



National Electric Power Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN

NEPRA Head Office

Ataturk Avenue (East) Sector G-5/1, Islamabad.

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**Consumer Affairs
Department**

TCD.01/ 973 -2025
March 5, 2025

Chief Executive Officer, PESCO,
WAPDA House, Sakhi Chashma Shami Road,
Peshawar.

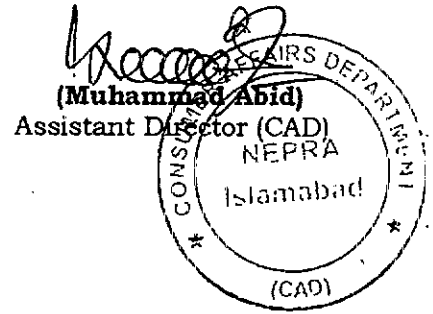
Subject: **DECISION IN THE MATTER OF CASE REFERRED BY THE HONORABLE
PESHAWAR HIGH COURT, PESHAWAR IN WRIT PETITION NO. 3862-
P/2023: MR. KHALID AYUB & OTHERS VS FOP, PESCO & OTHERS.
PESCO-NHQ-44999-10-24**

Please find enclosed herewith the decision of the NEPRA Complaints Resolution Committee (CRC) dated March 5, 2025, regarding the subject matter for necessary action.

Encl: As above

Copy to:

- 1) Chief Commercial Officer, PESCO,
WAPDA House, Sakhi Chashma Shami Road,
Peshawar.
- 2) Incharge Complaint Cell, PESCO,
WAPDA House, Sakhi Chashma Shami Road,
Peshawar.
- 3) Mr. Khalid Ayub S/o Gul Said Khan,
R/o 19-A, Police Colony Nasir Bagh Road,
Peshawar.





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

Complaint No. PESCO-NHQ-44999-10-24

Mr. Khalid Ayub & Others
19-A Police Colony, Nasir Bagh Road
Peshawar.

..... **Complainant/Petitioner**

Versus

Peshawar Electric Supply Company (PESCO)
WAPDA House, Sakhi Chashma, Shami Road
Peshawar.

..... **Respondent**

Date of Hearing: October 30, 2024

On behalf of:

Complainant:

1) Mr. Khalid Ayub & Others

Respondent:

1) Mr. Gohar Rehman Chief Commercial, PESCO
2) Mr. Tufail Ahmed Director Commercial, PESCO

Subject: **DECISION IN THE MATTER OF CASE REFERRED BY THE HONORABLE
PESHAWAR HIGH COURT, PESHAWAR IN WRIT PETITION NO. 3862-P/2023:
MR. KHALID AYUB & OTHERS VS FOP, PESCO & OTHERS**

DECISION

This decision shall dispose of the matter referred by the Honorable Peshawar High Court, Peshawar in Writ Petition No. 3862-P/2023: Mr. Khalid Ayub and Others vs PESCO & Others. Mr. Khalid Ayub & Others shall be referred to as "the Complainant" or "Petitioner" & Peshawar Electric Supply Company shall be referred to as the 'Respondent' or 'PESCO.'

2. Brief facts of the case are that Mr. Khalid Ayub & Others filed a Writ Petition No. 3862-P/2023 before the Honorable Peshawar High Court, Peshawar. The Petitioner raised different issues in the petition including; applicable tariff, Peak Hours Charges, Income Tax, General Sales Tax (GST), E-Tax, LP Surcharge (LPS), GST on LPS, FC Charges, Electricity Duty, Meter Rent, Service Rent, PTV Fee, Quarterly Tariff Adjustments (QTAs), Fuel Price Adjustments (FPAs), online controlling of electricity meters, replacing single reading meters, terminology of Peak & Off Peak Hours, repairing of damaged transformers, free supply units to WAPDA employees etc.

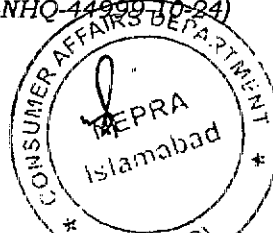
3. The honorable Court referred the matter to NEPRA for decision in accordance with law after providing a reasonable opportunity for a hearing to the petitioners and all other stakeholders. In order to comply with directions of the Honorable Peshawar High Court, Peshawar, a hearing was held on October 30, 2024 at NEPRA Head Office, Islamabad which was attended by all the Petitioners & representative of PESCO. During the hearing, the issues were discussed in detail wherein the parties advanced their arguments and PESCO also submitted the written comments in the matter.

4. The case has been examined in detail in light of the record made so available by both the parties, arguments advanced during the hearing and applicable law. The issue raised by the Petitioner are discussed in the following paras:

- (i) Section 31(4) of NEPRA Act provides that the Authority shall, on the basis of uniform tariff application, determines a uniform tariff for public sector

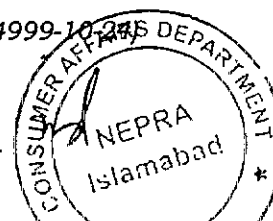
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CRC Decision: Khalid Ayub & Others vs PESCO (PESCO-NHQ-44999-10-24)



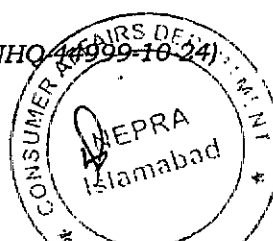
licensees engaged in supply of electric power to consumers, in the consumers' interest, on the basis of their consolidated accounts. Accordingly, the Authority has been determining uniform tariff to be charged from the consumers on the basis of uniform tariff application of the Federal Government.

- (ii) The Authority also determines generation tariff of all the power producers including hydel power stations pursuant to NEPRA (Tariff Standards & Procedure) Rules, 1998.
- (iii) According to the approved Tariff terms and conditions, consumers having sanctioned load less than (5) kW shall be billed on single-part kWh rate i.e. A-1 (a) tariff whereas all new consumers having sanctioned load (5) kW and above shall be provided Time-of-Use (TOU) metering arrangement and shall be billed on the basis of tariff A-1 (b) as set out in the Schedule of Tariff. All existing consumers having sanctioned load 5 kW & above shall be provided TOU metering arrangement and converted to A-1 (b) tariff by the DISCOs. Moreover, DISCOs can only monitor the reading of the meters and can disconnect the electricity remotely if required but don't have any control over the functions (excessive reading etc.) of AMI meters on part of manipulation of reading etc. Further, AMI meters provide instant information if meter tampering attempt is carried out by consumers.
- (iv) In case of consumers with (TOU) meters, two charges are being levied i.e. peak & off-peak. The higher peak rates are applicable for only (4) hours in a day and off-peak charges are for remaining (20) hours of day. The peak charges were introduced for (a) demand side management to reduce stress on the system & (b) for recovery of high cost of fuel during such peak hours. According to the approved Tariff terms and conditions, peak and off-peak hours in a 24 hour day around the year are as follows:
 - a. Dec to Feb Peak (5 PM to 9 PM) Off Peak (Remaining 20 hours).
 - b. Mar to May Peak (6 PM to 10 PM) Off Peak (Remaining 20 hours).
 - c. June to Aug Peak (7 PM to 11 PM) Off Peak (Remaining 20 hours).
 - d. Sept to Nov Peak (6 PM to 10 PM) Off Peak (Remaining 20 hours).
- (v) The taxes and duties mentioned by the Petitioner/Complainant including General Sales Tax, Extra Tax & Income Tax etc. are imposed under various statutes, including the Sales Tax Act, 1990, and are collected by the Federal Board of Revenue (FBR). It is important to note that NEPRA's jurisdiction does not extend to the imposition or regulation of taxes & duties. These taxes are within exclusive domain of FBR. Consequently, the Complainant's grievances regarding these taxes fall outside the scope of NEPRA's regulatory regime. Moreover, PTV Fee is being charged under the provisions of Finance Act. There is no provision of charging of meter rent in Consumer Service Manual (CSM), therefore, if DISCOs are charging any amount on account of meter rent, consumers may lodge complaint before NEPRA.
- (vi) Financing Cost (FC) Surcharge is imposed by the Federal Government to cover the financial costs related to the power sector. The NEPRA Act, specifically under Section 31(8), empowers the Federal Government to impose surcharges on all categories of consumers to fund projects of public importance or to meet financial obligations related to electric power services. The relevant part of Section 31(8) reads as follows: *Notwithstanding anything contained in this Act and in addition to the tariff rates, and charges notified under sub-section (7) and this sub-section, each electric power supplier shall collect such surcharges from any or all categories of consumers, as the Federal Government may charge and notify in the official Gazette from time to time, in respect of each unit of electric power sold to any or all categories of consumers and deposit the amount so collected in such manner as may be prescribed. The amount of such*



surcharges shall be deemed as a cost incurred by the electric power supplier and included in the tariff notified under sub-section (7).

- (vii) With regards to Late Payment Surcharge (LPS), Tariff terms and conditions notified in the official gazette from time to time provide that if any bill is not paid by the consumer in full within the due date, a LPS of 5% may be levied for next three (03) days after the due date and thereafter 10% LPS may be charged on the amount billed excluding Govt. taxes and duties etc. In case bill is not served at least seven days before the due date then late payment surcharge will be levied after 7th day from the date of delivery of bill.
- (viii) Quarterly tariff adjustments (QTAs) are made in the approved tariff on account of capacity and transmission charges, impact of transmission and distribution losses, variable operation & maintenance cost in line with Section 31(7)(ii) of NEPRA Act. In addition to above, Fuel Price Adjustments (FPAs) are made in the approved tariff on account of any variations in fuel cost on monthly basis pursuant to Section 31(7)(iv) of NEPRA Act to recover the actual cost of electricity. Hence, the Authority determines consumer end tariff for each distribution company based on its prudently incurred cost which is afterwards made uniform as per the relevant provision of NEPRA Act. The petitioners if have any grievance, they may participate in the tariff public hearings as intervener to raise the issue before the Authority.
- (ix) Clause 6.1.1 of Consumer Service Manual (CSM) provides that meter readings are carried out by all the XWDISCOs for all the consumers of DISCOs on routine basis each month to record consumption of energy consumed by each consumer during given period (billing cycle/billing month) and the meter reading program shall be prepared in such a way that the meters of batch are normally read on same dates each month which is being implemented by all the DISCOs as per terms and condition.
- (x) Clause 11.3.4 of the CSM envisages that the consumer sub-station is meant for one consumer. In case of more than one connection on the same substation/transformer with different ownership such as commercial plazas/apartments/shops/residences, where bills are being issued separately, responsibility of maintenance, repair and replacement of the said system or up gradation/reinforcement thereof shall rest with the DISCO. According to Note 2.6 (viii) of CSM, in case, DISCO takes over distribution system for individual metering and billing, the responsibility of maintenance, repair, replacement of the said system or up gradation/reinforcement thereof shall rest with DISCO. As per which, consumer is only liable to pay for repair/maintenance of independent transformer.
- (xi) In terms of curbing of power theft, the procedure of establishment and subsequent charging of detection bills whether based on direct theft or illegal abstraction is laid out in the chapter (9) of CSM as per which detection bills are being levied to persons involved in theft along with the proceedings in accordance with the relevant sections of Pakistan Penal Code, 1860 (Act XLV of 1860) and the Code of Criminal Procedure, 1898 (Act V of 1898). According to PESCO separate task forces have been constituted at Provincial/Divisional/District levels. The task forces are in continuous communication with each other through a portal established under Ministry of Energy (Power Division). Installation of Aerial Bundled Cable (ABC) is an effective tool to combat direct hooking/Kunda culture. Projects of installation of ABC in PESCO where administrative losses are high, have already been included in their respective investment plans. PESCO has further submitted that recently a comprehensive & extensive anti-theft campaign is being launched under the supervision of Ministry of Energy with the collaboration of all stakeholders including Provincial Government.





(xii) Clause 10.4.2 (e) of the CSM provides that in areas where DISCOs' transformer repair workshops are not available or there is no capacity of repair of damaged transformers on urgent basis, DISCO may approve the private vendors for repair of transformers. PESCO has apprised that the repair of defective/damaged transformer is only allowed from Pakistan WAPDA Foundation (PWF) Reclamation Workshops/ PESCO's own transformer repair workshops/prequalified private transformer repair workshops. Moreover, all general duty transformers which get damaged are being replaced and repaired at the own cost of PESCO. In case of damage of independent transformers, the cost is borne by consumers/owner. In addition to above, PESCO asserted that system rehabilitation is continuous and ongoing process to reduce line losses which provides technical resolution of the problem indicated for which various steps are being undertaken in PESCO.

(xiii) Grant of relief/free units etc. to employees is sole prerogative of the relevant ministry/company and the same does not pertain to NEPRA. However, PESCO has clarified that free electricity is not free of cost rather is being paid by the concerned departments/PESCO.

5. The matter is being disposed of in above terms.


(Lashkar Khan Qambrani)
Member, Complaints Resolution Committee/
Director (Consumer Affairs)


(Muhammad Irfan ul Haq)
Member, Complaints Resolution Committee/
Assistant Legal Advisor


(Naweed Illahi Shaikh)
Convener, Complaints Resolution Committee/
Director General (CAD)

Islamabad, March 05, 2025

