



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad  
Ph: +92-51-9206500, Fax: +92-51-2600026  
Web: [www.nepra.org.pk](http://www.nepra.org.pk), E-mail: [registrar@nepra.org.pk](mailto:registrar@nepra.org.pk)

No. NEPRA/DG(M&E)/LAD-08/ 1957

February 03, 2025

Chief Executive Officer,  
Hyderabad Electric Supply Company Limited (HESCO),  
WAPDA House, Hussainabad,  
Hyderabad

Subject: **ORDER OF THE AUTHORITY IN THE MATTER OF EXPLANATION  
ISSUED TO HESCO UNDER REGULATION 4(1) & 4(2) OF NEPRA (FINE)  
REGULATIONS, 2021, ON ACCOUNT OF FAILURE TO EXECUTE  
EARTING/GROUNDING OF HT/LT POLES/STRUCTURES IN ITS SERVICE  
TERRITORY**

Please find enclosed herewith, the Order of the Authority (total 11 page) in the subject matter for information and compliance.

Enclosure: As above

  
(Wasim Anwar Bhinder)



# National Electric Power Regulatory Authority

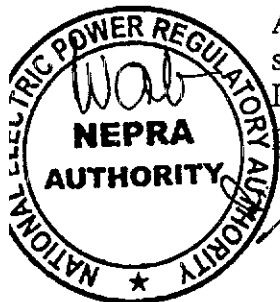
## ORDER

### IN THE MATTER OF EXPLANATION ISSUED TO HESCO UNDER REGULATION 4(1) AND 4(2) OF NEPRA (FINE) REGULATIONS, 2021, ON ACCOUNT OF FAILURE TO EXECUTE EARTHING/GROUNDING OF HT/LT POLES/STRUCTURES IN ITS SERVICE TERRITORY.

1. Hyderabad Electric Supply Company Limited (HESCO) (the "Licensee") was granted a Distribution License (No. DL/05/2023 dated 09.05.2023) by the National Electric Power Regulatory Authority (the "Authority") 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 DISCOs, it was observed that the distribution facilities of DISCOs such as poles/structures lack earthing/grounding which is one of the major causes of the occurrence of fatal accidents. The Authority while taking notice of such serious safety hazards directed the Licensee vide letter dated June 07, 2022, followed by reminders dated July 06, 2022, and August 02, 2022, to submit the data pertaining to the total number of poles/structures, number of poles/structures already earthed/grounded, and number of poles/structures to be earthed/grounded. Accordingly, the Licensee submitted the required information vide its email dated August 16, 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 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

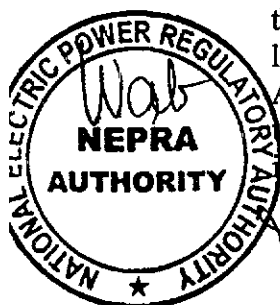


that the Licensee should provide a mechanism on how they will efficiently perform the execution task within the minimum possible time. A letter dated October 28, 2022, containing all above directions, followed by Reminder letter dated December 02, 2022, and various telephonic calls was also issued to the Licensee.

5. In addition to above, NEPRA Regional Office, Hyderabad, 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 is being 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 the passage of 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 December 09, 2022, inter alia, submitted that the earthing of Poles/Structures will be replaced/completed by the end of the financial year 2023, after procurement of rods. In this regard, it was observed that the Licensee just submitted a generic statement pertaining to earthing/grounding of poles rather giving any concrete plan, which indicated its non-seriousness towards execution of the earthing on a war footing basis. The detail of poles/structures already earthed or to be earthed as submitted by the Licensee 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	
470,380	281,506	104,251	177,255	188,874	74,259	114,614	178,511
							291,869

7. Moreover, vide NEPRA's letter dated January 17, 2023, the Licensee was again directed to submit its specific plan in the light of observations highlighted by NEPRA. In response, the Licensee vide its letter dated February 06, 2023, submitted that their BoD has approved the procurement of 100,000 rods for earthing/grounding in the first phase which will be installed within the shortest possible time subject to the availability of material. Furthermore, the Licensee submitted the revised surveyed numbers of poles/structures that are required to be earthed i.e. 381,713, which are more than its earlier submitted numbers.
8. In this regard, it was noted with the concern that the procurement of only 100,000 rods as compared to 381,713 poles/structures again shows the Licensee's intentions towards rectification of such severe safety hazard. The Licensee should have realized that operation of poles/structures without earthing/grounding in field is highly dangerous and could lead to the occurrence of fatal accidents at any time. Further, submission of the revised number of poles/structures by the Licensee shows that it has now completed the survey after a lapse of five months. Whereas, the Licensee claimed in its earlier letter that it will execute earthing by the end of FY 2023 which now seems impractical. All these statements clearly indicate that the Licensee does not have any plan to execute this important task. The Licensee is trying to mislead the Authority by hiding its inefficiencies.



9. It is a matter of record that despite repeated and continuous correspondence, the Licensee failed to produce any concrete plan indicating specific timelines for executing the earthing/grounding of HT/LT poles/structures on a war footing basis. Therefore, the Authority decided to initiate legal proceedings against the Licensee under NEPRA Fine Regulations, 2021.

**Explanation:**

10. 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.
11. The Licensee vide its letter dated May 11, 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 October 10, 2023, wherein, CEO of the Licensee along with his team participated and made submissions.

**Show Cause Notice**

12. 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.
13. Accordingly, NEPRA vide letter dated March 20, 2024, 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:
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:

*"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 Email dated August 16, 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		
470,380	281,506	104,251	177,255	188,874	74,259	114,614	178,511	291,869

10. **WHEREAS**, a hearing/meeting on the matter was also held on October 04, 2022, wherein the representatives from all DISCOs including CEO HESCO 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 has failed to submit the same; and

11. **WHEREAS**, vide NEPRA's letter dated October 28, 2022, followed by a Reminder dated December 02, 2022, and through various telephonic reminders, the Licensee was repeatedly directed to submit the said information. In response, the Licensee vide its letter dated December 09, 2022, submitted its reply, wherein, the Licensee inter alia, stated that the earthing of Poles/Structures will be replaced/completed by the end of the financial year 2023, after procurement of rods. In this regard, it was observed that the Licensee just submitted a generic statement pertaining to earthing/grounding of poles rather giving any concrete plan. Providing generic statements by the Licensee indicates its non-seriousness towards execution of the earthing on a war footing basis; and

12. **WHEREAS**, vide NEPRA's letter dated January 17, 2023, the Licensee was again directed to submit its specific plan in the light of observations highlighted by NEPRA. In response, the Licensee vide its letter dated February 06, 2023, submitted that their BoD has approved the procurement of 100,000 materials for earthing/grounding in the first phase which will be installed within the shortest possible time subject to the availability of material. Moreover, the Licensee submitted the revised surveyed numbers of poles/structures that are required to be earthed i.e. 381,713, which are more than its earlier submitted numbers; and

13. **WHEREAS**, the procurement of only 100,000 rods as compared to 381,713 poles/structures again shows the Licensee's intentions towards inculcating



*[Handwritten signature]*

a safety culture. The Licensee should have realized that operation of poles/structures without earthing/grounding in field is highly dangerous and could lead to the occurrence of fatal accidents at any time. Further, submission of the revised number of poles/structures by the Licensee shows that it has now completed the survey after a lapse of five months. Whereas, the Licensee claimed in its earlier letter that it will execute earthing by the end of FY 2023 which now seems impractical. All these statements clearly indicate that the Licensee does not have any plan to execute this important task. The Licensee is trying to mislead the Authority by hiding its inefficiencies; and

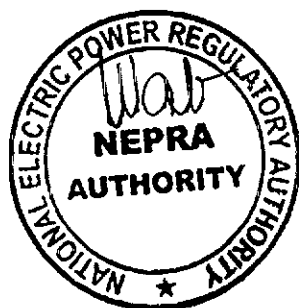
14. **WHEREAS**, it is a matter of record that despite repeated and continuous correspondence, the Licensee has failed to produce any specific number of HT/LT poles/structures along with its concrete plan indicating specific timelines. The Licensee also failed to submit the so-far progress for executing 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 facia, 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 letter dated May 11, 2023, against the Explanation served, and a hearing in the matter was also held on October 10, 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

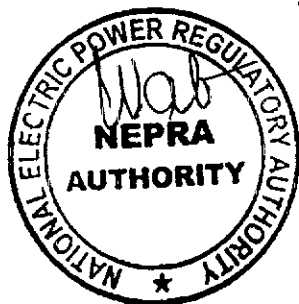
12. **WHEREAS**, the Licensee has failed to satisfy the Authority with its replies and prima facia, has committed the violations of Section 21(2)(f) of the NEPRA Act, Article 11 of the Distribution License read with Rule 4(g) of the NEPRA Performance Standards (Distribution) Rules, Clause 4 of Safety 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 March 20, 2024, is attached herewith, mentioning the reasons of rejection; and"

14. In response, the Licensee vide its letter dated April 05, 2024, submitted its reply. The salient points of the same are as follows:



### Preliminary Objections and Submission:

1. "That neither any specific contravention of law has been alleged against HESCO in the "show cause notice" for which penal action is proposed to be taken nor there are available any "Rules" providing for the "procedures" in case of any such contravention as per requirement of section 46(2)(d) of the NEPRA Act, 1997.
2. That earlier an "explanation" was issued by NEPRA wherein it was mentioned that some investigation was conducted by NEPRA with respect to the fatal accidents in DISCOs, which would mean that it is generic in nature for which no proceedings for imposition of any penalty could be initiated.
3. That as per heading of the "show cause notice", it is issued under NEPRA (Fines) Regulations, 2021 which are framed under section 47 of the NEPRA Act, 1997 (the Act). It is submitted with respect that section 7 of the Act does not authorize the Authority to frame "Regulations" for the purposes of imposition of fines owing to any contravention of the provisions of NEPRA laws. Instead, section 46(2)(d) requires inter-alia that for the procedure in case of any contravention of any provision of the Act, Rules are to be framed. Such Rules are not in the field, therefore, prima facie the subject proceedings are, prima facie, against the provisions of the NEPRA Act, 1997, and are initiated without any lawful authority.
4. That the "Regulations" under which the "show cause notice" has been issued are ultra vires to the provisions of NEPRA Act, 1997 in so far as section 47 does not provide for formulation of any regulations for imposition of fines, rather the law requires formulation "Rules", therefore, the subject "show cause notice" is against the provisions of NEPRA Act, 1997.
5. That the subjects for which "Rules" are to be framed are listed in section 46 of the NEPRA Act whereas the subject for which "Regulations" are to be framed are mentioned in section 47 of the Act. The reasons given in the order of the Authority for rejection of response to the earlier "explanation" issued to HESCO are that due to word "may" the Authority is not required to frame Rules. These reasons are totally not maintainable for the reason that there is plethora of judgments of the superior courts of the country whereby a principle is settled that when a thing is prescribed by law to be done in a particular manner the where a principle is settled that the same should have been done in that manner and not otherwise. Reference in this behalf was made to the case reported as PLD 2010 Supreme Court 759 wherein with reference to a Judgment cited as PLD-1980-Quetta-1, it was held as under:-
  - a. "It is well settled principle of law that in a case where statute provides a procedure for doing of a thing in a particular manner, that thing should be done in that manner and in no other way or it should not be done at all. Indeed such statute impliedly prohibits doing of thing in any other manner; particularly when the procedure is laid down for taking proceedings before a Tribunal or a Court where such procedure before a Court or Tribunal is usually construed to be an imperative one as doing of the act or a thing under that statute is a condition precedent to conferring upon the jurisdiction on a Court or a Tribunal, as the case may be. The compliance of such act or thing in no way could be either



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ignored or dispensed with. Their noncompliance would certainly invalidate all the proceedings, orders made or passed by the same authority or any other authority either superior or inferior thereto in respect of the same"

6. That for manner and procedure of show cause notices, it is the requirement of section 47(2)(f) of NEPRA Act, 1997 to specify the 'Regulations', however, no such legal enactment is in field, therefore, prima f.cie, the instant proceedings are without any lawful authority.

**Parawise reply of the Show Cause Notice:**

**Para 9:** Issuance of "explanation" is an admitted position for which a reply was also filed by HESCO, however, while rejecting the explanation, the honorable Authority has not given any weightage to the factual as well as legal grounds so raised therein. The contents of the earlier issued "explanation" have been reproduced in this para which stood already been replied by HESCO.

**Paras 10-12:** It is submitted that:-

- During hearing conducted by NEPRA in the matter of "explanation" issued on the subject, NEPRA required the management of HESCO before NEPRA Authority held on 10.10.2023 in the matter of Explanation issued to HESCO under Regulation 4(1) and 4(2) of NEPRA (Fine) Regulations, 2021, on account of failure to execute earthing/grounding of H.T/L.T poles/structures in service territory of HESCO, the NEPRA Authority directed to HESCO management to carry-out work of earthing/grounding of H.T / L.T poles/structures by each Sub Divisions within 60-days time.
- The directives of NEPRA were communicated to all S.Es/XENs and SDOs of Operation by General Manager (Technical) HESCO vide letter No. 3985-4086 dated 16.10.2023 for execution and completion of work within the given time of 60 days, however, the same could not be accomplished due the reason that in those days, because of start of Electricity Anti-theft campaign on war footing basis was going on in almost all the DISCOs upon the instructions of Power Division. All the relevant staff/professionals remained busy in managing recovery of arrears from defaulters and for lodging of FIRs against the culprits.
- Due to shortage of staff and on-going Anti-Theft Campaign, the management of HESCO decided to execute the work of earthing through outsourcing by each Operation Circles individually.
- Accordingly, directions were communicated to all Field Formations, and a Tender Notice to the leading newspapers was also published by each Operation Circle separately through short tender notice.
- Tenders were floated by each Operation Circles individually in leading newspapers and uploaded on PPRA website for outsourcing the work of earthing, the details of tender opening is as under:



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Name of Circle (Operation)	Date of Short Tender Notice Issued/Published in Newspapers/ Uploading in PPRA Website	Date of Tender Opening
Hyderabad	15.02.2024	05.03.2024
Laar	18.02.2024	07.03.2024
Nawabshah	20.02.2024	08.03.2024
Mirpurkhas	18.02.2021	09.03.2024

- Tenders were opened in each Operation Circles, the bidding documents were sent to the office of Chief Engineer (P&E) HESCO for Bid Evaluation, which is under process as and when bid evaluation process completed then work of earthing will be awarded & started through contractors.
- That when directives were issued by NEPRA during the course of hearing for "explanation" for doing earthing of poles etc within 60 days, it can safely be considered that NEPRA had accepted the reasons given by HESCO in its reply, however, quite surprisingly, these facts were not considered by NEPRA. In this regard, it is to reiterate that HESCO has not violated any of the applicable documents."

### Hearing

15. 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 October 09, 2024, wherein, the CEO of the Licensee along with his team, made the following submissions:

- The total number of HT/LT Structures/Poles in HESCO's territory are 518,568, out of which 83,659 No. of HT Structures, 44,000 No. of LT Structures, and 5,316 No. of HT PCC Poles, and 4,000 No. of LT PCC Poles are already earthed. Therefore, cumulatively 137,554 No. of Poles/Structures are earthed and approximately 381,703 No. of Structures/Poles are required to be earthed.

HESCO has floated tenders in all four circles. In Nawabshah Circle, the execution work has been started and approximately 400 Structures have been earthed so far.

- Similarly, in Mirpur Khas Circle the demand for the material has been raised. However, in Laar and Hyderabad Circles, the tenders have been scraped.



### Findings/Analysis:

16. The Licensee has submitted that the SCN issued by NEPRA lacks specific allegations of legal contravention against HESCO and is not supported by procedural "Rules" as mandated under section 46(2)(d) of the NEPRA Act, 1997. The Licensee further argues that the notice, issued under NEPRA (Fines) Regulations, 2021, is ultra vires because section 7 of the Act does not empower NEPRA to frame regulations for imposing fines, which require rules as per section 46. The Licensee further contends that the absence of such rules renders the proceedings unlawful.

The Authority has considered the submissions of the Licensee and is of the view that the arguments put forth by the Licensee that the SCN fails to highlight specific violations of law are untenable. The para 12 of the SCN is unequivocal terms that cover the violations of law committed by the Licensee. It is also incorrect to state that rules providing for procedure have not been framed. The power to impose penalty stems for section 27A of the NEPRA Act, 1997 and section 47(2)(f) clearly empowers the Authority to frame regulations regarding the manner and procedure of the show cause notices. Therefore, the NEPRA (Fine) Regulations, 2021 have been validly framed under section 47 of the NEPRA Act, 1997. Furthermore, the NEPRA (Fine) Rules, 2002 are also in filed. Therefore, the arguments of the Licensee are not sustainable.

17. The Licensee has submitted that issuance of "explanation" is an admitted position for which a reply was also filed by the Licensee, however, while rejecting the explanation, the honorable Authority has not given any weightage to the factual as well as legal grounds so raised therein.

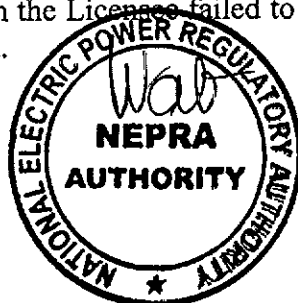
The Authority while going through the submissions of the Licensee observes that while rejecting the explanation of the Licensee, the Authority thoroughly examined all the submissions of the Licensee and each & every submission was considered and evaluated. After that, a comprehensive order was drafted which was issued to the Licensee on March 20, 2024, along with a show cause notice. Hence the submissions of the Licensee are not valid.

18. The Licensee further highlighted that at the explanation stage 60-day directive from NEPRA to complete earthing/grounding was unmet due to an intensive Anti-Theft Campaign.

The Authority while analyzing the submissions of the Licensee believes that the argument put forward by the Licensee is insufficient to justify its non-compliance. While the Anti-Theft Campaign may have required substantial staff focus, the urgency of the earthing task is fundamental to public safety and should not have been sidelined. Prioritizing arrears recovery and FIR lodgment over critical safety issues highlights a misallocation of resources that could have been managed more effectively. This shows that there is no importance of human life in the eyes of the Licensee.

19. The Licensee has highlighted the status of tenders in its four circles and highlighted its reasons for its inability to execute the work on a war footing basis.

The Authority after going through the detailed submissions of the Licensee is of the considered view that NEPRA has taken up this matter since June 2022 and repeatedly directed the Licensee to execute the task of earthing on a war footing basis. However, after the lapse of more than two years, still matter is still under tendering process. The Licensee has highlighted during the hearing that only 400 No. of HT/LT Structures have been executed so far in Nawabshah Circle, which is the reflection of the Licensee's efforts to inculcate safety culture in its service territory. The Licensee should have initiated such tendering process immediately after receiving the directions from NEPRA in October 2022 which the Licensee failed to do. Therefore, the submissions of the Licensee are not justified.




20. **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**

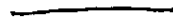
Rafique Ahmed Shaikh  
Member (Technical)




Engr. Maqsood Anwar Khan  
Member (Licensing)



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



Amina Ahmed  
Member (Law)



Waseem Mukhtar  
Chairman



Dated 03 Feb, 2025