



**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**

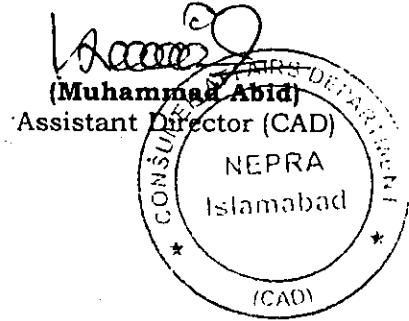
TCD.06/4192 -2024  
September 20, 2024

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

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MR. ALI MUAZZAM SYED, CEO, PUNJAB INDUSTRIAL ESTATE (PIEDMC), UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION & DISTRIBUTION OF ELECTRIC POWER ACT, 1997, AGAINST MEPCO, REGARDING FIXED MDI CHARGES/ REDUCTION OF LOAD.**  
**MEPCO-NHQ-35285-03-24**

Please find enclosed herewith the decision of NEPRA Complaints Resolution Committee dated September 20, 2024 regarding the subject matter for necessary action and compliance.

**Encl: As above**



Copy: -

1. C.E/ Customer Services Director, MEPCO,  
MEPCO Complex, WAPDA Colony,  
Khanewal Road, Multan.
2. Chief Engineer (Planning), MEPCO,  
MEPCO Complex, WAPDA Colony,  
Khanewal Road, Multan.
3. Manager (Commercial),  
LESCO, 22-A, Queen's Road, Lahore.
4. Mr. Ali Muazzam Syed, CEO,  
Punjab Industrial Estate (PIEDMC),  
Commercial Area (North), Sundar Industrial Estate,  
Sundar Raiwind Road, Lahore.  
Email: [info@pie.com.pk](mailto:info@pie.com.pk)  
Ph: 04235297203  
Fax: 04235297207



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

**Complaint No. MEPCO-NHQ-35285-03-24**

**Mr. Ali Muazzam Syed**

..... Complainant

CEO, Punjab Industrial Estate (PIEDMC),  
Commercial Area (North), Sundar Industrial Estate,  
Sundar Raiwind Road Lahore.  
Email: info@pie.com.ok  
Ph: 04235297203 Fax: 04235297207

**Versus**

**Multan Electric Power Company (MEPCO)**

..... Respondent

MEPCO Complex, WAPDA Colony,  
Khanewal Road Multan.

**Date of Hearing:** March 19, 2024

**On behalf of:**

**Complainant:** Mr. Furqan Zakria, Addl. Manager (P&D)

**Respondent:**

Mr. Farrukh Johar, GM (T), MEPCO  
Mr. Muneed Ahmed Dar, Chief Engineer, Electrical, MEPCO

**Subject:** DECISION IN THE MATTER OF COMPLAINT FILED BY M/S PUNJAB INDUSTRIAL ESTATE DEVELOPMENT AND MANAGEMENT COMPANY (PIEDMC) THROUGH MR. ALI MUAZZAM SYED, CEO UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION & DISTRIBUTION OF ELECTRIC POWER ACT, 1997, AGAINST MEPCO, REGARDING FIXED MDI CHARGES/ REDUCTION OF LOAD.

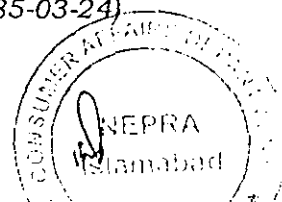
**DECISION**

This decision shall dispose of the complaint filed by M/s Punjab Industrial Estate Development and Management Company (PIEDMC) through Mr. Ali Muazzam, Chief Executive Office, PIEDMC (hereinafter referred to as "the Complainant") against Multan Electric Power Company Limited (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. NEPRA received a complaint dated February 29th, 2024, wherein PIEDMC submitted that PIEDMC operates Rahim Yar Khan Industrial Estate (RIE) having sanction load of 50MW since July, 2021. In 2022, NEPRA authorized Distribution Companies (DISCOs) to impose fixed charges in tariff for unused electric load below 50% of the sanctioned load at a rate of Rs. 440/kW of the unused load at B-IV tariff. Consequently, MEPCO started applying fixed charges in the monthly bills of RIE at the aforementioned rate due to MDI readings indicating less than 50% utilization of the sanctioned load (up to 25MW).

Page 1 of 3

*CRC Decision: Ali Muazzam Syed Vs MEPCO (MEPCO-NHQ-35285-03-24)*



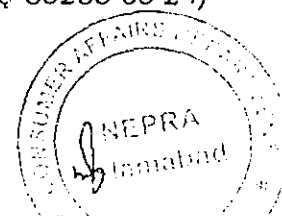
Considering the current underutilization of sanction load i.e. 50MW; PIEDMC vide letter dated November 24, 2023 formally requested MEPCO to reduce the sanctioned load from 50 MW to 20 MW at RIE and to withdraw the already levied fixed MDI charges totaling Rs. 7,09,15,699/-.

3. In order to proceed further, a hearing was held at NEPRA Head Office, Islamabad which was attended by both the parties (MEPCO & the Complainant) who advanced their arguments. The case has been examined in detail in the light of the written/verbal arguments of both the parties and applicable law. The following has been concluded:

- (i) Punjab Industrial Estate Development and Management Company (PIEDMC) is an Industrial consumer of MEPCO under B-IV category and connection is operational since July 05, 2021. MEPCO granted a 50MW load for the Grid Station based on PIEDMC's assessment of the industrial estate's load demand. As per the decision of the Authority issued vide letter No. NEPRA/R/ADG(Tariff)/TRF-100/X-WDISCOs/13540-13542 dated July 22, 2022 in the matter of Motion filed by the Federal Government with respect to Recommendation of the Consumer-end Tariff; "Fixed charges shall be billed based on 50% of Sanctioned Load or Actual MDI for the month whichever is higher. In such case there would be no minimum monthly charges even if no energy is consumed".
- (ii) Accordingly, MEPCO started charging of fixed (MDI) charges to PIEDMC w.e.f. billing month September, 2022 which were paid by the Complainant for the months of October & November, 2022. However, fixed charges for the month of December, 2022 were challenged by the Complainant before Lahore High Court Bahawalpur Bench vide W.P No. 537/2023. The said petition was transferred to Lahore High Court Lahore for merging with other similar types of petitions filed by other industrial consumers.
- (iii) Meanwhile, MEPCO issued a bill for the month of September, 2023 including fixed charges in violation of Interim Order(s) of Lahore High Court Bahawalpur Bench in the W.P No. 537/2023. The fixed charges imposed in the bill issued for the month of September, 2023 were challenged by PIEDMC before Lahore High Court Lahore vide another W.P No. 67815-2023 whereby the Court directed MEPCO to issued revised bills for the months of September, 2023 except "fixed charges".
- (iv) Apart from above, PIEDMC is a government owned entity and has been provided electricity supply at one point. The industries are not fully functional at RIE, therefore, foreseeing 20 MW maximum load due to economic slowdown; PIEDMC vide letter dated November 24, 2023 requested MEPCO to reduce the load from 50 MW to 20 MW to avoid the imposition of fixed charged. Presently a 31.05/40 MVA Power transformer is installed at RIE and the same transformer will be utilized after reduction of load as requested by PIEDMC. Therefore, transformation losses (if any) should be borne by PIEDMC due to non-replacement of higher capacity transformer. Moreover, in response of PIEDMC's request for reduction of load, MEPCO vide letter dated January 30, 2024 directed PIEDMC for clearance of outstanding MDI charges amounting to Rs. 70,915,699/- and further asked for withdrawal of the court case filed by PIEDMC against MEPCO regarding imposition of MDI charges at Lahore High Court, Lahore.
- (v) MEPCO is of the view that as per Clause-2.14 of Consumer Service Manual (CSM) for reduction of load consumers are required to submit last paid bill subject to the condition that no arrears/deferred amount/installments are pending including some other conditions. As the case pertaining to fixed charges are sub-judice at different courts of law, therefore, MEPCO can defer the impugned fixed charges till final outcome of the case from relevant courts of law/forums and should allow reduction of load. Moreover, non-reduction

Page 2 of 3

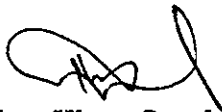
CRC Decision: Ali Muazzam Syed Vs MEPCO (MEPCO-NHQ-35285-03-24)



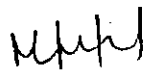
of load will cause a loss to the government exchequer in the shape of payment of MDI charges, therefore, MEPCO should apply reduction of load subject to provision of undertaking regarding payment of outstanding fixed charges amounting of Rs. 70,915,699/- lump sum or in easy installments if court(s) of law/forum decide the matter against PIEDMC.

4. Foregoing in view, MEPCO is directed to reduce the load of Rahim Yar Khan Industrial Estate (RIE) from 50MW to 20MW w.e.f. March 04, 2024 the date of receipt of complaint of M/s Punjab Industrial Estate Development and Management Company (PIEDMC) at NEPRA; subject to provision of an undertaking by PIEDMC regarding payment of outstanding fixed charges amounting of Rs. 70,915,699/- in lump sum or in easy installments if the case is decided against PIEDMC by relevant court(s)/forum(s) regarding fixed (MDI) charges, however, other components involved in reduction of load i.e. change in capacity of power transformers would remain unchanged as the same shall be utilized by the Complainant in future if the industrial estate become fully functional. Moreover, transformation losses (if any) will be borne by PIEDMC due to non-replacement of higher capacity transformer. Furthermore, in case payment of outstanding amount is made in installments; PIEDMC will submit another undertaking to MEPCO regarding timely payment of installments. Further proceedings in the matter are being closed in above terms.

**Note:** This decision is applicable only for the instant case and shall not be considered as precedent for other similar cases. Complaints in such like cases, if received in future shall be decided accordingly.



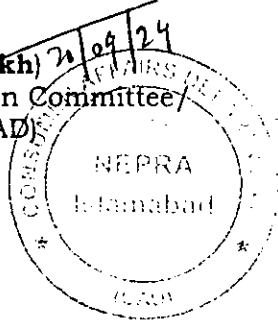
(Lashkar Khan Qambrani)  
Member Complaints Resolution Committee/  
Director (CAD)



(Moqeem Ul Hassan)  
Member Complaints Resolution Committee  
/Assistant Legal Advisor (CAD)



(Naweed Hani Shaikh) 21/09/24  
Convener Complaints Resolution Committee/  
Director General (CAD)



Islamabad, September 20, 2024