



## **NATIONAL ELECTRIC POWER REGULATORY AUTHORITY ELIGIBILITY CRITERIA FOR CONSUMERS OF DISTRIBUTION COMPANIES 2003**

### **NOTIFICATION**

*Islamabad, the 26th July, 2003*

**S.R.O. 743 (I)/2003.**— Pursuant to Section 21 (2) (b) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), the National Electric Power Regulatory Authority is pleased to lay down the following eligibility criteria for a non-discriminatory provision of distribution service and sale of electric power to all the consumers within the service territory of a distribution company.

### **PART-I**

#### **SHORT TITLE, COMMENCEMENT, JURISDICTION AND DEFINITIONS**

**1. Short Title Commencement and Jurisdiction.**— (1) This criteria may be called the NEPRA “Consumer Eligibility Criteria” 2003.

(2) This Consumer Eligibility Criteria shall be applicable from the date of its notification in the official Gazette.

(3) This Consumer Eligibility Criterion shall be applicable to all the distribution licensees permitted to carry out distribution of electric power service within the territory of Pakistan.

(4) The Authority may amend the provisions of this Consumer Eligibility Criteria, either *suo moto* or at the request of any person or a licensee, as deemed appropriate after consultation with the licensee and other stake holders.

**2. Definitions.**— (1) Unless the context otherwise ‘requires words and phrases’ used but not defined here shall have the meaning assigned to them in the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 and the rules made thereunder: —

- (i) “Applicant” means any person who applies to a distribution licensee for provision of electric power service or modification thereof;
- (ii) “Common Distribution System” means the distribution system as defined in the distribution license other than the dedicated distribution system;

- (iii) “Connecting point” for the purposes of this Consumer Eligibility Criteria means the point where the dedicated distribution system of the applicant is connected with the existing common distribution system;
- (iv) “Concession Territory” means the territory outside the Service Territory of a distribution licensee defined by the administrative/geographical boundaries and as delineated in a distribution licence;
- (v) “Dedicated Distribution System” means that part of the distribution system, required to supply power for the sole consumption of an applicant and not for supplying power to any other consumer and shall comprise of the distribution system from the connecting point upto the inter-connection point of the applicant including the metering and service wire and such other connection arrangements;
- [vA) “Housing Society” means a society registered with the Registrar, Co-operative Societies duly approved by the concerned Local Municipal Authority;]<sup>1</sup>
- (vi) “Interconnection Point” means the point where the metering installation and protection apparatus of the consumer is connected to the dedicated distribution system;
- (vii) “Metering Installation” means the metering and associated equipment required to be installed for recording consumption/usage of electric power of an applicant[;]<sup>2</sup>
- [(viii) “Sponsor” means a person, entity, Government development agency, developer of real estate or a Housing Society situated within the service territory of a DISCO and which sponsors the development of a Sponsored Dedicated Distribution System for the supply of power in a specified area or a specified group of Consumers;
- (ix) “Sponsored Dedicated Distribution System” means a system to be developed by a Sponsor for an area where a Common Distribution System does not exist and is required to be developed for provision of electric service.]<sup>3</sup>

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<sup>1</sup> Inserted vide NEPRA Consumer Eligibility Criteria (Amendment) Regulations, 2011, notified vide SRO 308(I)/2011 dated 14.04.2011.

<sup>2</sup> The full stop was deleted and a semi colon was inserted vide NEPRA Consumer Eligibility Criteria (Amendment) Regulations, 2011, notified vide SRO 308(I)/2011 dated 14.04.2011.

<sup>3</sup> New clauses were inserted vide NEPRA Consumer Eligibility Criteria (Amendment) Regulations, 2011, notified vide SRO 308(I)/2011 dated 14.04.2011.

## PART II

### ELIGIBILITY CRITERIA

**3. Eligibility Criteria for Consumers of Distribution Companies.**— (1) Within the service territory of a licensee specified in a distribution license, any person, shall have the right to be supplied with electric power by the licensee provided that:

- (a) the applicant moves an application in the form prescribed by the distribution company alongwith such other supporting documents as approved by the Authority;
- (b) the applicant deposits the charges for the proposed dedicated distribution system upto to the inter-connection point including the metering installation;
- (c) the applicant's wiring installation, transformation and protection equipment downstream of the inter-connection point has been tested and certified by an Electric Inspector (who shall be an Electrical Engineer registered with Pakistan Engineering Council) to be in conformity with the technical and safety standards applicable under the operating codes, procedure or manuals approved by the Authority;
- (d) the distribution licensee is satisfied with respect to the compliance of the technical and safety standards as per the operating codes, procedure or manuals approved by the Authority;
- (e) the applicant has made payment of security deposit as determined by the Authority;
- (f) no arrears of electricity bills are outstanding against the occupier/owner of the premises for which the applicant has sought to be provided with distribution service;
- (g) the applicant has not been guilty of committing an offence of stealing of electricity under the lay:

Provided however, if a guarantee to the satisfaction of the licensee is provided to compensate for any loss to the licensee which may accrue due to dishonest abstraction of electric energy or non payment of bills, the applicant shall be eligible to be supplied with electric power services.

(2) Sub-regulation (1) of Regulation 3, shall not apply to consumers who are already connected to the licensee distribution system or have applied for a connection and have deposited the initial cost before the notification of the Consumer Eligibility Criteria.

(3) All charges to be deposited by an applicant shall be estimated in accordance with the prudent utility practices, instructions issued by the licensee and orders of the Authority issued from time to time.

(4) Notwithstanding the provisions of Regulation 3 (3), in case the licensee determiners to receive an average charge for dedicated distribution system per applicant from a class of applicants, the licensee shall prescribed such charges with the prior approval of the Authority under Regulation 8 hereof.

(5) Subject to the prior application of complaint redressed mechanism of the licensee, all disputes in respect of estimation of charges shall be filed with the Authority for resolution as per Regulation (10) of this Consumer Eligibility Criteria.

**4. Extension and Reinforcement of the Common Distribution System.**— (1) If an extension/reinforcement is required to be made in the common distribution system within the service territory of the licensee in order to provide an applicant with electric power as per Regulation 3 above, the licensee shall carry out the required extension/ reinforcement at its own cost in accordance with its development plan approved by the Authority:

Provided however, if the required extension/ reinforcement does not fall within the approved development plan of the licensee, the licensee shall arrange for the provision of required extension/reinforcement in accordance with the leased cost system expansion plan of the licensee.

(2) If the distribution licensee has shown its inability to provide the required extension within its concession territory, at its own cost and surrendered its first right to serve in the concession territory granted under a distribution license, the applicant may get the required extension arranged through any other licensee on terms mutually acceptable to the applicant and the other distribution licensee as per there terms of relevant license and the applicable licensing rules.

(3) Without prejudice to the foregoing, in case the applicant offers to deposit the cost, to be incurred on the required extension/ reinforcement of the common distribution system, the licensee shall provide the required extension/reinforcement services upon deposit of costs by the applicant subject to an agreement of reimbursement of costs incurred by the applicant.

(4) The provisions of Regulation 3 shall also be applicable to consumers who apply for enhancement of load.

**[4A. Development of a Sponsored Dedicated Distribution System.-** (1) Where a Common Distribution system does not exist and a Sponsored Dedicated Distribution System is required to be developed for the supply of power for the sole consumption of a specified area or a specified group of consumers, the Sponsored Dedicated Distribution System shall be developed either by the Sponsor itself as per the approved standards of the distribution company or through the concerned distribution company subject to mutually agreed terms and conditions.

(2) The Sponsored Dedicated Distribution System other than service wire and meter may be converted into Common Distribution System on the request of the sponsor. In such case, the distribution company shall take over the system for its operation and maintenance purpose and thereby the augmentation and extension shall be carried out by the distribution company without any charges from the Sponsor. Notwithstanding conversion of such system into Common Distribution System, it shall not form part of the assets of the distribution company, therefore, the distribution company shall not be obliged to reimburse the cost of the Sponsored Dedicated Distribution System to the Sponsor.

(3) A distribution company shall have the right to change the Sponsored Dedicated Distribution System into Common Distribution System in the best public interest subject to compensation for the system to the Sponsor as mutually agreed between the Sponsor and the distribution company or in case of disagreement the distribution company shall refer the matter to the Authority for decision.

(4) The Sponsor may be engaged in the business of distribution of electricity within the Sponsored Dedicated Distribution System, subject to the consent of concerned distribution company and fulfillment of other legal requirements such as obtaining a licence and determination of tariff from the Authority. In case the consent is refused by the distribution company and the Authority considers it appropriate and beneficial for the consumers, it may take action as per procedure laid down in regulation 10 of the National Electric Power Regulatory Authority Licensing (Application Modification Procedure) Regulation, 1999.]<sup>4</sup>

## **PART III**

### **APPLICATION**

5. Save to the extent of any agreement between a consumer and a licensee, the existing consumers registered with the licensee or applicants who have been charged an initial cost of connection or system extension, reinforcement or development charges and have deposited such cost prior to the notification of this Consumer Eligibility Criteria according to the instructions of the licensee enforced at that time, will not have any right to be reimbursed with such deposits by the licensee.

6. The dedicated distribution system of the consumer shall be maintained by the licensee upto the metering installation of the consumer. Control of such a system shall be handed over to the licensee for the purpose of operation and maintenance before commencement of provision of electric power service to the consumer.

[7. **Removal of Dedicated Distribution System (DDS):** Upon removal or replacement of a dedicated distribution system or any part thereof on account of permanent disconnection, modification or enhancement of load, the DISCO shall retain the dedicated distribution system or any part thereof as the case may be upon payment in the manner specified as under:

(1) The monetary value of a dedicated distribution system or any part thereof shall be determined on the present book value. The cost of removal of DDS if any, shall be borne by the DISCO.

(2) The payment of dedicated distribution system or any part thereof shall be made:

(a) in lump sum after adjustment of any arrears/pending bills in case of permanent disconnection, within two months of the date of disconnection; or

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<sup>4</sup> Inserted vide NEPRA Consumer Eligibility Criteria (Amendment) Regulations, 2011, notified vide SRO 308(I)/2011 dated 14.04.2011

(b) through adjustment in cost demanded for new/additional equipment to be installed in the dedicated distribution system.

Provided however, if the value of the removed dedicated distribution system or any part thereof is greater than the cost demanded for the additional system, the adjustment shall be made by crediting the balance in future bills commencing with two months of the replacement of the system.

(3) In case a dedicated distribution system of any part thereof falls under the NEPRA approved list of unusable item/equipments, the compensation upon removal of such equipment shall be made at its prevalent scrap value. The list of unusable item/equipments shall be annually submitted by the licensee with NEPRA for its approval and periodic review.]<sup>5</sup>

[8. The dedicated distribution system, other than service wire and meter, may be converted into common distribution system with the written consent of the owner of the dedicated distribution system in which case, the cost incurred by its owner shall be reimbursed by the licensee at mutually agreed terms:

Provided however, in case the right of way is contested by the owner of a dedicated distribution system, subject to the full satisfaction of the authority regarding licensee's claim, the licensee shall not be required to get such written consent, after payment of appropriate compensation to the owner of the dedicated distribution system.

9. For the purpose of Regulation 3(4), the licensee shall submit a petition with the Authority under NEPRA Tariff Standards and Procedure Rules, 1998 for its determination of average charges to be paid by a class of applicants for their individual dedicated distribution systems.

10. The licensee shall publish and make available to all interested persons the average charge as approved by the Authority.

11]<sup>6</sup>. All complaints and disputes in respect of the administration of this Consumer Eligibility Criteria shall be referred to NEPRA for resolution.

MAHJOOB AHMAD MIRZA,  
*Director (Administration).*

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<sup>5</sup> Inserted vide S.R.O 52(I).2009 dated 20.01.2009

<sup>6</sup> After insertion of new regulation 7 vide S.R.O 52(I).2009 dated 20.01.2009, the existing regulations 7, 8, 9 & 10 has been rearranged as 8, 9, 10 & 11 respectively.

# Amendments made in National Electric Power Regulatory Authority NEPRA “Consumer Eligibility Criteria” 2003



**Statutory Notifications (S. R. O.)**  
Government of Pakistan

## National Electric Power Regulatory Authority

### NOTIFICATION

*Islamabad, the 20<sup>th</sup> January, 2009*

**S.R.O. 52(1)/2009.**- Pursuant to Regulation 1 (4) of National Electric Power Regulatory Authority Eligibility Criteria for Consumers of Distribution Companies 2003 (ECR-2003) read with Section 21 (2) (b) of Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997), the National Electric Power Regulatory Authority is pleased to approve the following amendment/addition in the ECR-2003 earlier notified *vide* SRO 743(I)/2003 dated 26-07-2003.

Other contents of SRO 743(I)/2003 will remain un-change.

[Following will be placed in ECR-2003 as regulation 7 and regulation 7,8, 9 & 10 will now be rearranged as 8,9, 10 & 11, respectively]

**7. Removal of Dedicated Distribution System (DDS):** Upon removal or replacement of a dedicated distribution system or any part thereof on account of permanent disconnection, modification or enhancement of load, the DISCO shall retain the dedicated distribution system or any part thereof as the case may be upon payment in the manner specified as under:

- (1) The monetary value of a dedicated distribution system or any part thereof shall be determined on the present book value. The cost of removal of DDS if any, shall be borne by the DISCO.
- (2) The payment of dedicated distribution system or any part thereof shall be made:
  - (a) in lump sum after adjustment of any arrears/pending bills in case of permanent disconnection, within two months of the date of disconnection; or
  - (b) through adjustment in cost demanded for new/additional equipment to be installed in the dedicated distribution system.

Provided however, if the value of the removed dedicated distribution system or any part thereof is greater than the cost demanded for the additional system, the adjustment shall be made by crediting the balance in future bills commencing with two months of the replacement of the system.

(3) In case a dedicated distribution system of any part thereof falls under the NEPRA approved list of unusable item/equipments, the compensation upon removal of such equipment shall be made at its prevalent scrap value. The list of unusable item/equipments shall be annually submitted by the licensee with NEPRA for its approval and periodic review.

HUSSNAIN ZAIGHAM,  
*Registrar.*



**Statutory Notifications (S. R. O.)**  
Government of Pakistan

**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY  
CONSUMER ELIGIBILITY CRITERIA (AMENDMENT) REGULATIONS,  
2011.**

**NOTIFICATION**

*Islamabad, the 14<sup>th</sup> April, 2011*

**S.R.O. 308(I)/2011.-** Pursuant to Section 21 (2) (b) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), the National Electric Power Regulatory Authority is pleased to further amend the eligibility criteria for a non-discriminatory provision of distribution service and sale of electric power to all the consumers within the service territory of a distribution company.

Whereas it is expedient to add, insert and modify some regulations in the National Electric Power Regulatory Authority Consumer Eligibility criteria, 2003 notified *vide* S.R.O. 743(I)/2003 dated 26<sup>th</sup> July, 2003 and amended *vide* S.R.O. 52(I)/2009 dated 20<sup>th</sup> July, 2009 for the purposes hereinafter appearing;

And whereas the National Electric Power Regulatory Authority intends to lay down the procedure for acquiring Sponsored Dedicated Distribution System and extension of Common Distribution System in the public interest;

Now therefore the National Electric Power Regulatory Authority is pleased to make and notify the following regulations:-

1. **Short title and commencement.-** (1) These regulations may be called the National Electric Power Regulatory Authority Consumer Eligibility Criteria (Amendment) Regulations, 2011.

(2) These regulations shall come into force at once.

2. **Amendment in regulation 2 of the NEPRA Consumer Eligibility Criteria, 2003.-** (1) In regulation 2 after clause (v), the following definition shall be inserted:

“(vA) “Housing Society” means a society registered with the Registrar, Co-operative Societies duly approved by the concerned Local Municipal Authority

(2) The full stop at the end of clause (vii) of regulation 2 shall be deleted and a semi colon shall be inserted, thereafter the following new clauses shall be inserted:

- “(viii) “Sponsor” means a person, entity, Government development agency, developer of real estate or a Housing Society situated within the service territory of a DISCO and which sponsors the development of a Sponsored Dedicated Distribution System for the supply of power in a specified area or a specified group of Consumers;
- (ix) “Sponsored Dedicated Distribution System” means a system to be developed by a Sponsor for an area where a Common Distribution System does not exist and is required to be developed for provision of electric service.

**3. Insertion of new regulation 4A in Part II of the NEPRA Eligibility Criteria, 2003.**- After regulation 4, the following new regulation shall be inserted:-

**“4A. Development of a Sponsored Dedicated Distribution System.**- (1) Where a Common Distribution system does not exist and a Sponsored Dedicated Distribution System is required to be developed for the supply of power for the sole consumption of a specified area or a specified group of consumers, the Sponsored Dedicated Distribution System shall be developed either by the Sponsor itself as per the approved standards of the distribution company or through the concerned distribution company subject to mutually agreed terms and conditions.

(2) The Sponsored Dedicated Distribution System other than service wire and meter may be converted into Common Distribution System on the request of the sponsor. In such case, the distribution company shall take over the system for its operation and maintenance purpose and thereby the augmentation and extension shall be carried out by the distribution company without any charges from the Sponsor. Notwithstanding conversion of such system into Common Distribution System, it shall not form part of the assets of the distribution company, therefore, the distribution company shall not be obliged to reimburse the cost of the Sponsored Dedicated Distribution System to the Sponsor.

(3) A distribution company shall have the right to change the Sponsored Dedicated Distribution System into Common Distribution System in the best public interest subject to compensation for the system to the Sponsor as mutually agreed between the Sponsor and the distribution company or in case of disagreement the distribution company shall refer the matter to the Authority for decision.

(4) The Sponsor may be engaged in the business of distribution of electricity within the Sponsored Dedicated Distribution System, subject to the consent of concerned distribution company and fulfillment of other legal requirements such as obtaining a licence and determination of tariff from the Authority. In case the consent is refused by the distribution company and the Authority considers it appropriate and beneficial for the consumers, it may take action as per procedure laid down in regulation 10 of the National Electric Power Regulatory Authority Licensing (Application Modification Procedure) Regulation, 1999.

SYED SAFEER HUSSAIN,  
*Registrar.*