



National Electric Power Regulatory Authority
ISLAMIC REPUBLIC OF PAKISTAN
NEPRA Head Office
Ataturk Avenue (East) Sector G-5/1, Islamabad.
Ph:051-2013200, Fax: 051-2600021

**Consumer Affairs
Department**

TCD 06/ 252 -2024
January 12, 2024

Chief Executive Officer,
Multan Electric Power Company (MEPCO),
MEPCO Complex, WAPDA Colony,
Khanewal Road, Multan.

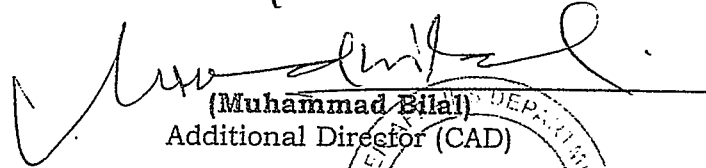
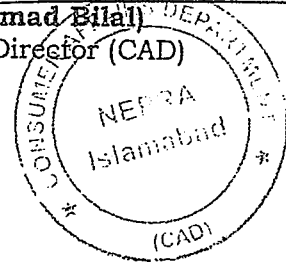
Subject: **DECISION IN THE MATTER OF WRIT PETITIONS NOS. 13914-2013: M/S COLONY TEXTILE MILLS LIMITED etc. VS FOP REFERRED BY THE HONORABLE LAHORE HIGH COURT, MULTAN BENCH, REGARDING CHARGING OF MARKUP ON INSTALLMENTS (A/C# 30 15138 0000100). MEPCO-NHQ-26486-07-23**

Please find enclosed herewith the decision of NEPRA Consumer Complaints Tribunal dated January 12, 2024, regarding the subject matter for necessary action.

Encl: As above

Copy: -

1. C.E/ Customer Services Director, MEPCO,
MEPCO Complex, WAPDA Colony,
Khanewal Road, Multan.
2. Executive Engineer, City Division, MEPCO,
Sher Shah Road, Near Aziz Hotel Chowk, Multan.
3. Mr. Raheel Azhar, Addl. Director,
NEPRA Regional Office, 39-First Floor,
Orient Mall, Khanewal Road, Multan.
3. M/s Colony Textile Mills Limited,
P.O. Ismailabad, Multan.
4. Mr. Muhammad Ali Siddiqui, Advocate,
2nd Floor, Golden Heights, Opposite High Court,
Public Gate, Multan.
0322-6103403


(Muhammad Bilal)
Additional Director (CAD)




**BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)**

Complaint No. MEPCO-NHQ-26486-07-23

Mr. Muhammad Ali Siddiqui

..... Complainant

Advocate,
2nd Floor, Golden Heights Plaza,
Opposite Public Gate High Court, Multan.
0322-6103403

VERSUS

Multan Electric Power Company (MEPCO)

..... Respondent

MEPCO Complex, WAPDA Colony,
Khanewal Road, Multan.

Date of Hearings: September 18, 2023

On behalf of:

Complainant: Mr. Muhammad Ali Siddiqui, Advocate

Respondent:

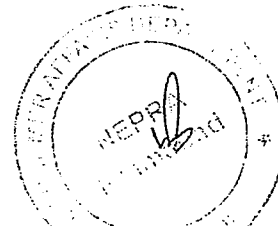
Mr. Bilal Gillani, Director (Commercial), MEPCO
Mr. Qumar Islam, Revenue Officer (RO), MEPCO
Mr. Jamal Ud Din, Revenue Officer (RO), MEPCO

SUBJECT: DECISION IN THE MATTER OF WRIT PETITION NO. 13914-2013: M/S COLONY TEXTILE MILLS LIMITED etc. VS. FOP REFERRED BY THE HONORABLE LAHORE HIGH COURT, MULTAN BENCH, REGARDING CHARGING OF MARKUP ON INSTALLMENTS (A/C# 30 15138 0000100)

DECISION

This decision shall dispose of the complaint referred by the honorable Lahore High Court, Multan Bench, Multan vide order dated May 18, 2023 in writ petition No. 13914-2013 whereby the Court directed to decide the case filed by M/s Colony Textile Mills Limited (hereinafter referred to as the "Complainant") against Multan Electric Power Company (hereinafter referred to as the "Respondent" or "MEPCO"), under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act").

2. Brief facts of the case are that NEPRA received an order from the honorable Lahore High Court, Multan Bench, Multan dated May 18, 2023 in writ petition No. 13914-2013 wherein the Court transmitted the petition of the Complainant to treat it as representation on behalf of the Complainant and to decide the grievance after providing hearing opportunity to all concerned, expeditiously. The Complainant vide the said petition submitted that MEPCO is charging markup on the installments of Fuel Price Adjustment charges which is in excess of the authority vested to the MEPCO; hence, this act of the MEPCO is infringing the fundamental rights of the Complainant as protected under the Constitution being an illegal act which is void ab-initio and without any lawful authority. The other textile companies had challenged the veracity and validity of charging the Fuel Price Adjustment (FPA) charges up to the Honorable Supreme Court of Pakistan and finally on July 23, 2013, Honorable Supreme Court of Pakistan ordered to pay the FPA charges in six installments and first installment is to be payable before the 30th of September and

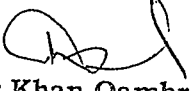



remaining in equal installments. MEPCO has charged markup on the installment of FPA charges. The said charging of markup is in violation of the order passed by the Honorable Supreme Court of Pakistan whereby the Complainant is allowed to pay the FPA charges in installments only. In that order, the Honorable Supreme Court of Pakistan did not allow charging of markup on the said installments, hence, the charging of markup also amounts to contempt of court. The FPA charges is itself not a part of tariff but is an adjustment between the fuel consumption at the month for which it is charged. It does not relate to the future price of the electricity so supplied but relates to the already paid bills and electricity charges by the Government. Hence, the amount charged as markup by MEPCO does not come under the definition of Markup itself. MEPCO is violating the order of the Honorable Supreme Court of Pakistan by adding their own conditions regarding markup rather to receive the original FPA charges in six monthly installments. The Complainant added that NEPRA has not allowed the charging of markup upon the installments to the consumers then how MEPCO is charging markup on its own. The Complainant prayed that the MEPCO be directed not to charge markup on the installments of the FPA Charges as ordered by the Honorable Supreme Court of Pakistan; by declaring the charging of markup as void ab-initio, without any lawful authority, and illegal and in violation of the fundamental rights protected under the Constitution of Islamic Republic of Pakistan, 1973 and consequently the markup amount so paid by the Complainant till date to MEPCO may be adjusted in future electricity bills.

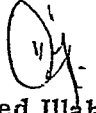
3. The subject matter was taken up with MEPCO and hearing was held on September 18, 2023 at NEPRA Head Office, Islamabad which was attended by both parties (i.e., MEPCO and the Complainant), wherein the case was discussed in detail. During the hearing, MEPCO officials submitted that the Petitioner M/S Colony Textile Mills Limited, Multan approached MEPCO for installments of FPA amounting to Rs.64,987,053/- on July 11, 2013. The competent authority allowed 04 installments of the same. As a result of installments, an amount of Rs. 1,009,530/- on account of markup was charged. The petitioner instead of making payment of markup on installments challenged its levy in the Honorable Lahore High Court, Multan Bench vide W.P. No. 13914/2013. The Honorable Lahore High Court, Multan Bench directed MEPCO to defer the recovery of markup amount which was deferred accordingly. As far as the matter of charging of markup on installments of FPA is concerned, it is submitted that every consumer who avails the facility of installments is charged markup @ 14% in the light of different notifications issued from time to time.

4. The case has been examined in detail in light of the record made so available by the parties, arguments advanced during the hearing and applicable law. Markup rate being levied by WAPDA on installments/extension of due date of electricity bills etc. @ 14% instead of 18% in light of WAPDA notification dated December 03, 2003 in case of payment of bills in installments and extension in due date. The delayed payments have financial costs. Consumer Service Manual is silent w.r.t charging of markup however it is not in contravention of any provisions of the NEPRA Act, Rules & Regulations and applicable documents.

5. The complaint is disposed of in above terms.


(Lashkar Khan Qambrani)
Member (Consumer Complaints Tribunal)/
Director (CAD)


(Muhammad Irfan Ul Haq)
Member Consumer Complaints Tribunal
Assistant Legal Advisor


(Naweed Illahi Shaikh)
Convener Consumer Complaints Tribunal/
Director General (CAD)

Islamabad, January 12, 2024