

**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY  
CONSUMER ELIGIBILITY CRITERIA (DISTRIBUTION LICENSEES)  
REGULATIONS, 2022**

**NOTIFICATION**

Islamabad, the <sup>th</sup> 28 day of March, 2022

**S.R.O. 448 (I)/2022** — In exercise of the powers conferred by section 47 read with sub-section (2) of section 21 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (Act No. XL of 1997) and all other enabling provisions thereof, the National Electric Power Regulatory Authority is pleased to make the following regulations.—

**1. Short title and commencement.**— (1) These regulations shall be called the National Electric Power Regulatory Authority Consumer Eligibility Criteria (Distribution Licensees) Regulations, 2022.

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

**2. Definitions.**— (1) In these regulations, unless there is anything repugnant in the subject or context,

- (a) "Act" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (Act No. XL of 1997), as amended from time to time;
- (b) "applicable documents" means the rules, regulations, terms and conditions of any licence, registration, authorization, determination, any codes, manuals, directions, guidelines, orders or notifications issued or approved under the Act;
- (c) "applicant" means any person who applies to a distribution licensee for provision of electricity connection or modification in the existing electricity connection;
- (d) "Common Distribution System" means the distribution system of a distribution licensee other than the Dedicated Distribution System or Sponsored Dedicated Distribution System;
- (e) "connecting point" means the point where the dedicated distribution system of the applicant is connected with the Common Distribution System;
- (f) "Dedicated Distribution System" means that part of the distribution system, required for distribution of electric power for the sole consumption of the applicant and not for distribution or supply of electric power to any other consumer and shall comprise of the distribution system from the connecting point up to the interconnection point of the applicant including the metering and service wire and such other connection arrangements;



- (g) "Distribution Service Manual" means the manual of instructions developed by a distribution licensee and approved by the Authority detailing instructions and guidance to the persons connected or to be connected to the distribution system of the licensee in accordance with the applicable documents;
- (h) "electricity connection" means a physical connection along with relevant meter and allied infrastructure installed at the premises of a consumer to enable the consumer to connect to the distribution system of the distribution licensee to purchase or receive electric power from an electric power supplier;
- (i) "Electric Inspector" means an Electric Inspector appointed under the Electricity Act, 1910 (Act No. IX of 1910);
- (j) "interconnection point" means the point where the metering installation of the consumer is connected to the Dedicated Distribution System;
- (k) "metering installation" means the metering and associated equipment required to be installed for recording consumption or usage of electric power of the consumer;
- (l) "prudent utility practices" means the practices of a distribution licensee seeking, in good faith, to perform its obligations and in the conduct of its licensed activity exercising that degree of skill, diligence, prudence and foresight which may reasonably be expected from a skilled and experienced operator and complying with the applicable documents;
- (m) "sponsor" means a person or persons that sponsor the development of a Sponsored Dedicated Distribution System; and
- (n) "Sponsored Dedicated Distribution System" means a distribution system developed or to be developed by a sponsor for provision of electric power services for an area where a Common Distribution System does not exist.

(2) Words and expressions used but not defined in these regulations shall have the same meanings as assigned to them in the Act, the National Electric Power Regulatory Authority Licensing (Distribution) Regulations, 2022 and other applicable documents.

**3. Eligibility criteria for consumers of distribution licensees.—** (1) Following shall be the eligibility criteria for a person to obtain an electricity connection from a distribution licensee:

- (a) the applicant has filed an application in the form and manner provided in the Distribution Service Manual:

Provided that the distribution licensee shall make available on its website and in its offices the relevant application forms and information concerning all other requirements including guidelines for filing of the application by the applicants;



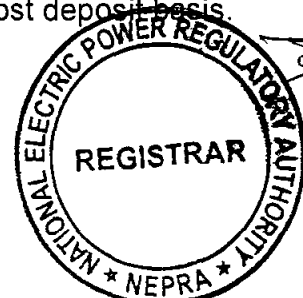
- (b) the applicant has deposited the applicable charges (if any) for the proposed dedicated distribution system up to the interconnection point including the metering installation;
- (c) the applicant's wiring installation, transformation and protection equipment downstream of the interconnection point has been tested and certified by the Electric Inspector to be in conformity with the relevant technical and safety standards;
- (d) the distribution licensee is satisfied with respect to compliance of the technical and safety standards as per the applicable operating codes and manuals;
- (e) the applicant has made payment of security deposit for the electricity connection, as applicable;
- (f) no arrears of electricity bills are outstanding against the premises for which the applicant has sought the electricity connection;
- (g) the applicant has not been declared as insolvent by any competent court of law;
- (h) the applicant has not been convicted of an offence of electric power theft under the law:

Provided that if an undertaking 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 power or non-payment of bills, the applicant, who has been convicted of an offence of electric power theft, shall also be eligible for the electricity connection.

(2) All charges to be deposited by an applicant shall be estimated in accordance with the prudent utility practices, the Distribution Service Manual and applicable determinations of the Authority issued from time to time. In case of any changes in connection charges, the distribution licensee shall submit the same to the Authority for its prior approval.

**4. Extension and reinforcement of the Common Distribution System.—** If an extension or reinforcement is required to be made in the Common Distribution System within the service territory of the licensee in order to provide an applicant the electricity connection as per regulation 3 of these regulations, the licensee shall carry out the required extension or reinforcement at its own cost in accordance with its investment programme approved by the Authority.

**5. Development of a Sponsored Dedicated Distribution System.—** (1) Where a Common Distribution System does not exist in a specified area in the service territory of a distribution licensee, a Sponsored Dedicated Distribution System may be developed either by the Sponsor itself in accordance with the approved standards of the distribution licensee or through the concerned distribution licensee on cost deposit basis.



(2) Subsequent to development of Sponsored Dedicated Distribution System in accordance with sub-regulation (1), the distribution licensee shall take over the Sponsored Dedicated Distribution System and thereby reinforcement, extension, operation and maintenance of the system shall be responsibility of the respective distribution licensee:

Provided that in cases where a part or whole of the Sponsored Dedicated Distribution System is energized, the distribution licensee shall be obligated to take over such part or whole of the Sponsored Dedicated Distribution System for reinforcement, extension, operation and maintenance of the system within such part or whole of the system.

(3) The sponsor shall not engage in distribution or supply of electric power within the Sponsored Dedicated Distribution System without obtaining relevant licences from the Authority in accordance with the applicable documents.

**6. Conversion of Sponsored Dedicated Distribution System.—** (1) The Sponsored Dedicated Distribution System may be converted into Common Distribution System on the request of the sponsor subject to the condition that it is developed in accordance with the approved standards of the distribution licensee.

(2) Where a distribution licensee converts the Sponsored Dedicated Distribution System into Common Distribution System in pursuance of a request made under sub-regulation (1), the augmentation and extension of the system shall be carried out by the distribution licensee without any charges from the sponsor:

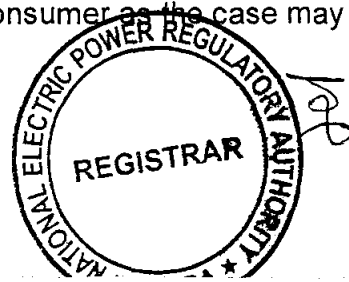
Provided that, notwithstanding conversion of the Sponsored Dedicated Distribution System into Common Distribution System, it shall not form part of the assets of the distribution licensee and the distribution licensee shall not be obliged to reimburse the cost of the Sponsored Dedicated Distribution System to the sponsor.

(3) A distribution licensee shall, at its own initiative, have the right to change the Sponsored Dedicated Distribution System into Common Distribution System in the public interest subject to compensation for the system to the sponsor as mutually agreed between the sponsor and the distribution licensee.

(4) In the event a sponsor and a distribution licensee are not able to mutually agree on conversion of a Sponsored Dedicated Distribution System into a Common Distribution System, the matter may be referred to the Authority for a decision.

**7. Treatment of pending applications.—** The existing consumers of a distribution licensee or the applicants who filed an application for electricity connection or modification of an existing electricity connection prior to notification of these regulations, shall be treated in accordance with the Consumer Eligibility Criteria notified vide SRO 743(I)/2003 as amended from time to time prior to notification of these regulations.

**8. Operation and maintenance of Dedicated Distribution System.—** (1) The Dedicated Distribution System of the consumers shall be operated and maintained by the distribution licensee up to the metering installation of the consumer as the case may be.



(2) The cost incurred for replacement of any equipment including switchgear, transformer, high and low tension lines in the Dedicated Distribution System shall be borne by the consumer:

Provided that the cost for maintenance and replacement of service wire, from connecting point up to the metering installation, arising due to any reasons not attributable to the consumer shall be responsibility of the distribution licensee.

**9. Removal of Dedicated Distribution System.—** (1) Upon removal or replacement of a Dedicated Distribution System or any part thereof, on account of permanent disconnection, extension or reduction of load, change of tariff, shifting of site or for any other similar reasons, the distribution licensee shall retain the Dedicated Distribution System or any part thereof as the case may be if the material is not utilized for extension or reduction of load, change of tariff, shifting of site, etc. upon payment in the manner specified as under:

- (a) the monetary value of any serviceable equipment such as switchgear, transformer and others, in the Dedicated Distribution System or any part thereof shall be determined by taking useful life as twenty years for calculation of depreciation for adjustment at the rate of five percent per annum:

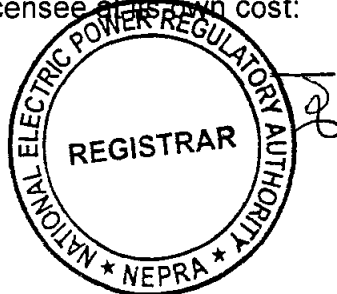
Provided that, in any case, the depreciated value of the serviceable equipment shall not be less than twenty percent of the initial capital cost and there shall not be any compensation for non-serviceable material and equipment; and

- (b) the cost of removal of Dedicated Distribution System, if any, shall be borne by the distribution licensee.
- (2) The payment of Dedicated Distribution System or any part thereof shall be made:
- (a) in lump sum after adjustment of any arrears and pending bills in case of permanent disconnection, within two months of the date of disconnection; or
- (b) through adjustment in cost demanded for new or additional equipment to be installed in the dedicated distribution system:

Provided that 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 the concerned distribution licensee by crediting the value of the removed Dedicated Distribution System in future bills of the consumer within two months.

**10. Conversion of Dedicated Distribution System.—** (1) The Dedicated Distribution System, other than service wire and meter, may be converted into Common Distribution System on the written request of the owner. In such case, the augmentation and extension of the system shall be carried out by the distribution licensee at its own cost:

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Provided that, notwithstanding conversion of such system into Common Distribution System, it shall not form part of the assets of the distribution licensee and the distribution licensee shall not be obliged to reimburse the cost of the Dedicated Distribution System to the owner:

Explanation.— For the purposes of this regulation, owner shall mean the person or its successor-in-interest on whose application the Dedicated Distribution System was installed.

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

**11. Non-discriminatory and equitable treatment.—** (1) A distribution licensee shall ensure that all applicants and consumers are treated in a non-discriminatory, fair, transparent and just manner.

(2) Where an applicant does not meet any part of the eligibility criteria, the distribution licensee shall explain the relevant deficiency in writing within ten working days and provide reasonable opportunity to the applicant to rectify the same before a final decision on the application.

**12. Consumer complaints and dispute resolution.—** (1) A distribution licensee shall make available complaints-handling mechanisms that provide consumers or applicants with expeditious, fair, transparent, inexpensive, accessible, speedy and effective dispute resolution without unnecessary cost or burden.

(2) Any complaints or disputes in relation to these regulations that are not addressed by the distribution licensee to the satisfaction of the consumer or applicant may be referred to the Authority for a decision.

**13. Repeal of Consumer Eligibility Criteria 2003.-** (1) Upon notification of these regulations, the Consumer Eligibility Criteria, 2003 notified vide S.R.O.743 (I)/2003 and subsequent amendments made therein shall stand repealed.

(2) The repeal of the Consumer Eligibility Criteria, 2003 and subsequent amendments made therein, under sub-regulation (1), shall not adversely impact any rights or obligations accrued thereunder and these regulations shall be applicable only on such applicants who make an application for a connection after notification of these regulations.



*(Signature)*  
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**(Syed Safer Hussain)**  
Registrar

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