, Clause 4 of Design Code & Clause 1 of Protection Requirements of the Distribution Code and Clause 12.2 of Chapter 12 of the Consumer Service Manual; and"*

10. **WHEREAS**, the Licensee was given fifteen (15) days to either admit or deny the occurrence of the said violations and submit a reply against the aforementioned Explanation, failing which it shall be presumed that the Licensee has nothing to say in its defense and the Authority shall proceed based on available record in accordance with NEPRA Act, Rules, and Regulations; and
11. **WHEREAS**, the Licensee submitted its response vide its letters dated May 12, 2023, against the Explanations served and a hearing in the matter was also held on July 19, 2023. Consequently, the Authority after detailed deliberations concluded that the Licensee has failed to provide any satisfactory reply to the Explanation served to it; and
12. **WHEREAS**, the Licensee has failed to satisfy the Authority with its replies and prima facie, has committed the violations of Section 21(2)(f) of the NEPRA Act, Article 11 of the Distribution License read with Rule 4(g) of the NEPRA Performance Standards (Distribution) Rules, Clause 4 of Safety Requirements, Clause 4 of Design Code & Clause 1 of Protection Requirements of the Distribution Code and Clause 12.2 of Chapter 12 of the Consumer Service Manual. Therefore, the Authority hereby rejects the response of the Licensee against the Explanation served, and an Order dated December 19, 2023, is attached herewith, mentioning the reasons of rejection; and"
16. In response, M/s Rajwana & Rajwana, the legal counsel of the Licensee vide its letter dated January 01, 2024, submitted its reply. The salient points of the same are as follows:

***"Preliminary Objections Submissions:***

*At the outset, it is submitted that MEPCO categorically denies the violation of any of the provisions as alleged by the NEPRA in the SCN. It is pleaded that MEPCO is abiding by the terms and conditions of its Distribution License, NEPRA Performance Standards (Distribution) Rules, Distribution Code, Power Safety Code, and Licensee's own Safety Rules in true sense.*

*That the Authority has erred at law in observing that MEPCO had contravened the provisions of Rule 4(g) NEPRA Performance Standards (Distribution) Rules to the case in hands as the said provision is only attracted when there is a failure on the part of the Distribution Company to comply with Overall Standards 7-(Safety (OS7)). This is not admitted fact as distribution facilities of MEPCO have been constructed, operated, controlled, and maintained in a manner consistent with the Distribution Code, Power Safety Code, Consumer Service Manual, and other applicable documents.*

*It is reverently submitted that MEPCO endeavored and consistently ensuring that its distribution facilities do not cause any leakage of electrical current or step potential beyond a level that can cause harm to human life, as laid down in the relevant IEEE/IEC Standards. It is direly highlighted that MEPCO has played its part by implementing necessary, and appropriate rules, regulations, and working practices, as outlined in its Distribution Code to ensure the safety of its staff and members of the public. Hence the observation of the Authority/ IC in this regard is in complete derogation of the applicable Rules.*





*That the Authority has wrongly inferred that MEPCO there is a violation of Section 21(f) of the NEPRA Act, which deals with the 'Duties and responsibilities of distribution licensees'. MEPCO in strict compliance of the health and safety protection instructions, follow the performance standards as laid down by the Authority for the distribution and transmission of electric power.*

*That MEPCO for all intent and purposes is a compliant distribution company, and all the requirements, SOPs, relevant laws, and Rules were/are fulfilled without any fail.*

*That it has wrongly been observed that the submission of revised numbers of HT/LT Poles/ Structures MEPCO shows the inefficiency on the part of MEPCO. In this regard, it is submitted that MEPCO indeed played its role and responsibility vigilantly and has submitted the revised numbers after conducting the detailed survey. As per the initial report of filed formation, the total number of HT/LT PCC poles /structures were 12,25,635. After the detailed survey, the figures of HT/LT poles/structures were collected and the same were shared with the Authority during the hearing held on 04-10-2022 with the total number of HT/LT poles /structures i.e. 19,47,802.*

*The Authority is not justified in holding that the MEPCO has failed to submit the so-far progress for executing the earthing/grounding of HT/LT poles structures as per its original phase-wise plan. The plan was submitted as and when required by the Authority...*

*The table reproduced above reveals that MEPCO has already earthed 350150 HT/LT Steel Structures Poles out of 4,86,320 (72% of the total Structure) and rest of the Poles (1,36,152) will be earthed by 12/ 2024. Whereas for II-Type Pole which are 12,41,352 in Total, have no provision of earthing by its design. Last but not least, the Spun Poles having 2,20,130 numbers will be earthed by December 2025.*

*It is incorrect to suggest that the licensee is trying to mislead the Authority by submitting different numbers rather than any concrete ones indicating specific timelines. MEPCO initially submitted a 4- year plan on 08-11-2022 which fact is also endorsed by the Authority Para 7 of the SCN to MEPCO and the same was pushed to a period of two years upon the directions of NEPRA via email and Zoom meeting held on 23-12-2022.*

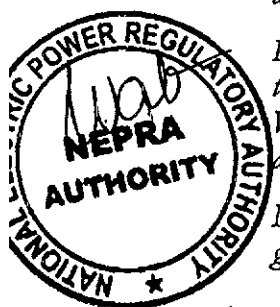
*Perusal of the contents of aforesaid SCN and the Order attached therewith dated 19-12-2023 reveal that the Authority has not deliberated the explanation tendered by the MEPCO during the course of hearings and in its replies rather concluded the matter in a haphazard manner.*

*That the NEPRA has allegedly raised the finger on the seriousness of MEPCO towards inculcating a safety culture in its service territory, which is nothing but a stereotype allegation without taking into consideration the replies of MEPCO. It is submitted that the Authority has issued the SCN questioning the safety culture of MEPCO without even visiting the RTC & CTCs where the regular trainings are being conducted to train the staff about technical and electrical safety and other relevant information.*

*That the MEPCO has continuously been improving its safety culture, and with each passing year a decreasing trend has been observed in the number of fatal accidents in MEPCO. It is reiterated here that, developing safety culture is an ongoing process that takes time and with the efforts of MEPCO's HSE Directorate, the company has attained 2nd position in FY 2021 -22 For decreasing accidents and stands at 1st position in the FY 2022-23.*

*In the current financial year 2023-24, no fatal accidents of either public or employees have occurred, due to proper and strict implementation of safety management and sound safety culture in the MEPCO. Whereas, in the financial year 2021-2022 MEPCO was second best at the decreasing number of fatal accidents amongst other DISCOs, and in the financial year 2022-2023 it stood at number one.*

*Notwithstanding above, the NEPRA is not justified in issuing the impugned SCN keeping in view the geographic spread and number of poles to be earthed in the due course.*



*That the initiation of proceedings on basis of Impugned Notice(s) is unjustified as MEPCO's distribution system is designed as per WAPDA/NTDC standard and follow all the design parameters as defined in the standards. These standards are amended time to time by the Design department after taking valuable comments from the DISCO's and the same is implemented with the requirement of expanding network. While in respect of protection system modern numerical over current relays are installed in the MEPCO distribution network having all the latest features that include broken conductor feature, highly sensitive earth pickup setting of ft 0.25xln, high instantaneous overcurrent element having tripping time of 20ms. These relays installed fully comply NTDC specifications. Whereas leakage of current mostly occurs in rainy season and the 11KV protection relays installed at the grid station always disconnected the system timely without any time delay in case of leakage of current which shows healthiness of our protection system...*

#### **PARAWISE REPLY TO THE SCN:**

*1-7: That the contents of Paragraphs No. 1 to 7 of the SCN are formal making reference to the various provisions of law hence needs no reply. However, it is stated that the said provisions are not attracted in the case in hand as the MEPCO for all intent and purposes is a compliant distribution company, and all the requirements, SOPs, relevant laws, and Rules were/are fulfilled without any fail.*

*8: That the contents of Para No.8 of the SCN are misconceived and hence not admitted. The detailed reply in this regard has already been submitted in the preceding paragraphs above and the same are reiterated here.*

*9-11: That the contents of Paragraphs No.9 to 11 are misconstrued as the NEPRA has not appreciated the contents of replies and submissions made by the MEPCO. It is however reverently submitted that MEPCO is the largest power distribution company which covers 13 districts of Southern Punjab & 48.5% of Punjab mostly Rural Scattered Areas - Domestic dominated.*

*That the HT and LT lengths of MEPCO approximates to that of LESCO, GEPCO, and IESCO combined. However, MEPCO still has least number of fatal accidents as opposed to the other three DISCOs individually.*

*It is submitted that MEPCO officers/officials sanctioned strength comprises of 24,730/- seats of which only 14,773/- are working/occupied.*

#### **Prioritizing of Earthing Plan**

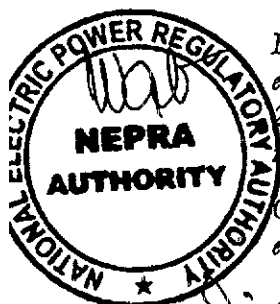
*Due to risky/unsafe nature of steel structures, the first priority is given to steel structures for earthing because mostly fatal/non-fatal accidents occurred due to non-earthing of steel structures. However, MEPCO's 10-year fatal/non-fatal accident history shows that there has not been any single fatal/non-fatal electrocution accident happened on PCC poles.*

*It is imperative to mention here that no loss of life occurred due to leakage current from FCC Poles in the jurisdiction of MEPCO during the period 2017 to 2023.*

*MEPCO undertook drastic measures to ensure employees and general public safety as a result the company remained in decreasing accidents during FY 2021-22 & FY 2022-23 as compared to other distribution companies. Moreover, MEPCO remained at ZERO accidents in the 6 months of FY 2023-24.*

*Further, out of 4,86,320 number of HT/LT steel structures, 2,85,608 numbers HT/LT steel structures earthed by the end of July 2023, and 64,542 numbers of HT/LT earthed from August 2023 to December 2023, and Total 3,50,150 till date. Whereas remaining 1,36,170 numbers of HT/LT steel structures will be executed upto 12/2024.*

*Out of 14,61,482 number of PCC poles, 12,41,352 number of H-Type PC poles have no provision, of earthing by its design. Remaining 2,20,130 number of spun poles will be earthed upto December 2025.*



*It is direly highlighted that, despite of given resources and due to dollar fluctuation, material flow was limited and work was completed 72% of the entire projected plan.*

*MEPCO hopes and believes that committed efforts for earthing may please be accounted for and SCN issued may please be filed in the light of the explanation tendered here and above. It is pertinent to mention here that, MEPCO approach of earthing the steel structure first then PC poles, has contributed in reduction of accidents. Authority is requested to give MEPCO a chance to prove our endeavors to improve our system."*

17. In order to fulfill the requirement of law, the Authority decided to provide an opportunity for a hearing to the Licensee in light of Regulation 4(11) of NEPRA (Fine) Regulations, 2021, before finalizing the proceedings in the matter. Therefore, the hearing in the matter of SCN issued to the Licensee was held on September 24, 2024, wherein, the CEO of the Licensee along with his team, made the following submissions:

- i. MEPCO has tried its best to execute 486,000 Structures as per the submitted plan.



In the last year, MEPCO executed approximately 350,000 Structures, and the remaining 136,000 Structures are left for earthing. The same will be completed by December 2024. MEPCO is ahead in progress as compared to the submitted plan.

- iii. After December 2024, in the second phase, the PCC Spun Poles will be executed as per the submitted plan.

#### **Findings/Analysis:**

18. The Licensee has submitted that the Authority has erred at law in observing that the Licensee had contravened the provisions of Rule 4(g) of the NEPRA Performance Standards (Distribution) Rules as the said provision is only attracted when there is a failure on the part of Distribution Company to comply with Overall Standards 7-(Safety (OS7)). The Licensee has further submitted that it is not an admitted fact as the distribution facilities of the Licensee have been constructed, operated, controlled, and maintained in a manner consistent with the Distribution Code, Power Safety Code, Consumer Service Manual, and other applicable documents.

The Authority has considered the submissions of the Licensee and observes that the Licensee's claim that Rule 4(g) of NEPRA Performance Standards (Distribution) Rules is only applicable in cases of non-compliance with Overall Standards 7 (OS7) and is therefore irrelevant in this case is flawed. The Licensee's obligation extends beyond mere compliance with standards on paper; it must ensure that its distribution facilities are consistently constructed, operated, and maintained in a manner that actively ensures safety and reliability in practice. If the submissions of the Licensee are assumed to be true, there would have been zero fatalities in its service territory, however, the same is not true, and a number of precious human lives have been lost in the last few years.

19. The Licensee has submitted that it endeavored and consistently ensures that its distribution facilities do not cause any leakage of electrical current or step potential beyond a level that can cause harm to human life, as laid down in the relevant IEEE/IEC

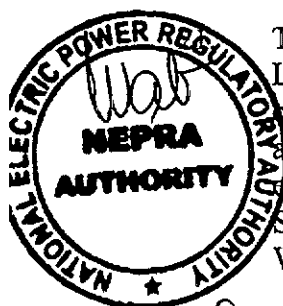
Standards. The Licensee has further highlighted that it has played its part by implementing necessary, and appropriate rules, regulations, and working practices, as outlined in its Distribution Code to ensure the safety of its staff and members of the public. Hence the observation of the Authority in this regard is in complete derogation of the applicable Rules. Moreover, the Licensee for all intent and purposes is a compliant distribution company, and all the requirements, SOPs, relevant laws, and Rules were/are fulfilled without any fail.

The Authority after considering the submissions of the Licensee is of the view that the Licensee's assertion that it has ensured compliance with safety standards, including preventing electrical leakage and step potential, is far away from the ground realities. If the Licensee was truly adhering to the relevant rules, regulations, and working practices as claimed, none of its structures or poles would lack earthing, which is a fundamental aspect of its routine Operation & Maintenance (O&M) under the law. The fact that numerous structures remain unearthed directly contradicts the Licensee's claim of compliance. This failure to ensure proper earthing undermines the effectiveness of the Licensee's safety measures and demonstrates a gap between law and actual implementation on grounds.

20. The Licensee has submitted that it has wrongly been observed by the Authority that the submission of revised numbers of HT/LT Poles/ Structures by the Licensee shows inefficiency on its part. The Licensee has further added that it indeed played its role and responsibility vigilantly and has submitted the revised numbers after conducting the detailed survey. As per the initial report of filed formation, the total number of HT/LT PCC poles /structures were 12,25,635. After the detailed survey, the figures of HT/LT poles/structures were collected, and the same were shared with the Authority during the hearing held on 04-10-2022 with the total number of HT/LT poles /structures i.e. 19,47,802.

The Authority after reviewing the submissions of the Licensee observes that the Licensee's claim that the submission of revised numbers after a detailed survey reflects efficiency rather than inefficiency is insufficient to counter the Authority's observation. While it is acknowledged that the Licensee conducted a survey to revise the figures from 1,225,635 to 1,947,802 HT/LT poles/structures, this significant discrepancy highlights a lack of accuracy and diligence in its initial data collection process. Such a substantial revision raises questions about the effectiveness of the Licensee's operational oversight and planning. Conducting a detailed survey only after the Authority's directions suggests reactive rather than proactive management. The revised figures should have been accurate from the start, as maintaining updated records is fundamental to ensuring infrastructure safety and compliance. Therefore, the Authority's observation of inefficiency remains valid.

The Licensee has submitted that the Authority is not justified in holding that the Licensee has failed to submit the so-far progress for executing the earthing/grounding of HT/LT poles structures as per its original phase-wise plan. The plan was submitted as and when required by the Authority. The Licensee also submitted that it has already earthed 350,150 HT/LT Steel Structures/Poles out of 486,320 (72% of the total Structure) and the rest of the Poles (136,152) will be earthed by December 2024. Whereas for H-Type Poles which are 1,241,352 in total, have no provision of earthing



by its design. Last but not least, the Spun Poles having 220,130 numbers will be earthed by December 2025.

The Authority while carefully examining the submissions of the Licensee is of the view that the statement given by the Licensee itself shows an admittance on its part that the Licensee as it has failed to fulfill its commitment given in its own plan. Further, at first, the Licensee committed to earth its Steel Structures by June 2023, however, the said timeline was changed to the end of 2023 at the time of the Explanation stage. Now, the Licensee has committed to changing its timeline again to December 2024, which shows the non-serious attitude of the Licensee toward the rectification of such serious safety hazards. The Licensee should have tightened the timelines rather than extending on its own, keeping in view the sensitivity of the matter as it could be highly dangerous in monsoon rains. Thus, the Authority's concerns remain justified.

22. The Licensee has submitted that contents of aforesaid SCN and the Order attached therewith dated 19.12.2023 reveal that the Authority has not deliberated the explanation tendered by the Licensee during the course of hearings and in its replies but rather concluded the matter in a haphazard manner. The Licensee further added that NEPRA has allegedly raised the finger on the seriousness of the Licensee towards inculcating a safety culture in its service territory, which is nothing but a stereotype allegation without taking into consideration the replies of the Licensee. It is submitted that the Authority has issued the SCN questioning the safety culture of the Licensee without even visiting the RTC & CTCs where the regular trainings are being conducted to train the staff about technical and electrical safety and other relevant information.

The Authority has gone through the submissions of the Licensee and observes that the statement given by the Licensee is not true. It is clarified that during the proceedings, each and every contention adopted by the Licensee is carefully evaluated, and after detailed deliberation decision is taken. In the instant case, the Authority was not satisfied by the submissions of the Licensee and decided to issue a Show Cause Notice to the Licensee. All the observations of the Authority are covered in the detailed Order of the Authority issued along with the Show Cause Notice which actually shows the reasons for rejections for rejection of Explanation. Therefore, the submissions of the Licensee are baseless. Moreover, in the past 5 years, forty-three (43) fatalities occurred in the service territory of the Licensee, which is a clear reflection of the Licensee's efforts to inculcate a safety culture in its territory. If the Licensee is really serious about its safety culture, there would have been zero fatalities in its territory, however, the same is not so.

23. In response to the contents of the SCN, the Licensee has attempted to compare its service territory, consumer base, and the occurrence of fatal accidents with other DISCOs, suggesting that its performance should be viewed in relative terms. However, after carefully considering and analyzing the Licensee's submissions, it is essential to emphasize that NEPRA upholds a strict zero-tolerance policy towards fatal accidents caused by negligence on the part of the Licensee, especially when these accidents result from violations of NEPRA laws and regulations. The earthing/grounding of structures and poles are critical elements of electrical infrastructure maintenance. These tasks are not one-off projects but ongoing responsibilities that must be regularly reviewed, inspected, and maintained to ensure the protection of human life.

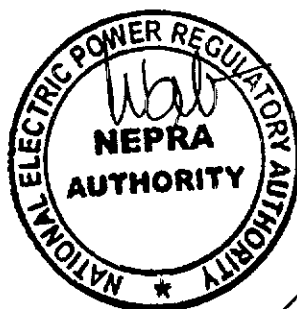
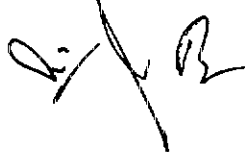


NEPRA has witnessed numerous fatal accidents across various service territories, many of which have been directly attributed to the failure to properly earth or ground electrical installations. Such accidents highlight a severe lapse in compliance with safety protocols that are explicitly designed to prevent these tragedies. The comparison with other DISCOs does not excuse any failure to adhere to these critical safety measures, as each Licensee has a direct and independent obligation to ensure the safety of its infrastructure, regardless of its size or service area.

While the Licensee's efforts and submissions are noted, including any corrective actions or progress made thus far, they do not mitigate the fact that public safety must always be a top priority. The Licensee remains fully accountable for fulfilling its obligations under NEPRA laws, and any lapses that contribute to the loss of life due to improper maintenance or negligence cannot be overlooked. Compliance with safety regulations, especially earthing/grounding standards, must be upheld without compromise to prevent further accidents and ensure the well-being of both the public and the Licensee's employees.

24. **Decision**

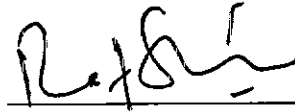
- i. After due deliberations and taking into account the submissions/arguments made by the Licensee during the hearing and in light of the NEPRA Act, NEPRA (Fine) Regulations, 2021, and other applicable documents, the Authority is of the considered opinion that the Licensee has failed to provide any satisfactory reply to the Show Cause Notice served to it, therefore, the Authority hereby decides to impose a fine amounting to PKR 10,000,000/- (Ten Million) on the Licensee due to its failure pertaining to 100% execution of earthing/grounding of its HT/LT poles/structures in its service territory. The Authority hereby further directs the Licensee to earth/ground all remaining (100%) steel structures within three months and PCC Poles within one year. Failure to comply with the directions of the Authority may lead towards further penalty on the Licensee which will be decided after the completion of specified timelines.



- ii. The Licensee is directed to pay the fine amount of PKR 10,000,000/- (Ten Million) in designated bank of the Authority within a period of 15 days from the date of issuance of this order and forward a copy of the paid instrument to the Registrar Office for information, failing which the Authority may recover the amount due under section 41 of the NEPRA Act as arrears of the land revenue or through any other appropriate legal means in addition to taking any other appropriate legal action against the Licensee for non-compliance.

**AUTHORITY**

Rafique Ahmed Shaikh  
Member (Technical)



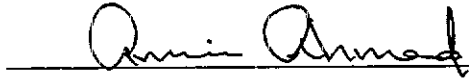
Engr. Maqsood Anwar Khan  
Member (Licensing)



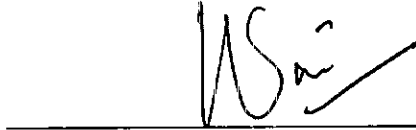
Mathar Niaz Rana (nsc)  
Member (Tariff & Finance)



Amina Ahmed  
Member (Law)



Waseem Mukhtar  
Chairman



Dated 03 Feb, 2025

