



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/DG(CAD)/TCD-10/17187-13

March 26, 2021

1.	Chief Executive Officer, Faisalabad Electric Supply Company Ltd. Abdullahpur, Canal Bank Road Faisalabad	2.	Chief Executive Officer, Gujranwala Electric Power Company Ltd. 565/A, Model Town G.T. Road, Gujranwala
3.	Chief Executive Officer, Hyderabad Electric Supply Co. Ltd. WAPDA Offices Complex, Hussainabad, Hyderabad	4.	Chief Executive Officer Islamabad Electric Supply Co. Ltd. Street # 40, Sector G-7/4, Islamabad.
5.	Chief Executive Officer, Lahore Electric Supply Company Ltd. 22-A, Queens Road, Lahore	6.	Chief Executive Officer Multan Electric Power Co. Ltd. MEPCO Headquarter, Khanewal Road Multan
7.	Chief Executive Officer, Peshawar Electric Supply Company Ltd. WAPDA House, Shami Road, Sakhi Chashma, Peshawar	8.	Chief Executive Officer Quetta Electric Supply Company Ltd. Zarghoon Road, Quetta
9.	Chief Executive Officer, Sukkur Electric Power Company Ltd. Administration Block, Thermal Power Station, Old Sukkur.	10.	Chief Executive Officer Tribal Areas Electricity Supply Company Limited (TESCO) Room No. 213, 1 st Floor, WAPDA House, Shami Road, Sakhi Chashma, Peshawar
11	Chief Executive Officer K-Electric Limited (KEL) KE House, Punjab Chowrangi, 39 – B, Sunset Boulevard, Phase-II Defence Housing Authority, Karachi.		

SUBJECT: **CLARIFICATION REGARDING REVISED CSM-2021**

Reference is made to this office letter No. NEPRA/DG(CAD)/TCD-10/1883-35 dated January 13, 2021 whereby Consumer Service Manual (CSM) 2021 was circulated to all distribution companies for implementation.

2. NEPRA is in receipt of various complaints/ letters and telephone calls from some of the stakeholders/ distribution companies regarding clarification of the following:

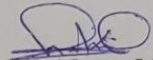
- Non-application of Development & Diversity Factors for ultimate load assessment.
- Definition of multi-storey/ high-rise buildings and charging of grid sharing charges, thereof.
- Approval of layout plan for multi-storey/ high-rise buildings etc., in approved housing schemes/societies.
- Location of grid station.
- Requirement of space for sub-station.
- Installation of LT/HT lines & transformers without approval of the concerned DISCO.

- vii. Cost deposit cases.
- viii. Charging of GST.
- ix. Reconnection (RCO) charges.
- x. Depreciation of Dedicated Distribution System (DDS).
- xi. Adjustment of amount in cost deposit cases at the time of financial closure.
- xii. Fixed/MDI charges.
- xiii. Provision of details of estimates to the applicants/consumers.
- xiv. Accidentally striking of vehicles with Distribution System.

3. In order to discuss the above issues in detail a consultative session was held on March 11, 2021 at NEPRA Head Office Islamabad wherein all distribution companies and other stakeholders participated. In light of the feedback received during the said session, clarification w.r.t. the above is enclosed at **(Annex-I)**.

4. All Distribution companies including K-Electric are directed to implement the same in letter and spirit. Further, DISCOs, including K-Electric, are also directed to place the CSM at their website along with enclosed clarification.

Encl: As above


(Shakil Ahmed)
Additional Director
Registrar Office

Copy to:

1. Chief Engineer/ Customer Services Director, Faisalabad Electric Supply Company (FESCO) Abdullahpur, Canal Road, Faisalabad	2. Chief Engineer/ Customer Services Director, Gujranwala Electric Power Company Ltd. 565/A, Model Town G.T. Road. Gujranwala
3. Chief Engineer/ Customer Services Director, Hyderabad Electric Supply Co. Ltd. WAPDA Offices Complex, Hussainabad, Hyderabad.	4. Chief Engineer/ Customer Services Director, Islamabad Electric Supply Company Street 40, Sector G-7/4 Islamabad
5. Chief Engineer/ Customer Services Director, Lahore Electric Supply Company Ltd. 22-A, Queens Road, Lahore	6. Chief Engineer/ Customer Services Director, Multan Electric Power Co. Ltd. MEPCO Headquarter, Khanewal Road Multan
7. Chief Engineer/ Customer Services Director, Peshawar Electric Supply Company WAPDA House, Shami Road, Sakhi Chashma, Peshawar	8. Chief Engineer/ Customer Services Director, Quetta Electric Supply Company Ltd. Zarghoon Road, Quetta

9.	Chief Engineer/ Customer Services Director, Sukkur Electric Power Company Ltd. Administration Block, Thermal Power Station, Old Sukkur.	10.	Chief Engineer/ Customer Services Director, Tribal Areas Electricity Supply Company Limited (TESCO) Room No. 213, 1 st Floor, WAPDA House, Shami Road, Sakhi Chashma, Peshawar
11	Mr. Ayaz Jaffer Ahmed, Director (Finance & Regulations) K-Electric Ltd. KE House, Punjab Chowrangi, 39 – B, Sunset Boulevard, Phase-II Defence Housing Authority, Karachi.	12	Chairman (ABAD) St.1/D, Block 16, Gulistan-e-Johar, Karachi.
13	Mr. Zeeshan Saleem, Saima Real Estate Builders & Developers, Survey No.72, Deh Jam Chakro, Opposite Sectro 1-A/4, North Karachi	14	Engr. M. Idris Khan, Synergy Engineering Consultant, 92-C Block-6 P.E.C.H.S Karachi.
15	Ahmed Sons, Builders & Developers Faham Centre, Commercial Plot No. 15/142, Defense Officers Housing Scheme, Hyderabad Cantt.	16	Muhammad Hanif Memon, A-1, 1 st Floor Topra Plaza, SB-27/28 Block 13-C, Opp. Urdu Science Collage, University Road, Gulshan-e-Iqbal. Karachi.

1) LOAD ASSESSMENT:**I. APPLICATION OF DIVERSITY AND DEVELOPMENT FACTORS**

Prior to the circulation of CSM-July 2020; the application of diversity and development factors were taken in consideration by all Distribution companies and K-Electric (KE) for ultimate load assessment. However, after review of CSM the said factors are not being applied by FESCO & KE whereas the same factors are being applied by rest of the DISCOs. The issue was also discussed in the consultative session held on March 11, 2021 at NEPRA head office Islamabad with all Distribution Companies and other stake holders. In future, the following formula will be applicable for assessment of ultimate load demand:

$$\text{Total Ultimate Assessed Load} = \frac{\text{Total Sum of Load (as given in CSM)} \times \text{Development Factor}}{\text{Diversity Factor}}$$

Where:

- a) Development Factor:
- Housing societies/schemes-----85%
 - Multi-story buildings/commercial plazas/high-rise buildings-----100%
- b) Diversity Factor-----125%

II. AIR RAID SHELTERS

This issue was raised by K-Electric. It is clarified that where building has air raid shelter and a car ramp is provided then the load will be assessed for air raid shelter however, if stairs are available instead of car ramp then it will be considered as commercial space and the load will be assessed accordingly.

III. MEZZANINE FLOOR

The Mezzanine floor which has been provided with concrete slabs and divided into two floors, the load shall be assessed for two separate floors, otherwise it will be taken as single floor.

IV. ASSESSMENT OF LOAD

Description	Size of Plot		Load Assessment
	Marla	Square Yard	
Individual Houses	03 Marla	75	3.15 kW
	05 Marla	125	5.0 kW
	07 Marla	175	5.70 kW
	10 Marla	250	6.60 kW
	12 Marla	300	7.45 kW
	14 Marla	350	8.75kW
	01 Kanal	500	10.61 kW
	02 Kanal	1000	17.74 kW

The above load criteria is for houses with double storey (Ground + 01) however, for single storey the same shall be taken as half.

Farm Houses/ plots (Area: above 2 kanals)

- Load of first 2 Kanals will be assessed @ 17.74 kW.
- 1/4th area of rest of the plot will be assessed @ 0.4 kW per Marla.

Apartments	Area	Maximum Load Assessment	
		Urban/Upper Areas	Rural/Lower Areas
	Upto 700 Sq.ft	125 w/100 sq.ft + 25 % flats with 1 AC of 1.5 kW	100 w/100 sq.ft with 10% flats with 1 AC of 1.5 kW
	701-900 Sq.ft	150 w/100 sq.ft + 50 % flats with 1 AC of 1.5 kW	125 w/100 sq.ft with 20% flats with 1 AC of 1.5 kW
	901-1200 Sq.ft	175w/100 sq.ft + 100 % flats with 1 AC of 1.5 kW	150 w/100 sq.ft + 30 % flats with 1 AC of 1.5 kW
	1201-1600 Sq.ft	175 w/100 sq.ft + 100 % flats with 2 ACs of 1.5 kW each	150w/100 sq.ft + 50 % flats with 1 AC of 1.5 kW
	Above 1600 Sq.ft	200 w/100 sq.ft + 100 % flats with 2 ACs of 1.5 kW	175w/100 sq.ft + 100 % flats with 1 AC of 1.5 kW

NOTE: The above AC load shall not be applied to those buildings which are centrally air conditioned with no provision of individual ACs.

2) GRID SHARING CHARGES FOR MULTI-STOREY/HIGH RISE BUILDINGS ETC.

At present, all buildings are being treated as multi-storey/high rise buildings. It is clarified that any building having ground plus three storey will not be considered as multi-storey/high-rise building and as such no grid sharing charges will be applicable in such buildings.

3) APPROVAL OF LAY OUT PLAN FOR MULTISTOREY/ HIGH-RISE BUILDINGS ETC., IN APPROVED HOUSING SCHEMES/ SOCIETIES.

- As earlier described, houses located inside approved housing societies/ multi-storey buildings etc., are exempted from provision of approved map or approved site plan or approved layout plan or NOC by the civic agency/ authority for obtaining connections. However, multi-story/ high-rise buildings located inside the approved housing society/ scheme; are required to provide approved map/site plan/ layout plan or NOC by the civic agency/ authority or by the concerned society for obtaining connections.
- Multi-story/ high-rise buildings located in the rural areas are also required to provide approved map/site plan/ layout plan or NOC by the concerned civic agency/ authority for obtaining connections.
- In a premises where already a regular connection exists, there will be no requirement of NOC by the concerned civic agency for another connection or extension/ reduction of load or change of tariff or change of name irrespective of the area unless there is a restriction on provision of connections in any specific area by a competent Court of law.
- Areas which are not under the administrative control of the concerned civic agency and the connections are being given through award list, in such areas there will be no requirement of NOC for those applicants who are settlers having addresses of the said areas on their identity cards.

4) LOCATION OF GRID STATION

- In case of multi-story/ high-rise buildings where independent grid station is required, the location of grid for GIS will preferably be inside the building. However, in case grid is not feasible inside the building then the land will be taken from the sponsor at such a location acceptable to both parties.
- In case of housing schemes/ societies; the grid station shall be constructed within the society/scheme.

- A grid station can be constructed under the provisions of NEPRA Consumer Eligibility Criteria as Sponsored Dedicated Distribution System by number of housing schemes/ societies/ multi-story/ high-rise buildings, jointly.

5) REQUIREMENT OF SPACE FOR SUB-STATION

NEPRA is in receipt of complaints that KE demands space for sub-station where load is above 400kW for general consumers and 450kW for industrial consumers whereas there is no such practice in other DISCOs. KE was violating its policy by imposing penalty however, this practice has been stopped. In order to rectify this anomaly, the consumers requiring transformer capacity upto 630kVA are not required to provide space for substation, however provision of a suitable hazard free space and right of way for installation of transformer upto 630 kVA will be the responsibility of the consumer/applicant. Further in case of sub-station there is no requirement of any specific place however; the consumer has to provide an appropriate space where a sub-station can easily be installed, repaired and replaced.

6) INSTALLATION/CONSTRUCTION OF LT/HT LINES & TRANSFORMERS

Installation/construction of LT/HT lines & Transformers is to be done by the concerned DISCO or through its approved contractor. Installation of HT/LT line or transformer by any person without prior approval of the DISCO is construed to be illegal abstraction of electricity whether connected or not connected to the Distribution network and the same may be considered direct theft of electricity. Such cases will be dealt under the relevant provisions of Consumer Service Manual (CSM).

7) COST DEPOSIT CASES.

It has been observed that some cost deposit cases are submitted to the Board of Directors of distribution companies for approval which causes delay in provision of connection. Further there is anomaly in financial power limits between the DISCOs. As per Consumer Service Manual (CSM) CEO has full powers for sanctioning of connections. In view of the said, there is no requirement to obtain approval of the BoD in cost deposit cases where 100% payment is made by the consumer/ applicant.

8) CHARGING OF GST

The GST is built-in the cost of material in case of distribution companies however, in case of K-Electric, it has been observed that consumers are charged GST separately on the material however no evidence/ receipt of tax collected is provided to the consumers. KE is therefore required to either issue separate receipts / evidence of tax paid by the consumers or provide an option to the consumers to directly submit their tax to FBR and submit its receipt to KE. KE is required to modify its tax scheme in line with other DISCOs.

9) RECONNECTION (RCO) CHARGES

DISCOs are charging RCO charges without physically removing the meter. RCO charges can only be imposed/collected for reconnection if supply of electricity is permanently disconnected as per policy given in the CSM 2021.

10) DEPRECIATION OF DEDICATED DISTRIBUTION SYSTEM (DDS)

In case of removal or replacement of dedicated distribution system or any part thereof on account of permanent disconnection/ extension/ reduction of load, change of tariff, shifting of site etc. the life period of transformer be taken as 20 Years for calculation of depreciation for adjustment i.e. @ 5% per annum. However, in any case the depreciated value of transformer/material should not be less than 10% of the initial cost.

11) **ADJUSTMENT OF AMOUNT IN COST DEPOSIT CASES AT THE TIME OF FINANCIAL CLOSURE.**

It has been observed that DISCOs do not refund/adjust the cost of the unused material at the time of financial closure in cost deposit cases where value is less than 10% of the total estimate. DISCOs are required to adjust or refund the amount of unused material as per actual cost even if it is below 10%.

12) **FIXED / MDI CHARGES**

If due to any reason the charges i.e. MDI, fixed charges, multiplying factor, power factor penalty, tariff category etc, have been skipped by DISCO due to any reason; the difference of these charges can be raised within one year for maximum period of six months, retrospectively.

13) **PROVISION OF DETAILS OF ESTIMATES TO THE APPLICANTS/CONSUMERS**

Complaints have been received against KE regarding non-provision of detail of estimates/demand notices. It may be ensured that in cost deposit cases; the complete details/estimates/bill of quantities (BoQs) are provided to the applicants/ consumers along with demand notices. No estimate/demand notice shall be issued without any details.

14) **ACCIDENTLY STRIKING OF VEHICLES WITH DISTRIBUTION SYSTEM**

It has been observed that whenever any vehicle hits the distribution lines accidentally; the DISCOs do not restore supply immediately due to which public at large suffer. In case of damage to common distribution system by any vehicle accidentally; the DISCOs are required to proceed as under.

- i) Restore Electricity Supply at the earliest at their own cost.
- ii) Conduct departmental enquiry to establish whether it was purely an accident or was done malafidely.
- iii) In case of malafide action; the DISCOs may take action against the responsible person and recover the cost of damage/repair.
- iv) In case no malafide action is proved, the DISCO will repair/replace the distribution system at its own under maintenance head.

NOTE: All cases under process be dealt with in light of above. Further in cases where the applicants have paid estimate in full or partially and the work has not yet been started, the estimate be revised in light of above provisions on request basis.

