



**MINUTES OF 134TH BOD MEETING
HELD ON 16TH OCTOBER, 2017**



HYDERABAD ELECTRIC SUPPLY COMPANY

OFFICE OF THE COMPANY SECRETARY
HESCO HYDERABAD

No.HESCO/CS/Min-134th BOD meet:/4861-77


19th October, 2017

1. **Prof. Dr. Muhammad Aslam Uqaili**, Chairman BOD HESCO.
2. **Mr. Mehmood Nawaz Shah**, Director BOD HESCO.
3. **Mr. Shafique Ahmed Mehasar**, Director BOD HESCO
4. **Mr. Saeed Ahmed Mangnejo** Director BOD HESCO
5. **Mr. Waqas Anwar Qureshi**, Director BOD HESCO.
6. **Mr. Tassaduq Hussain**, Director BOD HESCO.
7. **Mr. Mahfooz Ahemd Bhatti**, Director BOD HESCO.
8. **Mr. Raham Ali otho**, Director BOD / CEO HESCO.

Subject: **MINUTES OF 134TH BOD OF HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED**

The minutes of 134th BOD meeting of Hyderabad Electric Supply Company Limited held on 16th October, 2017 at 11:00 am in the Committee Room, HESCO Power Wing Colony, Hussainabad Hyderabad duly signed by the Chairman BOD HESCO are sent herewith for your information please. —

DA / as above


(TARIQ MAJEED) 19-10-17
DG HR / COMPANY SECRETARY
BOD HESCO HYDERABAD

Cc to:

1. General Manager (Technical), HESCO Hyderabad
2. General Manager (Operation), HESCO Hyderabad.
3. Chief Engineer (Development) PMU, HESCO Hyderabad.
4. Chief Commercial Officer, HESCO Hyderabad.
5. Chief Engineer (P&E), HESCO Hyderabad.
6. Admn & HR Director, HESCO Hyderabad.
7. Finance Director, HESCO Hyderabad.
8. Master File.

134th BOD MEETING HELD ON 16.10.2017 AT COMMITTEE ROOM POWER WING COLONY HYDERABAD.

Meeting of the 134th BOD HESCO was held on 16th October, 2017 (Monday) at 11:00 am in the Committee Room, HESCO Power Wing Colony Hussainabad, Hyderabad. The meeting was presided over by the Chairman of BOD Prof. Dr. Mohammad Aslam Uqaili. The following members attended the meeting:

Present:

- | | |
|------------------------------------|-------------------------------|
| 1) Prof. Dr. Mohammad Aslam Uqaili | Chairman |
| 2) Mr. Mehmood Nawaz Shah | Director |
| 3) Mr. Raham Ali Otho | Director/CEO HESCO |
| 4) Mr. Shafique Ahmed Mahesar | Director |
| 5) Mr. Saeed Ahmed Mangnejo | Director |
| 6) Mr. Waqas Anwar Qureshi | Director |
| 7) Mr. Tassaduq Hussain | Director (Through video link) |
| 8) Mr. Tariq Majeed | Company Secretary |

The meeting started with the recitation of Holy Qura'an. The Chairman welcomed all the participants and stressed for the need of effective measures to make the company as profitable and service oriented utility.

Agenda-1 **CONFIRMATION OF THE MINUTES OF 133RD BOD MEETING HELD ON 11TH AUGUST, 2017.**

Decision Board of Directors confirmed the minutes of its 133rd meeting held on Friday, the 11th August, 2017 as a true and correct record of proceedings.

Before discussing the agenda of the meeting, Mr. Saeed Ahmed Dawach Chief Engineer (P&E) submitted before the board that the minutes of 132nd and 133rd BOD meeting were circulated vide Company Secretary, BOD HESCO's memo No.4585-4605 dated 11.8.2017 & even No.4650-71 dated 8.9.2017 respectively. He pointed out that in the minutes of 132nd BOD at Page No.7 of 8 the Ex-Agenda-14 had wrongly been mentioned as "**Late Payment Surcharge GOS**" which may be corrected and read as "**Late Payment Surcharge of all Government Connections (Federal/Provincial)**" Similarly, he drew the attention of the board towards the minutes of 133rd BOD at page No.3 of 9 under Agenda-05 at line # 1 to 3 of the



Decision the words **Current fiscal year i.e. 2017-18** may be deleted and corrected as **"one year i.e. with effect from the date of agreement"**.

"Board principally approved the appointment of M/S Enmasse (Pvt) Ltd, Lahore as Consultants for SAP & REP Works under HESCO for **one year i.e. with effect from the date of agreement"**.

Decision. The BOD approved the above amendments.

Mr. Waqas Anwar Qureshi invited the attention of the BOD towards a media report aired by M/S ARY news channel regarding a report of the involvement of some officials of HESCO Mirpurkhas Division in corrupt practices and lamented the incident and called upon the management to take prompt action against such elements who causes embarrassed situation for the organization. Mr. Mehmood Nawaz Shah also spoke on the occasion and asked the management to adopt zero tolerance policy towards all those employees who are indulged in corrupt practices. Prof. Dr. Mohammad Aslam Uqaili castigated such elements and suggested that consumers should be provided an opportunity to approach the management for the redressal of their genuine grievances so that the unlawful activities of corrupt elements could be curbed. Mr. Raham Ali Otho Chief Executive Officer HESCO clarified that this incident had occurred on 6.10.2016 at Revenue Office HESCO Mirpurkhas. The matter was got enquired and responsible two officials were removed from service and the XEN Operation Division HESCO Mirpurkhas and R.O. Mirpurkhas were issued Warning letters as per the recommendation of the enquiry committee. He assured the board that stern action will be taken against all employees involved in unlawful activities forthwith without succumbing to any pressure.

Agenda-2 **APPROVAL OF EXTENSION OF DELIVERY SCHEDULE FOR DESIGN, SUPPLY, INSTALLATION AND COMMISSIONING OF AMI SOLUTION ON GOVT. OF SINDH CONNECTIONS AGAINST PURCHASE ORDER NO.MMM/HESCO/DM/(P&PD)/17579-89/03/AMR/HESCO DATED 02.03.2017**

The Chief Commercial Officer submitted before the BOD that HESCO has planned to install AMI GSM/GPRS enabled Single Phase, Three Phase Whole Current & CT Operated Energy Meters in different areas of HESCO on Government of Sindh connections. These meters will communicate their data through suitable cellular mobile network to main MDC/MDM to be installed at HESCO Computer Centre, Power Wing Colony, HESCO, Hyderabad. This data will be available for billing and useful analysis. The purpose of this initiative is to ensure accurate billing to Government of Sindh connections, in order to resolve



the billing disputes & reduce billing cycle. This data initiative will also be useful for analysis and future planning purpose. Deployment of Automated Meter Reading (AMR) / Advance Metering Infrastructure (AMI) was envisioned for HESCO to further improve its services. He further informed that as per approval of competent authority the purchase order was issued to M/S Accurate (Pvt) Ltd Lahore for design, supply, installation and commissioning of AMI solution on Government of Sindh connection in HESCO with the delivery schedule that the Project should be executed and commissioned within 36 weeks from the date of signing of the contract. Building work is under process and the construction will be completed on 15.1.2018. Now M/S Accurate Pvt. Ltd Lahore have requested for extension of delivery schedule to accomplish the assignment by the end of March 2018. Therefore, the BOD was requested to accord approval for extension of delivery schedule up to 31.3.2018. Mr. Mehmood Nawaz Shah enquired about the delay in complication of the building. The CEO replied that the 1st Floor has been completed whereas the second floor is about to complete, therefore, they needed extension of delivery by the end of March 2018.

Decision The BOD approved the extension of delivery schedule up to the end of March 2018.

Agenda-3 **APPROVAL FOR 11KV INDEPENDENT FEEDER HAVING 5.7 KM LENGTH EMANATING FROM 132 KV GRID STATION NAWABSHAH SITE FOR SUPPLY OF 900 KW CONNECTION TO SHAHEED BENAZIR UNIVERSITY NAWABSHAH, DISTRICT SHAHEED BENAZIRABAD. (ON COST DEPOSIT BASIS)**

The Chief Engineer (P&E) submitted that Project Director Sh. Benazir Bhutto University Nawabshah, has requested for supply of power through independent feeder to University. He requested the BOD to accord administrative approval of aforesaid work for an amount of Rs.13,718,505/- as the same has already been recommended by the Procurement Committee. Mr. Waqas Anwar Qureshi enquired about the payment procedure. The CEO replied that the amount will be borne by the University.

Decision The BOD approved the proposal / item note.

Agenda-04 **APPROVAL FOR ELECTRIFICATION OVERHEAD SYSTEM OF QADIR AVENUE HOUSING SCHEME R.S NOS. 115, 116, 134, (PARTS) & R.S NOS. 126, 127/A-B, 128/A-B, 129/A-B, 130/A-B, 131, 132, 135, 136/A-B, 137/A-B DEH GUJJO TALUKA CITY HYDERABAD DISTRICT HYDERABAD**

The Chief Engineer (P&E) HESCO submitted that the design of electrification of Overhead system of Qadir Avenue Housing Scheme, having area of 45



Acres & 15 Ghuntas has been submitted by M/S Ansari Group of Engineers. The said housing scheme will be fed through an 11KV independent feeder to be emanated from 132KV Grid Station Rajputana. This feeder has been designed to share 1/3rd cost of existing 45' structures of already double circuited 11KV Mubarak Colony & Agha Khan feeders. He requested the BOD to accord administrative approval of aforesaid work for an amounting to Rs.29,743,216/- as the same has already been recommended by the Procurement Committee of BOD. He informed the BOD that the sponsor has given free of cost land measuring about 4:00 acre situated at New Hyderabad City for the construction of 132 KV Grid Station on which 8 No. 11KV feeders emanating from 220 KV Hala Grid Station will be shifted.

Decision The BOD accorded administrative approval of aforesaid work for an amounting to Rs.29,743,216/-.

Agenda-05 APPROVAL OF S.O.P THROUGH 11KV INDEPENDENT FEEDER HAVING TOTAL LENGTH OF 8.0 KM EMANATING 132 KV GRID STATION NAWABSHAH SITE (III) WITH THE ESTIMATED COST OF RS12,459,532/- IN FAVOUR OF BAKHTAWAR CADET COLLAGE FOR GIRLS SHAHEED BENAZIRABAD (ON COST BASIS)

The Chief Engineer (P&E) HESCO submitted that XEN Education Works Division Shahid Benazirabad has requested for 11KV independent feeder having total length of 8.0 KM emanating from 132KV Grid Station Nawabshah site (iii) with the estimated cost of Rs.12,459,532/- in favour of Bakhtawar Cadet College for Girls Shaheed Benazirabad. The site was jointly visited to ascertain the factual ground position vis-à-vis requirement process, 2x200KVA, 3x100KVA and 3x25 KVA Transformers have already been installed within the premises of the subject connection to fulfill the requirement of the distribution transformer(s) for subject connection. He requested the BOD to accord administrative approval of the aforesaid work for an amount of Rs.12,459,532/- as the same has already been recommended by the Procurement Committee of BOD.

Decision The BOD accorded administrative approval of the aforesaid work for an amount of Rs.12,459,532/-



Agenda-06 REVIEW OF BOD HESCO DECISION UNDER AGENDA NO. 06 OF 122ND MEETING REGARDING AUTHORIZATION OF CEO HESCO FOR SUBMISSION OF POWER ACQUISITION REQUEST (PAR) IN NEPRA AND SIGNING OF POWER PURCHASE AGREEMENT (PPA) WITH M/S TANDO ALLAHYAR SUGAR MILLS (PVT.) LIMITED FOR FURTHER FIVE (5) YEARS FOR PROCUREMENT OF 9.0 MW (BAGASSE BASED) POWER UNDER SPP POLICY FRAMEWORK WITH THE SETTLEMENT OF LINE LOSSES AS PER NEPRA REGULATIONS.

The Chief Engineer Planning briefed the agenda point to the BOD. He said that review of BOD decision under 122nd BOD meeting agenda No.6 is required in the light of NEPRA directions (Annex-L) that the both HESCO and M/S Tando Allahyar Sugar Mills are directed to settle technical line losses of 11KV issue in accordance with the NEPRA (Interconnection for Renewable generation facility regulations 2015, (amended from time to time). The Procurement Committee principally agreed with the agenda item but required the comparison of power purchase price from CPPA and SPP to assess the net profit from the firm. He requested the BOD for its approval. Mr. Shafique Ahmed Mahesar suggested that PPA should be reviewed. Mr. Mehmood Nawaz Shah enquired about the conditions in PPA and suggested that the PPA should contain specific clauses to defend the interest of HESCO. Mr. Tasaduq Hussain proposed that it should again be vetted. Prof. Dr. Mohammad Aslam Uqaili said that we had earlier asked to compare the rates offered by the power producer with the rates of CPPA. Now we have noticed that there is difference of Rs.1/- in the rates.

Decision The deferred item and asked HESCO Management to review it again.

Agenda-07 ADMINISTRATIVE APPROVAL FOR ISSUANCE OF DEMAND NOTICE RS18,190,011.83/- FOR CONSTRUCTION OF 11 KV INDEPENDENT FEEDER WITH 45 FEET STEEL STRUCTURE AND OSPREY CONDUCTOR ON COST DEPOSIT BASIS FOR THE EXPORT OF 3.0 KW (BAGASSE BASED) SURPLUS POWER TO HESCO

The Chief Engineer (P&E) HESCO submitted that HESCO signed the PPA with M/S Habib Sugar Mills Ltd for procurement of 3.0 MW (Bagasse based) power under SPP policy framework on 13.4.2016 with the validity of 5 years. M/S Habib Sugar Mills Ltd. achieved the Commercial Operation data (COD) on 10.4.2015 and continuously supplies the power to HESCO. He therefore, requested the BOD to accord the administrative approval of demand notice Rs.18,190,011.83/- in respect of M/S Habib Sugar Mills Ltd for construction of 11KV independent feeder with 45' steel structure and osprey conductor on cost deposit basis for the export of 3.0 MW bagasse based surplus power to HESCO. Mr. Shafique Ahmed Mahesar suggested that HESCO



should hire the services of some specialized cadre consultant to vet such documents as it involves much technicalities. Mr. Mehmood Nawaz Shah observed that we should take care of the interest of Government and HESCO before entering such agreements with private sector. Prof. Dr. Mohammad Aslam Uqaili was of the view that the document needed to be reviewed and vetted by the management again to secure the interest of HESCO.

Decision. The BOD deferred item and asked HESCO Management to review it again.

Agenda-08 **ADMINISTRATIVE APPROVAL OF ESTIMATE FOR ELECTRIFICATION OF GODHYAR VILLAGE UNDER CMD PROGRAM FUNDED BY DR. MAHESH KUMAR MALANI, MPA**

The Chief Engineer Planning submitted the agenda item and informed that Project Director Construction HESCO, vide office letter No. PDCH/HESCO/DB/4085-88 dt: 29.03.2017 has sent the estimate of following village, received for revision due to change in contract rates of desert area, as per detailed below:-

S.No.	Name of Village	District	Estimated cost
1.	Godhyar	Tharparkar	13,469,779/-

He added the funds allocation against the subject village has been confirmed by L.O HESCO vide office letter No. CEO/HESCO/LO/CMD/ADP-2015-16 (Ph-VII)/PS-61/5551-58 dated 12.04.2016. However, the estimated cost for electrification exceeds the limit of available funds against the subject village which has been justified by the PD Construction HESCO vide list of distribution of funds against different villages. The estimate was prepared by O/o P.D Const. HESCO and vetted by M/s Barqaab Consulting Services (Pvt.) Ltd. for an amounting to **Rs.13,469,779/-**. Therefore, the BOD was requested to accord Administrative approval of aforesaid work for an amount of Rs.13,469,779/-.

Decision The BOD accorded administrative approval of aforesaid work for an amount of Rs.13,469,779/-



Agenda-9**ADMINISTRATIVE APPROVAL OF REVISED ESTIMATE OF AWWAL SQUARE BLOCK NO.A1-1, A1-2, A-6, A-7, A-9, B-15, B-19, B-21, B-22 & B-23 OVER R.S NO.138 (PART), 139, DEH JAMSHORO, QASIMABAD HYDERABAD**

The Chief Engineer Planning submitted before the BOD that subject case was previously approved for an amount of Rs.35,184,020/-. The sponsor failed to deposit said amount. However subject case of revised estimate of electrification of Awwal Square sponsored by Mr. Mohammad Arif Memon (M/s Arif Builders & Developers) has been submitted through M/s Ansari Group of Engineers (A.G.E). He added that the sponsor has requested for an 11 KV Independent feeder emanating from 132 KV Grid Station Qasimabad to be designed on existing 45' structures of 11 KV Naqash Villas feeder on Osprey Conductor (feeder has already been approved on cost deposit basis borne by M/s Arif Builders & Developers) as double circuit. He further added that the sponsor has also requested for an interim relief for the people already residing in the said project by installing 3x200 KVA transformers through already running 11 KV Naqash Villas feeder. The maximum load in terms of Amp on 11 KV Naqash Villas feeder is recorded as 30 Amp for the year of 2016-17 for the reason of slow development. He also added that Construction / execution of the work may be allowed. However energization of the proposed independent 11 KV feeder can only be allowed, after shifting of load from 132 KV Qasimabad Grid Station to 132 KV Bypass Grid Station i.e. subject to the availability of load at 132 KV Grid Station Qasimabad. For which an undertaking will be obtained from the sponsor. Till then, interim relief of temporary arrangements for installing & energization of 3x200 KVA transformers within the project area on proposed T-offs, whose estimate is built in main project's estimate. For interim relief this T-off may be connected to existing 11KV Naqash feeder as shown in the layout plan, subject to the availability of load at 132 KV Grid Station Qasimabad. After construction/execution and energization of new feeders, this temporary feeding from 11 KV Naqash Villas may be switched over to the proposed independent 11 KV feeder. The BOD was requested to accord Administrative approval of aforesaid work for an amount of Rs.34,951,570/-. Now the builder has reduced the construction of blocks therefore, amount has become less to Rs.34,951,570/-

Decision

The BOD accorded administrative approval of aforesaid work for an amount of Rs.34,951,570/-.



Agenda-10**APPROVAL OF REVISED ESTIMATE OF AL-REHMAN TOWER BLOCK NO. A-1 TO A-9, A-12 TO A-16, A-24 TO A-26 OVER R.S NO. 175/2 (PART) 175/3 & 175/4 DEH JAMSHORO TALUKA QASIMABAD**

The Chief Engineer Planning submitted the agenda item and informed that the subject case was previously approved vide this office letter No. CEO/HESCO/CE(P&E)/DM(MID)/DB/1013-18, dated 20.02.2012 for amounting to Rs.25,818,721/-. The sponsor had made the payment of total estimated cost along with vetting charges for amounting Rs.9,554,376/- and failed to deposit the amount of Grid Sharing Cost. However subject case of revised estimate of electrification of Al Rehman Towers Blocks No. A-1 To A-9, A-12 To A-16, A-24 To A-26 Over R.S No. 175/2 (Part) 175/3 & 175/4, Deh Jamshoro, Qasimabad Hyderabad, sponsored by Mr. Mohammad Arif Memon (M/s Arif Builders & Developers) has been submitted through M/s Ansari Group of Engineers (A.G.E). He added that the sponsor has requested to feed the subject project on proposed 11 KV Independent feeder (Bismillah Towers) emanating from 132 KV Grid Station Qasimabad. Therefore subject project may be approved simultaneously with the approval of Bismillah Towers independent feeder however execution of the subject project may be started after the execution of proposed Bismillah Towers Independent feeder. He further added that the sponsor has also requested for an interim relief for the people already residing in the said project by installing 3x200 KVA transformers through already running 11 KV Naqash Villas feeder. The maximum load in terms of Amp on 11 KV Naqash Villas feeder is recorded as 30 Amp for the year of 2016-17 for the reason of slow development. He also added that Construction / execution of the work may be allowed. However energization of the proposed independent 11 KV feeder can only be allowed, after shifting of load from 132 KV Qasimabad Grid Station to 132 KV Bypass Grid Station i.e. subject to the availability of load at 132 KV Grid Station Qasimabad. For this sponsor will submit an undertaking. Till then, interim relief of temporary arrangements for installing & energization of 3x200 KVA transformers within the project area on proposed T-offs, whose estimate is built in main project's estimate. For interim relief this T-off may be connected to existing 11KV Naqash feeder as shown in the layout plan, subject to the availability of load at 132 KV Grid Station Qasimabad. The BOD was requested to recommend the BOD for Administrative approval of aforesaid work for an amount of Rs.29,397,722/-.

Decision

The BOD accorded administrative approval of aforesaid work for an amount of Rs.29,397,722/-.



Agenda-11 APPROVAL OF REVISED ESTIMATE OF AL-KAREEM SQUARE, OVER R.S NO. 193/2-3 DEH JAMSHORO TALUKA QASIMABAD DISTRICT HYDERABAD.

The Chief Engineer Planning submitted the agenda item and informed that the subject case was previously approved vide this office letter No. CEO/HESCO/CE(P&E)/DM(MID)/DB/1601-1606, dated 16.03.2012 for an amounting to Rs.11,549,933/-. The sponsor had made the payment of total estimated cost along with vetting charges for amounting to Rs.3,684,493/- and failed to deposit the amount of Grid Sharing Cost. However subject case of revised estimate of electrification of Al Kareem Square Over R.S No. 193/2-3, Deh Jamshoro, Qasimabad Hyderabad, sponsored by Mr. Mohammad Arif Memon (M/s Arif Builders & Developers) has been submitted through M/s Ansari Group of Engineers (A.G.E). He added that the sponsor has requested to feed the subject project on proposed 11 KV Independent feeder (Awwal Square) emanating from 132 KV Grid Station Qasimabad. Therefore subject project may be approved simultaneously with the approval of Awwal Square independent feeder however execution of the subject project may be started after the execution of proposed Awwal Square Independent feeder. He further added that the sponsor has also requested for an interim relief for the people already residing in the said project by installing 3x200 KVA transformers through already running 11 KV Naqash Villas feeder. The maximum load in terms of Amp on 11 KV Naqash Villas feeder is recorded as 30 Amp for the year of 2016-17 for the reason of slow development. He also added that Construction / execution of the work may be allowed. However energization of the proposed independent 11 KV feeder can only be allowed, after shifting of load from 132 KV Qasimabad Grid Station to 132 KV Bypass Grid Station i.e. subject to the availability of load at 132 KV Grid Station Qasimabad. For this sponsor will submit an undertaking. Till then, interim relief of temporary arrangements for installing & energization of 3x200 KVA transformers within the project area on proposed T-offs, whose estimate is built in main project's estimate. For interim relief this T-off may be connected to existing 11KV Naqash feeder as shown in the layout plan, subject to the availability of load at 132 KV Grid Station Qasimabad. Earlier HESCO had allowed them to purchase their own transformers now the Transformers will be arranged by HESCO therefore, the cost has increased.

Decision The BOD accorded administrative approval of aforesaid work for an amount of Rs.21,394,641/-as per item note.



Agenda-12 **APPROVAL OF REVISED ESTIMATE OF BISMILLAH TOWER OVER R.S NO. 141/3, 581 (PART), 582/2 DEH JAMSHORO QASIMABAD HYDERABAD.**

The Chief Engineer Planning submitted the agenda item and informed the BOD that the subject case was previously approved vide letter No.CEO/HESCO/CE(P&E)/DM(MID)/DB/786-91 dated 09.02.2012 for an amount of Rs.19,350,927/-. The sponsor had made the payment of total estimated cost along with vetting charges for amounting to Rs.4,145,289/- and failed to deposit the amount of 50% Grid Sharing Cost. However subject case of revised estimate of electrification of Bismillah Towers Over R.S No. 141/3, 581(Part), 582/2 Deh Jamshoro, Qasimabad Hyderabad, sponsored by Mr. Mohammad Arif Memon (M/s Arif Builders & Developers) has been submitted through M/s Ansari Group of Engineers (A.G.E). He added that the sponsor has requested for an 11 KV Independent feeder emanating from 132 KV Grid Station Qasimabad to be designed on existing 45' structures of 11 KV Naqash Villas feeder on Osprey Conductor (feeder has already been approved on cost deposit basis borne by M/s Arif Builders & Developers) as Triple circuit (double circuit has been proposed for 11 KV Independent Awwal Square feeder). He further added that the sponsor has also requested for an interim relief for the people already residing in the said project by installing 3x200 KVA transformers through already running 11 KV Naqash Villas feeder. The maximum load in terms of Amp on 11 KV Naqash Villas feeder is recorded as 30 Amp for the year of 2016-17 for the reason of slow development. He also added that Construction / execution of the work may be allowed. However energization of the proposed independent 11 KV feeder can only be allowed, after shifting of load from 132 KV Qasimabad Grid Station to 132 KV Bypass Grid Station i.e. subject to the availability of load at 132 KV Grid Station Qasimabad. For this sponsor will submit an undertaking. Till then, interim relief of temporary arrangements for installing & energization of 3x200 KVA transformers within the project area on proposed T-offs, whose estimate is built in main project's estimate. For interim relief this T-off may be connected to existing 11KV Naqash feeder as shown in the layout plan, subject to the availability of load at 132 KV Grid Station Qasimabad. Earlier the cost of transformers was not included which has now been added therefore, the estimate has increased.

Decision The BOD accorded administrative approval of aforesaid work for an amount of Rs.37,191,460.



Agenda-13 **PERMISSION FOR RE-ADVERTISEMENT OF THE POST OF CHIEF FINANCIAL OFFICER**

The Admn & HR Director, Mr. Tariq Majeed submitted the item note informing the board that as per the approval of BOD HESCO in its 124th meeting the said post was advertised on 14.12.2016 but the process could not be finalized in the absence of required number of candidates. The said post is vacant and needs to be filled up by re-advertising the position inviting fresh applications from the aspirant candidates. He informed the BOD that the matter was earlier placed before the HR Committee held on 28.9.2017 which has recommended the BOD to re-advertise the post as per the prescribed qualification with the age limit of 35 years to 50 years on initial contract of one year through National / Regional newspapers.

Decision The BOD approved the item note for re-advertisement of the post as per the contents of item note.

Agenda-14 **PERMISSION FOR RE-ADVERTISEMENT OF THE POST OF CHIEF INTERNAL AUDIT (CIA)**

The Admn & HR Director, Mr. Tariq Majeed informed the BOD that as per the approval of BOD in its 124th meeting, the post of Chief Internal Audit (CIA) was advertised on 14.12.2016 but the position could not be filled as only one candidate was short listed. He informed the BOD that the matter was earlier placed before the HR Committee held on 28.9.2017 which has recommended the BOD to re-advertise the post as per the prescribed qualification with the age limit of 35 years to 50 years on initial contract of one year through National / Regional newspapers.

Decision The BOD approved the item note for re-advertisement of the post as per the contents of item note.

Agenda-15 **PERMISSION TO FILL UP THE VACANT POSTS OF OFFICERS AND OFFICIALS ON CONTRACT BASIS IN HESCO AGAINST DIRECT QUOTA**

The Admn & HR Director submitted that at present 705 posts from BPS-1 to 17 are lying vacant in the company which requires to be filled in, as per rules on merit to meet the deficiency of staff in the field formations. He submitted that the recruitment process will be carried out from BPS-5 to BPS-17 posts (against direct quota posts) by



any testing agency and BPS-1 to 4 (against direct quota posts) at HESCO level by a selection board as per existing / amended recruitment policy for the Federal Services / autonomous bodies / corporations, received from the Cabinet Secretariat Division Islamabad dated 22.10.2014 and amended vide F.No.53/1/2008 dated 11.5.2017 received PEPCO Lahore's office memo dated 31.7.2017. Mr. Shafique Mahesar insisted that all appointments should be made strictly in accordance to the rules and two of the members of HR Committee should also be included as members to conduct the interviews of the candidates of direct quota. Mr. Mehmood Nawaz Shah was of the view that the new recruitment will further burden the financial health of the company. Prof. Dr. Mohammad Aslam Uqaili on this occasion said, that in view of the acute shortage of staff in the field formations it is need of the hour that all these vacancies should be filled in as per rules to gear up the operational activities as at present many offices are lacking the required staff which is the main cause of unproductively, lethargy and inefficiency. He said that EOI should be called inviting bids from the qualifying firms. Mr. Tasaduq Hussain proposed that the selection process should be carried out by some reputed Government approved testing company to make the whole exercise transparent.

Decision The BOD approved the proposal allowing to fill up 705 vacancies through reputed Government approved testing agency as per the contents of item note.

Agenda-16 **CLARIFICATION OF WITHDRAWAL OF REQUEST OF LPR/RETIREMENT AFTER SANCTION / NOTIFICATION.**

The Admn & HR Director submitted the adoption case of withdrawal of request of LPR/retirement by the employees before their retirement matures. He informed the BOD that the PEPCO has approved the adoption of Govt. of Pakistan Finance Division OM No.F.1/R-4/2007-Vol-II(PT) dated 6.10.2015. He told the BOD that the matter was earlier placed before the HR Committee held on 28.9.2017 which has recommended the BOD to approve the adoption of the subject PEPCO letter with the condition that the relevant voluntary retired official may join within one year.



Decision The BOD approved the adoption of the subject PEPCO decision with the condition that the relevant voluntary retired official may join within one year.

Agenda-17 **EXTENSION IN CONTRACT AGREEMENT WITH M/S RED CRESCENT (GENERAL & CARDIAC) HOSPITAL, HYDERABAD FOR PROVIDING MEDICAL COVER TO HESCO EMPLOYEES FOR PERIOD OF 03 YEARS @ 18% ENHANCEMENT WITH PREVIOUS RATES.**

The Admn & HR Director submitted the case of extension in contract agreement with M/S Red Crescent (General & Cardiac) Hospital, Hyderabad for providing medical cover to HESCO employees for the period of 03 years @ 18% enhanced rates as compared to previous rates. He informed the BOD that at present no hospital is on panel of HESCO at Hyderabad. The employees of HESCO at present get medical facilities from WAPDA hospital Hyderabad but in the acute emergency they are referred by the Medical Superintendent WAPDA Hospital to private hospitals. The low paid employees can not afford to pay in cash to the private hospitals as such the subject hospital may be taken on the panel of HESCO to facilitate the HESCO employees. He further informed that the matter was earlier discussed in the HR Committee meeting held on 28.9.2017 and the committee has recommended the BOD to accord approval for extension of the contract agreement with M/S Red Crescent (General & Cardiac) Hospital Hyderabad with HESCO for the period of 03 years @ 18% enhancement with previous rates.

Decision The BOD approved the item note allowing to extend the contract agreement with M/S Red Crescent (General & Cardiac) Hospital Hyderabad with HESCO for the period of 03 years @ 18% enhancement with previous rates.

Agenda-18 **GRANT OF PRE-MATURE INCREMENT ON UP-GRADATION**

The Admn & HR Director submitted the case of grant of pre-mature increment on up-gradation to the eligible officers/officials of HESCO. He informed the BOD that the PEPCO has adopted the Government of Pakistan Finance Division (Regulation Wing) Office memorandum F.No.1(17)2012-C&C dated 03.06.2013 for grant of pre-mature increment on up-



gradation of posts as on promotion. The subject case was discussed in HR Committee of BOD held on 8.8.2017. As per the recommendation of HR Committee the case was earlier placed before the BOD for its consideration in its meeting held on 8.8.2017. The BOD endorsed the recommendations of HR Committee and approved for adoption of Government of Pakistan Finance Division (Regulation Wing) Islamabad office memorandum No.F.No.11(4)R-2/2011-1153/2013 dated 31.5.2013 as endorsed vide DG (HR) PEPCO WAPDA House Lahore No.GM(HR)/HRD/A/332/1469-94 dated 18.11.2016 regarding grant of one premature increment on the time of scale up-gradation. However for the determination of arrears, it was directed to the management to work out the financial implication in respect of employees to whom time scale up-gradation has been allowed since the introduction of time scale up-gradation policy till to date. He submitted the tentative financial implication to be incurred for officers in BPS-17 and above is Rs.1,53,84,361/-. He told the BOD that the financial implication in respect of officials in BPS-1 to 16 is under process and shall be submitted in the next meeting of BOD.

DECISION The BOD approved the grant of premature increment on time scale up-gradation to the officers in BPS-17 and above w.e.f. the actual date of time scale up-gradation allowed by the competent authority.

Addl. Agenda-19 **EXTENSION OF CONSULTANCY SERVICE IN FAVOUR OF M/S BARQAB CONSULTING SERVICES LAHORE W.E.F 01.10.2016 TO 31.07.2017**

Mr. Saeed Ahmed Dawachh Chief Engineer (P&E) HESCO submitted that after due process of binding and approval from 108th BOD agreement was made with M/S Barqab Consulting Services Lahore with effect from 1.7.2015 to 30.6.2016. In the meanwhile on the request of M/S Barqab Consultants Lahore, granted extension for three months by CEO HESCO Hyderabad with effect from 1.7.2016 to 30.9.2016 as per Book of Financial Powers under Section 7.2. Advertisement was published in Daily newspapers dated 27.4.2017 for appointment of consultants for System Augmentation Program (SAP) Ltd for award of contract for consultancy services for System Augmentation Program (SAP) and Rural Electrification Project (REP) works. BOD in its 133th meeting has approved the M/S Enmasse (Pvt) Limited for award of contract for consultancy services for System Augmentation Program (SAP) and Rural Electrification Project (REP) one year.

Decision The BOD accorded approval as per item note.



Addl-
Agenda-20

**RECOMMENDATION OF PROCUREMENT COMMITTEE TO BOD HESCO
FOR APPROVAL TO DEVELOPMENT AND IMPLEMENTATION OF
CUSTOMER COMPLAINT MANAGEMENT SYSTEM (CCMS) AND CALL
CENTER AT HESCO**

The General Manager (Opr) HESCO submitted the subject case. He said that to improve the performance of power sector in the field Customer Complaints Management, it has been envisaged that technology enabling project covering all distribution companies is the only solution and should be implemented on priority basis to enhance productivity and organizational image. PITC being the part of the system and technology provider for all the DISCOs for multiple ICT solutions will be an enabler of the solution in order to ensure the uniformity.

He said to facilitate valuable customers, GoP intends to implement Customer Complaint Management System (CCMS) based on world's best practices and latest Information and Communication Technology (ICT) solution in all Power Distribution Companies. In first phase three DISCOS have been recommended to implement Customer Complaint Management System. These are LESCO, IESCO and HESCO being more conscious about their customer services. PITC, having the domain knowledge and technology enabler, has been assigned the task to take up the project for development and implementation for all DISCOs. The main goal of the project is to implement an Integrated Customer Complaint Management System for Power Sector to achieve sustainable productivity through redress of customer complaints in seamless way.

He submitted the details of expenditures / budget to be incurred on the project:

S r. #	Items	Requir ed Qty.	Existi ng Qty.	Rem. Qty Requi red	Estimate d Rate (PKR)	Total Estimate d Cost Millions (PKR)
1	Vehicles(Toyota Pickup) 68 x 2	136	82	54	2,300,000	124.2
2	Computers (Corei5) with accessories	94	-	94	87,000	8.2
3	Land line/Internet connection	91	-	91	4,000	0.37
4	Cell Phone (Smart)	544	-	544	15,000	8.2
6	Quinqi Riksha (for Urban sub-division)	54	-	54	200,000	10.8
Sub-Total:						151.8

Estimated cost for implementation of CCMS and Call centre establishment on share basis:



Cost Type	Million (PKR)
CAPEX	39.9
OPEX	15.1
Sub-Total:	55.0
Grand Total:	206.8

Prof. Dr. Mohammad Aslam Uqaili enquired whether this case was referred to the procurement committee earlier. The CEO replied that it was discussed there. He requested the BOD to accord its approval as the same project has already been adopted by two other DISCOs. Mr. Mehmood Nawaz Shah said that Rs.124.2 Million have been shown for the purchase of vehicles which is beyond any comprehension. Mr. Shafique Ahmed Mahesar stated that how this idea came. The CEO HESCO replied that this project will be carried by PITC. Prof. Dr. Mohammad Aslam Uqaili was of the view that Rs.55 Million have been allocated for system and 75% amount has been reserved for vehicles. He advised that Toyota Vehicles should not be included in the procurement of vehicles plan instead Chingchi Rakshas with ladder mounted vehicles be purchased. The BOD approved the proposal but did not allow the purchase of Toyota Vehicles.

DECISION The BOD accorded approval for development and implementation of customer complaint management system (CCMS) and call center at HESCO with the condition that Toyota Vehicles will not be purchased.

Addl- **TARIFF PETITION REGARDING CONSUMER End Tariff FY 2016-17**
(Revised) & FY 2017-18 (Including O&M) Budget)

Agenda-21

Mr. Deen Mohammad Manager Finance (CPC) HESCO gave comprehensive presentation on the subject wherein the following tariff was requested for approval:

Description	Unit	2016-17	2017-18
Units Purchase	GWH	5359	5627
Units sale	GWH	3718	4128
T&D losses	%age	30.62%	26.63%
Power Purchase Cost	Rs. (M)	52574	54995
Distribution Margin	Rs. (M)	23562	15712

Prior year adjustment	Rs. (M)	19771	0
Revenue requirement	Rs.(M)	95907	70707
Average Sale rate	Rs./KWH	25.24	17.13
Development Budget	Rs.(M)	3636	7309

Mr. Mehmood Nawaz Shah raised the point that management always submit the targets of different aspects of tariff but actual results differs almost like the losses target which HESCO request to NEPRA for approval but could not satisfied the NEPRA in the matter and ultimately NEPRA gave their own targets which affects the results. The Manager Finance CPC replied that the management with available facts and grounds pleading the contention of HESCO but NEPRA is deciding the matter keeping in view of the interest of consumers and performance trend of other Distribution Companies in the power sector.

Mr. Tassaduq Hussain was of the view that NEPRA always allows tariff on the basis of performance and consumer satisfaction whereas the performance of HESCO is not improving and why HESCO is requesting such cost which is not requested by other companies like provision of bad debts which is not allowed by NEPRA therefore, it is suggested that the management always go with the real and achievable figures with NEPRA so that it may approve such tariff which covers the financial requirement of HESCO. The Manager Finance CPC replied that at this time HESCO is submitting the actual numbers for financial year 2016-17 and the proposed numbers of 2017-18 which are justified. Prof. Dr. Mohammad Aslam Uqaili enquired that the allocated budget for the year 2015-16 had not been utilized then how the increase in current year could be justified. The Manager Finance CPC replied that the present case has been prepared considering the on going projects and future plans of the company. Prof. Dr. Mohammad Aslam Uqaili asked to include the amount of Prime Minister's assistance package for employees announced by the Federal Government and adopted by the PEPCO as it is to be considered by the BOD in its next meeting.

Mr. Waqas Anwar Qureshi on this occasion pointed out that the CPPA is giving the allocation of electricity to HESCO on the projection of production of electricity and HESCO may raise its electricity demand to CPPA as per their requirement. The

Manager Finance CPC replied that HESCO is calculating the electricity demand on the basis of sanctioned load of consumers plus growth of consumers and the same is submitted to the CPPA but the electricity is supplied to HESCO on the rationing basis at National Grid level. Mr. Mehmood Nawaz Shah raised a question that the management spent the amount of Rs.2908 Million for financial year 2016-17 against the approved budget of Rs.4997 Million which is almost 55% whereas management is proposing Rs.6545 Million for financial year 2017-18 on account of development budget. The question arises that how could the management will spent Rs.6545 Million which is almost double than the amount spent in financial year 2016-17. This question may be addressed and management should come with complete justification in the meeting of BOD for finalizing the development budget.

Decision: The BOD accorded approval of tariff petition for the financial year 2016-17 (revised) and financial year 2017-18.

Addl- Agenda-22 **PROVISION OF LEGAL ASSISTANCE TO THE HESCO EMPLOYEES.**

The Admn & HR Director submitted that while performing their official duties in the interest of work many employees of the company come across into confrontation and controversies with influential individuals and establishments. They are oftenly implicated in false cases, FIRs, litigation and criminal / civil proceedings on one pretext or the other without any fault on their part. In such circumstances they do not find any legal assistance from the department and are left alone to face the consequences and defend cases at their own, therefore, they have to bear all expenses of engaging counsel, court fees.

This causes distress, mental agony and anxiety among the employees who as a result of which avoid to perform their duties diligently in the fear of non-patronage of the department in odd situations, which is one of the causes of un-productivity, inefficiency and lethargy among the ranks of the company. He therefore, proposed that in all cases where employees carries out their official duties as per prescribed rules and regulations and as per the lawful orders of their superiors, should be provided full legal assistance and support by the company to defend the prestige, honour and dignity of the innocent employees. In such cases, the application will be moved by affectee employee to the CEO for seeking legal assistance. The Legal Department will provide full legal assistance engaging the services of legal counsel. The Officers/officials will be entitled for all financial claims / reimbursement of court /counsel




fees, TA/DA etc. The matter will be decided by the CEO after having received the report from concerned head of the formation on merit of the each case.

However, where the employee is involved in any Audit / Draft Paras, Audit Summaries or held responsible for committing any offence, illegality and irregularity in the wake of inquiry committee report or where an employee has been caught red handed by any agency for accepting any bribe or where the company itself is complainant against the employee or has initiated any disciplinary / legal proceedings against the employees on account of misconduct then such employee will not be entitled for any legal assistance. He further informed that the BOD of Sukkur Electric Power Company has already approved this legal assistance to the employees of SEPCO vide BOD resolution No.CS/SEPCO/BOD/B-59/17471-500 Dated 25.4.2015

DECISION The BOD approved the contents of item note allowing full legal assistance to the employees of HESCO who are implicated in false and fabricated cases, FIRs, Litigation and Criminal / Civil proceedings by individuals / establishments while carrying out their officials duties in accordance with their job description in the interest of work. The officers/officials will be entitled for all financial claims / reimbursement of court /counsel fees, TA/DA etc.

Being no additional agenda Board meeting was ended with vote of thanks to chair and from the chair.


(PROF. DR. MOHAMMAD ASLAM UQAILI)
Chairman BOD HESCO