



**Registrar**

# **National Electric Power Regulatory Authority**

## **Islamic Republic of Pakistan**

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No. NEPRA/SA(M&E)/LAD-05/ 16220

October 08, 2025

Chief Executive Officer,  
Lahore Electric Supply Company Ltd. (LESCO),  
22-A, Queens Road,  
Lahore.

SUBJECT: **ORDER OF THE AUTHORITY IN THE MATTER OF REVIEW PETITION FILED BY LESCO AGAINST ORDER OF THE AUTHORITY ISSUED TO LESCO, ON ACCOUNT OF FAILURE TO EXECUTE EARTHING/GROUNDING OF HIGH TENSION/LOW TENSION (HT/LT) POLES/STRUCTURES IN ITS SERVICE TERRITORY**

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

Enclosure: As above

  
(Wasim Anwar Bhinder)



## National Electric Power Regulatory Authority

### ORDER

#### **IN THE MATTER OF REVIEW PETITION FILED BY LESCO AGAINST ORDER OF THE AUTHORITY ISSUED TO LESCO, ON ACCOUNT OF FAILURE TO EXECUTE EARTHING/GROUNDING OF HIGH TENSION/LOW TENSION (HT/LT) POLES/STRUCTURES IN ITS SERVICE TERRITORY.**

1. This order shall dispose of the review proceedings initiated in the matter of review petition filed by Lahore Electric Supply Company Limited (LESCO) (hereinafter referred to as the "Licensee") under Regulation 3 of the National Electric Power Regulatory Authority (Review Procedure) Regulations, 2009 (hereinafter referred to as the "Review Regulations") against the decision of the Authority dated September 20, 2024, (the "Impugned Decision") in the matter of Show Cause Notice issued to the Licensee on account of failure to execute earthing/grounding of HT/LT poles/structures in its service territory, which is in violation of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (NEPRA Act), Performance Standards, Distribution Code, Power Safety Code, and other applicable documents.
2. The Licensee was granted a Distribution License (No. DL/03/2023 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 NEPRA Act.

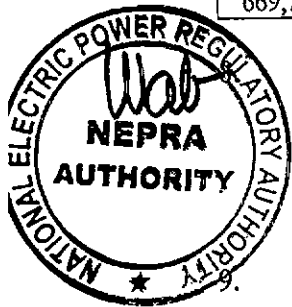
#### **Background:**

3. During the investigation conducted by NEPRA with respect to fatal accidents occurring in the service territory of 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 a reminder dated July 06, 2022 to submit the data pertaining to the total number of poles/structures, the number of poles/structures already earthed/grounded, and the number of poles/structures to be earthed/grounded. Accordingly, the Licensee submitted the required information vide its email dated July 21, 2022.
4. The Authority after carefully examining the data submitted by the Licensee called the 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 to avoid fatal accidents in the 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



5. Accordingly, the said 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 for how they will efficiently perform the execution task within the minimum possible time. A letter dated October 28, 2022, containing all the above directions, followed by reminder letters were issued to Licensee and various telephonic calls were also made in this regard.
6. Additionally, NEPRA's Regional Office Lahore, 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 Prestressed Cement Concrete 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.
7. In response to NEPRA's letter dated October 28, 2022, the Licensee vide its letter dated December 02, 2022, submitted its response against the aforementioned directions & queries of the Authority. The Licensee submitted that it is committed to earth its distribution system, i.e., HT/LT structures/poles and transformer substations within five financial years, and the Licensee has earmarked a certain amount of funds solely dedicated to this purpose. Moreover, the Licensee also provided a plan to execute earthing grounding of its HT/LT poles/structures, according to which, 84,400 poles/structures will be earthed/grounded per year. The tentative timelines to complete the said work will be five years (FY 2022-2023 to FY 2026-2027). The details of poles/structures already earthed or to be earthed as submitted by the Licensee are 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		
669,753	347,227	130,147	217,080	322,526	117,603	204,923	247,750	422,003



The submissions of the Licensee were carefully analyzed and it was noted with concern that approximately 7,000 poles/structures will only be grounded per month, which does not seem sufficient. The performance of the Licensee appears below par as compared to the other DISCOs being faced same challenges, which shows non-seriousness towards inculcating a safety culture by the Licensee in its service territory.

In this regard, NEPRA vide its letter dated January 17, 2023, directed the Licensee to revisit its plan for earthing/grounding of all remaining poles within the minimum possible time. In response, the Licensee vide its letter dated February 13, 2023,

submitted that the earthing of the HT/LT poles/structures is being carried out solely by the Licensee staff. The Licensee further submitted that during the month of December-January 2023, 6431 HT poles/structures and 8819 LT poles/structures have been earthed/grounded. Moreover, the Licensee is trying its best to utilize its existing resources to their full potential in order to make its system as safe as possible.

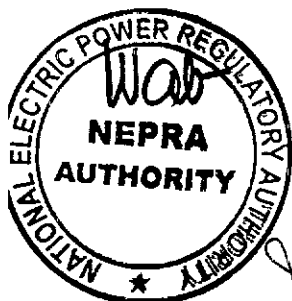
10. Keeping in view the aforementioned submissions of the Licensee, it was noted that the Licensee has not revised its plan, and execution of the plan on its part was still unsatisfactory. Moreover, the Licensee was giving generic statements that it is trying its best to utilize its existing resources to their full potential; however, the on-ground performance on its part was unsatisfactory. 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 the 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) Regulation, 2021 (the "Fine Regulations"), vide NEPRA's letter dated April 27, 2023, on account of violation of Performance Standards, Distribution Code, Power Safety Code, and other applicable documents.
13. The Licensee vide its letter dated June 27, 2023, submitted its response. Furthermore, in order to satisfy the legal requirement, a public hearing in light of Regulation 4(5) of the Fine Regulations, was held on August 17, 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 Show Cause Notice (SCN) to the Licensee under Regulation 4(8) of the Fine Regulations on account of violation of Performance Standards, Distribution Code, Power Safety Code, and other applicable documents.
15. Accordingly, a SCN dated December 14, 2023, was issued to the Licensee upon failure to execute earthing/grounding of HT/LT poles/structures in its service territory. In response, the Licensee vide its letter dated March 06, 2024, submitted a reply, and a hearing on the matter of SCN was held on May 13, 2024, wherein CEO LESCO along with his team, made their submissions.
16. After due deliberations and taking into account the submissions made by the Licensee during the hearing and in light of the NEPRA Act, Fine Regulations and other applicable documents, the Authority rejected the response of the Licensee against the served SCN, and imposed 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 further directed 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 to further penalties on the Licensee, which will be decided after the completion of the specified timelines. Accordingly, an Order of the Authority was issued on September 20, 2024 (Impugned Order).

**Motion for Leave for Review:**

17. Being aggrieved with the impugned order, the Licensee vide its letter dated October 21, 2024, filed the Motion for Leave for Review (MLR) against the aforementioned Order of the Authority dated September 20, 2024. The grounds submitted by the petitioner in its MLR are as follows:

- A. That the Impugned Order is unwarranted, without jurisdiction, and has been passed in complete derogation of the applicable framework. In this respect, it may be noted that the Impugned Order has been passed in purported exercise of power under Section 27B of the NEPRA Act. The relevant part has been reported below:

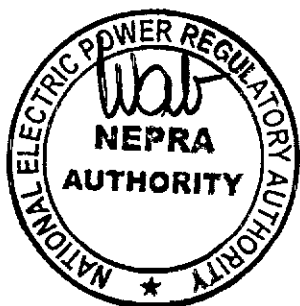
**"27B. Penalty for default or contravention.** – Any person who acts in contravention of this Act or the rules and regulations made thereunder or fails to comply with the conditions of a license issued or registration granted to that person and such person is a party to such contravention shall be punishable 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 continuing default, with an additional fine which may extend to one hundred thousand Rupees for every day during which the contravention continues; and ...

(b) Provided that the fine shall only be imposed under this section after providing reasonable opportunity of being heard to the person alleged to be in contravention;

- B. That Section 27B of the NEPRA Act clearly stipulates that actions thereunder can be initiated for contravention of the provisions of the NEPRA Act or the rules and regulations made thereunder or failure to comply with the conditions of a licence. The Impugned Order, however, fails to identify any provision of the NEPRA Act, rules, regulations which has been contravened by the Petitioner or any terms of the licence, which the Petitioner has failed to comply with which led to happening of the unfortunate accidents. Not even causal analysis has been undertaken. Instead, the Impugned Order makes obscure references to various irrelevant provisions of the NEPRA Act and regulatory framework laid down thereunder. It is settled law that a SCN or an Order must elucidate in sufficient detail, the nature and scope of allegations embodied therein and further identify the precise provisions of law which allegedly stand violated pursuant thereto. In this regard, neither the Impugned Order as well as the SCN identify any provisions of the NEPRA Act or rules and regulations made thereunder or terms of the Distribution License, which the Petitioner purportedly contravened resulting into the unfortunate accident, nor elucidates in sufficient detail of the facts, or acts which constitute a violation. In light of the above, the Impugned Order is liable to be set aside as they fail to even meet the basic ingredients of Section 27B of the NEPRA Act.

- C. That the Impugned Order is a non-speaking order as it fails to give any reasons/rationale in support thereof and address the submissions advanced by the Petitioner. In this respect, it is submitted that the Impugned Order is without any



evidential basis and fails to consider the relevant facts, most notably the fact that the Petitioner had actually implemented the Authority's recommendations and reduced the timeline for complete (100%) earthing/grounding from five years to two years. The Authority has not even attempted to consider and respond to any of the explanations furnished by the petitioner in terms of the reply to the SCN. Section 24A of the General Clauses Act, 1897, mandatorily requires a person taking any action or passing an order to exercise his powers reasonably, fairly, justly, and by way of a reasoned order. Such order can only be judiciously given through an independent and unbiased application of the mind to the facts of the case resulting in a speaking order covering the pleas of both sides. Admittedly, the Impugned Order violates this binding legal dictate. Any order affecting the rights of citizens that does not conform to these standards is liable to be said aside.

- D. That it has been the stance of the petitioner throughout that it unwaveringly adheres to and is committed to ensuring compliance with the NEPRA Act, Rules, Regulations and the relevant applicable documents made thereunder. It acts strictly in accordance thereto. If the Authority wishes to raise any allegations, it must establish and prove through cogent evidence that the petitioner had been in breach of its duties and obligations by identifying: (a) the duty that the Petitioner owed; (b) to whom that duty was owed; (c) the corresponding section of the NEPRA Act, Rules and Regulations from where such a duty stems; (d) whether there had been a breach of the said duty; and (e) whether the violation had occurred due to the Petitioner's negligent and/or careless acts/omissions. The Authority has failed to point out what duty was owed; to whom it was owed; the corresponding document from where the duty stemmed; and whether there was in fact any breach or violation at all. Resultantly, the petitioner did not, by any stretch of imagination, act in such a manner that it breached any of its safety obligations under the NEPRA Act, Rules and Regulations. This aspect has not been adverted to by the Authority in the Impugned Order, rendering the same a nullity in the eyes of the law.
- E. That, without prejudice to the above and to the Petitioner's right to raise any objections on the merits of either case, the Authority's reliance on any data with respect to the responsibility of any fatal accident in July 2023 in the territorial jurisdiction of the petitioner is not warranted since the matter is currently sub-judice and pending before the Authority. Until the matter attains finality, the Authority's reliance on any statistics relating to fatal accidents is premature and unwarranted.
- F. That in addition to the above, the Authority has failed to note that the petitioner has been making concrete efforts to improve its distribution system to ensure safe and reliable supply of electricity to approximately 30 million consumers and is taking measures on a war footing basis to ensure the safety of its employees and general public. Additionally, the petitioner's Health Safety and Environment (HSE) department actively assesses safety compliance in real-time without prior notice to ensure that its employees are consistently following safety guidelines even when they are not expecting an audit, reinforcing the importance of adhering to SOPs on a daily basis. The petitioner's relevant departments supervise hazard identification and try prompt removal of hazards for creating a safe working environment. A large chunk of the O&M budget is spent on hazard removal and ensuring safe distribution system for both public and employees.



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G. That even otherwise, and without prejudice to the petitioner's stance above, it is submitted that SCN and the Impugned Order is without jurisdiction and is ultra vires the Fine Regulations. In this regard, the following may be noted: -

- a. That the Authority's power to impose penalty for any default or contravention is circumscribed in terms of Section 27B of the NEPRA Act, which can only be exercised after providing a reasonable opportunity of hearing.
- b. In this respect, the Authority has issued the Fine Regulations under Section 47 of the NEPRA Act to lay down "...the manner and procedure of show cause notices..."; which provides a detailed procedure for issuance of a show cause notice. Authority bore a mandatory legal obligation to satisfy express prescriptions of Regulation 4 of the Fine Regulations, prior to, inter alia, issuing the SCN.
- c. Admittedly, the Authority has failed to satisfy the conditions necessary for exercising its purported powers under the Fine Regulation, including, inter alia, Regulation 4(1) to Regulation 4(7). Per Regulation 4(1) of the Fine Regulations, if any person acts or omits to act which in the opinion of the Authority constitutes violation of the NEPRA Act and applicable documents, the Authority "...shall within fifteen (15) days of coming to know of the violation, cause the Registrar to seek an explanation from such person. There is nothing on the record to show what is the alleged event, act or omission that constituted a violation of the NEPRA Act, Rules and Regulations that necessitated the seeking of a reply. Moreover, there is nothing on the record to show whether the Registrar, NEPRA was ever authorized by the Authority in terms of Regulation 4(1) before the explanation Letter was issued on 27.04.2023.
- d. As per Regulation 4(9) of the Fine Regulation, the show cause notice is to specify, inter alia, the "...alleged violation..." and "...the denial of violation by the said or the rejection of his violation...". Further, Regulation 4(8) of the Fine Regulations empowers the Authority to issue the SCN, only after it had demonstrable 'reasonable cause to believe that the violation (alleged against the Petitioner) had in fact occurred'. However, the SCN lacks any application of mind let alone assigns reasonable cause to believe there has been a violation. As averred in the preceding paragraph, there is no event, act or omission on the part of the petitioner which could reasonably be construed as a violation for of the NEPRA Act, Rules and Regulations for the purposes of imposing a penalty under the Fine Regulations.
- e. That the Authority's interpretation of Section 27B stretching its contours to include "... authorization and any codes is tied or approved under the Act" through the Fine Regulations is without lawful authority. A penalty can only be imposed under Section 27B of the NEPRA Act if there is a contravention of the NEPRA Act, Rules and Regulations made thereunder or a failure to comply with the conditions of a licence issued or registration granted. It is a settled principle of the construction of statutes that any provision entailing penal consequence must be construed strictly and not expansively. Penal actions can only be taken on the basis of express and clear provisions of law. The act/violation attracting the penal consequence and the person responsible for it must fairly and squarely fall within the plain words of the law. The Authority's



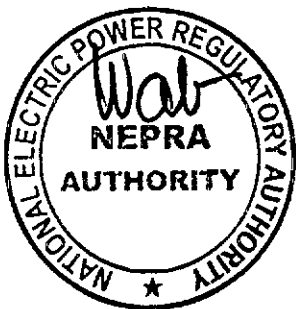
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expansive interpretation of including the Safety Requirements, the Distribution Code and the Consumer Service Manual within the ambit of Section 27B breaches these settled principles of statutory interpretation. As a result, the Impugned Order is bad in law and without lawful authority.

- f. Consequently, the explanation letter as well as the SCN was issued in violation of Regulation 4 of the Fine Regulations is without jurisdiction, ultra vires the applicable laws and is liable to be dismissed. It is a settled principle of law that any superstructure based on an illegal act and proceedings taken in pursuance thereof are also liable to be struck down.

H. That even otherwise, and without prejudice to the above, the Impugned Order is premised on and draws support from an erroneous and misplaced reading and non-reading of the facts on record and the law. The same therefore, enjoy no legal sanctity and are liable to be declared as such. In this regard, the following may be noted:

- a. Section 21(2)(f) of the NEPRA Act does not impose any obligation on the petitioner that the petitioner has allegedly contravened. It simply requires the Petitioner to adhere to the performance standards laid down by the Authority, for distribution and transmission of electric power. Section 35 empower the Authority to specify industry standards and uniform codes of conduct.
- b. The petitioner humbly submits that the petitioner was hilly compliant with its obligations contained in the NEPRA Act, the Performance Standards Rules and the Safety Code. None of the allegations levelled in the Impugned Order, as discussed above, are tantamount to breach of any obligation by the Petitioner.
- c. Moreover, the petitioner has implemented elaborative procedures to ensure safety in operation and maintenance of its facilities. The Performance Standards Rules clearly envisage that while imposing any fine, the Authority shall "...keep in view the principle of proportionality of the fine to the gravity, frequency of occurrence, duration and impact of noncompliance...".
- d. The Authority has also failed to take into account the relevant Performance Standards Regulation in vogue at the time of the proceedings i.e. Regulation 7 of the National Electric Power Regulatory Authority Performance Standards (Electric Power Suppliers) Regulations, 2022 ("2022 Performance Regulations") which provide that penalties under the 2022 Performance Regulations will only be imposed "In case of a failure by an electric power supplier to comply with these regulations ..... A bare reading of the 2022 Performance Regulations would show no duty of care is owed by the Petitioner to the public or the Authority with respect to the instant matter. This aspect of the instant matter has escaped the notice of the Authority when it passed the Impugned Order.
- e. Without prejudice to the above, the Authority has also failed to adhere to the settled principle of proportionality when imposing the penalty in the Impugned Order. The Authority, which is a public body, cannot act in a draconian manner and exercise its authority an irrational and perverse manner. The Authority has, however, failed to exercise its authority in a rational and sound manner when it



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failed to assign any cogent reason for how the penalization of the Petitioner is proportionate to the alleged violation. The Impugned Order, therefore, breaches the principle of proportionality, subjects the Petitioner to excessive hardship, and is an unnecessarily onerous infringement of the Petitioner's right to be dealt with in accordance with the law.

18. A hearing in the matter of MLR was held on July 22, 2025, wherein the CEO of the Licensee, along with his team, made the following submissions.

- i. LESCO requests review of the Order due to the fact that its board was dysfunctional at the relevant time. Despite this, they assert that they were actively working on earthing during that period.
- ii. CEO LESCO also explained that once the board became functional, a budget of Rs. 1.149 billion was approved for the earthing project, and work orders have been issued to earth 261,000 units.
- iii. CEO LESCO further stated that at the time of the hearing, 114,000 steel structures (high and low-tension) needed earthing by 20th November 2024, and the remaining balance was reduced to 62,000.
- iv. CEO LESCO requested to the Authority for additional time to complete the earthing due to earlier budgetary delays. LESCO hopes to complete the task by the end of the current financial year.

19. Subsequently, following the hearing, the Licensee, vide its letter dated July 29, 2025, submitted additional information, summarized as follows:

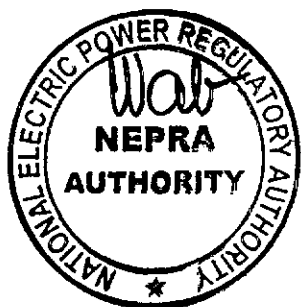
*"Due to budget constraints and non-availability of sufficient funds, the progress of earthing HT/LT structures had slowed down. Despite these challenges, LESCO has continued the execution of this important task. As of now, only 62,157 HT and LT steel structures remain to be earthed, as detailed below:*

HT Structures	LT Structures	Total Remaining
57,915	4,242	62,157

*To expedite the completion of subject task, the Board of Directors (BoD) of LESCO has approved a CAPEX budget of Rs. 1,149 million for the financial year 2025-26, specifically for the earthing/grounding of HT/LT poles and structures. Following this approval, the General Manager (Operations) has directed the Chief Engineer (Material Management) to initiate procurement of earth rods along with allied materials. This procurement process is currently underway.*

*LESCO intends to complete the earthing/ grounding of the remaining HT/LT structures/poles on war footage basis.*

*We respectfully request NEPRA to take into consideration LESCO's commitment, the progress made so far, and the financial and operational challenges encountered in executing this critical safety measure. LESCO*



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*assures the Authority that we are making every effort to address this matter with urgency and efficiency. We fully acknowledge the potential safety risks associated with unearthed HT/LT poles and structures and remain firmly committed to resolving this issue as a top priority."*

**Findings/Analysis:**

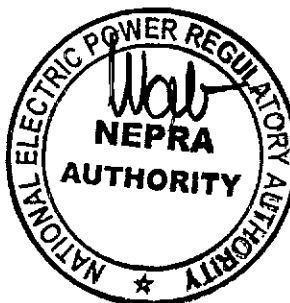
20. The Licensee has submitted that the Impugned Order is a non-speaking order as it fails to give any reasons/rationale in support thereof and address the submissions advanced. The Impugned Order is without any evidential basis and fails to consider the relevant facts, most notably the fact that the Licensee had actually implemented the Authority's recommendations and reduced the timeline for complete (100%) earthing/grounding from five years to two years. The Licensee has further submitted that the Authority has not even attempted to consider and respond to any of the explanations furnished in terms of the reply to the SCN. Section 24A of the General Clauses Act, 1897, mandatorily requires a person taking any action or passing an Order to exercise his powers reasonably, fairly, justly, and by way of a reasoned order.

The Authority, after considering the submissions of the Licensee, is of the view that the arguments put forth by the Licensee are baseless. The Order clearly outlines the reasoning and legal basis, wherein all the facts have been portrayed, and the Authority, after the detailed deliberations reached a conclusion by addressing the submissions in a manner consistent with the facts and laws. The Authority is not required to respond to every minute detail of the submissions made by the Licensee, particularly if those submissions are irrelevant or do not materially impact the outcome. The Impugned Order reflects an independent and unbiased application of the law, and the Licensee's dissatisfaction with the outcome does not indicate a failure of due process

21. The Licensee has submitted that without prejudice to the above and to the Petitioner's right to raise any objections on the merits of either case, the Authority's reliance on any data with respect to the responsibility of any fatal accident in July 2023 in the territorial jurisdiction of the Petitioner is not warranted since the matter is currently sub-judice and pending before the Authority. Until the matter attains finality, the Authority's reliance on any statistics relating to fatal accidents is premature and unwarranted.

The Authority has reviewed the submissions of the Licensee and considers that the Licensee's opinion regarding the Authority's reliance on data related to the fatal accident of July 2023 is unwarranted. The Licensee's claim that the matter being sub-judice is misplaced and legally unsound is unfounded. The Authority in exercise of its regulatory mandate, is fully empowered to consider trends in fatal accidents within a Licensee's territory to evaluate systemic safety issues and operational lapses. The inclusion of the July 2023 incident does not reflect a determination of liability in the pending proceedings but serves as part of a broader pattern of non-compliance, which the Authority is obligated to assess in the public interest. There exists no legal bar against referencing data from ongoing cases for regulatory purposes, and delaying such consideration until the final adjudication of every individual case would undermine the Authority's proactive role and compromise public safety. Therefore, the Licensee's contention lacks merit and appears to be an attempt to evade accountability through procedural objections.

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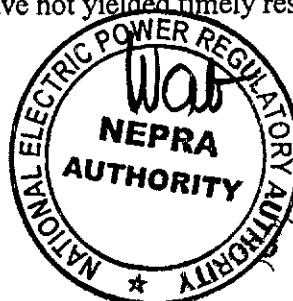


22. The Licensee has further submitted that the Authority has failed to note that the Petitioner has been making concrete efforts to improve its distribution system to ensure a safe and reliable supply of electricity to approximately 30 million consumers and is taking measures on a war footing basis to ensure the safety of its employees and the general public. Additionally, the Licensee HSE department actively assesses safety compliance in real-time without prior notice to ensure that its employees are consistently following safety guidelines even when they are not expecting an audit, reinforcing the importance of adhering to SOPs on a daily basis. The Licensee relevant departments supervise hazard identification and timely prompt removal of hazards to create a safe working environment. A large chunk of the O&M budget is spent on hazard removal and ensuring a safe distribution system for both the public and employees.

The Authority, after considering the submissions of the Licensee, believes that the Licensee's assertion regarding its ongoing efforts to improve the distribution system and ensure safety, does not override or nullify the Authority's findings based on actual field performance and incident trends. Mere claims of taking measures on a "war-footing basis" and the presence of internal HSE protocols do not establish compliance, especially when fatal accidents continue to occur within the Petitioner's network. The Authority evaluates licensee performance based on verifiable outcomes, not internal declarations or budgetary allocations. The continued occurrence of safety-related incidents despite the alleged real-time assessments and supervision indicates either a gap in implementation or the ineffectiveness of the measures claimed. Therefore, the Licensee's submissions appear self-serving and insufficient to rebut the Authority's concerns regarding systemic lapses and ongoing non-compliance with safety obligations.

23. The Licensee has also submitted that due to budget constraints and non-availability of sufficient funds, the progress of earthing HT/LT structures had slowed down. Despite these challenges, the Licensee has continued the execution of this important task. As of now, only 62,157 HT and LT steel structures remain to be earthed. The Licensee further added that in order to expedite the completion of the subject task, the Board of Directors (BoD) of the Licensee has approved a CAPEX budget of Rs. 1,149 million for the financial year 2025-26, specifically for the earthing/grounding of HT/LT poles and structures. Following this approval, the General Manager (Operations) has directed the Chief Engineer. The procurement process is currently underway. The Licensee intends to complete the earthing/ grounding of the remaining HT/LT structures/poles on a war footing basis.

In this regard, the Authority observes that the Licensee's explanation, citing budgetary constraints and procurement delays as reasons for the slow progress in earthing HT/LT structures does not absolve it of its statutory obligation to ensure public and employee safety. The fact that almost 62,000 HT/LT structures remain unearthed despite prior knowledge of the associated hazards reflects a prolonged and unacceptable delay in addressing a critical safety requirement. Regulatory obligations related to safety are not contingent upon internal financial planning or the availability of funds; rather, they are mandatory and non-negotiable. The recent approval of a CAPEX budget and initiation of procurement appear to be a reactive measure following regulatory scrutiny rather than a proactive safety initiative. Furthermore, commitments to act on a "war-footing basis" have been made in the past but have not yielded timely results, casting doubt on the effectiveness of implementation.



24. Foregoing in view, it is concluded that the Licensee has failed to produce any new/additional ground in its review petition. Hence, it can be said that the Licensee has failed to provide any satisfactory response and thereby is in violation of Performance Standards (Distribution) Rules, Distribution Code, Power Safety Code, Consumer Service Manual, and other applicable documents.

**Decision:**


25. After perusing all the relevant records, applicable law, and taking into account the arguments of the Licensee, the Authority has observed that the Licensee has neither based their objections on the discovery of new and important matter nor on account of some mistake or error apparent on the face of the record nor on other sufficient reasons for which evidence could not be produced by the Licensee. Arguments of the Licensee in support of their review had already been considered and discussed by the Authority in its earlier decision. No error apparent on the face of the record was pointed out by the Licensee, nor have any other sufficient reasons been advanced to justify the review. Hence, the review is dismissed. Therefore, the Authority upholds its earlier Order dated September 20, 2024.
26. Moreover, the Licensee is directed to pay the fine of PKR 10,000,000/- (Ten Million) within fifteen (15) days of the 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.
27. Furthermore, the Authority has also maintained its earlier directions with respect to earthing/grounding of 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 to further penalties on the Licensee, which will be decided after the completion of the specified timelines.

**AUTHORITY**

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Member (Development)



Amina Ahmed  
Member (Law)



Waseem Mukhtar  
Chairman



Dated 8th October, 2025

