



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

Registrar

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Web: www.nepra.org.pk, E-mail: info@nepra.org.pk

No. NEPRA/R/LAD-08/ 3642-46

April 11, 2014

Chief Executive Officer
Hyderabad Electric Supply Company (HESCO)
WAPDA Water Wing Complex,
Hussainabad, Hyderabad

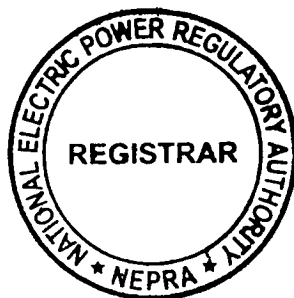
Subject: **Modification-I in Distribution Licence No. 05/DL/2002 —
Hyderabad Electric Supply Company Limited**

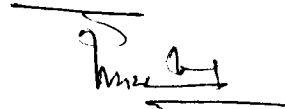
Reference: *This office letter No. NEPRA/R/LAD-08/10501 dated 28.08.2013.*

It is intimated that the Authority has approved "Authority Proposed Modification" in Distribution Licence No. 05/DL/2002 (issued on April 23, 2002) in respect of Hyderabad Electric Supply Company Limited (HESCO) pursuant to Regulation 10(11) of the NEPRA Licensing (Application & Modification Procedure) Regulations, 1999.

2. Enclosed please find herewith determination of Authority in the matter of Authority Proposed Modification in the Distribution Licence of HESCO along with Modification-I in the Distribution Licence No. 05/DL/2002, as approved by the Authority.

Encl:/As above




(Syed Safer Hussain)

Copy to:

1. Secretary, Cabinet Division, Government of Pakistan, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Water and Power, Government of Pakistan, Islamabad.
3. Secretary, Privatization Commission, EAC Building, Islamabad
4. Secretary, Energy Department, Government of Sindh, Sindh Secretariat, Karachi

National Electric Power Regulatory Authority
(NEPRA)

Determination of the Authority
in the Matter of Authority Proposed Modification (APM) in the
Distribution Licence of Hyderabad Electric Supply Company
(HESCO)

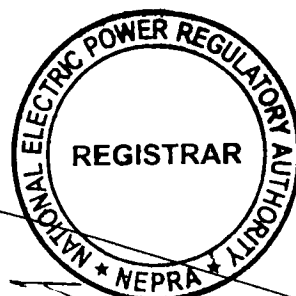
April 07, 2014
Application/Case No.
LAD-08

(A). Background

(i). The Authority granted a Distribution Licence (No. 05/DL/2002, dated April 23, 2002) to HESCO under Section 21 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the NEPRA Act). According, to Article-3.2 (i) and Article-7, of the said Distribution Licence, HESCO was granted exclusivity in providing distribution services in the area of the Province of Sindh except the Metropolitan city of Karachi and its adjoining areas where KESC is providing such services.

(ii). Due to vast area of its service, HESCO had been suffering from various operational and managerial problems in its working. Considering the public interest and in order to improve the performance of HESCO for providing better services to the customers of the province of Sindh, the concerned authorities decided to bifurcate HESCO into two Companies i.e. HESCO and Sukkur Electric Power Company Limited ("SEPCO").

(iii). The Authority after going through the process as envisaged in the NEPRA Licensing (Application and Modification Procedure) Regulations, 1999 (the Regulations) and provisions of the Sections 20 and 21 of the NEPRA Act granted a Distribution Licence (No. 21/DL/2011, dated August 18, 2011) to SEPCO.



(B). Communication of APM

(i). In view of the above, the Service Territory of HESCO as given in its above mentioned Distribution Licence required amendment for excluding those areas which are now being served by SEPCO. Therefore the Authority in terms of Section 26 of the NEPRA Act read with Regulation 10 of the Regulations, decided to modify the Distribution Licence of HESCO.

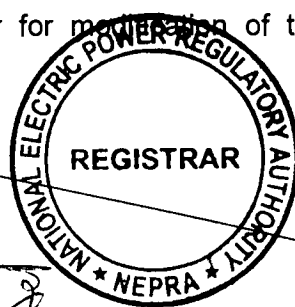
(ii). Accordingly, an APM was communicated/ initiated in the Distribution Licence of HESCO. The Authority, pursuant to Sub-Regulation-1(a) of Regulation 10 of the Regulations in "the text of the proposed modification" communicated that the schedule-I of the Distribution Licence of HESCO indicating the existing service area and concessional area will be changed to exclude the districts of Sukkur, Ghotki, Khairpur, Kashmore/Kandhkot, Jacobabad, Shikarpur, Larkana, Kamber/Shahdadkot, Dadu and some portions of Jamshoro, Naushehro Feroze, Shaheed Benazirabad and Rahimyar Khan. Pursuant to sub-regulation 1(b) of Regulation 10 of the Regulations, in "the statements of the reasons in support of Modification" the Authority stated that after the grant of Distribution Licence to SEPCO in the public interest, the service and concessional territories of HESCO are required to be modified to accommodate the distribution services by SEPCO.

(iii). In accordance with sub-regulation 4(b) of Regulation 10 of the Regulations, a Notice about the proposed APM was also published in the Newspapers of September 17, 2013, seeking comments from general public and other stakeholders.

(C). Comments of Stakeholders

(i). In response to the above, HESCO through its letter dated January 03, 2014 agreed to the APM communicated to it. Whereas, no comments were received from any of the stakeholders including the general public, interested or affected parties.

(ii). In view of the said, the Authority considered it appropriate to proceed further in the matter for modification of the Distribution Licence of HESCO.



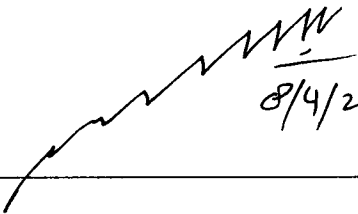
(D). Approval of APM

(i). In view of the above, the Authority hereby approves the APM in the Distribution Licence of HESCO to exclude the area served by SEPCO (i.e. districts of Sukkur, Ghotki, Khairpur, Kashmore/Kandhkot, Jacobabad, Shikarpur, Larkana, Kamber/Shahdadkot, Dadu and some portions of Jamshoro, Naushehro Feroze, Shaheed Benazirabad and Rahimyar Khan.) from the Service Territory of HESCO.

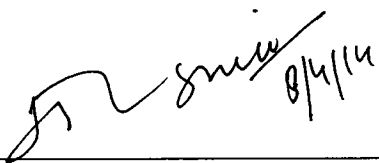
(ii). Accordingly, the already granted Distribution Licence (No. 05/DL/2002, dated April 23, 2002) of HESCO is hereby modified. The revised Face Sheet indicating the required changes in the Distribution Licence are attached as Annexure to this determination. The grant of the APM would be subject to the provisions contained in the NEPRA Act, relevant rules framed there under and terms and conditions of the Licence.

Authority

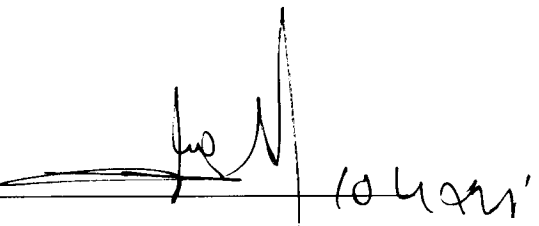
Habibullah Khilji
(Member)

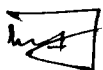

8/4/2019

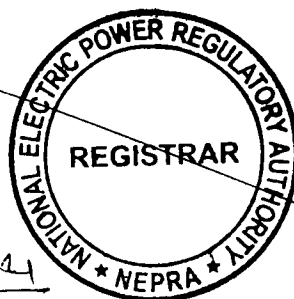
Maj. (R) Haroon Rashid
Member

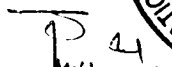

8/4/14

Khawaja Muhammad Naeem
Member/Vice Chairman


10/4/14






11-04-14

**National Electric Power Regulatory Authority
(NEPRA)**

Islamabad – Pakistan

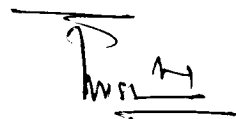
DISTRIBUTION LICENCE

05/DL/2002

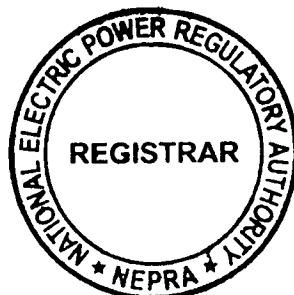
In exercise of the Powers conferred upon the National Electric Power Regulatory Authority (NEPRA) under Section-26 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 the Authority hereby modifies the Distribution Licence granted to Hyderabad Electric Supply Company Limited (HESCO).

The extent of changes made in the Distribution Licence (No.05/DL/2002, issued on April 23, 2002 and expiring on April 22, 2022) granted to HESCO are described in the attached Annexure-A.

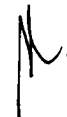
This **Modification-I** is given under my hand this **11th** of **April Two Thousand & Fourteen**



Registrar

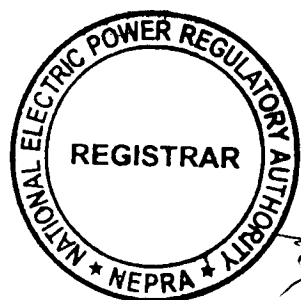
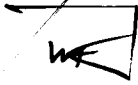






Modification-I

Annexure-A



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Modification-I
In Distribution Licence of HESCO (No. 05/DL/2002,
dated April 23, 2002)

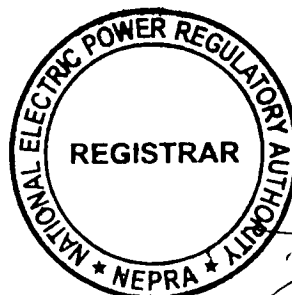
(A). **Article 3**

(i) A new clause (d) in Article 3.2.(i) is inserted in the Distribution Licence of HESCO as under:-

"(d). Area served by the Sukkur Electricity Power Company Limited (SEPCO) as given in the Schedule-III of the license."

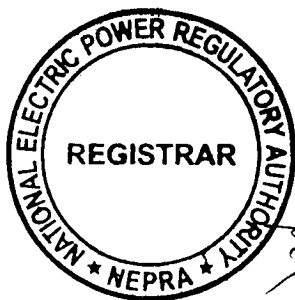
(B). **Addition of Schedule-III**

(i) Schedule-III detailing the Service Territory of SEPCO is added in the Distribution Licence, covering the areas of the districts of Sukkur, Ghotki, Khairpur, Kashmore/Kandkot, Jaccobabad, Shikarpur, Larkana, Kamber/Shadadkot, Dadu and some portions of Jamshoro, Naushehro Feroz, Shaheed Benazirabad and Rahimyar Khan.



Modification-I

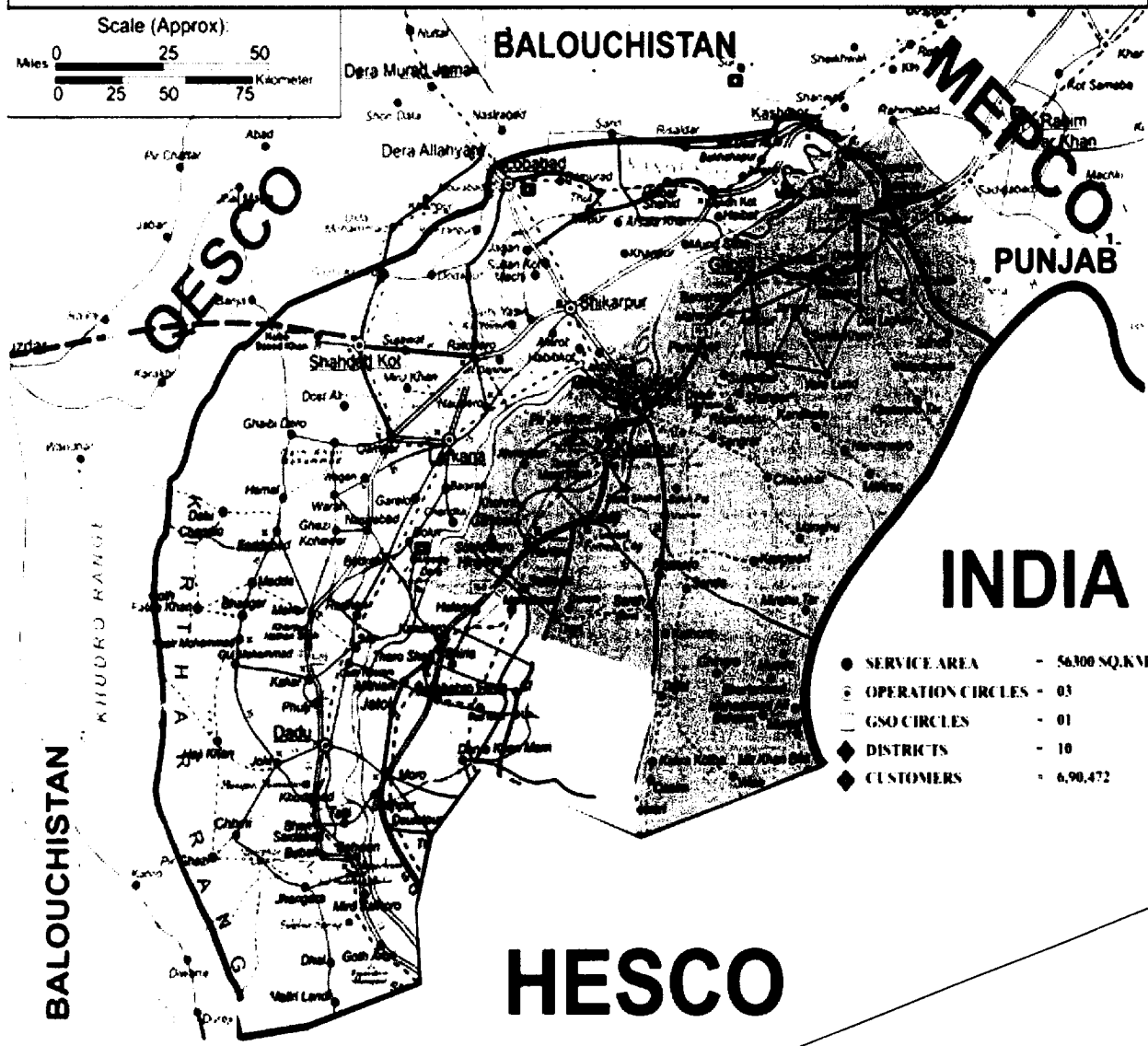
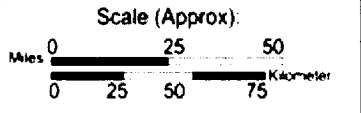
SCHEDULE-III



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GEOGRAPHICAL AREA OF SEPCO



HESCO

