

**SENATE OF PAKISTAN**



**(REPORT NO. 4 of 2022)**

**REPORT OF THE SENATE STANDING COMMITTEE ON POWER**

**ON**

**THE POINT OF PUBLIC IMPORTANCE REGARDING "FUEL PRICE  
ADJUSTMENT CHARGES IN ELECTRICITY BILLS", RAISED BY  
SENATOR MUSHTAQ AHMED KHAN IN THE SENATE SITTINGS  
HELD ON 14<sup>TH</sup> JANUARY, 2022 & 14<sup>TH</sup> FEBRUARY, 2022.**

**PRESENTED BY**

**SENATOR SAIFULLAH ABRO**

**CHAIRMAN  
Standing Committee on Power**

## SENATE SECRETARIAT

### Report of the Senate Standing Committee on Power on the Point of Public Importance regarding "Fuel Price adjustment charges in Electricity Bills", raised by Senator Mushtaq Ahmed Khan in the Senate sittings held on 14<sup>th</sup> January, 2022 & 14<sup>th</sup> February, 2022.

I, Senator Saifullah Abro, Chairman of the Senate Standing Committee on Power, have the honour to present report, on behalf of the Committee, on Point of Public Importance regarding "Fuel Price adjustment charges in Electricity Bills", raised by Senator Mushtaq Ahmed Khan in the Senate sittings held on 14<sup>th</sup> January, 2022 & 14<sup>th</sup> February, 2022, and referred to the Standing Committee for consideration and report.

2. The composition of the Committee is as under: -

i.	<b>Senator Saifullah Abro</b>	<b>Chairman</b>
ii.	Senator Fida Muhammad	Member
iii.	Senator Syed Shibli Faraz	Member
iv.	Senator Saifullah Sarwar Khan Nyazee	Member
v.	Senator Zeeshan Khanzada	Member
vi.	Senator Prince Ahmed Umer Ahmedzai	Member
vii.	Senator Sana Jamali	Member
viii.	Senator Haji Hidayatullah Khan	Member
ix.	Senator Bahramand Khan Tangi	Member
x.	Senator Syed Muhammad Ali Shah Jamot	Member
xi.	Senator Muhammad Talha Mahmood	Member
xii.	Senator Hafiz Abdul Karim	Member
xiii.	Senator Muhammad Asad Ali Khan Junejo	Member
xiv.	Senator Ahmed Khan	Member
xv.	Minister for Energy (Power Division)	Ex-Officio Member

3. The Committee considered and discussed the matter in its meetings held on 27<sup>th</sup> April, 2022 and 18<sup>th</sup> July, 2022. The last meeting was attended by the following:-

i.	<b>Senator Saifullah Abro</b>	<b>Chairman</b>
ii.	Senator Fida Muhammad	Member
iii.	Senator Saifullah Sarwar Khan Nyazee	Member
iv.	Senator Zeeshan Khanzada	Member
v.	Senator Prince Ahmed Umer Ahmedzai	Member
vi.	Senator Sana Jamali	Member
vii.	Senator Haji Hidayatullah Khan	Member
viii.	Senator Bahramand Khan Tangi	Member
ix.	Senator Mushtaq Ahmed Khan	Mover

4. In the meeting held on 27<sup>th</sup> April, 2022, Senator Mushtaq Ahmed Khan, mover, briefed the Committee in detail that Khyber Pakhtunkhwa generates more hydropower than it needs. The province was not even provided with the required share of electricity. He said that Peshawar High Court had ruled that people of Khyber Pakhtunkhwa could not be charged for fuel price adjustment but the department was still collecting the charges against the court ruling. He further stated that just as Gilgit-Baltistan was given subsidy on electricity bills, so should Khyber Pakhtunkhwa. The A.S, Power Division informed the Committee that Gilgit-Baltistan was not connected to the national grid. The NEPRA wheeling charges are Rs. 1.8 per unit. He further said that after being connected to the national grid, all the provinces are billed at the same rate. The overall hydropower generation is 9000MW with KPK producing 6000MW in it. Since 2007 quota, the load shedding was free and ratio was divided according to it. The Supply and demand was equal in this regard. The Member asked about the quota for Khyber Pakhtunkhwa. The A.S, Power Division informed that quota was according to Article 161 of the Constitution of Pakistan, 1973.

5. In the meeting held on 18<sup>th</sup> July, 2022, Senator Mushtaq Ahmed Khan, mover, briefed the Committee that recently NEPRA has announced Rs. 7.90 as fuel price adjustment in electricity Bills which will be a huge burden on domestic and commercial consumers both. The Khyber Pakhtunkhwa produce electricity through hydel source and producing three times much more than its requirement. They must get their share according to the Article 162 of the Constitution of Pakistan and Kazi Committee Methodology (KCM). The CCI in its 41<sup>st</sup> meeting has also approved that Rs. 128 billion as a share to Khyber Pakhtunkhwa in producing electricity in 2016. Last year, Rs. 19 billion were received by the Khyber Pakhtunkhwa province. On the other hand, there was no permission for the wheeling as well. If the provinces will not receive their shares than it will create problems in a country.

6. Regarding the fuel price adjustment charges in electricity Bills in Khyber Pakhtunkhwa, Senator Mushtaq Ahmed Khan further stated that a writ petition was filed in Peshawar High Court in October 2021 and NEPRA was directed to solve the matter in 30 days but despite the lapse of one and half years, the matter was still pending. He asked a question that why NEPRA had not decide it yet. He demanded that electricity bill must be paid in instalments. Mr. Tauseef H. Farooqui, Chairman NEPRA informed the Committee that decision is remaind back and there was a matter that dealt with exclusivity. The decision of the High Court was to respect till their exclusivity. The exclusivity of all DISCOs is expired except KE is left. Furthermore, now the licenses will be given without exclusivity. The other DISCOs can buy & sell their electricity. Regarding the wheeling issue, NEPRA has given the determination which was electricity user friendly and the cost was also minimise.

7. The Chairman Committee also stated that earlier the matter came to the Committee and it was decided with the consent of Secretary, Power Division and CEO, PESCO and directed the CEO, PESCO that three instalments plan will be paid by owners of small industries and decision regarding surcharge will be taken by PESCO on a later date.

8. Senator Haji Fida Muhammad raised a question about total generation & consumption of hydropower in Khyber Pakhtunkhwa. The Chairman NEPRA informed that total 7000MW was generated & 2300MW was consumed by Khyber Pakhtunkhwa. Senator Mushtaq Ahmed Khan further raised the matter of the unavailability of electricity in Khyber Pakhtunkhwa. He said that Khyber Pakhtunkhwa produced 7000MW of electricity and its demand was around 2800MW to 3000 MW but despite producing huge electricity, the people of Khyber Pakhtunkhwa were deprived of electricity. He asked about the quota for demand & supply of electricity of Khyber Pakhtunkhwa. The Committee was informed that 2000MW was the quota of daily generation of electricity of Khyber Pakhtunkhwa. Senator Mushtaq Ahmed Khan showed his serious reservation and demanded that (2000MW) must be provided to Khyber Pakhtunkhwa despite having severe load shedding of 12-15hrs a day in Khyber Pakhtunkhwa.

9. He further quoted the references of Articles 162 & 158 of the Constitution of Pakistan, 1973. Chairman, NEPRA also apprised the Committee that electricity is a federal subject and net hydel profit of Rs. 1:10pc per unit was approved by NEPRA and agreed by Khyber Pakhtunkhwa. The Kazi Committee Methodology also approved it. He further informed that quota was there but PESCO was not taking it with respect to Aggregate Technical & Commercial (AT&C) losses. The CEO, PESCO also informed that demand of PESCO was around 2800MW to 3000MW and the quota was allowed between 1600MW to 1800MW daily due to less generation. According to NPCC there was 13.5% of quota of total generation of electricity.

10. Senator Haji Fida Muhammad asked whether TESCO was also included in it. Mr. Tahir Jamal, CEO, TESCO informed the Committee that earlier TESCO was included in the quota but now it was not part of it. The Member asked about total consumption of electricity in TESCO. The CEO, TESCO informed that total electricity consumption of TESCO was 400MW. The Chairman Committee asked about a severe load shedding in TESCO. The CEO, TESCO informed the Committee that it is extended with respect to the subsidy given to the domestic consumers. The Chairman Committee asked about the provision of electricity to industries & recovery from them and directed CEO, TESCO to provide a report on consumption of electricity by domestic & industrial consumers in TESCO.


11. After the detailed deliberations, the Committee made the following recommendations:

- i. The Committee unanimously decided and directed Chairman NEPRA to meet Senator Mushtaq Ahmed Khan and resolve the issue within two weeks' time and submit the report to the Committee. The Committee also decided and directed Chairman NEPRA to share the decision of the hearing with the Committee.
- ii. The Committee unanimously decided and directed the Chairman NEPRA to provide the due share of electricity which is (13.5% of quota) to the province. The Committee

also unanimously decided and directed CEO, PESCO that quota must be utilized properly and to ensure that PESCO must draw their quota properly.

- iii. The Committee decided and directed CEO, TESCO to provide report on consumption of electricity by domestic & industrial consumers in TESCO. The Committee also decided to visit TESCO and take briefing from CEO, TESCO in this regard.

12. The Committee with the consent of the mover disposed of the matter for onward report to the House.

  
(BUSHRA RAFIQUE)  
Deputy Director /Secretary Committee:

  
(SENATOR SAIFULLAH ABRO)  
Chairman, Standing Committee on Power

Islamabad,  
The 18<sup>th</sup> July, 2022