



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No.NEPRA/R/TRF-154/GEPCO-2010/529-531

January 27, 2011

Subject: Decision of the Authority with respect to Motion for Leave for Review filed under Rule 16(6) of NEPRA (Tariff Standards and Procedure) Rules, 1998 by Gujranwala Electric Power Company Ltd. against the Authority's Determination dated 9th December, 2010 [Case # NEPRA/TRF-154/GEPCO-2010 1st Quarter]

Dear Sir,

Enclosed please find the Decision of the Authority (03 pages) in the matter of Motion for Leave for Review filed by Gujranwala Electric Power Company Ltd. (GEPCO) against the Authority's Determination dated 09.12.2010 pertaining to the 1st Quarter (July-September) of FY 2010-11 in respect of GEPCO in Case No. NEPRA/TRF-154/GEPCO-2010 1st Quarter, for information please.

Encl: As above

(Syed Safer Hussain)

Secretary
Ministry of Water & Power
'A' Block, Pak Secretariat
Islamabad



CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, Islamabad.

Decision of the Authority with respect to Motion for Leave for Review filed under Rule 16 (6) of NEPRA Tariff (Standards and Procedures) Rules , 1998 by Gujranwala Electric Power Company Limited (GEPCO) against the Authority's determination dated 9th December , 2010.

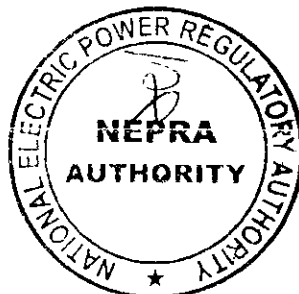
1. Gujranwala Electric Power Company (hereinafter referred as "GEPCO"), being a distribution licensee of NEPRA had filed a tariff petition on 2nd April, 2010 for determination of its consumers-end tariff for the First Quarter of FY 2010-11. Said petition was admitted by the Authority on 12th April, 2010 and notice of admission was published on 28th April, 2010. Hearing into the matter was held on 1st June, 2010. After conclusion of the proceedings, a detailed Determination upon the subject was given by the Authority on 9th December, 2010 which was intimated to the Federal Government for the purpose of notification in the official gazette pursuant to section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 and rule 16(11) of the NEPRA Tariff (Standards and Procedure) Rules, 1998.

2. Being aggrieved with the Determination of the Authority dated 9th December 2010 , GEPCO has filed the subject motion for leave for review in respect of the following items of impugned Determination:-

- Salaries , Wages & Other benefits
- Traveling Expense
- T&D losses
- Change in Domestic Consumer Slabs

3. In order to meet with the ends of natural justice and fair play, the Authority considered it just and appropriate to provide an opportunity of hearing to the petitioner before taking the final decision and a date of hearing for the purpose was fixed as 5th January, 2011. The representatives of the petitioner were heard at length by the Authority on the day of hearing.

4. Having heard the Petitioner on account of salaries, wages & other benefits and the assessment of T&D losses for the FY 2010-11, the Authority observed that the Petitioner failed to provide any additional or new evidence in support of its reconsideration request. The Authority in its determination dated 9th December, 2010 at paras 9 & 12.2 has clearly given its rationale of assessment of the costs for which the Petitioner has sought review. During the hearing, the Representatives of the Petitioner pleaded that its reconsideration request with the assessment of T&D losses is only to the extent of the determination of technical losses,



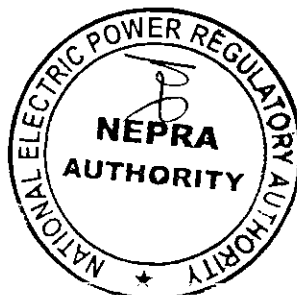
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whereas it has no concern over the assessment of distribution losses for the FY 2010-11. Considering the fact that the Petitioner failed to achieve the T&D losses target set by the Authority during the FY 2009-10, the Authority decided to maintain the same level of T&D losses target for the FY 2010-11 as it was set for the FY 2009-10.i.e. 10.50%. Here it is pertinent to mention that the Authority assesses overall level of T&D losses for a company including distribution and technical losses. Further, the Petitioner did not substantiate its request with any study or evidence.

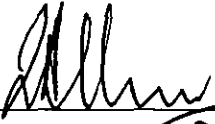
5. As far as the assessment of traveling cost is concerned, the Petitioner contented that initially requested traveling expenses were Rs. 125 million which were subsequently revised as Rs.210 million vide its letter no. 1274/FD/GEPSCO/GPC dated 4th August, 2010 keeping in view 100% enhancement in traveling allowance announced by GOP for non-gazetted employees. The Petitioner assumed that the increase announced by GOP was not taken into account by the Authority, while assessing the aforementioned cost. The Authority in its determination dated 9th December while making assessment of traveling expenses taken into consideration the aforementioned increase. In Authority's opinion this cost is within the Petitioner's reasonable control. The Authority also considers that the amount requested by the Petitioner also includes impact of traveling with respect to the additional recruitments which was disallowed by the Authority. Thus, the increase on this account was provided over the last assessed amount for the FY 2009-10. In view of aforementioned, even if the requested amount was changed by the Petitioner, it won't affect the assessment of the Authority for the FY 2010-11. Hence, no such new grounds are provided which would establish the basis for review on this account.

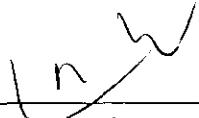
6. On the issue of the issue of change in domestic consumer slabs, the Petitioner has merely submitted its opinion which does not constitute any basis for reconsideration.

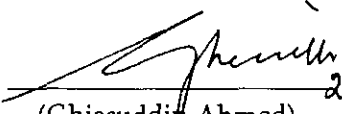
7. In terms of regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009, a motion seeking of review of any order of the Authority is competent only upon discovery of new and important matter of evidence or on account of some mistake or error apparent on the face of record. After going through the record and hearing the petitioner, it has been established that the petitioner has failed to point out any error or omission in the impugned determination and it also failed to produce any new and important matter of evidence. The points raised in the motion for leave for review stood already addressed in the impugned determination. Therefore, the Authority is convinced that the review would not result in the withdrawal or modification of its determination.




8. From what has been discussed above, the Authority is of the considered view that the grounds agitated in the motion for leave for review are not sufficient enough justifying the modification of the impugned determination, hence the motion for leave for review is declined.


(Zafar Ali Khan) 25/1/11
Member


(Maqbool Ahmad Khawaja)
Member


(Ghiasuddin Ahmed) 26/1
Member


(Shaukat Ali Kundi) 26.01.2011
Vice Chairman

Not Attended
(Khalid Saeed)
Chairman

