



# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

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No. NEPRA/ADG(CAD)TCD 01/ 17554-557

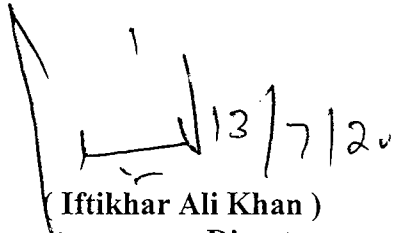
July 13, 2020

Chief Executive Officer  
Peshawar Electric Supply Company (PESCO),  
WAPDA House, Sakhi Chashma Shami Road,  
Peshawar.

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY PAKISTAN TELECOMMUNICATION COMPANY LIMITED (PTCL) UNDER SECTION 39 OF THE NEPRA ACT, 1997 AGAINST PESCO REGARDING CONVERSION OF DEDICATED DISTRIBUTION SYSTEM INTO COMMON DISTRIBUTION SYSTEM**  
**PESCO-15/02/2020**

Please find enclosed herewith the Decision dated July 9, 2020 (03 Pages) regarding the subject matter for necessary action and compliance. A preliminary report be submitted within thirty (30) days, please.

Encl: As above

  
(Iftikhar Ali Khan)  
Director  
Registrar Office

Copy to:

- i. Chief Commercial Officer, PESCO,  
PESCO Head Quarters, WAPDA House,  
Sakhi Chashma Shami Road, Peshawar.
- ii. Incharge Complaint Cell, PESCO,  
PESCO Head Quarters, WAPDA House,  
Sakhi Chashma Shami Road, Peshawar.
- iii. Dr. Shahzada Alamgir Khan,  
SM (Admin & Coordination), PTCL,  
PTCL Academy, Sector H-9, Islamabad.  
Tele No. 051-48665728



**BEFORE THE**  
**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY**  
**(NEPRA)**

**Complaint No. PESCO-15/02/2020**

**Pakistan Telecommunication Company Limited (PTCL)** ..... **Complainant**  
Through its SM (Admin & Coordination),  
PTCL Academy, Sector H-9, Islamabad.

**Versus**

**Peshawar Electric Supply Company Limited (PESCO)** ..... **Respondent**  
WAPDA House, Sakhi Chasma,  
Shami Road, Peshawar

**Date of Hearing:** 22<sup>nd</sup> June 2020

**On behalf of:**

**Complainant:**

- 1) Ms. Shazia Zaheer, General Manager
- 2) Dr. Shahzada Alamgir, Director/SM (Admin)
- 3) Mr. Rasheed, SM
- 4) Syed Sharafat Hussain, Manager/Power Consultant

**Respondent:**

- 1) Mr. Azam Jamal, Deputy Director (Planning)
- 2) Mr. M. Shakeel, Deputy Director (Complaint Cell)

**Subject:** **DECISION IN THE MATTER OF COMPLAINT FILED BY PAKISTAN TELECOMMUNICATION COMPANY LIMITED (PTCL) UNDER SECTION 39 OF THE NEPRA ACT, 1997 AGAINST PESCO REGARDING CONVERSION OF DEDICATED DISTRIBUTION SYSTEM INTO COMMON DISTRIBUTION SYSTEM**

**DECISION**

1. Through this decision, complaint filed by Pakistan Telecommunication Company Limited (PTCL) (hereinafter referred to as the "Complainant") against Peshawar Electric Supply Company Limited (hereinafter referred to as the "Respondent" or "PESCO"), under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act"), is being disposed of.

2. Brief facts of the case are that NEPRA received the subject complaint dated 23<sup>rd</sup> January 2020, wherein the dispute agitated by the Complainant was that PESCO was approached in March 2016 for conversion of their sponsored dedicated distribution system into Common Distribution System and taking over of the system for its operation and maintenance. A Technical Committee was constituted by PESCO and site visit was conducted

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in December 2017. Thereafter, the Committee recommended dismantling and replacement of certain material, however, there was huge difference in LT/HT accessories as recommended by the Committee for replacement and proposed quantity of the estimate. Further, despite payment of the initial demand notice issued by PESCO amounting to Rs. 16.48 Million, an additional demand notice amounting to Rs. 2.1 Million was issued by PESCO in October 2019, along with 25% grid sharing cost amounting to Rs. 3.7 Million which is unjustified. The Complainant has requested that their distribution system be taken over by PESCO for operation and maintenance purpose, the demand notice including the grid sharing cost may be withdrawn and the dismantled material removed from site may be handed over to PTCL for auction.

3. The matter was taken-up with PESCO for submission of parawise comments/ report. In response, PESCO, vide its letter dated 8<sup>th</sup> May 2020, reported, inter alia, that PTCL requested PESCO in March 2016 for conversion of their Dedicated Distribution System into Common Distribution System and taking over of the system by PESCO for its operation and maintenance, and provision of individual connections to the residents of PTCL Colony, Haripur. A demand notice of Rs. 16.48 Million was issued to PTCL for renovation and rehabilitation of their distribution system, and the same was paid by PTCL in December 2018. Later, PESCO issued another demand notice in October 2019 for Additional Capital Cost of Rs. 2.1 Million and 25% Grid Sharing Cost (Rs. 3.7 Million), and the remaining 25% would be recovered from the individual consumers at the time of giving new connection. PTCL did not pay these charges on the plea that Grid Sharing Cost is not applicable to PTCL Colony and they also demanded that the dismantled material be handed over to PTCL in lieu of newly installed material, however, they will pay the dismantling charges.

4. The report of PESCO was forwarded to the Complainant for information/comments. In response, the Complainant, vide its letter dated 14<sup>th</sup> May 2020, raised observations over the report of PESCO, reiterated its earlier submissions and requested that the matter of handing/ taking over be expedited as PTCL is sustaining heavy loss.

5. An opportunity of hearing was provided to the parties on 22<sup>nd</sup> June 2020 at NEPRA Head Office, Islamabad, wherein both the parties participated and advanced their arguments. During the hearing, the Complainant informed that PESCO has not initiated any work at site despite payment of demand notice by PTCL, and that PESCO is demanding that the additional demand notice be also paid and Design Book be provided before any work be executed.

6. The case has been examined in detail in light of the record made so available by the parties, arguments advanced during the hearing and applicable law. The following has been observed:

- i. PTCL Colony, Haripur is being provided supply in bulk through an independent 11 kV T&T Colony feeder, emanating from 132 kV Grid Station, Haripur under Tariff C-2(b) with a sanctioned load of 1800 kW.
- ii. PTCL approached PESCO in March 2016 for conversion of its sponsored dedicated distribution system into common distribution system and taking over of the system of PTCL Colony, Haripur by PESCO for operation and maintenance. After completion of all codal formalities, PESCO issued demand notice to PTCL amounting to Rs. 16.48 Million for renovation and rehabilitation of their distribution system, and the same was paid by PTCL in December 2018. However, instead of initiating any work at site, PESCO issued an additional demand notice to PTCL in October 2019 amounting to Rs. 2.1 Million along with 25% grid sharing cost amounting to Rs. 3.7

Million. PESCO is also asking for design book. The additional demand notice, along with grid sharing cost, was not paid by PTCL.

7. Foregoing in view, the subject complaint is disposed of in the following terms:
- i. As per the provisions of Regulation 4-A of NEPRA Consumer Eligibility Criteria, 2003, in case a Sponsor approaches any DISCO for conversion of its Sponsored Dedicated Distribution System into Common Distribution System, the DISCO shall take over the system for its operation and maintenance purpose. Further, before taking over the system by PESCO, it must be ensured that the system is according to the standards. In this regard, PESCO has issued demand notices amounting to Rs. 16.48 Million and Rs. 2.1 Million. PTCL has paid Rs. 16.48 Million, whereas the amount of Rs. 2.1 Million is still to be paid. PTCL is directed to pay the remaining amount (i.e. Rs. 2.1 Million), so that PESCO may proceed further. PESCO is further directed to immediately start the upgradation work and complete the same within three (03) months positively. A proper list/inventory of new material installed be prepared by PESCO and shared with the Complainant upon finalization.
  - ii. The load of PTCL Colony, Haripur is the same and there is no change or extension thereof. Therefore, the demand of PESCO for grid sharing cost has no justification. PESCO is directed to withdraw its demand from PTCL for grid sharing cost.
  - iii. Since the demand notice amounting to Rs. 16.48 Million has been issued by PESCO and the same has been paid by PTCL and an additional demand has also been raised by PESCO for the required work, therefore, the demand of design book by PESCO at this belated stage has no justification. The design book should have been demanded by PESCO before issuance of demand notice.
  - iv. A proper list of removed/dismantled material be prepared and upon finalization of the list, the same shall be provided by PESCO to NEPRA.
8. A preliminary report be submitted within thirty (30) days.

  
22/9/2020  
(Rehmatullah Baloch)

Member (Consumer Affairs)

Islamabad, July 09, 2020.