

[AS REPORTED BY THE STANDING COMMITTEE]

A

**BILL**

*further to amend the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997*

**WHEREAS** it is expedient further to amend the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997) for the purpose hereinafter appearing;

It is hereby enacted as under:-

**1. Short title and commencement:-** (1) This Act may be called the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2011.

(2) It shall come into force at once.

**2. Amendment of section 2, Act XL of 1997.** In the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), hereinafter referred to as the said Act, in section 2, in clause (xxi), after the word "undertaking" the commas and words "authority, or body corporate set up or controlled by the Federal Government or, as the case may be, the Provincial Government" shall be added.

**3. Amendment of section 3, Act XL of 1997.-** In the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), in section 3, for sub-section (3), the following shall be substituted, namely:-

"(3) The Chairman shall be an eminent professional of known integrity and competence with at least twenty years of related experience in law, business, engineering, finance, accounting, economics, the electric utility business, public administration or management."

**4. Amendment of section 7, Act XL of 1997.-** In the said Act, in section 7, in sub-section (2),-

- (a) in clause (f), the word "and" at the end, shall be omitted; and
- (b) for clause (g), the following shall be substituted, namely:-

"(g) review its orders, decisions or determinations;

(h) settle disputes between the licensees;

(i) issue guidelines and standards operating procedures; and

(j) perform any other function which is incidental or consequential to any of the aforesaid functions."

**5. Insertion of section 11-A, Act XL of 1997.-** In the said Act, after section 11, the following new section shall be inserted, namely:-

"11A. **Appeal.**- Any person aggrieved by any decision or order of the Single Member of the Authority or, as the case may be, Tribunal established under section 11 may, within thirty days of the decision or order, prefer appeal to the Authority in the prescribed manner and the Authority shall decide such appeal within sixty days."

6. **Amendment of section 29, Act XL of 1997.** - In the said Act, in section 29.-

- (a) for the words "three hundred thousand" the words "one hundred million" shall be substituted; and
- (b) for the words "a higher penalty as may be prescribed" the words "a fine which may extend to five hundred thousand rupees per day" shall be substituted.

7. **Amendment of section 38, Act XL of 1997.**- In the said Act, in section 38, after sub-section (2), the following new sub-section shall be added, namely:-

- "(3) Any person aggrieved by any decision or order of the Provincial Office of Inspection may, within thirty days of the receipt of the order, prefer appeal to the Authority in the prescribed manner and the Authority shall decide such appeal within sixty days."

**STATEMENT OF OBJECTS AND REASONS**

The Economic Coordination Committee (ECC) of the Cabinet in its meeting held on 17<sup>th</sup> November, 2009 considered the summary of Ministry of Water and Power dated 26<sup>th</sup> October, 2009 on the subject "**Steps taken by NEPRA to Regulate KESC**". The ECC directed that:-

Measures for strengthening the enforcement role of Power Sector Regulator (NEPRA) be initiated and comprehensive proposals be submitted by Ministry of Water and Power to the Cabinet for approval.

2. In compliance with the directions of ECC of the Cabinet, NEPRA has carried an exercise to adopt some suitable regulatory measures to strengthen its existing enforcement capacity to regulate power sector. For this purpose, NEPRA has proposed five amendments in sections 2, 7, 11, 29 & 38 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 commonly known as NEPRA Act, 1997.
3. To strengthen the regulatory mechanism of NEPRA, a monitoring cell has been established to monitor compliance with the Act, Rules, Regulations, terms and conditions of the licensees and applicable documents etc. to include any Ministry/Division/Department of Federal or Provincial Government, the definition of person has been modified.
4. Under section 12(e) of the Act, the Authority cannot delegate power to review its orders. The Authority is reviewing its decision. To remove ambiguity explicit power is being proposed. The Authority is assigned to settle the disputes between the licensees under section 11 of the Act. To be expressive and clear understanding of all, the power to settle disputes between licensees is being introduced.
5. A new sub section has been suggested after sections 11 and 38 of the Act to give right of appeal before the Authority against the decision of single member of the Authority, any order/decision of the Provincial office of inspection or a tribunal constituted under sections 11 & 38. This will provide a legal remedy to the complainant to file appeal before the Authority.
6. Amount of fine in the existing provision is too low which needs to be reviewed. An amount of Rs. One hundred million has now been proposed. In the Pakistan Telecommunication (Re-organization) Act, 1996 the amount of fine is Rs. 350/- million. The amount of Rs. 300,000/- does not create adequate deterrence to the licensee for not repeating the offence.
7. The Bill seeks to achieve the above said objectives.

**Nawabzada Ghazanfar Ali Gul**  
Adviser to the Prime Minister on Political Affairs

**NATIONAL ASSEMBLY SECRETARIAT**

**LIST OF AMENDMENTS**

**THE REGULATION OF GENERATION, TRANSMISSION AND  
DISTRIBUTION OF ELECTRIC POWER (AMENDMENT)  
BILL, 2010**

**CLAUSE 3**

1. **MR. ZAHID HAMID  
SARDAR MUHAMMAD YAQOUB KHAN NASIR  
MS. ANUSHA REHMAN KHAN ADVOCATE  
RANA MAHMOOD-UL-HASSAN  
SHAIKH ROHALE ASGHAR  
LT. GENERAL (RETD) ABDUL QADIR BALOCH  
ENGINEER KHURRAM DASTGIR KHAN  
MR. MUHAMMAD PERVAIZ MALIK  
MR. MUHAMMAD HANIF ABBASI  
CH. ABID SHER ALI  
SARDAR AYAZ SADIQ** to move

that in clause 3, of the Bill, as reported by the Standing Committee,-

- (i) in the proposed sub-section (3), for the words “the electric utility business, public administration or management.” occurring in the third and fourth lines, the words “or the power industry” shall be substituted; and
- (ii) in sub-section (4), of the Act, for the words “electric utility”, occurring in the third line, the word “power” shall be substituted.

**CLAUSE 5**

2. **MR. ZAHID HAMID**  
**SARDAR MUHAMMAD YAQOUB KHAN NASIR**  
**MS. ANUSHA REHMAN KHAN ADVOCATE**  
**RANA MAHMOOD-UL-HASSAN**  
**SHAIKH ROHALE ASGHAR**  
**LT. GENERAL (RETD) ABDUL QADIR BALOCH**  
**ENGINEER KHURRAM DASTGIR KHAN**  
**MR. MUHAMMAD PERVAIZ MALIK**  
**MR. MUHAMMAD HANIF ABBASI**  
**CH. ABID SHER ALI**  
**SARDAR AYAZ SADIQ**                      **to move**

that in clause 5, of the Bill, as reported by the Standing Committee, for the figures, hyphen and letter "11-A" occurring twice, the figures, hyphen and letter "12-A" shall be substituted.

**INSERTION OF NEW CLAUSE 7**

3. **SYED NAVEED QAMAR** Minister for Water and Power    **to move-**

that in the Bill, as reported by the Standing Committee, after clause 6, the following new clause 7, shall be inserted and the existing clause 7, shall be re-numbered as clause 8, namely:-

**"7. Amendment of section 31, Act XL of 1997.-** In the said Act, in section 31, in sub-section (4), for the second proviso, the following shall be substituted, namely:-

**"Provided further that the Authority shall, on a monthly basis and not later than a period of seven days, make adjustments in the approved tariff on account of, any variations in the fuel charges and, policy guidelines as the Federal Government may issue and, notify the tariff so adjusted in the official Gazette."**

**Islamabad, the**  
**11<sup>th</sup> August, 2011.**

**KARAMAT HUSSAIN NIAZI**  
**Secretary**