

National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad. Tel: +92-51-9206500, Fax: +92-51-2600026 Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/ADG(Tariff)/TRF-362/K-Electric-2016/ 3 5940-44

October 31, 2023

Subject: <u>DECISION OF THE AUTHORITY PURSUANT TO THE JUDGEMENT OF HONORABLE SUPREME COURT OF PAKISTAN DATED JANUARY 19, 2023 IN THE MATTER OF CIVIL APPEALS NO. 1011 TO 1119 OF 2020 & 1185 TO 1191 OF 2020 AND C.P NO.3428 OF 2020 & 1145-K OF 2020 & 4775 TO 3780 OF 2020</u>

Dear Sir,

Please find enclosed herewith the subject decision of the Authority along with **Annex-A** (total 03 Pages). The instant Decision of the Authority along with **Annex-A** is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

2. The Decision is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 within 30 days from the intimation of this Decision. In the event the Federal Government fails to notify the subject tariff Decision or refer the matter to the Authority for reconsideration, within the time period specified in Section 31(7), then the Authority shall notify the same in the official Gazette pursuant to Section 31(7) of NEPRA Act.

Enclosure: As above

(Engr. Mazhar Mbal Ranjha)

Secretary,
Ministry of Energy (Power Division)
'A' Block, Pak Secretariat
Islamabad

CC:

- 1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
- 2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
- 3. Chief Executive Officer, K-Electric Limited (KEL), KE House, 39—B, Sunset Boulevard, Phase- IL, Defence Housing Authority, Karachi.



DECISION OF THE AUTHORITY PURSUANT TO THE JUDGEMENT OF HONORABLE SUPREME COURT OF PAKISATN DATED JANUARY 19, 2023 IN THE MATTER OF CIVIL APPEALS NO.1011 to 1119 OF 2020 & 1185 TO 1191 OF 2020 AND C.P NO.3428 of 2020 & 1145-K OF 2020 & 4775 TO 3780 OF 2020

- 1. The Federal Government vide SRO.12(I)/2019 dated January 01, 2019 allowed a relief package for industrial consumers of XWDISCOs and K-Electric whereby it was notified that payment for the industrial consumers of all XWDISCOs and K-Electric be reduced by Rs.3/kWh, which reduction shall be inclusive of any downward revision of Fuel Price Adjustment notified from time to time. The difference between the relevant payment due from industrial consumer and special relief package notified, adjusted with any downward revision of Fuel Price Adjustment as above, shall be paid to XWDISCOs and K-Electric by the Federal Government per the notification for rationalization of process of payment of subsidy.
- 2. The impact of SRO.12(I)/2019, was built by the Federal Government in the Schedule of Tariff (SoT) of K-Electric, which was notified vide SRO.575(I)/2019 dated May 22, 2019, whereby, the industrial tariff of K-Electric consumers was reduced by Rs.3/kWh for both peak and off peak hours.
- 3. Subsequently, the Federal Government vide SRO.810(I)/2019 dated 12.07.2019 amended the SRO.12(I)/2019 with effect from July 1, 2019, whereby it was decided that payment for industrial consumers of all XWDISCOs and K-Electric be reduced by Rs.3/kWh only during the peak hours. However, as the relief of Rs.3/kWh was built in the SoT of K-Electric, notified vide SRO 575(I)/2019, therefore, withdrawal of relief of Rs.3/kWh for other than peak hours from Industrial consumers of K-Electric could not be implemented, as the SRO was not modified accordingly.
- 4. The Federal Government, vide corrigendum dated January 22, 2020, revised the rates of Industrial Supply Tariff in K-Electric's SRO.575(I)/2019 dated 22.05.2019, by substituting the revised rates for industrial consumers other than peak hours, to give effect to SRO.810(I)/2019 dated 12.07.2019, to be effective from July 1, 2019. Based on the aforementioned corrigendum dated January 22, 2020, K-Electric reversed the subsidy earlier provided to industrial consumers, for the period July 2019 to December 2019.
- 5. The matter was challenged by the consumers' in the Honorable High Court of Sindh and later in the Honorable Supreme Court of Pakistan.
- 6. The Honorable Supreme Court decided that the appeals and petitions filed by the consumers are dismissed and the matter concerning the adjustment of SRO.810(I)/2019 is referred back to NEPRA for its determination and the issuance of a Schedule of Tariff (SoT) amending the uniform tariff for K-Electric as under:
 - "Para 24. Consequent to the aforementioned, the appeals as well as the petitions filed by the Consumers are dismissed. The Appeals of K-Electric are allowed to the extent that the working given by the High Court in Para 42(b) of the impugned judgment is set aside and the matter of



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adjustment consequent to SRO 810 may be referred to NEPRA for its determination and issuance of an SOT amending the uniform tariff for K-Electric."

- 7. K-Electric has also requested NEPRA to adjust the uniform tariff of K-Electric for the period July 2019 to December 2019, so that removal of subsidy, consequent to SRO.810(I)/2019 is duly reflected by passing a determination and issuance of SoT in compliance of the decision of the Supreme Court of Pakistan.
- 8. Based on the above discussion and decision of the Honorable Supreme Court, the Authority has decided to amend the Schedule of Tariff (SoT) of K-Electric notified vide SRO.575(I)/2019 dated 220.05.2019, consequent to SRO.810(I)/2019 dated 12.07.2019, only to the extent of the industrial consumers of K-Electric, to be applicable for the period July 2019 to December 2019, which is attached herewith as **Annex A**.
- 9. The instant decision along-with Annex-A is intimated to the Federal Government for notification in light of Section 31 of NEPRA Act.

AUTHORITY

Mathar Niaz Rana (nsc)

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Mathar Niaz Rana (nsc)
Member

Rafique Ahmed Shaikh Member

Engr. Maysood Anwar Khan

Member

Amina Ahmed Member

Waseem Mukhtar Chairman

> NEPRA AUTHORITY

B INDUSTRIAL SUPPLY TARIFFS							
		K-Electric Tariff			Uniform Tariff		
Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES Rs/kWh		FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M			Rs/kW/M	Rs/kWh_	
B1	Upto 25 kW (at 400/230 Volts)	-		13.50	-		15.28
B2(a)	25-500 kW (at 400 Volts)	400.00		12.65	400.00		14.78
B3(a)	For all loads upto 5000 KW (at 11,33 kV)	380.00		12.50	380.00		15.50
B4(a)	For all loads upto 5000 KW (at 66,132 kV)	360.00		12.00	360.00		15.00
	Time Of Use		Peak	Off-Peak		Peak	Off-Peak
В1(b)	Upto 25 kW (at 400/230 Volts)	-	16.50	12.50		15.84	13.28
В2(b)	25-500 kW (at 400 Volts)	400.00	16.50	12.00	400.00	15.78	13.07
В3(b)	For All Loads up to 5000 kW (at 11,33 kV)	380.00	16.50	11.50	380.00	15.78	12.98
B4(b)	For All Loads (at 66,132 kV & above)	360.00	16.50	11.25	360.00	15.78	12.88
B5	For All Loads (at 220 kV & above)	340.00	16.50	10.50	340.00	15.78	12.00

The above mentioned variable peak charges under the head of uniform tariff is inclusive of Industrial Support Package notified vide SRO.12(1)/2019 dated 1st January, 2019 read with SRO 810(I)/2019 dated 12th July, 2019.

- For B1 consumers there shall be a fixed minimum charge of Rs. 350 per month.
- For B2 consumers there shall be a fixed minimum charge of Rs. 2,000 per month.
- For B3 consumers there shall be a fixed minimum charge of Rs. 50,000 per month.
- For B4 consumers there shall be a fixed minimum charge of Rs. 500,000 per month.
- For B5 consumers there shall be a fixed minimum charge of Rs. 1000,000 per month.



