



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/SA(M&E)/LAT-01/ 20437

November 26, 2025

Managing Director,
National Grid Company of Pakistan Limited (NGC),
414-WAPDA House, Shahrah-e-Quaid-e-Azam
Lahore

Subject: Order of the Authority in the matter of Directions of the Authority under Section 44 of the NEPRA Act I.R.O Show Cause Notice (SCN) issued to NGC regarding observations noted by NEPRA M&E team during the visit of 220 KV Jhimpir-II Grid Station

Enclosed please find herewith the Order of the Authority alongwith Note of Ms. Amina Ahmed, Member (NEPRA) (total 19 Pages) in the subject matter for information and compliance.

Enclosure: As above


(Wasim Anwar Bhinder)

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)

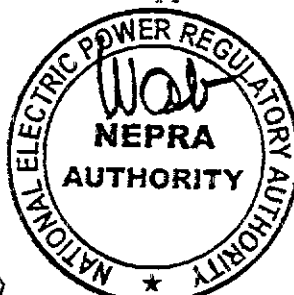


ORDER

**IN THE MATTER OF DIRECTIONS OF THE AUTHORITY UNDER SECTION 44 OF
THE NEPRA ACT I.R.O SHOW CAUSE NOTICE (SCN) ISSUED TO NGC
REGARDING OBSERVATIONS NOTED BY NEPRA M&E TEAM DURING THE
VISIT OF 220 KV JHIMPIR-II GRID STATION**

1. Pursuant to Section 17 of the Regulation of Generation, Transmission and Distribution of Electric Power Amendment Act 2018 (the Act), the Authority has granted a Transmission Licence (No. TL/01/2002, dated 31/12/2002) to National Grid Company of Pakistan (NGC) formerly known as National Transmission and Despatch Company Limited (NGC) (hereinafter referred to as the "Licencee" or "NGC") to engage in the transmission business as stipulated in its Transmission Licence.
2. Pursuant to the Section 18, NGC has to provide reliable transmission services and plays a pivotal role in ensuring the integrity of the entire Power Sector of Pakistan. This role comes with huge responsibility that the operation, dispatch & transmission services are seamlessly and in conformity with transmission Performance Standard Rules, Grid Code and other applicable documents presented by the Authority.
3. Pursuant to Section 44 of the Act, the Authority may call for any information, required by it for carrying out the purposes of this Act from any person involved directly or indirectly, in the provision of electric power services or any matter incidental or consequential thereto. Any such person shall be liable to provide the information called by the Authority, failing which it shall be liable to a penalty.
4. Pursuant to Regulation (4) of the NEPRA (Fines) Regulations ("the Fine Regulations"), 2021, if any person acts or omits to act in a manner which in the opinion of the Authority constitutes violation of the provisions of the Act or the applicable documents, the Authority

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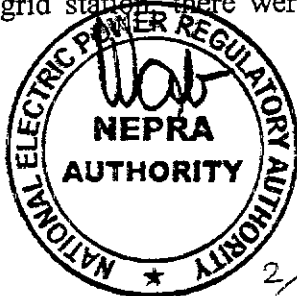


may either order an investigation into the matter in terms of Section 27A of the Act or shall within fifteen (15) days of coming to know of the violation, cause the Registrar to seek an explanation from such person herein after referred to as the said person.

5. Pursuant to Article 11 of the Transmission Licence, the Licencee shall furnish to the Authority, in such manner and at such times as the Authority may require, such information and shall procure and furnish such reports, as the Authority may require and deem necessary.
6. Pursuant to Article-12 of the Transmission Licence (modification dated March 21, 2023), the Licencee shall comply with the Act and the Applicable Documents, as amended or replaced from time to time, while performing its functions as the NGC. The Licencee shall be obligated to follow and comply with the relevant rules and regulations in letter and spirit, as if all provisions of the said rules and regulations are incorporated in the terms and conditions of the Licencee.
7. As per the clause 7.2, sub-clause 7.2.1 & 7.2.3 of the Power Safety Code, the Licencee was required to introduce a dedicated HSE management team independent in all its functions under the direct control of Chief Executive Officer/MD or equivalent, HSE management team is required to be deployed to oversee critical activities and responsibilities and duties of the HSE management team shall be clearly defined
8. Prima-facie violation of sub-clause 9.1.1, 9.1.2 & 9.1.3 of Operation Code No. 9 (Work Safety at the Interface), Article 27, 31, 34, 35 of the Transmission Licence and failure to follow PC 2 (Planning Criteria) and PC 4.2 (Project Identification) of Planning Code, PMC 2.2 d. (Sub-Station Protection) & PMC 2.2 h. (Testing, Calibration & Maintenance) of Protection & Metering Code, and section (b) of the main Objectives of the Grid Code by the Licencee has been established.
9. Prima-facie violation of clause 1.2, 1.4 & 1.5 of the Power Safety Code was established along with failure of the Licencee in following the Section 2.26, 3.1, 3.2, 3.3 & 3.4, Chapter 4, 5 & 6 and clause 7.2, 7.4, sub-clause 7.14, 7.16.1, 7.20.3, 7.20.6, 7.40, 7.41, 7.42, 7.47 of the Power Safety Code by the Licencee have been established. From the given facts, it was also proved the fact that the Licencee has failed to inculcate the safety measures within its organization.

Background:

10. Pursuant to directions of the Authority, NEPRA team comprising of ADG (M&E) & Dy. Director (M&E) visited 220/132kV Jhimpir-II grid station on 17th May, 2022 to check the status of Investments made for the Improvement of network along with other areas of Hyderabad region of NGC. During the visit of the Grid station, it was observed that the grid station was still under construction phase and the same was energized without any official handing/taking over by PD EHV (South) & GSO/AM South formations and it was discovered that there is no approved SOP in place for handing/taking over of the newly constructed Transmission lines, grid stations and/or any other equipment/asset including civil works. Moreover, during the visit, the NEPRA team noted that even after lapse of 3 months of energization of the grid station, there were only 2 shift engineers working



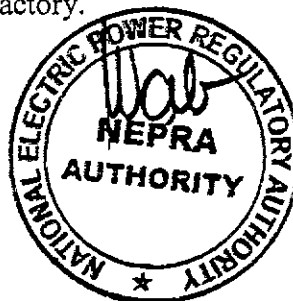
continuously for 2 consecutive days without sufficient break/sleep and without any supporting staff required for operating/maintaining a 220/132 kV grid station which is in violation of the WAPDA's yardstick for operation & maintenance of GSO Staff at Transmission Lines and Grid stations dated April 04, 1988 as well as NGC's own yardstick in vogue. This practice of non-provision of basic T&Ps, PPEs, vehicles and essential technical staff/officers was observed to be prevalent throughout the South region of NGC.

11. During the visit, the NEPRA M&E team noted an acute shortage of manpower in the South region of NGC, and despite passage of nearly 3 years, NGC has failed to fill the approved sanctioned strength for maintaining its rapidly expanding 500/220kV, 220/132 kV Grid stations & Transmission lines network in the South region, due to which newly constructed assets (Grid stations & Transmission lines) in the South region are being adversely affected as the same are left unattended due to shortage of manpower and associated material, T&PS, PPEs, Vehicles etc. The grid station was being operated without any provision of basic amenities i.e. (Water, Gas and Electricity Feeder) and there was insufficient means of transport and housing/colony facilities for officers/officials deputed in such a remote area which is not even accessible by any paved roads. After physical inspection of the grid station, it was concluded that the grid station is being operated under "unsafe and inhumane" conditions as there was low heighted retaining wall, no fencing & boundary wall around the grid station and switchyard, incomplete sewerage and drainage system in the switchyard & control house building, no gravels in the switchyard which can endanger any personnel working in the switchyard due to step potential, no approach roads in the switchyard & control house building and partially constructed pathways in the switchyard, incomplete control house building civil works which possesses a serious risk/threat of on-job injury/illness & fatality at the grid station.
12. In view of the grounds mentioned above, the matter was presented before the Authority on June 16, 2022. The Authority *inter-alia* decided to take action against NGC for violation of 9.1.1, 9.1.2 & 9.1.3 of Operation Code No. 9 (Work Safety at the Interface), Article 27, 31, 34, 35 of the Transmission Licence and failure to follow PC 2 (Planning Criteria) and PC 4.2 (Project Identification) of Planning Code, PMC 2.2 d. (Sub-Station Protection) & PMC 2.2 h. (Testing, Calibration & Maintenance) of Protection & Metering Code, and section (b) of the main Objectives of the Grid Code and violation of Section 1.2, 1.4 & 1.5 of the Power Safety Code has been established along with failure of the Licencee in following the Section 2.26, 3.1, 3.2, 3.3 & 3.4, Chapter 4, 5 & 6 and Section 7.2, 7.4, 7.14, 7.16.1, 7.20.3, 7.20.6, 7.40, 7.41, 7.42, 7.47 of the Power Safety Code by the Licencee. In view thereof, the Authority decided to initiate legal proceedings against the Licencee under "Fine Regulations".

Explanation issued to the Licencee:

13. After detailed analysis and seeking legal input, the matter was presented before the Authority held on June 16, 2022. The Authority *inter-alia* decided to issue a letter to NGC w.r.t submission of detailed report addressing each of the Observations/Anomalies noted by the team before issuance of Explanation. In compliance of the above, a letter dated July 04, 2022 was issued to NGC. In response thereof, NGC submitted its reply dated July 06, 2022 received on July 15, 2022 and the same was preliminary reviewed, whereby it was revealed that the said response was found unsatisfactory.

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14. In view of the facts stated above, the Authority decided to issue Explanation which was issued to NGC on August 15, 2022 to the Licencee under Regulation 4 (2) of the *Fine Regulations*, wherein NGC was directed to submit its response to the above Explanation within fifteen (15) days based on violations alleged in the Explanation. However, despite issuance of various reminders through telephone and email and passage of given time period, NGC failed to submit the response against the said Explanation. The salient features of the explanation are as under;

12. *WHEREAS, as per the 7.2, 7.2.1 & 7.2.3 of the Power Safety Code, the Licencee was required to introduce a dedicated HSE management team independent in all its functions under the direct control of Chief Executive Officer/MD or equivalent, HSE management team is required to be deployed to oversee critical activities and responsibilities and duties of the HSE management team shall be clearly defined; and*

13. *WHEREAS, as per 7.2.4 the Licencee shall provide full-time and experienced, qualified and trained HSE staff to execute, coordinate and implement the HSE Management System Manual, Minimum number of HSE staff member shall be evaluated on case-to-case basis, corresponding to the level of risk, criticality of operational activities, and required work supervision. The appointed HSE team shall be experienced and competent for the defined roles and responsibilities and shall possess at least one of the approved safety qualifications, such as NEBOSH International General Certificate, NEBOSH, International Diploma in OH&S, OSHA Certificate or other approved Safety/HSE Certificate/Diploma; and*

14. *WHEREAS, pursuant to directions of the Authority, NEPRA team comprising of ADG (M&E) & Dy. Director (M&E) visited 220/132kV Jhimpir-II Grid station (Grid station) on 17th May, 2022 to check the status of Investments made for the Improvement of network along with other areas of Hyderabad region of NTDC; and*

15. *WHEREAS, during the visit of the Grid station, it was revealed that the Grid station was still under construction phase and the same was energized without any official handing/taking over by PD EHV (South) & GSO/AM South formations and it was further discovered that there is no approved SOP in place for handing/taking over of the newly constructed Transmission Lines, Grid stations and/or any other equipment/asset; and*

16. *WHEREAS, it was further revealed that even after lapse of 3 months of energization of the Grid station, there are only 2 No. of shift engineers and each one of them works continuously for 2 consecutive days without sufficient break/sleep and without any supporting staff required for operating/maintaining a 220/132 kV Grid station which is in violation of the WAPDA Yardstick For Operation & Maintenance of GSO Staff at Transmission Lines and Grid stations dated April 04, 1988 currently in vogue by NTDC (copy enclosed); and*

17. *WHEREAS, during the visit it was also noted by the NEPRA team there is an acute shortage of manpower in the South region of NTDC, and the NTDC has failed to fill the approved sanctioned strength for maintaining its rapidly expanding 500/220kV, 220/132 kV Grid stations & Transmission lines network in the South region, due to which newly constructed assets (Grid stations & Transmission lines) in the South region are being adversely affected as the same are left unattended due to shortage of manpower and associated material, T&PS, Vehicles etc.; and*

18. *WHEREAS, the Grid station was being operated without any provision of basic amenities i.e. (Water, Gas and Electricity Feeder) and there was insufficient means of transport and*

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housing/colony facilities for officers/officials deputed in such a remote area which is not even accessible by any paved roads; and

19. **WHEREAS**, after physical inspection of the Grid station, it was concluded that the Grid station is being operated under "unsafe and inhumane" conditions as there was low heighted retaining wall, no fencing & boundary wall around the Grid station and switchyard, incomplete sewerage and drainage system in the switchyard & control house building, no gravels in the switchyard which can endanger any personnel working in the switchyard due to step potential, no approach roads in the switchyard & control house building and partially constructed pathways in the switchyard, incomplete control house building civil works which possesses a serious risk/threat of on-job injury/illness & fatality at the Grid station; and

20. **WHEREAS**, there were incomplete cable trenches works, no cable hangers and trench covers in the switchyard & relay room, no approach roads and security barracks/towers paving way for potential fatal/non-fatal incident/injury and endangering lives of the staff/officers that are stationed at the Grid station; and

21. **WHEREAS**, the Grid station is constructed under very vulnerable/extreme weather conditions and is being operated with low heighted retention walls, no boundary & fencing wall, thereby making it more vulnerable to safety hazard as there is a huge risk of theft/damage to the Transformers and other allied equipment/material, along with serious threat to the safety and security of human lives who are being forced to work in the existing unsafe and inhumane conditions, making the Grid station & Switchyard vulnerable to any potential safety hazard; and

22. **WHEREAS**, tests of switchyard earth mesh were not conducted and earth mesh was deteriorated from different points, test of switchyard equipment i.e. CTs/PTs, isolators, breakers etc. along with protection relays installed in relay room were not conducted no testing of DC supply i.e. batteries and chargers (220V, 110V & 48V) and improper commissioning of DC chargers, no proper dressing/tagging of wires and panels, no Earthing and vermin proofing, some pending annunciation works in control panels and relay panels, non-provision of as built drawings of protection and control, AC/DC systems etc., no backup energy meters installed at ATBs, non-commissioning of Telecom / SCADA & Tele-protection system at the Grid station; and

23. **WHEREAS**, there was unavailability of stand by generator, non-commissioning of parallel operation of tap changers of ATBs, testing of isolators was not conducted, Earthing of equipment in the switchyard has not been completed, which poses a serious threat to the safety of the officers/officials working at the Grid station, non-calibration of meters, no lightning protection for control house building & no surge or fire protection system installed at ATB, testing of circuit breakers was not conducted, poorly installed relays and control panels at the Grid station; and

24. **WHEREAS**, there was no lighting available for switchyard & control house building, limited fire-fighting equipment, security & surveillance staff, non-provision of T&PS and testing sets, test plugs, PC/Laptops for testing and programming, non-provision of spare material & insufficient air-conditioning in control room, relay room, Telecom/SCADA room, AC/DC rectifier room and 11kV room, shortage of staff: currently only two (02) engineers are working at the Grid station; and

25. **WHEREAS**, from the facts and grounds mentioned above, prima-facie violation of 9.1.1, 9.1.2 & 9.1.3 of Operation Code No. 9 (Work Safety at the Interface), Article 27, 31, 34, 35 of the Transmission Licence And failure to follow PC 2 (Planning Criteria) and PC 4.2 (Project

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Identification) of Planning Code, PMC 2.2 d. (Sub-Station Protection) & PMC 2.2 h. (Testing, Calibration & Maintenance) of Protection & Metering Code, and section (b) of the main Objectives of the Grid Code has been established; and

26. **WHEREAS**, from the facts and circumstances mentioned above, prima-facie is in violation of Section 1.2, 1.4 & 1.5 of the Power Safety Code has been established along with failure of the Licencee in following the Section 2.26, 3.1, 3.2, 3.3 & 3.4, Chapter 4, 5 & 6 and Section 7.2, 7.4, 7.14, 7.16.1, 7.20.3, 7.20.6, 7.40, 7.41, 7.42, 7.47 of the Power Safety Code in true letter and spirit. Additionally, it is also proved the fact that the Licencee has failed to inculcate the safety measures within its organization; and

27. **WHEREAS**, the Licencee was bound to follow the provisions of the Grid Code and Power Safety Code in order to supply safe, efficient, economic and reliable power supply to its code participants. The Licencee by following prudent utility practices had to prepare, enforce and implement all such type of procedures as required in the Grid Code and Power Safety Code, however the Licencee failed to adhere the same; and

28. **WHEREAS**, the Licencee is required to follow the provisions of NEPRA Act, Rules & Regulations made thereunder, generation Licence, tariff determinations and other applicable documents and any violations thereof attracts appropriate proceedings against the Licencee including but not limited to the imposition of fines under NEPRA (Fine) Regulations, 2021; and

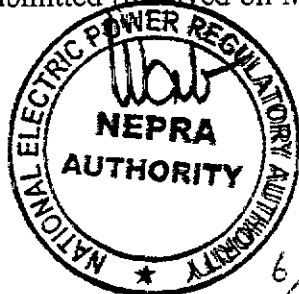
29. **NOW THEREFORE**, in view of above, Licencee is hereby called upon under Rule 4 (1) and 4(2) of the Fine Regulations, to either admit or deny the occurrence of the above-mentioned violations of the Grid Code, Power Safety Code & Transmission Licence and in case of your failure to respond within fifteen (15) days of receipt of the letter thereof, the Authority shall proceed in accordance with NEPRA Rules, Regulations & applicable documents including but not limited to imposition of fine.

Reply of the Licencee against the Explanation:

15. The Licencee was required to submit its response against the Explanation with fifteen (15) days. However, on September 13, 2022 (nearly after 1 month), NGC submitted an extension request of 4 week time period for submission of the reply against Explanation. Taking lenient view, the Authority decided to allow 2 week's extension to NGC for submission of its reply against the above Explanation issued by the Authority. Finally, after passage of nearly 2 months, NGC vide its letter dated October 07, 2022 (received on October 10, 2022) submitted its detailed reply.
16. The response of the Explanation submitted by the Licencee was duly analyzed and considered by the Authority in terms of Regulation 4 (7) of the *Fine Regulations*, whereby, the Authority observed that the Licencee has not submitted satisfactory response against the Explanation, thereby, the Authority rejected the reply of Explanation submitted by NGC and directed to issue a SCN to NGC.

Show Cause Notice (SCN) Issued to NGC:

17. Accordingly, a SCN along with a detailed Order of the Authority was issued to NGC on December 26, 2022, whereby NGC was required to submit the response against the SCN within 15 days, however, no response was received from NGC despite a lapse of more than 2 months. Finally, NGC submitted (received on March 10, 2023) a detailed reply against



the SCN issued by the Authority. The said reply of NGC against the SCN was reviewed in detail, whereby NGC claimed that it has removed almost 90% of the deficiencies observed by the NEPRA's team and has further committed to remove the remaining deficiencies by end of May 2023. However, at the same time, NGC requested for an opportunity of hearing in the best interest of justice before the matter is further proceeded.

Hearing Held on June 05, 2023 In the Matter of SCN Issued to NGC:

18. In view of the measureable compliance, NGC requested for withdrawal of SCN and opportunity of hearing in the best interest of justice before the matter is further escalated. In view thereof, the Authority approved the request of NGC and a hearing in the matter was fixed on May 23, 2023 under Regulation 4(11) of the NEPRA (Fine) Regulations, 2021. However, the same was postponed upon the request of NGC, thereafter, the hearing was rescheduled and the same was held on June 05, 2023. The salient features of NGC submissions during the above hearing are reproduced hereunder;

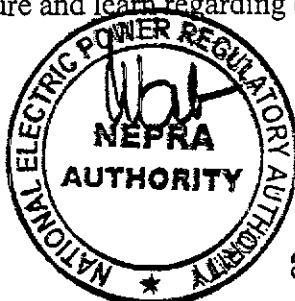
- i. NGC has categorically admitted that the grid station was energized without proper necessities and basic infrastructure to avoid the imposition of LDs upon NGC from commissioned Wind Power Producers (WPPs), as the same were being already delayed.
- ii. NGC admitted that the grid station was energized without handing/taking over by its Asset Management formations and there is no approved SOP in place for handing/taking over of the newly constructed Transmission lines, Grid stations and/or any other equipment/asset.
- iii. NGC admitted that the works related to retaining wall, slope protection, and water draining system were not part of EPC contract and have been completed by 90%.
- iv. NGC admitted that the Boundary Wall was not constructed at that time and now the same is near completion i.e. 75% in May 2023.
- v. NGC admitted that that works related to Sewerage System, Security Barracks, Water Filter Plant, Flood Protection Wall, Underground & Overhead Water Tank, Patrolling Path and Water Supply Scheme is under progress.
- vi. NGC submitted that it has removed nearly 90% issues raised by the Authority and has provided all the requisite/required facilities to the grid station including portable water, drinking water etc. However, the civil works related to colony/hostel, masjid, water filtration plant etc. are still pending and will be completed till October 2023.
- vii. NGC submitted that it has posted additional staff at the said grid station as stop gap arrangement till appointment of newly inducted officers/staff.
- viii. NGC admitted that the Calibration of meters, Surgi System for Transformers & Fire Protection System for Transformers.



- ix. NGC submitted that it has conducted and completed most of the tests required to energize the grid station and further contested that it has already completed few of the tests that were highlighted by the Authority.
- x. NGC submitted that Yardstick for provision of manpower has been approved by the BoD and the same is under implementation.
19. During hearing, the Authority showed its displeasure over the absence of MD-NGC and further enquired regarding the delay in completing the Civil Works even after 1 year of the visit. However, on the request of NGC, the Authority granted 7 days' time period to NGC for submitting the updated progress, test results and any other additional documentary evidence as claimed by NGC before the visit of NEPRA team i.e. May 27, 2022. The above directions of the Authority were conveyed to NGC vide letter dated June 14, 2023. In response, NGC submitted its response vide its letter dated June 16, 2023 (received on June 23, 2023), whereby NGC admitted *inter-alia* that few of the tests flagged by the Authority in its Explanation issued to NGC i.e. Earth Mesh Integrity Test, SF6 Circuit Breaker Test, Thermal Overload Relay have been conducted. However, the calibration of meters, surgi system for transformers, fire protection system for transformers and parallel operation of transformer have not been completed as of yet.

Directions of the Authority w.r.t Hearing Held i.r.o SCN:

20. Based on the submissions and measureable compliance against the SCN issued to NGC, the Authority after taking a lenient view and considering NGC request *inter-alia* decided to put on hold the ongoing Legal proceedings until M&E verify the claims of NGC keeping in view the completion of 90% electrical works by NGC, however, civil related issues/observations were incomplete and yet to be addressed after site visit/verification of record and further issued following directions vide letter dated November 28, 2023 to NGC for strict adherence and was also made duty bound to inform the Authority's relevant M&E officer before COD of any new Grid station & Transmission lines in light of Section 44 of the NEPRA Act;
- i. NGC to complete the remainder works/discrepancies (mostly related to civil works) which are under process and are yet to be completed within 6 months' time period.
 - ii. NGC to draft and submit approved copy of Handing/Taking Over SOP/Policy of newly constructed assets including but not limited to Grid stations, Transmission lines, Transformers, Civil & Augmentation etc. works to avoid such incidents in future.
 - iii. NGC to submit details w.r.t implementation of yardstick for allocation of resources i.e. T&Ps, PPEs, vehicles, staff, trainings, officer/staff accommodation (colony/hostel) etc. to all Grid stations & Transmission lines formations in South region.
 - iv. In order to avoid such incidents in future, NGC to invite M&E team to visit new Grid station & Transmission lines before their energization/COD as an observer to ensure and learn regarding completion of pre-requisite equipment



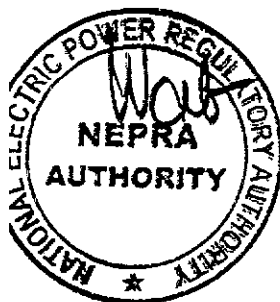
tests, infrastructure, safety, reliability, stability and to prevent potential safety hazards/fatal - non fatal incidents within the transmission network of its Licencees.

21. In line with the Authority directions, on April 18, 2024 NEPRA team visited the site for verification of claims made by NGC w.r.t development of works at 220 KV Jhimpir-II grid station. NGC reported that 90% of electrical works and approximately 30% of civil works were completed. The NEPRA team stressed the need to finish all works within stipulated time i.e. by June/July 2024. However, during the month of August, 2024 it was reported that while 98% of the electrical works are now complete, however, there has been minimal progress on the civil works. Additionally, during the heavy rain/flash floods reported to occur in the month of September 2024, some portions of the Plinth Protection, Boundary Wall, and Parking Shade also collapsed, reflecting poor workmanship. The said matter was immediately taken up with NGC along with following directions to NGC vide letter dated September 11, 2024;

- i. Provide a detailed explanation for the inordinate delay in completing the civil works and the collapse of the Plinth Protection, Boundary Wall, and Parking Shade.
- ii. Submit a comprehensive report addressing the causes of the collapse and outlining the corrective measures taken.
- iii. Submit completion certificates of the works completed so far, ensure the prompt completion of all remaining works and provide a firm timeline for their completion.
- iv. Identify and hold accountable those responsible for the substandard workmanship and delay in completion of the required works despite allowing more than 6 months.

22. In response thereto, NGC vide its letter dated October 31, 2024 (received on November 11, 2024 submitted its detailed response. The said report was reviewed in detail, the salient features of the reply submitted by NGC against the aforesaid queries raised by the Authority as under;

- i. The collapse occurred due to extreme flash floods that hit the boundary wall at an unprecedented location, not designed to withstand such heavy loads. The wall was constructed to handle standard flood conditions, but the recent flood was an extraordinary event. As per NGC, the rehabilitation of the parking shed at 220kV grid station NGC Jhimpir-II will be completed by December 31, 2024.
- ii. The collapse was due to the inability of the boundary wall to bear the impact of floodwater and boulders, which struck areas where flood passage grills were not provided. Reconstruction of the collapsed portion of the boundary wall was started, with the contractor directed to follow contract provisions. A storm water drain will be constructed outside the wall to mitigate future risks.
- iii. The construction of the boundary wall and related structures was 90% complete back then. The timeline for completion depends on resolving issues with the contractor's demobilization and fulfilling contract formalities. Moreover, as per NGC, the permanent water supply and gas connection timelines are pending due to



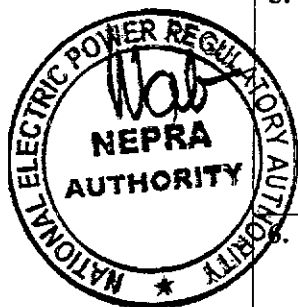
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external factors (water provider i.e. Sindh Industrial Trading Estates (SITE) constraints and gas moratorium by SSGC). Further completion certificates for plinth protection and storm water drain works were submitted by NGC only.

- iv. The collapse was not due to substandard workmanship, but to an extreme weather event. Delays were attributed to contractor demobilization and pending contract formalities. Further decisions on the contract will be made in due course.

23. From the above response of NGC, it become apparent to the Authority that the NGC's senior management i.e. *DMD & MD* failed in delivering the desired outcomes despite granting the additional time period by the Authority for the completion of civil works as per the timeline committed by them during the hearing held on June 05, 2023. This raised serious concerns regarding the management of NGC w.r.t civil works and the execution of critical projects. The failure to adequately plan for extreme weather conditions, compounded by delays in contract execution, lack of proper accountability, and the slow progress on vital infrastructure initiatives, highlighted significant deficiencies in NGC operational framework. Further, the details of incomplete civil works along with their expected timelines submitted by NGC was as follows;

Sr. No.	Work/Tender Name	Status as of Nov 2024	Expected Timelines
1.	Reconstruction of Boundary Wall and Allied Structures (17 Watch Towers, 2 Security Offices, 1 Guard Cabin)	90% completed; work is on hold due to contractor demobilization on 26/10/2024.	Completion dependent on contractor demobilization resolution and contract formalities
2.	Construction of Officers Hostel, Masjid, Security Barracks, Water Filter Plant, Flood Protection Wall, Underground Water Tank, Overhead Water Tank, Patrolling Path, Sewerage/Drainage System for Switchyard & Control Room	Tender opened on 16/05/2024, technical evaluation done, but bidder grievances are under review.	Work to be completed within 17 months or 500 days after contract award
3.	Construction of Store for Safety Equipment	Estimate vetted, awaiting administrative approval and technical sanction.	Within 10 months or 300 days after contract award
4.	Electrification of Residential Colony, Hostel, and Mosque (11KV Feeder from HESCO):	Work order issued for HESCO to design and issue demand notice.	Work will be completed parallel to residential colony construction.
5.	Dedicated Water Supply Line:	Water is being supplied through tankers; SITE is unable to provide a permanent connection due to distance from the water supply network	Permanent water connection to be arranged when SITE expands its network to the vicinity of the grid station. No firm timeline as of now
	Dedicated Gas Connection:	Moratorium on gas network expansion by SSGCL; no new connections until gas	Connection will be provided once the moratorium is lifted,



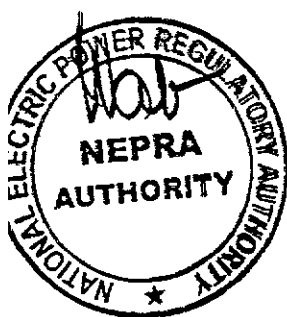
		availability issues are resolved	with no firm timeline as of now.
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Another Hearing held on March 19, 2025:

24. The above reply submitted by the NGC was considered by the Authority, and the Legal department opined for a fresh hearing in the matter. In view thereof, the Authority once again granted an opportunity of hearing to NGC. Thereafter, a hearing notice vide email dated March 11, 2025 was issued to MD-NGC for participation along with the senior management and relevant professionals well conversant with the facts of the case.
25. The hearing was held on March 19, 2025, wherein the both of the DMDs participated online, whereas the concerned senior officers i.e. GM/CE along with relevant professionals of NGC attended the hearing in person. During the hearing, NGC reiterated its stance as given in November 11, 2024 and further submitted that the construction of boundary wall at 220kV grid station Jhampir-II will be completed in all aspect within 3 months. Whereas, tender for construction of Residential Colony and allied infrastructure of Jhampir-II has been re-submitted for approval from BOD. On March 17, 2025 BOD procurement committee has recommended the case to BOD NGC. After approval from BOD, the work of residential Colony and allied infrastructure will be commenced.

Analysis/Findings of the Authority:

26. The Licencee has been heard at length, its reply to the Explanation, SCN, progress reports and other relevant record have been examined and following has been analyzed;
 - i. Most of the grounds raised by the NGC in its reply against SCN have already been addressed in detail at the time of issuance of Explanation & Show Cause Order.
 - ii. NGC in its reply against the Explanation admitted that its HSE department was still being "strengthened" and merely presented an agenda to the BoD, confirming non-compliance with Article-35 of the Transmission Licence and delay in establishing the requisite health and safety machinery. Moreover, at the time of explanation NGC relied on the obsolete Power Safety Code-2014 instead of implementing NEPRA's Power Safety Code - 2021 (PSC), reflecting clear non-adherence to the current mandatory safety framework. Furthermore, while NGC acknowledged NEPRA's authority to issue PSC, it provided no evidence of compliance, confirming continued violation of the updated Code. NGC's acknowledgment of PSC objectives without evidence of implementation showed failure to operationalize requisite HSE procedures during construction and operation. Moreover, after introduction of the PSC by the Authority, NGC along with all the Licencees are bound to implement/follow the same in true letter and spirit, which the NGC failed to do so as clearly indicated by the observations/anomalies highlighted by the Authority via Explanation & SCN. Therefore, NGC stance in the stated matter is rejected *ab initio*.
 - iii. The Authority clearly appreciates the intent of the NGC with regards to avoidance of penalty and induction of clean energy into the system. However, at the same time NGC needs to take into account the severe violations of approved timelines in its Tariff Petition / Investment Plan, Grid Code, Power Safety Code, Operation of



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various equipment and machinery without conducting the pre-requisite tests, and other pending civil works i.e. boundary/retention wall, living quarters, water supply, filter plant etc. Furthermore, even after passage of nearly 3 years of issuance of Explanation, NGC has failed to implement its Yardstick and SOP w.r.t handing/taking over of newly commissioned Transmission lines & grid stations. Not only this, but NGC has miserably failed to transform and reform its civil department, as most of the civil works being executed in NGC projects are either delayed or their quality of work is not up to the mark. After initiation of legal proceedings and field visits, the remaining essential civil works expedited by the CE Civil & XEN-Civil EHV, Hyderabad i.e. boundary wall, water tank, watch towers etc. at Jhimpir-II grid station and were considered to be of better quality and in compliance with the punch-list. However, at the same time the non-inclusion of retaining wall, slope protection, and absence of water draining system being not part of actual contract resulted in collapse of some portions of boundary wall due to flash floods during rainy season, this raises a serious question over the MPM & Design departments of NGC, as why these important works were not included in the original contract, when the grid station was still in conceptual phase.

Furthermore, it is also important to bring on record that the construction of boundary wall and fencing works started only after issuance of Explanation by the Authority confirms that NGC operated Jhimpir-II without essential security measures in breach of safety obligations, moreover, NGC's submission that 60-70% of critical civil and safety works were complete at the time of energization of the grid station were found to be inaccurate and misleading, as during the subsequent visit of NEPRA team on April 18, 2024 revealed that only 30% of the civil works were completed at that time. However, at the same time it was observed that nearly 90% of electrical works at the time of aforementioned visit were attended by the then CE EHV, Hyderabad. Moreover, NGC's assertion of completed trenches and roads, unsupported by evidence, stands contradicted by NEPRA M&E team visit/inspection, confirming energization despite unresolved safety hazards and validated the Authority's original observations raised at the time of Explanation i.e. that the grid was energized in unsafe physical condition.

Moreover, it is also essential to put on record that after intervention of the Authority in the instant case (the initiation and continuation of legal proceedings) for a change, yielded some positive results and the fact that the essential works ensuring grid functionality were completed and the tender for the remaining works (housing colony, underground and overhead water tanks, sewerage system etc.) indicates some actual progress. However, the delays and repeated occurrences of partial/non-compliance with the Authority's directions have adversely affected the progress achieved by NGC.

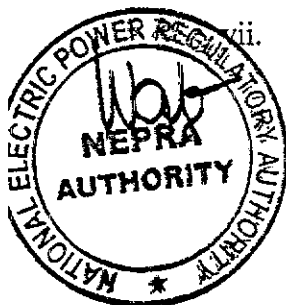
Thereby, the stance of NGC regarding the timely execution works as committed to the Authority is negated and the version of NGC in the said matter stands nullified.

- iv. NGC failed to justify delays in testing, planning and construction of the boundary wall and other basic amenities of grid station under grid Code PC-4.2, causing financial and operational losses due to untimely readiness of the project. Furthermore, by energizing Jhimpir-II G/S while construction and civil works remained incomplete



and without a formal handover SOP, NGC breached the relevant provisions of Grid Code and PSC governing safe commissioning and operation of the assets. The purpose of PC 4.2 (project identification) referring here was that since NGC already knew that the said grid station is going to be energized as per the timelines committed in PPA/EPAs of the WIPPs/IPPs that were going to be connected to national grid via the said grid station then why there was a delay in commissioning and provision of basic ancillary facilities etc. and tests required to be conducted by NGC before energization of the grid station. This indicates non-serious attitude of the management of the NGC. Therefore, submissions of NGC in the instant matter are not considered.

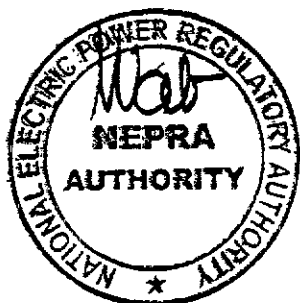
- v. The completion of remaining electrical works by then CE (EHV), Hyderabad as committed during the hearings and provision of additional time period by the Authority is duly acknowledged and appreciated, however, the non-installation of the back-up meters and delay in attending the punch-list items indicates violation of applicable documents. Furthermore, procurement of generator and fire protection systems after energization and absence of confirmatory test data demonstrate NGC's non-compliance with essential protection, earthing, and safety standards and the same should have been executed in due course of time. Moreover, NGC's admission regarding pending installation of AC units, limited firefighting tools, and ongoing security recruitment confirm operation under substandard working and safety conditions.
- vi. NGC's claim of routing HSE under GM (Performance Assessment) and monthly reporting to NEPRA lacks proof of independence, indicating continued violation of sub-code PSC-7.2.1 requiring a dedicated HSE team reporting directly to the MD. Moreover, NGC's statement about future recruitment and draft service rules does not demonstrate compliance with PSC/Yardstick staffing requirements, confirming absence of certified HSE professionals and essential trained manpower at the time of energization in particular and in south region in general. Further, from the said version of NGC, it was not complying with the 7.2, 7.2.1 & 7.2.3 of the Power Safety Code – 2021 in true letter and spirit and prior to issuance of Explanation & SCN, there was no independent and operational HSE Department was in place. Not only this, but it has been observed through field visits that although a DM (Safety) has been posted at circle level, but without any supporting staff, vehicle, office or amenities to train or inspect the field formations. In view thereof, NGC's submissions lacks any substance or practical applicability of the stated version, thereby, the same are not accepted.
- vii. At the time of explanation, NGC failed to respond against the allegations of non-testing of isolators, earthing of equipment, non-calibration of meters, no lighting protection, testing of circuit breakers and poorly installed relays and control panels at grid station. Regrettably, most of the equipment/protection/relays etc. were operating without conducting the requisite preliminary tests. Thereby, putting the entire grid station, associated transmission lines, equipment and its staff/officers in unsafe/inhumane condition.
- viii. NGC's mere acknowledgment of NEPRA team visit and failure to submit region-wise investment information including other data in due time despite final reminders and lapse of 1 year reflects non-responsiveness and disregard for Authority's



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directions. Thereby, the stance of NGC regarding submission of data/information to Authority whenever required stands nullified.

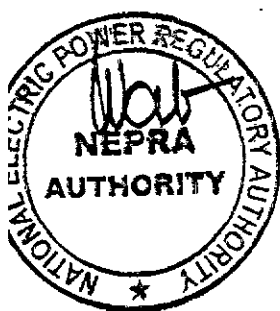
- ix. NGC's explanation of future recruitments fails to counter the Authority's finding of severe understaffing and excessive shift hours, confirming violation of NGC's yardstick standards for manpower. Regrettably, even after 3 years of time period, issuance of Explanation, Show Cause Order and grant of multiple additional time extensions, NGC has failed to recruit the minimum solvent requirement of the manpower as per its approved yardstick within its field formations, particularly in newly carved out transmission divisions, sub-divisions and grid/switching stations across its transmission network resulting in rapid deterioration of its assets worth billions of rupees. Furthermore, NGC's repetition of Para-16's reasoning without proof of deployed staff substantiates Authority's observation of chronic human-resource shortages in NGC's southern region in particular, as the hiring process has been halted multiple times by NGC at various stages during past 3 years without any explanation/clarification submitted to the Authority. Thereby, the authenticity of NGC claims in the stated matter is questionable, as even of now, the understaffing of essential technical staff, absence of vehicle policy for officers and field offices, disparity in pay across its field formations and head office employees resulting in non-preference of being posted at hard areas and field formations of transmission lines and grid stations, non-provision of trained resource and pre-requisite resources like vehicles for transmission lines and grid stations, T&Ps, PPEs and technical trainings is prevailing throughout its field formations (south as well as north regions). Therefore, the version of NGC regarding availblity of resources and trained manpower is overruled.
- x. At number of times NGC in its reply against the Explanation & SCN have admitted non-availability of basic amenities at site and only offered future plans, confirming unsafe and inhumane working conditions at Jhimpir-II. Further, NGC's generalized claim that tests were "carried out by contractor" without producing certified results affirms that energization occurred without complete testing, commissioning, or backup metering, violating Grid and Protection Codes raises a serious question mark. NGC's blanket denial of violations is unsupported by record and stands contradicted by factual deficiencies in testing, protection, and HSE compliance, establishing prima facie breaches of multiple Grid Code clauses. The repeated generic reference to earlier replies by NGC fails to dispel the Authority's finding of persistent non-compliance with its Licence and relevant Grid Code obligations for safe and reliable transmission.
- xi. NGC's reliance on a "low accident ratio" as defense is irrelevant to the established documentary violations by the Authority under the NEPRA Act and associated Codes. Furthermore, by categorically denying all violations and seeking withdrawal of Explanation & SCN without substantiation, it is a proven fact that NGC has failed to discharge its burden of proof, warranting imposition of fine under the *Fine Regulations*. Further, the response submitted by NGC in this regard is not satisfactory. Had all those provisions were followed in true letter and spirit, then all of the aforementioned violations could have been avoided.



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- xii. NGC submitted that the retaining wall, slope protection, and water draining system were not part of the actual contract. This raises a serious question over the Planning / Sub-Station Design / Civil / MPM / Contracts teams of the NGC, as why did these important works were not made part of grid station in conceptual phase. Moreover, majority of the civil works were executed by NGC after issuance of the Explanation & SCN by the Authority. As per the record, after passage of more than 3 years of issuance of Explanation dated October 07, 2022, the progress achieved by NGC in pending civil works is as follows;

Sr . #	Project	Date of Commencement	Date of Completion	Status
1	Tender No.XEN/CIVIL/EHV-II/NGC/2-2022 includes following civil works; Construction Of Boundary Wall (2618 Meter) including Re-Construction of Fallen Portion of Boundary Wall i.e. 36 Meter. Construction of 17 Nos. Watch Towers, Construction of 02 Nos. Security Offices Construction of 01 No. Guard Cabin	18.02.2022	20.05.2025	Completed
2	Tender No.XEN/CIVIL/EHV-II/NGC/HYD/05/2022-2023 (Construction of Plinth Protection around the boundary wall)	20.09.2023	05.04.2024	Completed
3	Tender No.XEN/CIVIL/EHV-II/NGC/HYD/06/2022-2023 (Construction of Storm Water Drain)	30.08.2023	13.03.2024	Completed
4	Tender No.CE/CIVIL/NGC/08/2023-2024: includes following civil works; Construction of Officer Hostel Construction of Masjid Construction of Security Barracks Construction of Water Filter Plant Construction of Flood Protection Wall Construction of Underground Water Tank Construction of Overhead Water Tank Construction of Road 7.5M & 4.5M Wide Construction of Patrolling Path Construction of Sewerage & Water Supply System	11.07.2025	11.01.2027	Work in Progress



From the above progress provided by NGC in the month of July 2025, it is construed that even after issuance of explanation by the Authority and lapse of more than 3 years, NGC has failed to complete the pending civil works despite passage of extended timelines for completion of works as per the punch list and approved BOQs and only partially complied with the directions of the Authority. Thereby, proving the fact that NGC has willfully violated the Authority's directions despite allowance of sufficient time period. This indicates NGC lapse and reveals poor contract supervision and administrative issues in Civil & MPM departments of NGC. In view thereof, NGC stance in the stated version stands invalidated.

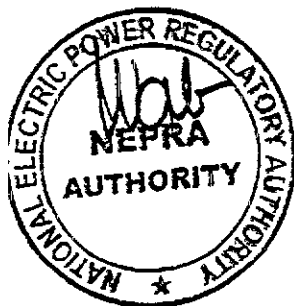
- xiii. The Authority has further observed that although NGC has, in principle, obtained approval from its Board of Directors for the SOP on handing/taking over of new

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assets and the manpower allocation yardstick, these frameworks are not being effectively implemented across field formations. As a result, sub-standard, incomplete, and delayed projects often characterized by poor-quality civil works are being executed. Furthermore, it has been noted that many AM/Civil formations remain understaffed and are manned by inadequately trained personnel responsible for managing assets worth billions of rupees. This situation leads to rapid deterioration of assets and prevents NGC from realizing the intended benefits and operational efficiency of completed projects. The prime example of such works is 500kV Moro switching station, whereby despite energization of the switching station in March 2019, the punch-list and most of the civil works including colony, boundary wall, RO plant, etc. are still pending completion, the same was also observed at 500kV Shikarpur grid station, which was upgraded to 500kV in 2016 without completing the basic works like sewerage system, RO plant, store room and necessary living quarters for staff/officials etc. Not only this, but the civil infrastructure at 220kV Rohri which was energized in 2014 has portions of collapsed boundary wall, dilapidated rest house building and entry roads etc. 220kV TM Khan as well as 500kV Jamshoro grid station and its associated colony remains dismal to say the least. Similar conditions of dismal civil works at 500kV NKI grid station office buildings, boundary wall as well as watchtowers were observed during different field visits.

Moreover, the similar situation has been noted in the Lahore region of NGC i.e. 220kV Lalian grid station and 500kV Faisalabad west grid station regrettably have been energized without living quarters / colonies despite passage of more than 3 years, whereas the civil works at 500kV Lahore North are yet to start. Meanwhile in Multan region, issues of attending the pending punch list items of civil works at 500kV DG Khan, 220kV Chishtian still remain unattended. Moreover, the condition of civil works at Islamabad region including its Peshawar circle is somewhat moderate or poor at times. The situation at Quetta region (representing entire Baluchistan region) is rather more miserable i.e. (no accommodation quarters, draining system, water tank and damaged boundary wall at 220kV Dera Murad Jamali) is the prime example of dismal civil infrastructure. Moreover, there is not even a single dedicated SDO (Civil) to look after the works of AM/EHV at Quetta region, and the same work is being looked after by XEN (Civil) EHV/GSO Hyderabad, who are responsible for looking after the entire Sindh & Balochistan provinces with a vast area and law & order situation, resulting in poor contract supervision and delays in deliverance of essential civil works. During different field visits, it was also observed that there is no dedicated budget head of operation and maintenance of civil infrastructure and very negligible amount is being spent on annual maintenance of civil infrastructure within NGC field formations resulting in rapid deterioration of the assets.

Considering the said situation, the Authority in its yearly Performance Report of FY 2023-2024 highlighted the issue of poor civil works and their dreadful maintenance across the NGC grid stations and further recommended NGC to reorganize its civil department supported by adequate resources (dedicated offices across its vast transmission network at circle level, manpower, officers, vehicles etc.) to improve efficiency, transparency, and project delivery within its EHV as well as GSO formations. However, NGC has failed to comply with the Authority directions of reorganizing its civil department, implementation of handing/taking over SOP of new



assets (including civil works), maintenance of the existing civil infrastructure and improving contract award/supervision thereafter.

- xiv. The Authority issued directions to NGC for strict adherence in light of Section 44 of the NEPRA Act read with Article 36 of its Licence pursuant to the Para 20, above. Regrettably, NGC submitted a partial compliance report indicating partial non-compliance of the Authority directions i.e. *direction No. 3 (details of allocation of T&Ps, PPEs, Vehicles and Trainings to all field formations in South region of NGC) & direction No. 4 (to ensure completion of pre-requisite equipment tests and other formalities, NGC is directed to inform/invite NEPRA as an observer before energization/COD of any new grid station and transmission line within its network)*. Regrettably, it has been observed with grave concern that despite issuance of multiple written and verbal reminders, NGC failed to comply with the aforesaid directions and notify the Authority regarding energization of its new grid stations and transmission lines and invite the relevant officer/team of the Authority as an observer along with submission of completed or soon to be completed projects in near future including grid stations & transmission line across all regions (Hyderabad, Lahore, Multan & Islamabad). This indicates willful infringement of the Authority's directions and reveals the seriousness of NGC management

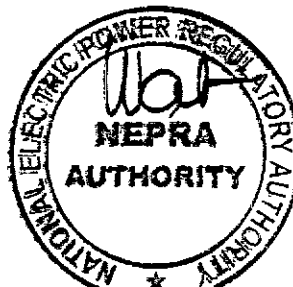
27. Keeping in view the above arguments, the Authority is constrained to believe that the Licencee's claims made during the hearing and against SCN are unjustified, unwarranted and bears no legal or technical grounds.
28. From the above, it has been established that the Licencee has failed to discharge its statutory obligations to maintain safety standards and ensure that its Transmission network is operated and maintained in a safe manner. In view thereof, the Licencee has contravened above-stated provisions (including others) of the applicable Rules, Regulations, Codes, & NEPRA Act.

Order/Directions of the Authority:

29. Keeping in view of above and the relevant provisions of the NEPRA Act, Grid Code, Safety Code, NGC Licence & other applicable documents, submissions of the Licencee and available record, the Authority observes that the Licencee has constituted violation of relevant provisions mentioned at **Para 1-9**. Therefore, the Authority decided to impose a fine of Ten Million Rupees (**Rs. 10 Million**) on the Licencee.
30. Accordingly, the Licencee is directed to pay the Fine of Rs. Ten Million Rupees (**Rs. 10 Million**) in designated bank of the Authority within a period of one (01) month after 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 shall recover the fine amount due under Section 41 of the NEPRA Act read with relevant provisions of the *Fine Regulations* as arrears of the land revenue.
31. In addition to the above, the Authority through this Order hereby directs NGC to ensure the compliance of the Authority directions issued under Section 44 of the NEPRA Act mentioned above and in future, any report, information, or response required by the Authority shall not be delayed, and the Licencee shall ensure strict compliance with all

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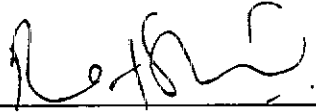
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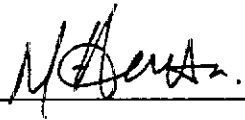
timelines and directives issued by the Authority. Thereby, NGC shall fully comply with the earlier directions of the Authority issued vide its letter dated November 28, 2023 under Section 44 of the NEPRA Act and ensure rectification of the deficiencies in the pending Civil works at Jhimpir-II grid station and after their completion, also furnish the completion certificates for Authority's consideration. Moreover, in future NGC shall inform and invite the relevant NEPRA M&E formations as an observer before energization/COD of any of its projects from the date of issuance of this Order, failing which, recurring fine will be imposed on NGC and proceedings will be initiated against NGC.

AUTHORITY

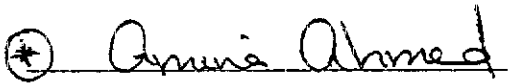
Rafique Ahmed Shaikh
Member (Technical)



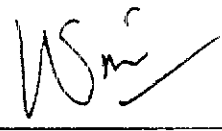
Engr. Maqsood Anwar Khan
Member (Development)



Amina Ahmed
Member (Law)

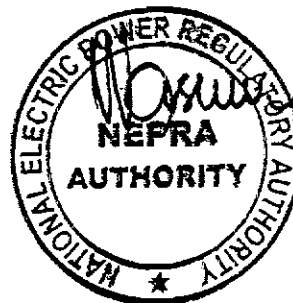


Waseem Mukhtar
Chairman



Announced on 26th Nov, 2025 at Islamabad, and comprises (18) pages only.

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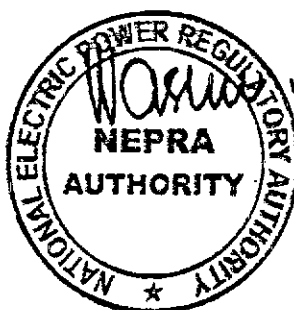
Annex-I

Note of Member (Law)

Given that NEPRA's intervention in this case (the initiation and continuation of legal proceedings), has for a change, yielded some positive results and the fact that the essential works ensuring grid functionality are complete and the tendering process for the remaining works (housing colony and other civil works) has been conducted (as given in the report), it would have been better if NEPRA had set and communicated a clear deadline for the completion of the remaining works and decided that, in the event such works still remain incomplete by that time, a fine would be imposed on the NGC without redeliberating the matter. This decision would have reflected, NEPRA's acknowledgment that there has been some actual progress (however delayed) and an incentive for the NGC to complete the remaining works (to avoid the fine).

Amina Ahmed

Amina Ahmed



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