

National Electric Power Regulatory Authority (NEPRA)

11th December, 2017

PRESS RELEASE

NEPRA IMPOSES FINE ON CPPA-G

1. NEPRA imposed a fine of Rs. 1,000,000/- (Rupees One Million only) on CPPA-G under NEPRA (Fines) Rules 2002, due to non-compliance of the Authority's direction with respect to submission of Monthly Fuel Charges Adjustment (FCA) data for the month of February 2017.
2. The Authority, in terms of second proviso to Section 31(4) of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, is required to make adjustments in the approved tariff on account of variations in fuel charges within a period of seven days on monthly basis.
3. For the purpose, CPPA-G is required to submit the requisite details by 3rd of each month and thereafter a hearing is conducted subsequent to which necessary adjustments in the reference tariff are made.
4. Considering the period of seven days and the direction/decision of the honorable Lahore High Court, Lahore in this regard, the Authority issued instructions to CPPA-G, to submit the requisite information /detail for the month of February 2017 without further delay. Despite clear instructions from the Authority, CPPA-G did not submit the requisite information and thus violated the explicit directions of the Authority. The information was finally submitted by CPPA-G in April 2017.
5. CPPA-G, by deliberately delaying the information, denied consumers their legitimate benefit of negative FCA of Rs.2.1501/kWh i.e. around Rupees Six (06) billion, pertaining to February 2017, to be passed on in their monthly bills of April 2017. The said benefit was however provided to the consumers after delay of one month i.e. in May 2017.
6. In view thereof, the Authority initiated proceedings against CPPA-G by issuing an explanation letter and show cause notice. CPPA-G was provided with an opportunity of hearing to plead its case.
7. After reviewing all the relevant documents, applicable law, submissions made by CPPA-G in writing and during the hearing, the Authority, declared CPPA-G a delinquent, as it deliberately failed to provide the requisite information in the specified time period and accordingly a fine of Rs. 1,000,000/- (Rupees One Million only) is imposed on CPPA-G.