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## **GLOSSARY OF ABBREVIATIONS**

|     |       |   |
|-----|-------|---|
| 1.  | ADB   | Asian Development Bank                                |
| 2.  | AEDB  | Alternative Energy Development Board                  |
| 3.  | BPC   | Bulk Power Consumer                                   |
| 4.  | BPI   | British Power International                           |
| 5.  | DISCO | Distribution Company                                  |
| 6.  | FESCO | Faisalabad Electric Supply Company                    |
| 7.  | GENCO | Generation Company                                    |
| 8.  | GOP   | Government of Pakistan                                |
| 9.  | GWh   | Gigawatt per hour                                     |
| 10. | IBRD  | International Bank for Reconstruction and Development |
| 11. | IEC   | International Electro-Technical Commission            |
| 12. | IPP   | Independent Power Producer                            |
| 13. | KESC  | Karachi Electric Supply Corporation (Ltd.)            |
| 14. | kV    | Kilo Volt   |
| 15. | kWh   | Kilowatt per hour                                     |
| 16. | LAN   | Local Area Network                                    |
| 17. | LUMS  | Lahore University of Management Sciences              |
| 18. | MW    | Megawatt  |
| 19. | NEPRA | National Electric Power Regulatory Authority          |
| 20. | NGC   | National Grid Company                                 |
| 21. | NTDC  | National Transmission and Dispatch Company            |
| 22. | PC    | Privatization Commission                              |
| 23. | PEPCO | Pakistan Electric Power Company                       |
| 24. | PPIB  | Private Power and Infrastructure Board                |
| 25. | PSDP  | Power Sector Development Project                      |
| 26. | PSI   | Pakistan Standards Institute                          |
| 27. | SPP   | Small Power Producer                                  |
| 28. | UNDP  | United Nations Development Programme                  |
| 29. | WAPDA | Water and Power Development Authority                 |
| 30. | WB    | World Bank  |

# FOREWORD

The Electricity Sector is an active player in the economic field. There is a need for accurate and skillful handling to produce desired results in accordance with the needs and aspirations of all the people of the country. The demand and supply gap calls for immediate steps to avoid chaos in near future on account of overloading and consequently load shedding or tripping of the system.

NEPRA was established under the government's restructuring programme with the aim of ensuring a potent regulatory framework prior to introducing the private sector to the power industry in order to establish and maintain level playing-fields among all the relevant players. Carefully formulated regulation prior to privatisation ensures a smooth transition period, economic efficiency, sound performance, tariff stability, secure long-term investments and public acceptability and participation.

A cut in energy cost is the need of the hour so that the prices could be brought into line with the average income group which is very close to the poverty line. Despite being the most vibrant segment of the economy, the price factor has adversely affected the cost of production of the manufacturing sector in Pakistan. There is an immediate need to improve the indigenous energy resources to get rid of the costly imported oil. The priorities of the government are already shifting towards cheaper source of power generation such as hydel, coal or nuclear.

A balance has to be maintained between the need for an affordable tariff and the financial viability of the electric power utilities. Ways have to be found to bring down the cost of supplying electricity by eliminating inefficiencies, wastage and mismanagement. At the current level of cost and efficiency any further relief to domestic consumers through cross subsidization would further distort the tariff for other categories.

In view of poor financial health and management of a few DISCOs, the federal government is intended to provide a well-defined mechanism for the calculation and timely payment of subsidies which would stabilize cash flows of the power sector entities to meet their financial obligations in a timely manner. In accordance with the government policy guidelines, NEPRA will eventually determine tariff, based on the cost of supply and without any cross-subsidies between the various power sector entities for all three categories of electricity suppliers, that is, generation, transmission, and distribution. Thus, NEPRA would be truly performing its role in the elimination of cross subsidies in its tariff regime for the ultimate benefit and growth of the system.

The Prime Minister has constituted a committee on January 26, 2005 on the Rules and Procedures for the determination of tariffs and the role of WAPDA and PPIB in tariff negotiation with NEPRA which would facilitate the process of tariff determination. The first meeting of the committee was held on February 4, 2005.

The Privatization Commission is being facilitated by NEPRA in the privatization process and meetings were held both with the prospective bidders and their financial advisors to explain the regulatory framework. The privatization of Karachi Electric Supply Corporation, Faisalabad Electric Supply Company Limited, Peshawar Electric Supply Company Limited, and Jamshoro Power Company Limited is under process. These would be landmark transactions in the power sector, which would set the scene for a rapid turnaround of the utilities and improving efficiency. NEPRA had previously also announced a seven-year tariff in 2003 for KESC, which facilitates long term financial planning by the utility management.

The South Asia Forum for Infrastructure Regulation (SAFIR) was established in 1999 to promote best practices in the region in the economic regulation of infrastructure industries. NEPRA was exposed to policy guidance and strategic direction on regional basis, especially during my stint as Chairman of SAFIR. It has also been introduced at various forums and local participation encouraged in the Sixth SAFIR Core Course on Infrastructure Regulation and Reform at Bhurban

(Murree) from October 3-11, 2004. The Core Course was specially designed to provide participants with the strong understanding of both theory and practice of infrastructure regulation and reform. NEPRA has also become a member of United States Energy Association (USEA), and of the South Asia Regional Initiative on Energy (SARI).

Conceptual work is also underway for capacity building through training visits, workshops, consultancy exchange programmes and international/regional regulatory courses. Establishment of a Regulatory Institute is also on the cards to make up for the dearth of domestic expertise in regulation.

As per Section 42, clause (a) of the NEPRA Act, this report gives the Council of Common Interests, Government of Pakistan, and the readers at large an overview of the activities of NEPRA from 1<sup>st</sup> July 2004 to 30<sup>th</sup> June 2005, and anticipated developments in the year ahead.

**Chairman**

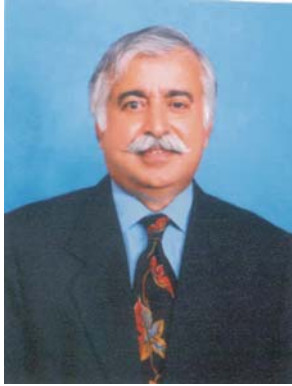
## THE AUTHORITY



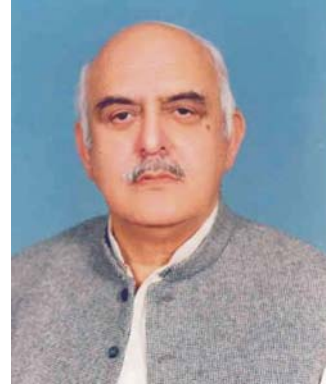
**Lt Gen (R) Saeed uz Zafar**  
Chairman  
29-09-2003 to date



**Abdul Rahim Khan**  
Member from N.W.F.P



**Fazlullah Qureshi**  
Vice Chairman/  
Member from Sindh



**Nasiruddin Ahmed**  
Member from Balochistan

## Mission Statement

We shall strive to develop and pursue a Regulatory Framework which ensures the provision of safe, reliable, efficient and affordable electric power to the electricity consumers of Pakistan; we shall facilitate the transition from a protected monopoly service structure to a competitive environment where several power sector entities function in an efficiency oriented or market driven environment and shall maintain a balance between the interests of the consumers and service providers in unison with the broad economic and social policy objectives of the Government of Pakistan.

SECTION I  
LICENCES

The permission to Generation, Transmission and Distribution Companies to engage in generation, delivery and sale of electric power is granted by NEPRA subject to specified terms and conditions as stated in Chapter III (Sections 15, 16, 19 and 20) of NEPRA Act. Public hearings, if deemed necessary, are held in which all stakeholders are invited to express their views and discuss relevant issues prior to the issuing of a license.

2. The following activities were undertaken by the Licensing Division during the year under review:

### **Generation Licenses**

#### **Small Power Producers (SPPs)**

3. Small power generating units that were established by the industrial units to meet their own requirements and for sale of surplus power to a few other industrial consumers in adjoining areas as a result of incentives provided under the 1994 Power Policy have been categorized as Small Power Producers.

4. NEPRA has granted generation licences to 25 SPPs so far. A Licence to M/s Lucky Energy (Pvt.) Limited was granted on April 19, 2005. The list of Small Power Producers is at **Annexe-I**.

#### **Isolated Generation Companies (IGCs)**

5. Isolated Generation Companies deliver electric power to private owners who operate, manage and control the facilities or to tenants without the involvement of either transmission or distribution systems of any other service provider. During the period under review generation licences were issued to four companies namely M/s Engro Asahi Polymer & Chemicals Limited (11-11-2004), M/s Sapphire Energy Limited (3-12-2004), M/s Anoud Power Generation Limited (8-2-2005) and M/s Olympia Power Generation Limited (8-2-2005).

6. Hearings were held for grant of generation licences to M/s Nadeem Power Generation (Pvt.) Limited on November 29, 2004 and M/s Jubilee Energy (Pvt) Limited on May 24, 2005. The list of Isolated Generation Companies is at **Annexe-II**.



***The representatives of M/s Nadeem Power Generation (Pvt) Limited at the hearing in Karachi***



***NEPRA professionals at the hearing of M/s Nadeem Power Generation (Pvt) Limited in Karachi***

**Independent Power Producers (IPPs)**

**IPPs under 1994 Power Policy**

7. NEPRA has completed the process of granting generation licences to all the Independent Power Producers set up in response to the 1994 Power Policy with the granting of a licence to M/s Altern Energy Limited on September 22, 2004.

**IPPs under 2002 Power Policy**

8. Generation Licences were granted to Defence Housing Authority Cogeneration Limited (DCL) on 1-1-2005 and to Star Power Company (Pvt.) Limited on June 14, 2005. Hearing was held for the grant of a generation licence to Orient Power Company (Pvt.) Limited on March 10, 2005. The List of new and old Independent Power Producers is at **Annexe-III**.



***Representatives of M/s Star Power Company presenting their case***





***The Authority is hearing the presentation made by  
M/s Orient Power Company in Islamabad***

### **Generation Companies**

9. In the public sector, generation licences were granted to WAPDA (hydroelectric) for hydro power projects on 3-11-2004, Lakhra Power Generation Company Limited on 18-2-2005 and Pakistan Atomic Energy Commission for its Karachi Nuclear Power Plant (KANUPP) on 4-3-2005. In the private sector a licence was issued to Kot Addu Power Company Limited (KAPCO) on 22-9-2004.

### **Generation License to SHYDO**

10. The application for grant of generation licence to Sarhad Hydel Development Organization (SHYDO) for its 83.7 MW capacity Malakand-III Hydropower project was admitted on March 1, 2005. SHYDO has since been informed that the application for grant of generation licence would be considered as and when the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997) is extended to the Provincially Administered Tribal Areas (PATA). Therefore, license will be processed once NEPRA Act is extended to PATA.

### **Merger of Kohinoor Genertek Limited into Kohinoor Weaving Mills Limited**

11. M/s Kohinoor Genertek Limited applied to NEPRA for permission to merge into M/s Kohinoor Weaving Mills Limited. The Authority, on March 1, 2005, approved the merger and allowed the transfer of Generation Licence granted to Kohinoor Genertek Limited on December 8, 2001 to M/s Kohinoor Weaving Mills Limited.

### **Distribution Licences to S0PPs**

12. Besides these activities, public hearings were held on December 20-21, 2004 for the grant of distribution licences to seven Small Power Producers namely, Mahmood Power Generation Limited, Gulistan Power Generation Limited, Sitara

Energy Limited, Quetta Textile Mills Limited, Bhanero Energy Limited, Monnoo Energy Limited and Genertech Pakistan Limited.

13. The lawyers of all concerned parties were requested to present a joint report on contentious issues to NEPRA within four weeks of the hearing. They got further extension but have so far not submitted the report. Now NEPRA staff themselves would be presenting a report to the Authority to decide whether or not to grant distribution licences to the SPPs.



**Participants of SPPs hearing in Lahore**

### **Interim Power Procurement (Procedures and Standards) Regulations- 2005**

14. NEPRA prepared the Interim Power Procurement (Procedures and Standards) Regulations- 2005 which have been notified by the Government. A DISCO or Transmission Company, after permission from NEPRA to procure power from a generating company, will negotiate Power Purchase Agreement with the power company as per the provisions under these regulations.

### **Transitional Arrangement Order (TAO)**

15. The Authority is considering the development of a procedure for the transition of the generation part of the power industry from the existing arrangement towards a competitive trading arrangement. The Transitional Arrangement Order has the following main features:

**Phase I:** This details the transition from existing arrangements to the Single Buyer Plus arrangement.

**Phase II:** This details the mode of Single Buyer Plus arrangements till Competitive Market Operation Date (CMOD).

**Phase III:** This details the Bilateral Competitive Trading Arrangements effective from 1<sup>st</sup> July, 2009 or any other date fixed by the Authority in consultation with the Federal Government and all stakeholders.

16. The document is expected to be presented to the Authority for approval in August, 2005.

## SECTION II

### TARIFFS

17. The Authority determines tariffs as prescribed in the Tariff Standards and Procedure rules 1998 keeping in view the principle to compensate expenses and reward investments as applicable on a case to case basis.

18. The process of tariff setting is highly complex and NEPRA is determined to balance the interest of consumers (by approving the lowest possible tariff) and that of investors (by ensuring their financial viability and allowing a reasonable return on investment). In case of unsolicited proposals the tariff is negotiated by the NTDC with the sponsor, and in the absence of competition, NEPRA has to evaluate and amend /approve the tariff by following established regulatory practices. Currently, NTDC is responsible for negotiating tariff on behalf of 8 distribution companies as per the NTDC license. As the cost of power purchase at any price is pass-through for NTDC, it does not face the consequence of imprudent power induction. This exposes the consumers to the risk of unfair price. In order to mitigate such risks, NEPRA has to check prudence of all the costs and allow only reasonable costs.

19. The problems being faced while determining tariff of unsolicited companies include:

- i. Lack of coordination among different government organizations involved in the process.
- ii. Non-compliance of relevant rules and regulations by different government agencies.
- iii. Reluctance of concerned government agencies for giving clear cut guidelines on issues requiring government advice.
- iv. Commitment and agreement on tariffs prior to involvement of NEPRA.

#### **Automatic Tariff Adjustment (ATA)**

20. According to the prescribed mechanism NEPRA adjusts the tariff of the electric companies to account for the variation in the price of fuel. This formula allows companies to meet their revenue requirement by adopting the prescribed regulatory procedure. NEPRA is authorized to take suo moto action in case of an electric utility company failing to apply for tariff adjustment.

21. KESC is allowed quarterly adjustment not only for variation in fuel prices but also for cost of power purchased. Three automatic tariff adjustments were made for KESC in November, 2004, February, 2005 and April, 2005. There was an increase of Ps. 10.00/kWh in November 2004, an increase of Ps. 3.00/kWh in February 2005 and Ps. 13.00/kWh in April 2005.

22. Under the prescribed mechanism of ATA 21 determinations for tariff adjustments were issued for the Generating Companies, namely Central Power Generation Company Limited, Northern Power Generation Company Limited and Jamshoro Power Company Limited. The details are given at **Annexe-IV**.

### **Structural Adjustment of Tariff**

23. The year was a landmark in terms of the completion of the first phase of Power Sector restructuring and detailed determinations of Tariff Review Motions filed by the 8 Ex-WAPDA Distribution Companies (DISCOs) were issued in November 2004 namely IESCO, FESCO, LESCO, MEPCO, GEPCO, PESCO, HESCO and QESCO. The adjustments made are given in **Annexe-V**.

24. As per the requirement in the determinations a mid year review of the tariff was conducted and tariff adjustments were made in February 2005. The increase decided in tariff in Ps/kWh for each of these companies was 13.25, 12.22, 8.98, 10.32, 15.15, 11.81, 5.95 and 12.99 respectively.

25. Notifications in this regard are still pending with the Federal Government.

### **Determination of Defence Housing Authority Cogeneration Limited (DCL)**

26. DCL submitted a tariff petition on September 08, 2004 for sale of power to KESC. The tariff petition was admitted for consideration by the Authority on September 15, 2004. A public hearing was held on December 08, 2004 in Islamabad. DCL requested a two part tariff for the life of the plant i.e. thirty years consisting of Capacity Purchase Price (CPP) and Energy Purchase Price (EPP), approval of pass through items and proposed escalation of tariff. The Authority gave the decision in the matter on January 31, 2005.



***The Authority at the hearing of DHA Cogeneration held in Islamabad***



***Participants of the hearing of DHA Cogeneration in Islamabad***

### **Determination of Star Power Generation Company Limited**

27. Star Power Generation Company Limited (SPGCL) submitted a tariff application on March 4, 2005 for sale of power to NTDC. The application was admitted on March 16, 2005. A public hearing was held on April 8, 2005 in Islamabad in which the applicant, stakeholders, commentators as well as members of general public participated.

28. SPGCL sought determination of the Authority in respect of the Reference Tariff to remain effective for a period of 25 years from the Date of Commercial Operation and approval of proposed escalation in tariff. SPGCL requested a two part tariff consisting of Capacity Purchase Price (CPP) and Energy Purchase Price (EPP) for 25 years. The Determination of the Authority was given on June 1, 2005.

29. Star Power Generation Company Limited filed a motion for leave for review on June 13, 2005. The Authority considered the motion and admitted it on June 16, 2005. The hearing on motion for leave for review was conducted on June 24, 2005.





***The representatives of M/s Star Power Company Limited  
Presenting the case at the hearing in Islamabad***

**Determination of Orient Power Company Limited**

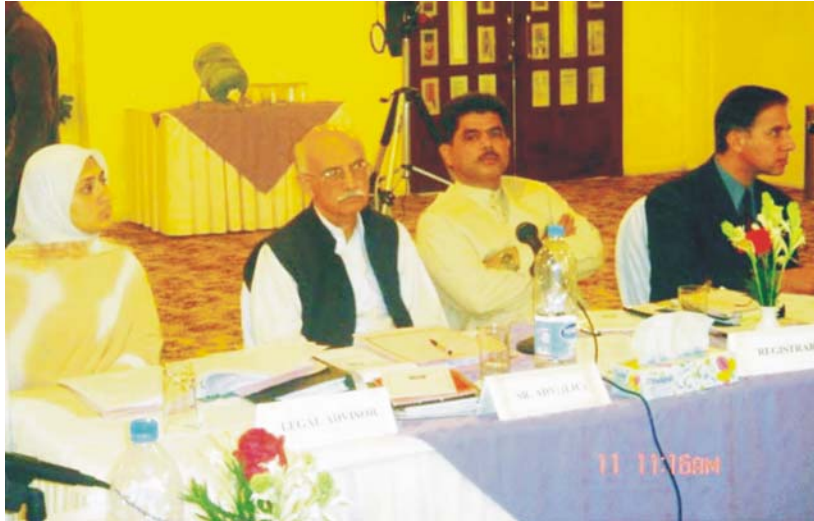
30. OPCL submitted a tariff application on February 01, 2005 for sale of power to NTDC which was admitted by the Authority on February 16, 2005. A public hearing was held on March 11, 2005 in Islamabad in which the applicant, stakeholders, commentators as well as members of general public participated.

31. OPCL requested a two-part tariff consisting of Capacity Purchase Price (CPP) and Energy Purchase Price (EPP) for 25 years and approval of pass-through items and proposed escalation in tariff. The tariff determination was issued on June 11, 2005.

32. Orient Power Company Limited filed a motion for leave for review on June 23, 2005. The Authority considered the motion and admitted it on June 27, 2005. The hearing on motion for leave for review was conducted on July 1, 2005.



***The representatives of M/s Orient Power Company Limited at the hearing in Islamabad***



***Professionals of NEPRA at the hearing of  
M/s Orient Power Company Limited in Islamabad***

### **Ex-WAPDA Generation Company**

33. Determinations were issued in respect of petition and review motion/petition filed by Lakhra Power Generation Company Limited on February 16, 2005 and May 5, 2005 respectively.



***Regulatory Meeting on leave for review motion filed by the Lakhra Power  
Generation Company Limited in NEPRA office, Islamabad.***

### **Chashma Nuclear Power Plant (Chasnupp)**

34. Determination of Tariff for Chashma Nuclear Power Plant for sale of electricity to NTDC was issued on December 3, 2004. A decision regarding adjustment in escalable part of capacity charge portion on account of CPI variation was taken on June 16, 2005.

## **Benchmark for Furnace Oil Prices**

35. The Authority after considering the report of Tariff Section reached the conclusion that the actual purchase rates of furnace oil between the GENCO and PSO were lower in most cases than the rates posted on the website of PSO. Therefore, in the absence of a better alternative for fuel price benchmark, the actual contract figures provided by the utility or PSO would be taken as the price on which the estimation of tariff adjustment for fuel cost variation is made. This decision will be applicable to all the three GENCOs, namely Jamshoro Power Company Limited (JPCL), Northern Power Generation Company Limited (NPGCL) and Central Power Generation Company Limited (CPGCL) for fuel price adjustment in tariff.

## **Tariff Adjustment of JPCL for Variation in CPI & Exchange Rate**

36. As per NEPRA's determination notified by the Federal Government, the tariff of Jamshoro Power Company Ltd. (JPCL) is subject to bi-annual adjustment on January 1st and July 1st each year to compensate for variation in the Consumer Price Index (CPI) and Foreign Exchange Rate. Accordingly, JPCL submitted a request for adjustment in tariff for CPI and Exchange Rate variations.

37. As per the Authority's determination, biannual adjustments are to be made to escalable portion of capacity charge as well as to variable O&M costs on account of variation in CPI. The adjustment to be made in January will be based on CPI of September of the previous year and that of July would be based on CPI of March of that year.

38. The foreign currency part of the non-escalable component of capacity charges would also be adjusted for exchange rate variations biannually.

## **Determinations in Respect of Power Purchase Agreements (PPAs)**

39. NTDC submitted the PPAs in respect of two hydel generating companies namely Laraib Energy Limited (79 MW) and Iqbal Power Limited-Rajdhani Hydropower (132 MW) for consideration and approval of the Authority. The generating companies are located in the jurisdiction of AJK where NEPRA Act is not applicable. Determinations were issued by the Authority in respect of Power Agreements of Laraib Energy Limited and Iqbal Power Limited (Rajdhani Hydropower) with NTDC in February 2005.

## **Filing of New Tariff Petitions**

40. Fresh tariff petitions have been filed by the eight Ex-WAPDA Distribution Companies (DISCOs), two Generation Companies namely Central Power Generation Company Limited (CPGCL) and WAPDA Hydroelectric, and National Transmission and Dispatch Company (NTDC). The petitions of the CPGCL and WAPDA Hydroelectric were admitted on May 23, 2005 and that of DISCOs and NTDC on May 30, 2005.



## SECTION III

### STANDARDS AND CODES

#### **Standards**

41. The Authority, according to Section 7(2), clause c and Section 34 of NEPRA Act (XL of 1997), is required to prescribe performance standards for generation, transmission and distribution companies to encourage safe, efficient and reliable service. The service providers not adhering to the prescribed standards are to be penalized.

#### **Performance Standards**

##### **Generation**

42. Generation companies are responsible for the production of safe, efficient and reliable electric power on least cost basis for supply to NTDC. As per the NEPRA Act the Authority has to prescribe performance standards for generation companies for the production of safe and reliable electric power. The performance standards are yet to be drafted and are expected to be finalized by August, 2006.

##### **Transmission**

43. NTDC is responsible for the transmission and interconnection services of electric power in a safe, reliable and efficient manner on a non-discriminatory basis to the users of its bulk transmission system. The work on the development of Performance Standards started in July 2000. A draft report was presented to the Authority in November, 2001. After the Authority's review a second draft was sent to the stakeholders on January 11, 2005. In the light of comments received the Authority approved draft document on Performance Standards (Transmission) Rules, 2005 on April 19, 2005 which were submitted to the Federal Government for approval and notification in the official gazette.

##### **Distribution**

44. As per the Act, NEPRA has to prescribe Performance Standards for Distribution Companies regarding reliability, quality, efficiency, and safety of electric power services provided by the distribution companies. The work started in 1998. The initial draft was circulated to stakeholders in 2000. A revised draft was developed in June, 2001. Technical assistance was also obtained from BPI Consultants. Workshops were also held with stakeholders to discuss the subject. The modified draft was approved by the Authority in July, 2003 and sent to the Government for notification and approval in August, 2003. The draft rules after incorporating observations of Privatization Commission were again sent to Cabinet Division for approval in December, 2004. The Performance Standards (Distribution)

Rules, 2005, proposed by the Authority, have been approved by the Federal Government and notified in the official gazette in January 2005.

### **Environmental Standards**

45. No separate standards have been prescribed by the Authority. All the licensees are required to conform to the Federal Government, Environment Protection Agency's prescribed standards.

### **Procedures and Standards for Investment Programme**

46. As per the NEPRA Act, the Authority is to prescribe procedures and standards for the investment programmes of generation, transmission and distribution companies. The NEPRA Draft Rules on Investment Standards and Procedures (Transmission and Distribution) are being sent to the concerned stakeholders for review and comments. The final document is expected to be completed by December 2005 and submitted to the Authority for approval.

### **Codes**

47. As per Section 35 of NEPRA Act (XL of 1997) the Authority shall encourage the development of uniform codes of conduct so as to provide safety, reliability and cost effectiveness of generation, transmission and distribution companies.

### **Grid Code**

48. NTDC is responsible for developing the Grid Code for smooth and effective functioning of its system and that of the licensees which are connected to its bulk power transmission system. The work on the Grid Code started in April, 1999 and guidelines were given to NTDC/PEPCO in March, 2000. After incorporating modifications suggested by NEPRA, PEPCO re-submitted its document. The BPI consultants inducted for NEPRA Capacity Building purpose through ADB were also consulted. The Authority approved the modified Grid Code in December, 2004 and sent it to NTDC for formal submission. NTDC submitted its final Draft Grid Code on May 7, 2005. The Authority approved the Grid Code on June 9, 2005 which was circulated to all the stakeholders for enforcement & compliance. The topics covered include:

- Code Management
- Data Registration Code
- Operating Code
- Planning Code
- Connection Code
- Protection and Metering Code
- Scheduling and Dispatch
- Glossary and Definitions

## **Distribution Code**

49. Distribution Companies are required under NEPRA Act and Licensing (Distribution) Rules 1999 to develop a Distribution Code, covering all operational and planning functions of their individual distribution and sub-transmission systems, and interface relationship with NTDC, other DISCOs and BPCs. Distribution Code Guidelines were provided to PEPCO by NEPRA in April, 2000. After holding several discussion meetings with PEPCO, NTDC and DISCOs, the Authority approved the modified Distribution Code in December, 2004 and sent it back to the DISCOs for formal submission to NEPRA for approval. The Distribution Code for MEPCO, GEPCO, PESCO, HESCO and QESCO were approved by the Authority in June, 2005 for implementation and compliance. The Distribution Code for IESCO was approved in July, 2005. The topics covered include:

- Code Management
- Data Registration Code
- Operating Code
- Planning Code
- Design Code
- Connection Code
- System Construction
- Metering, Protection and Safety Requirements
- Public Lighting
- Emergency Plan and Load Scheduling
- Definitions

## **Safety Code**

50. Guidelines on Power Safety Code have been approved by the Authority for circulation to all generating, transmission and distribution companies which will submit their respective power safety codes to NEPRA for approval.

## SECTION IV

### PRIVATIZATION

51. During the year 2004-05, NEPRA continued to play its role in facilitating the privatization of Karachi Electric Supply Company (KESC) and the generation and distribution companies unbundled from WAPDA within the long term objective of reforming the power sector and bringing in efficiency in the operation of the utilities.

52. Bidding for the sale of 51% to 73% shares of KESC was held on February 4, 2005 at the Privatization Commission. NEPRA was also represented at the bidding. Kanooz Al Watan of Saudi Arabia (KAW) offered the highest bid for the purchase of 73% shares of KESC and was declared to be the successful bidder. Siemens Pakistan Engineering Company Limited, the Pakistani arm of the Siemens Group, a worldwide electrical and electronic engineering group, is the technical partner of KAW. The Cabinet Committee on Privatization (CCOP) in its meeting held on February 7, 2005 approved the KAW bid and a letter of acceptance was issued to KAW by the Privatization Commission on the same day reiterating various conditions to be fulfilled by KAW. Later on KAW declined the offer. Presently, negotiations are underway with the second highest bidder i.e. Hassan Associates Consortium. The Government of Pakistan will retain a minimum of 27% stake in the KESC for the time being to ensure commitment as a measure of comfort to the prospective buyer of the utility.

53. Privatization of FESCO is expected to be initiated once the tariff for FESCO as a distribution company independent of WAPDA is determined by NEPRA and notified by the Federal Government. A multi-year tariff has already been determined for JPC, one of the three companies evolving from the thermal generation part of WAPDA. Privatization of JPC is also expected to be initiated soon.

## SECTION V

### CONSUMER AFFAIRS

54. The Consumer Affairs Division was created by NEPRA to handle complaints against infringement of terms of the NEPRA Act. NEPRA usually refers such complaints to the concerned offices and pursues the cases until the issues are resolved.

#### **Consumer Services Manual**

55. During the review period a Workshop was held regarding the Consumer Services Manual on January 27, 2005. The Authority also constituted a committee including local consultants. The Consumer Services Manual has been approved by the Authority for circulation to the consultants for a final review. The same has been reviewed and the final document would be put up to the Authority for forwarding to the DISCOs for resubmission and approval as DISCOs Manual.



***The Authority at the Consumer Affairs Workshop in Lahore***

#### **Complaints**

59. During the year 2004-05, 339 consumer complaints were addressed by NEPRA. The details are as under:

| <b>Company</b> | <b>Complaints Received</b> | <b>Complaints Disposed Off</b> |
|----------------|----------------------------|--------------------------------|
| IESCO          | 58                         | 58                             |
| FESCO          | 19                         | 19                             |
| LESCO          | 28                         | 28                             |
| MEPCO          | 14                         | 14                             |
| GEPCO          | 21                         | 21                             |
| PESCO          | 34                         | 34                             |
| HESCO          | 105                        | 105                            |

|              |            |            |
|--------------|------------|------------|
| QESCO        | 5          | 5          |
| KESC         | 55         | 55         |
| <b>TOTAL</b> | <b>339</b> | <b>339</b> |

### **Others**

57. A workshop was held on January 28, 2005 to discuss the issues relating to supply of power to the Housing Societies. Draft Policy has since been circulated among stakeholders and the comments are being processed.

58. Two hearings were held for DS Textile Mills vs LESCO and Civilian Employee Cooperative Housing Scheme vs IESCO on August 25, 2004 and September 2, 2004 respectively and the concerns of the parties have been addressed.

59. The decision has been taken that complaints pertaining to electricity against the distribution companies pertaining to metering, billing & collection of tariff will be entertained by the Provincial Offices of Inspection (POIs) and not by the Wafaqi Mohtasib with effect from March 15, 2005.

60. A Complaint Cell has been established under the Consumer Affairs Division of NEPRA for receiving complaints.

## SECTION VI

### MISCELLANEOUS

#### **South Asia Forum for Infrastructure Regulation (SAFIR)**

61. South Asia Forum for Infrastructure Regulation (SAFIR) has been introduced to the infrastructure regulatory community of Pakistan by NEPRA. It is being provided local organizational support from NEPRA. The Chairman, NEPRA, in his position as Chairman, SAFIR this year provided policy guidance and strategic direction to SAFIR. The Sixth Core Training Programme on Infrastructure Regulation and Reform under the auspices of South Asia Forum for Infrastructure Regulation (SAFIR) was held in Bhurban (Murree) from October 3-11, 2004. The mega event was hosted by NEPRA. The course was attended by several international delegates from various power related organizations and NEPRA staff members. Based on the needs assessment study in the South Asian Region and the experiences gained in the five earlier programs, the Core Course was specially designed to provide participants with the strong understanding of both theory and practice of infrastructure regulation and reform. The highlight of the course was a mock tariff hearing in which a typical case study was taken up for simulation.



***The Chairman addressing the closing session of SAFIR Core Course in Islamabad***

62. The 10<sup>th</sup> meeting of the SAFIR Steering Committee was held through a video conference at the World Bank office in New Delhi, Islamabad, Dhaka and Colombo simultaneously on January 19, 2005. The Chairman, NEPRA chaired the meeting. The feedback from the Sixth Core Training Programme was also discussed in the conference.

## Training and Development

63. As part of the World Bank Public Sector Capacity Building Project, the following personnel of NEPRA proceeded abroad during the year:

- i. The Chairman, along with two Directors, participated in the Annual Regulatory Study Program at the Institute of Public Utilities, Michigan State University, USA from July 30 – August 13, 2004. The Chairman participated in a two-day Conference in New Delhi, India from October 12-13, 2004 in connection with the South Asia Regional Initiative (SARI) Program on Energy and gave a presentation on Energy Sector Status and Perspectives.
- ii. The Chairman also visited Sri Lanka in connection with the SARI Program from June 1-3, 2005 and gave a briefing on the Functions and Activities of NEPRA. NEPRA represented the Energy Sector of Pakistan, along with Mr. Hilal.A.Raza of Hydrocarbon Institute of Pakistan.

Delegates from Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and USA attended the conference.

The greatest impediments to the regulatory forces in the region were identified as half baked privatization and restructuring of the power sector, unclear government policies/guidelines, and non-development of a competitive market. This was compounded by the non-acceptance of the Regulator by the government agencies, the utilities, and even the consumers.

Following areas of mutual cooperation and partnership programmes were also identified:

- Building up technical capacity and database.
- Weak projection and implementation mechanism.
- Refinement of system of appeals.
- Development of Nuclear, Hydel, and Thermal (Clean Coal Technologies) and their order for power generation.
- Development of generation and transmission with private sector participation as against the public sector.
- Rapid village electrification with the utilization of Alternative/Renewable Energy.
- Controlling strategy for technical, administrative and revenue losses and subsidies.



The following steps were pointed out which are already in progress in various countries of the region from which member states can benefit through experience sharing:

- Public Awareness Program.
- Development of micro hydel.
- Village electrification through renewables.
- Local capacity building institutions for research, and to influence the policy makers.
- Development of standard financial models and tools.
- Role of private sector in the development of a competitive market within a state or on regional basis.
- Development of an integrated approach for the Regulator, Utilities and the Consumer.
- Consumer complaints redressal mechanism.
- Websites are available for general awareness (e.g. SARI website)

Discussions also took place on the following regional aspects, which initiated enthusiasm in pursuing them further:

- Investment in hydel and renewable power.
- Regional transmission links.
- Standardisation of efficiency standards.
- Establishment of Regulatory Training Institutes.
- Regional Energy Resource Centre (Website).

SARI/Energy also offered help in wind and solar mapping in Pakistan in coordination with AEDB.

NEPRA is the only member of SARI from Pakistan and is effectively involved in carrying out the objectives of SARI.

The objectives of SARI are:

- a. To promote the institutional strength and effectiveness of energy, gas, and oil regulatory organizations in the South Asian region.
- b. To share approaches and discuss best practices, policies and procedures for effective regulation.
- c. To develop stakeholder support for regulatory organizations.

- d. To share and discuss tariff mechanisms for National oil, gas, and power transmission regulation in South Asia.
  - e. To stimulate public support and confidence in the regulatory organizations, and
  - f. To develop a customer protection program.
- iii. The Chairman, Director (Standards I) and Director (Tariff II) participated in the 8<sup>th</sup> SARI Regulation Partnership Executive Business Meeting in April 2005 in USA. The meeting was held under the auspices of the U.S. Energy Association (USEA).

The primary objectives of this Executive Meeting were:

- a. Improvements and success stories in regulation in South Asia and the U.S.A.
- b. Internal operations of a regulatory agency.
- c. Increasing Consumer Protection and Awareness.
- d. Discuss best practices in regulation.
- e. Development of a handbook on regulatory practices.

The meeting was attended by Executives from Bhutan, India, Nepal, Pakistan, and Sri Lanka along with their counterpart executives/officials from USEA, USAID, Federal Energy Regulatory Commission (FERC) and State Regulatory Commissions of District of Columbia, Ohio, Massachusetts and Kansas.

NEPRA team visited the headquarters of several US regulatory agencies including FERC, and had exchanges on “Best Regulatory Practices” with their counterparts. NEPRA delegates, on a special invitation also attended a USEA Annual Membership Meeting in Washington.

Various USEA Energy Partnership volunteer awards were given to professionals for their life-time achievement and contribution to the cause of USEA Energy Partnership Worldwide.

Following are some of the areas of mutual interest identified on which future Energy Partnership activities could be based:

- a. Open-access to the transmission system, transmission regulation, use-of-system charges, transmission performance standards and differential transmission tariffs.
- b. Power market structure and design, and bulk supply competition.
- c. IPP licencing.

- d. Quality, reliability, and performance standards monitoring and enforcement.
- e. Regulatory framework dealing with utility investment programmes and NEPRA's approval in a restructured environment.
- f. Regulatory framework dealing with power acquisition programmes and NEPRA's approval in a restructured environment.
- g. Incentive-based tariffs.
- h. Balancing interest of stakeholders.
- i. Complaint redressal mechanisms/appeals.
- j. Enforcement regimes and penalties (including monitoring and investigation)

The trip concluded with an announcement by USEA of the launching of a Regulatory Partnership with NEPRA under the USEA/USAID Global Energy Partnership Program. With this development, NEPRA has joined the international community of Energy Regulators providing several opportunities of learning and exchanges in the regulatory arena. NEPRA is the only member of USEA from Pakistan.



***The Chairman NEPRA and other participants of the meeting***

- iv. NEPRA participated in the ITIF-2005 Exhibition in Karachi. The Chairman graced the occasion as Guest of Honour on March 27 2005.
- v. Member (Licencing) visited UK to participate in the PPIB Road Show from March 2-3, 2005.
- vi. The SARI Program in India was attended by Vice Chairman (NEPRA), Additional Secretary (Regulation) - Cabinet Division and Director (CAD & Coord) in May, 2005 and by Director (Licensing) in June, 2005. Vice Chairman (NEPRA) delivered a lecture at TERI, New Delhi on Electric Power Structure of Pakistan with emphasis on future course of

development. Issues pertaining to market reforms, privatization and competition were presented as well as a broad overview of regional/global trends in the power market.



**Vice Chairman (NEPRA), Additional Secretary, Cabinet Division and Executive Director (TERI) attending the SARI programme in India**

- vii. In January 2005, Member (Licencing), Director (Licensing) and Economist participated in the 17<sup>th</sup> International Training Program on Utility Regulation and Strategy at the Public Utility Research Center (PURC), University of Florida in Gainesville, Florida, USA. Director (Tariff I) participated in the 18<sup>th</sup> Training Program in June, 2005.
- viii. Director (Privatization) proceeded to USA in January 2005 to pursue MA (Economics) degree with Advance Certificate in Law and Regulation at State University of New York.
- ix. NEPRA approved the course modules as presented by Dr. Joseph Wilson of Lahore University of Management Sciences (LUMS), Lahore for the three days Electric Power Regulatory Workshop at LUMS from June 13-15, 2005. The course was attended by Deputy Director (CAD), Assistant Director (Licencing) and Assistant Legal Adviser.

The Programme was inaugurated by Chairman, NEPRA. Member (Privatization) gave a presentation on various tariff issues during the workshop. Director (CAD) and Legal Adviser gave a presentation on issues pertaining to consumer affairs. The concluding session was chaired by the Governor of Punjab, Lt. Gen (R) Khalid Maqbool.

### **NEPRA Newsletter**

64. NEPRA has started the quarterly publication of a Newsletter in the name of "Electric Forum" in which the activities of NEPRA and major events during a quarter are highlighted. Two editions of the Newsletter were published during the year. The first edition covered the period of September-November, 2004. The second edition

reported the activities of NEPRA for the period December, 2004-March 31, 2005. The third issue covering the period April-June, 2005 would be published in July, 2005.

## **Administrative and Financial Matters**

### **Annual Audit**

65. As per Section 14 of NEPRA Act the Authority is required to maintain complete and accurate books of accounts of its expenses and receipts. The accounts of the Authority are audited annually by the Auditor General of Pakistan. The account of the Authority for the period 2003-04 has been audited by the AGP and their satisfactory explanations have been provided to the audit.

### **Coordination Wing and Public Relations Department**

66. Coordination Wing is the mainstay between the Authority and the professionals, integrating all wings/sections together. Coordination is a focal point for arranging/managing all regulatory meetings, discussion forums/hearings/seminars/trainings and workshops on technical issues. The Public Relations Department of NEPRA is responsible for logistic arrangements and media coverage of all hearings, seminars, training programmes and workshops. Public Relations Department also arranges publication of NEPRA Newsletter.

67. During the year a total number of 207 Authority Regulatory Meetings were held regarding Licencing, Tariff, Standards and Privatization. The month-wise status is as under:

Authority Regulatory Meetings (July 04-June 05)

|              |            |
|--------------|------------|
| July         | 14         |
| August       | 18         |
| September    | 16         |
| October      | 10         |
| November     | 13         |
| December     | 20         |
| Jan/2005     | 11         |
| February     | 17         |
| March        | 21         |
| April        | 14         |
| May          | 32         |
| June         | 21         |
| <b>Total</b> | <b>207</b> |

68. In addition to the above, a total number of 33 Meetings of the Authority were held during the year on different issues with local and foreign delegates. These

included, among others, meetings with the World Bank, Adviser to Prime Minister on Energy, officials of ADB, JBIC fact finding Mission on Power Sector and TATA Generation Power Company, India. A list of meetings of Authority with personnel of local and foreign organizations is at **Annexe-VI**.

69. The pictures of various activities arranged by Coordination Wing and the Public Relations Department are at **Annexe-VII**.

### **Performance Appraisal System**

70. Performance Appraisal System is being implemented in NEPRA. A draft performance appraisal form has been designed which is under review of members of the Authority.

### **Information Technology Services**

71. Information Technology (IT) is rapidly gaining the center stage for future world economic growth and development. IT is predominantly associated with tariffs and standards activities. NEPRA fully supports the officers and staff in the use of modern means of communication to enhance their knowledge and sharpen their skills through IT.

### **Computer Usage:**

72. A Local Area Network (LAN) of 48 nodes is functional in the NEPRA main office. In addition to that another Local Area Network is also operational at the additional office of the NEPRA located at PIA Building, 2<sup>nd</sup> Floor, Fazl-e-Haq Road, Islamabad. The Main facility that controls operations and working of the Local Area Network is the server room. It comprises of the two main servers that include a mail server and back up server.

### **Internet and Email Facilities:**

73. Presently NEPRA has Two DSL (Digital Subscriber Loop) connections from Micro net Broadband Internet Service Providing Company Islamabad. One DSL connection is operational at main office and the second is at the additional office.

### **Database House, Web-Site Maintenance and Multimedia Services:**

74. Record Management System is in operation and every document is available in an electronic format on Intranet for easy reference to the Authority members and professionals. Dedicated web-site in the URL name <http://www.nepra.org.pk> is being maintained to upgrade information on regular basis. Overhead and multimedia projectors are available for presentations to the Authority, Licensees, stakeholders and other events along with the sound system facility.

### **Library**

75. The library of NEPRA has as its mission the achievement of excellence in the provision and promotion of information services to meet the research and

development, needs for the growth and competency of the Regulator. It has a specialized collection of books, periodicals, magazines and journals on power sector regulation. The library, in addition to about 2500 books, subscribes 7 journals and 5 magazines. It has also obtained reference books such as International Electro-Technical Commission (IEC) Standards, Pakistan Standard Institute (PSI) Standards, Pakistan Law references and other legal documents.

### **Promotion, Absorption and Recruitment**

76. A number of officers were promoted to higher scales during the year. The services of Economist, working on deputation, were absorbed in NEPRA on regular basis w.e.f. November 13 2004.

77. In response to advertisements of various posts, three directors were appointed during the year and one director resigned. One deputy director and three assistant directors were appointed but one assistant director resigned a few months after joining. Deputy Director (Legal), Assistant Director and Assistant Legal Advisor were also appointed. A word processor was also employed. No suitable candidate could be found for the post of Senior Advisor (Licensing). Director (Standard-II) was reemployed for a period of two years after attaining the age of superannuation on the last drawn salary. One Assistant Librarian and a Security Guard joined NEPRA. Eight Naib Qasids were appointed on contract basis.

### **NEPRA Office-2**

78. Due to the vacation of House No.3, Street No.79, Sector G-6/4, Islamabad which served as NEPRA Office-2 and to meet the space requirement of incremental staff, the 2<sup>nd</sup> Floor of PIA Building in Blue Area, Islamabad was hired for setting up NEPRA Office-2. After carrying out quality renovation, the following from the main office were relocated to the new office:

- i. Licensing Division
- ii. Administration Division
- iii. Finance Division
- iv. Economist

### **NEPRA Tower-Multi Storey Office Building**

79. On the request of NEPRA, CDA changed the location of plot from H-8 to G-5 allotted to NEPRA for the construction of multi storey office building of NEPRA. The Prime Minister approved the change of venue. Possession of newly allotted plot has been taken over by the NEPRA Administration.

80. The Committee formed for the purpose has pre-qualified 9 architect firms for preparing design and estimating the project cost. The final selection will be made based on a detailed presentation to the Authority.

## SECTION VII

### ANTICIPATED DEVELOPMENTS IN 2005-06

#### **Licenses**

81. In the year 2005-06, Generation Licences are expected to be granted to Orient Power Company (Pvt.) Ltd., M/s Nadeem Power Generation (Pvt.) Limited, M/s Jubilee Energy (Pvt) Limited and Sarhad Hydel Development Organization for it's Malakand-III Hydropower project. There are certain small generating units in the domain of QESCO. As per the procedure they had been asked to apply to NEPRA for the grant of a generation licence. So far NEPRA has not received any application for the grant of the license in spite of being reminded several times. The licence is expected to be granted after receiving the request. Besides, distribution licenses are also expected to be granted to the seven SPPs.

82. A number of additional applications are expected, particularly for generation projects under the Government of Pakistan Power Policy 2002.

#### **Tariffs**

83. Determinations of Tariff are expected for M/s Lucky Energy (Pvt) Limited, M/s Nadeem Power Generation (Pvt) Limited, M/s Jubilee Energy (Pvt) Limited, Sarhad Development Organization and QESCO. Review of tariff determination for Orient Power Company Limited is also expected. Besides, Automatic Tariff Adjustments and determinations of new tariff petitions filed are also expected.

#### **Standards and Codes**

84. The following activities are expected:
- i. Authority approval of Distribution Codes of the remaining distribution companies i.e. IESCO, LESCO and FESCO and KESC.
  - ii. Monitoring procedures of the Authority's approved documents/codes.

#### **Consumer Affairs**

85. Finalization of Consumer Services Manual and criteria for power supply to the housing societies.

#### **NEPRA Newsletter**

86. The third edition of the Newsletter would be published in July, 2005. NEPRA will continue the publication of the Newsletter on a quarterly basis in future.



**List of Small Power Producers  
(SPPs)**

| <b>S. No.</b> | <b>Name of Company</b>             | <b>Capacity (MW)</b> | <b>Date of Grant of License</b> |
|---------------|------------------------------------|----------------------|---------------------------------|
| 1.            | Sapphire Power Generation Ltd.     | 25.8                 | 27.8.2001                       |
| 2.            | ICI Pakistan Power Generation Ltd. | 14                   | 27.10.2001                      |
| 3.            | Mahmood Power Generation Ltd.      | 9.2                  | 22.10.2001                      |
| 4.            | Crescent Power Tech. Ltd.          | 10.6                 | 22.10.2001                      |
| 5.            | Ellahi Electric Company Ltd.       | 21.96                | 22.10.2001                      |
| 6.            | Gulistan Power Generation Ltd.     | 20.95                | 16.11.2001                      |
| 7.            | Kohinoor Weaving Mills Ltd.        | 26.12                | 8.12.2001                       |
| 8.            | D.S. Power Ltd.                    | 1.98                 | 8.12.2001                       |
| 9.            | Monnoo Energy Ltd.                 | 4.6                  | 8.12.2001                       |
| 10.           | Century Power Generation Ltd.      | 12.3                 | 2.1.2002                        |
| 11.           | Sitara Energy Ltd.                 | 47.68                | 2.1.2002                        |
| 12.           | Bhanero Energy Ltd.                | 16.4                 | 31.1.2002                       |
| 13.           | Quetta Textile Mills Ltd.          | 18.32                | 31.1.2002                       |
| 14.           | Ideal Energy Ltd.                  | 11.82                | 4.4.2002                        |
| 15.           | Genertech Pakistan Ltd.            | 27.52                | 27.1.2004                       |
| 16.           | Kohinoor Power Company Ltd.        | 15.28                | 27.1.2004                       |
| 17.           | Ghazi Power Company Ltd.           | 20.82                | 27.1.2004                       |
| 18.           | Nishat Mills Ltd.                  | 9.5                  | 27.1.2004                       |
| 19.           | Kohinoor Textile Mills Ltd.        | 11.72                | 27.1.2004                       |
| 20.           | Zeshan Energy Ltd.                 | 6.9                  | 21.4.2004                       |
| 21.           | Nimir Industrial Chemicals Ltd.    | 13                   | 21.4.2004                       |
| 22.           | Zaman Energy Company Ltd.          | 16.95                | 21.4.2004                       |
| 23.           | Crescent Bahuman Energy Ltd.       | 11.632               | 21.4.2004                       |
| 24.           | Crescent Energy Ltd.               | 6                    | 21.4.2004                       |
| 25.           | Lucky Energy (Pvt.) Ltd.           | 12.545               | 19.4.2005                       |

**List of Isolated Generation Companies  
(IGCs)**

| <b>S. No.</b> | <b>Name of Company</b>              | <b>Capacity<br/>(MW)</b> | <b>Date of Grant<br/>of License</b> |
|---------------|-------------------------------------|--------------------------|-------------------------------------|
| 1.            | Engro Asahi Polymer & Chemicals     | 5.2                      | 11.11.2004                          |
| 2.            | Sapphire Energy Ltd.                | 11.02                    | 3.12.2004                           |
| 3.            | Anoud Power Generation Ltd.         | 23.84                    | 8.2.2005                            |
| 4.            | Olympia Power Generation Ltd.       | 5.88                     | 8.2.2005                            |
| 5.            | Nadeem Power Generation (Pvt.) Ltd. | 2.805                    | 29.11.2004 *                        |
| 6.            | Jubilee Energy (Pvt.) Ltd.          | 3.001                    | 24.5.2005 *                         |

\* Date of Hearing

**List of Independent Power Producers  
(IPPs)**

| <b>S. No.</b> | <b>Name of Company</b>               | <b>Capacity (MW)</b> | <b>Date of Grant of License</b> |
|---------------|--------------------------------------|----------------------|---------------------------------|
| 1.            | Fauji Kabirwala Power Company Ltd.   | 157                  | 30.8.2003                       |
| 2.            | AES Lal Pir Ltd.                     | 362                  | 30.8.2003                       |
| 3.            | AES Pak Generation Company           | 365                  | 30.8.2003                       |
| 4.            | Gul Ahmed Energy Ltd.                | 136.17               | 30.8.2003                       |
| 5.            | Tapal Energy Ltd.                    | 126                  | 30.8.2003                       |
| 6.            | Saba Power Company Ltd.              | 114                  | 30.8.2003                       |
| 7.            | TNB Liberty Power Ltd.               | 235                  | 30.8.2003                       |
| 8.            | Habibullah Coastal Power Company     | 140                  | 30.8.2003                       |
| 9             | Uch Power Company Ltd.               | 586                  | 30.8.2003                       |
| 10.           | The Hub Power Company Ltd.           | 1292                 | 30.8.2003                       |
| 11.           | Rousch (Pakistan) Power Ltd.         | 412                  | 2.9.2003                        |
| 12.           | Kohinoor Energy Ltd.                 | 131.44               | 2.9.2003                        |
| 13.           | Southern Electric Power Company Ltd. | 115.2                | 11.5.2004                       |
| 14.           | Japan Power Generation Ltd.          | 120                  | 11.5.2004                       |
| 15.           | Altern Energy Ltd.                   | 29                   | 2.9.2004                        |
| 16.           | DHA Cogen. Ltd.                      | 94                   | 1.1.2005                        |
| 17.           | Star Power Company (Pvt.) Ltd.       | 133.515              | 14.6.2005                       |
| 18.           | Orient Power Company (Pvt.) Ltd.     | 225                  | 10.3.2005 *                     |

\* Date of Hearing

**Automatic Tariff Adjustment of  
Ex-WAPDA Generation Companies**

| Name of Company                   | Number of Automatic<br>Tariff Adjustments |
|-----------------------------------|---|
| Central Power Generation Company  |   |
| August 2004                       | 2   |
| December 2004                     | 2   |
| April 2005                        | 1   |
| Northern Power Generation Company |   |
| August 2004                       | 1   |
| December 2004                     | 1   |
| June 2005                         | 1   |
| Jamshoro Power Generation Company |   |
| August 2004                       | 2   |
| December 2004                     | 2   |
| February 2005                     | 5   |
| March 2005                        | 3   |
| May 2005                          | 1   |

**Adjustments Made in Determinations  
for Tariff Review Motions of DISCOs**

| Distribution Company | Date of Original Determination | Date of Revised Determination | Assessed Average Sale Rate during 2005 (Rs./kWh) |         |
|----------------------|--------------------------------|-------------------------------|--|---------|
|                      |                                |                               | Original   | Revised |
| IESCO                | 24.6.2004                      | 5.11.2004                     | 3.86   | 3.78    |
| GEPCO                | 24.6.2004                      | 10.11.2004                    | 3.91   | 3.76    |
| FESCO                | 9.6.2004                       | 3.11.2004                     | 3.69   | 3.72    |
| MEPCO                | 2.7.2004                       | 12.11.2004                    | 4  | 3.77    |
| LESCO                | 2.7.2004                       | 10.11.2004                    | 3.77   | 3.75    |
| PESCO                | 14.7.2004                      | 12.11.2004                    | 3.83   | 3.91    |
| HESCO                | 14.7.2004                      | 12.11.2004                    | 4.06   | 4.27    |
| QESCO                | 14.7.2004                      | 12.11.2004                    | 3.14   | 3.8     |

**Meetings of the Authority with Local  
and Foreign Personnel**

| <b>S. No.</b> | <b>Date</b> | <b>Subject</b>  |
|---------------|-------------|---|
| 1.            | 1.7.04      | Authority Meeting -briefing to Secretary Privatization on NEPRA functions and Activities  |
| 2.            | 22.7.04     | Authority Meeting on Power Project under the Provision of Power Policy 2002- Authority Special Meeting  |
| 3.            | 2.9.04      | Authority Meeting on Comprehensive Statement on Thar Project in Pakistan  |
| 4.            | 7.9.04      | Authority Discussion meeting on Draft PPA between NTDC and WAPDA Hydel Generation   |
| 5.            | 7.9.04      | Authority Meeting on Energy Partnership Program –United States Energy Association Possibility of NEPRA-USE Partnership  |
| 6.            | 7.9.04      | Meeting on Proposal for Establishing a Research and Training Institute on Public Utilities Regulation in Pakistan   |
| 7.            | 8.9.04      | Presentation on Thar Coal Project by Ch. M. Akbar, Consultant   |
| 8.            | 22.9.04     | Authority Presentation on NEPRA functions and activities to Minister for Water and Power  |
| 9.            | 12.10.04    | Authority Meeting on Power Sector Mission , World Bank visit from September 27-October 21, 2004   |
| 10.           | 19.10.04    | Authority Meeting on South Asia Regional Trade Work presented by Director(Privatization)  |
| 11.           | 20.10.04    | Authority Meeting on Proposed Project Technical Assistance for renewable Energy Development- (Consultation Mission – ADB)   |
| 12.           | 29.10.04    | Brief Session at NEPRA Main office- MD, PPIB and his team   |
| 13.           | 2.12.04     | Presentation by Ms. Sonia Lioret from SDPI  |
| 14.           | 2.12.04     | Authority Meeting on Infrastructure TA Loan to Pakistan –Fact finding Mission (ADB)   |
| 15.           | 9.12.04     | Authority Meeting on Power Sector Mission –Tariff determination, Power purchase cost pass through, least cost power acquisition program, support being provided under Public Sector Capacity Building Project, and other related matters. |
| 16.           | 25.1.05     | Authority Meeting on SAFIR Steering Committee Meeting –Host entity and other Matters  |

|     |          |  |
|-----|----------|--|
| 17. | 1.2.05   | Authority Meeting on Poverty Reduction Support Credit-II (PRSC-II) Mission.  |
| 18. | 11.2.05  | Authority Meeting with IFC to review the developments in the power sector  |
| 19. | 10.2.05  | Authority Meeting with Mr. Ropert W. Beckman of USAID on SARI/Energy Program   |
| 20. | 14.2.05  | Authority Meeting on Current Issues in power Sector  |
| 21. | 22.2.05  | Authority Meeting on Public Sector Capacity Building with World Bank   |
| 22. | 22.2.05  | Authority Meeting with Laraib Energy Limited   |
| 23. | 23.2.05  | Authority Meeting on Public Sector Capacity Building Project with World Bank   |
| 24. | 2.3.05   | Authority Meeting with Dr. Parvaiz Naim on the Prospects of Hydro Power Development in Pakistan                                |
| 25. | 16.3.05  | Authority Meeting with SAIGOLS (pvt) Limited on Investment in Power Generation Projects  |
| 26. | 16.3.05  | Authority Meeting with Chief Executive KAPCO   |
| 27. | 27.4.05  | Authority Meeting with TATA Power Company Team   |
| 28. | 11.05.05 | Authority Meeting with Mr. Mukhtar Ahmad, Adviser to the Prime Minister  |
| 29. | 13.05.05 | Visit of M/s Orient Power company for meeting with Authority   |
| 30. | 17.05.05 | Authority Meeting on Poverty Reduction Support Credit-II (PRSC-II) Mission   |
| 31. | 20.5.05  | Presentation to Authority on Funding for NEPRA under a USAID project by Dr. Shah Qureshi, Director (SQ –Associates), Australia |
| 32. | 7.6.05   | Discussion on Tariff to Orient Power Company   |
| 33. | 22.6.05  | Authority Meeting with JICA-JBIC Fact Finding & Recommendation Survey Mission on Infrastructure ( Power Sector)                |
| 34. | 30.6.05  | Authority Meeting on TOR for Tariff Model under PSCBP (World Bank)   |

**Annexe–VII**

**Various Activities Arranged by Coordination Wing  
and Public Relations Department**



***Dr. Abdul Hafeez Sheikh, Minister for Privatization and Investment and Lt. Gen (R) Saeed uz Zafar, Chariman NEPRA coming to attend the opening session of the SAFIR Core Course in Islamabad***



***Mohammadmian Soomro, Chairman Senate, Chairman NEPRA and Shahid Hassan Khan of TERI at the closing session of SAFIR Sixth Core Course***



***Meeting of Authority with the Managing Director of PPIB in Main Office of NEPRA***



***Chairman WAPDA, Mr. Tariq Hameed in a meeting with Chairman NEPRA at NEPRA Headquarters in Islamabad***





**Meeting of Begum Nasreen M. Kasuri with Chairman NEPA in his office**



**Meeting of Dr. Firdous Ashiq Awan, Parliamentary Secretary Cabinet Division with Chairman NEPA in his office**



**Discussion meeting of World Bank Mission on Poverty Reduction Support Credit-II in the conference room of NEPA**



**View of the meeting with ADB officials Meeting of the Authority with officials of ADB**



**Meeting with JBIC Fact Finding Mission on Power Sector**



**Meeting with TATA Power Generation Company, India**

