



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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Vice Chairman/Acting Chairman

No. NEPRA/TRF-22/KESC-2003/7643-45
August 20, 2003

Subject: Determination of Security Deposit and System Development Charges
(Case No. NEPRA/TRF-22/KESC-2003)
Intimation of Determination of Tariff pursuant to Section 31(4) of the
Regulation of Generation, Transmission and Distribution of Electric Power
Act (XL of 1997)

My dear Secretary,

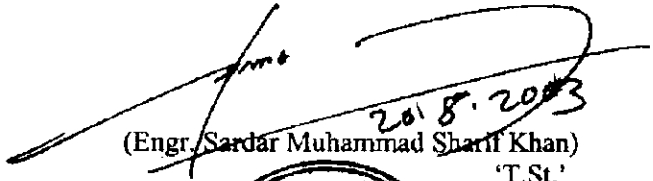
Please find enclosed the determination of the Authority along with Annexures (18 pages) in Case No. NEPRA/TRF-22/KESC-2003.

2. The determination is being intimated to the Federal Government for the purposes of notification of the approved tariff in the official gazette pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997) and Rule 16(11) of the National Electric Power Regulatory Authority Tariff (Standards and Procedure) Rules, 1998.

3. Please note that only Annexures A & B attached with the determination relating to the Rates of Security Deposit and abolishing the System Development Charges need to be notified in the official gazette.

DA/As above.

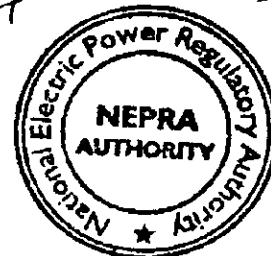
Yours sincerely,


(Engr. Sardar Muhammad Sharif Khan)
'T.St.'

The Secretary,
Cabinet Division,
Government of Pakistan
Cabinet Secretariat,
Islamabad

CC:

1. Secretary, Ministry of Water & Power, Islamabad.
2. Secretary, Ministry of Finance, Islamabad.



NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

August 20, 2003
Case No. NEPRA/TRF-22/KESC-2003

**DETERMINATION OF SECURITY DEPOSIT
AND SYSTEM DEVELOPMENT CHARGES
(CASE NO. NEPRA/TRF-22/KESC-2003)**

Petitioner

Karachi Electric Supply Corporation
AIMAI House, Abdullah Haroon Road, Karachi

Intervenors

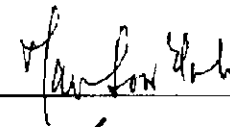
1. Mr. Nihal Akhtar, Secretary – ABAD, ABAD House, Street – 1/D, Block-16, Gulistan-e-Jauhar, Karachi.
2. Mr. Mohammed Naseem Khan, Secretary, Site Association of Industry, Aiwan-e-Sanat, House 16, Site Karachi.
3. Mr. Mohammed Aarif Bilvani, Mushtaq & Co. Pvt. Ltd., F-57, S.I.T.E., Karachi.
4. Mr. Mohammed Aftab Alam, Advocate, Consumer Rights commission of Pakistan (CRCP), House # 10, Street # 1, G-9/3, Islamabad.
5. Engr. Roland DeSouza, Liberal Forum Karachi, 206-G/2, P.E.C.H.S. Karachi.

Authority

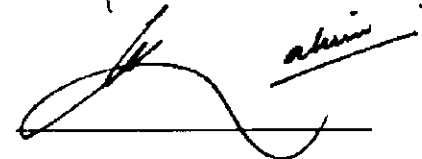
Fazlullah Qureshi
Member



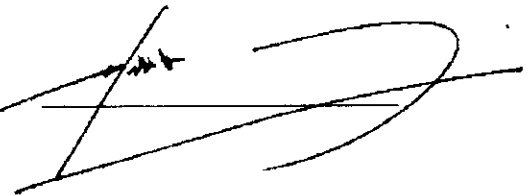
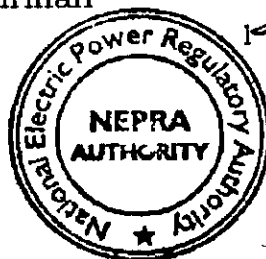
Mansoor Elahi
Member



Abdul Rahim Khan
Member



Sardar Muhammad Sharif Khan, 'T.St.'
Member/Vice Chairman



Background:

1. The Karachi Electric Supply Corporation ('KESC') filed a tariff petition on May 12, 2003 with the National Electric Power Regulatory Authority ('the Authority') for determination of rates of Security Deposit (SD) and System Development Charges (SDC).

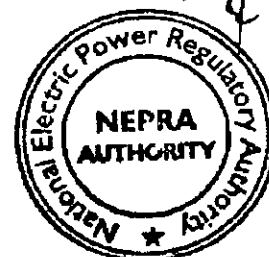
2. In its meeting held on May 14, 2003, the Authority examined the Petition and held that a *prima facie* case exists for its consideration. The Authority admitted the petition on May 14, 2003.

3. In accordance with the Tariff Standards and Procedure Rules 1998 ('the Rules'), the Authority vide newspaper advertisements dated May 23, 2003, solicited comments from interested persons and sought the participation of all stakeholders in the tariff-setting process. The views of Government Ministries, Chambers of Commerce, Industry and Agriculture and experts were also solicited through notices. In response thereof, five communications and five intervention requests (IRs) were received. The IRs were accepted by the Authority. A public hearing was conducted at Islamabad on July 7, 2003.

4. A request for intervention was submitted by Pakistan PTA during the hearing. However, the Authority ruled that the request could not be accepted in the light of the objections of the parties and non-fulfillment of the other requirements of Rule 6(5) of the Tariff (Standards & Procedure Rules), 1998.

Submissions of KESC:

5. In its petition, KESC has sought revision in the rates of SD and SDC. KESC submitted that it sells electricity to consumers on credit basis. According to its procedure, disconnection of supply of any defaulting consumers takes about two and a half months. Security

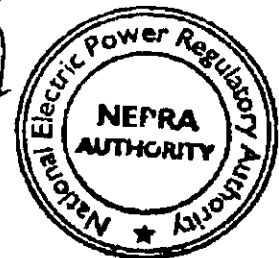


deposit is therefore, taken from the consumers to cover the risk involved in credit sales. KESC issues on an average of 1.6 million bills per month. However, approximately one million consumers pay their bills, hence the average percentage of defaulting consumers ranges from 35% to 40%.

6. KESC is of the view that one of the reasons for increasing theft is the exorbitant cost of service connection, which needs revision. The high rates act as a disincentive for the consumers to apply for new connections resulting in electricity consumption through illegal means thereby causing KESC substantial revenue losses. KESC has asserted that in order to reduce such losses the consumers may be provided legal connection at a cheaper rate and that the procedure should be simplified in line with that of WAPDA.

7. The System Development Charges for KESC consumers as approved by the Authority vary from those charged by WAPDA. WAPDA is charging the entire cost of 11 kV extensions, only from the first applicant, while the subsequent consumers contribute nothing towards the already laid distribution network. All the trade and industrial associations, Association of Builders and Developers (ABAD) and general domestic and commercial consumers have termed SDC, in the manner collected by KESC, as a discriminatory levy and demanded waiver of the same in line with WAPDA.

8. KESC has now recommended that no SDC should be charged where 11 kV extensions exist. However, fifty percent of the total cost towards laying of 11kV overhead and underground extensions including cables, joints, poles and conductor may be borne by the first applicant and the balance by KESC for system extension.



Determination Sought

9. The determination sought by the KESC is as under :-

i) **Security Deposit**

New Definition of Security Deposit may be approved as under:

"Before the connection can be given for the new connection service or extension of load is granted, the consumer must pay a minimum Security Deposit in cash equivalent to two and a half times the monthly bill of the consumer on estimated basis. If the Security Deposit amount at a later stage, proves insufficient the KESC shall have the right to increase it upto two and half times the average monthly bill of the consumer".

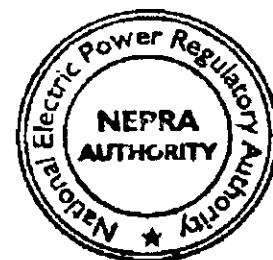
ii) **Category-Wise determination of maximum limit of Security Deposit**

The Authority may fix the maximum limit of Security Deposit for different categories of consumers based on the tariff applicable from April 2003.

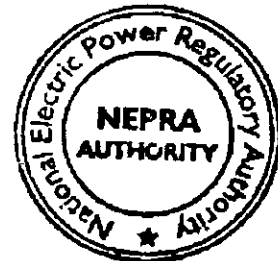
iii) **Implementation of the concessional rates of Security Deposit**

The KESC Board of Directors may be authorized to charge appropriate amount from consumers within the limit determined by NEPRA. The Board has recommended the concessional rates for new service connection and also on regularization of load.

The maximum limit and the concessional rates of Security Deposit are provided hereunder:



Tariff	Consumer Category	Rates of Security Deposit	
		Maximum Limit	Concessional Rates
A-1	RESIDENTIAL <u>Single Phase UP TO 1 kW</u> - Rural - Urban <u>Single Phase 1 – 4 kW</u> <u>Three Phase 4 – 10 kW</u> <u>Three Phase Above 10 kW</u>	Rs. 482/kW Rs. 744/kW Rs. 1,180/kW Rs. 1,641/kW Rs. 2,073/kW	<u>Upto 4 kW</u> Rs. 300 Fixed Rs. 500 Fixed <u>Above 4 kW</u> Rs. 3,750+ Rs. 1,000/kW for load above 5 kW (Maximum Rs. 15,000)
A-2	COMMERCIAL <u>Single Phase UP TO 1 kW</u> - Rural - Urban Single/Three Phase 1– 10 kW - Without Air-conditioning - With Air-conditioning <u>Three Phase Above 10 kW</u> - Without Air-conditioning - With Air-conditioning	Rs. 653/kW Rs. 1,307/kW Rs. 2,700/kW Rs. 4,100/kW Rs. 4,100/kW Rs. 5,500/kW	<u>Upto 4 kW</u> Rs. 975 Rs. 1,925 <u>Above 4 kW</u> Rs. 10,000 + Rs. 2,000/kW for load above 5 kW
INDUSTRIAL			
B-1	400 Volts upto 40 kW	Rs.2,984/kW	Rs. 800/kW
B-2	400 Volts 41-500 kW	Rs.3,053/kW	Rs. 1,375/kW
B-3	11 kV 501 kW & above	Rs.3,572/kW	Rs. 2,275/kW
B-4	132 kV 5,001 kW & above	Rs.4,641/kW	Rs. 2,325/kW
B-5	220 kV 5,001 kW & above	Rs.5,924/kW	Rs. 2,750/kW
BULK SUPPLY			
C-1	400 Volts	Rs. 3,353/kW	Rs. 800/kW
C-2	11 kV	Rs. 4,646/kW	Rs.2,275/kW
C-3	132/220 kV	Rs.4,641/kW	Rs. 2,325/kW



iv) **Charging of additional Security Deposit.**

KESC may be legally empowered to demand additional security deposit from the existing consumers subject to the condition that the total Security Deposit does not increase two and half months' billing level as already notified vide Clause 'G' of the notification No. PRAB-1-20/69 dated 31 January 1970. There is no requirement of additional security where consumer is a regular payer of bills.

v) **System Development Charges**

The 50% of the total cost towards laying of 11 kV overhead and underground extensions including cable, joints, poles and conductor may be borne by the first applicant and balance by KESC for system extension. No SDC will be charged where 11 kV extension exists.

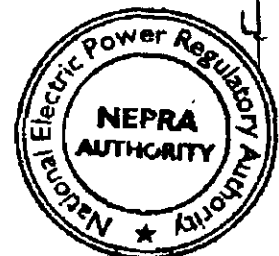
vi) **Date of Implementation of the determination**

Implementation of charges will take effect from the date of Gazette Notification by the Federal Government.

Submission of the Intervenors

10. The points raised by the intervenors are summarized in the following paragraphs.

- i) The Security Deposit may be charged by KESC equivalent to the rates charged by WAPDA from its consumers to avoid any discrimination amongst the consumers of WAPDA and KESC. Moreover, the Security Deposit may also be accepted in the form of Bank Guarantee or Government Securities or



Saving Certificates in lieu of cash at least from the industrial consumers, as is being accepted by WAPDA for the last few years.

- ii) KESC should not assume that every consumer is a defaulter and it is unreasonable that all the consumers should pay the SD equal to two and a half months' billing. An amount equal to twenty days billing should be adequate insurance against default. The present position of KESC relating to the outstanding bills of six to eight months' billing is not acceptable and KESC must immediately disconnect the consumers who do not pay their legitimate bills.
- iii) The determination of the rates of SD for various categories of consumers must be based on proper verifiable statistical data of the average load-factor of such consumer.
- iv) The existing consumers should not be charged any additional Security Deposit. Moreover, KESC should refund the excess amount to the consumers collected during the combing operations to meet the norms of justice.
- v) KESC's proposal for charging of 50% cost of the total expenses, towards laying of 11 kV overhead and underground extensions (where 11 kV extensions do not exist) including cable joints, poles and conductors from the first consumer, is gross injustice. Consumers within 100 feet of KESC distribution network cannot be charged for any portion of the service line (except that which is on the consumer's property). Any extension or reinforcement of the 11 kV or 400 Volts networks in existing industrial, commercial or residential areas should be financed by the

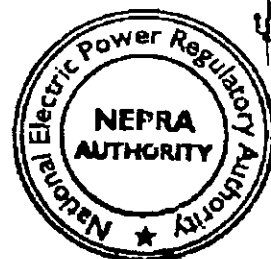


KESC at its own cost as per the requirements of the Electricity Act 1910.

- vi) The consumer is already paying the cost of system development in the form of energy charges every month. It is the sole responsibility of KESC to lay the overhead and underground extensions including cables, joints, poles and conductors. These are the fixed investments (assets); the cost, depreciation and interest thereon are already being recovered by KESC from the consumers.
- vii) There should be no difference in regulation of the two entities (KESC and WAPDA) and NEPRA on its own should weed out the laws, byelaws, rules and regulations, which are discriminatory or detrimental to the consumers. This principle of equality amongst citizens of Pakistan is also provided in Article 25 of the Constitution of the Islamic Republic of Pakistan.
- viii) The question of contract load (which concerns the utilities) and connected load (which does not) must be taken up by NEPRA and settled once for all, so that the consumers are not harassed and the utility company can undertake its financial and technical planning on a sound footing.

Submission of the Commentators

11. The commentators listed below requested the Authority for reduction in the rates of Security Deposits and abolition of System Development Charges at the earliest possible. They submitted that as compared to WAPDA, KESC was charging much higher rates. The rates



charged by KESC should be brought down to the level as charged by WAPDA so that the citizens of Karachi are also benefited.

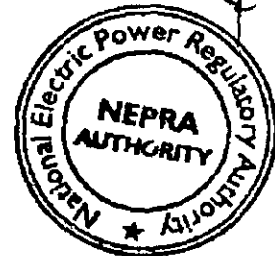
LIST OF COMMENTATORS

1. Mr. Haroon Farooki
Chairman SITE Association of Industry
Aiwan-e-Sanat, H-16, SITE
Karachi-75700.
2. Mr. Abdullah Rafi
All Pakistan Textile Proceedings Mills Association
H-16, Textile Avenue, S.I.T.E.
Karachi.
3. Manager
Ajmer Pride & Shopping Mall
401 to 404, Batool Arcade
SB 4 Block 13-B
Karachi
4. Mr. Muhammad Islam Siddiqui
Chairman
Tanzeem Pakistan Mera Watan
S-I-Block No. 13, Federal B Area
Karachi
5. Mr. Zoya T. Khoso
Section Officer
Ministry of Industries and Production
Government of Pakistan
Islamabad

Issues arising out of the proceedings

12. The following issues arising out of the submissions of the KESC, Intervenors and Commentators are considered:

- Definition of Security Deposit
- Additional Security Deposit
- Rates of Security Deposit
- Regularization of Additional Load
- System Development Charges
- Contract load and Connected load



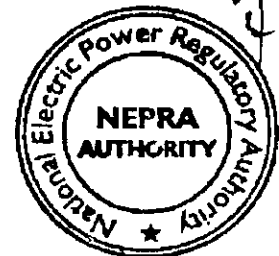
Definition of Security Deposit

13. Security Deposit (SD) is considered to be a guarantee to be provided by one party to the other to provide compensation in case of default by a party. At present KESC's Terms and Conditions do not define the term 'Security Deposit'. We have considered the issue and approved the inclusion of the definition of Security Deposit in the Terms and Conditions of KESC, as under: -

"A Consumer will be required to pay to KESC, an amount as security as approved by the Authority before the provision of a new connection, or the approval of extension of load. Such amount paid to the KESC will be considered as the Security Deposit (SD). If the consumer no longer wishes to continue its electric power connection, KESC shall be liable to refund the SD to the consumer on demand. In case the consumer does not pay the electricity dues, KESC may adjust the SD against the outstanding amount billed to the consumer. The amount of security deposit may also be transferred to a new consumer availing the existing connection with the consent of the existing consumer."

Rates of Security Deposits for different categories of consumers

14. It has been argued in the public hearing that the rates of security deposit to be charged by KESC should be the same as those charged by WAPDA to avoid any discrimination amongst the consumers of both the utilities. We are of the view that there appears to be no justification to adopt the same rates for KESC as those applicable to WAPDA consumers since on unbundling of later public utility each distribution company has to develop its own criteria on the basis of which these rates would be charged. The rates currently charged by

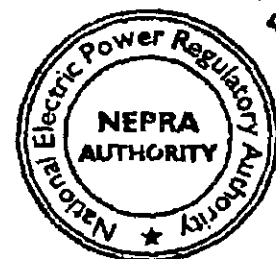


WAPDA are effective from November 1997 which may be revised in future, by the newly incorporated distribution companies. Uniformity in rates, not based on any rational considerations, is not the criteria which can be approved by the regulator since it may not balance the interests of the stakeholders.

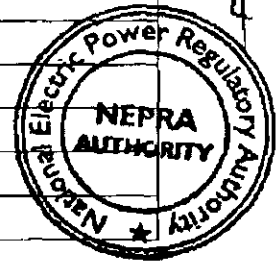
15. We understand that the terms and conditions of KESC already provide adequate safeguards to the Corporation in the event of late payment or non-payment of energy dues by a consumer. It would therefore not be justified to allow KESC to obtain an amount of security deposit substantially more than that, which covers the loss from the defaulting consumers.

16. If the utility operates efficiently within the given circumstances it should not allow a consumer to consume electricity for more than four months without paying the dues to the utility. If such a consumer leaves the KESC system without paying the bills KESC should be able to recover the amount through adjustment of security deposit. However every consumer is not expected to leave the system permanently. The maximum expectation is that not more than 25% of the consumers will default in a 10 years period, which may require a security adjustment.

17. The quantum of security deposit should no doubt meet the genuine commercial requirement of the utility without causing any undue burden on the consumers of electricity. A maximum of one month's estimated billing (four months x 25% = one month) of various consumer categories is considered appropriate. The additional load approved by KESC would also be charged at the same approved rates. The rates of security deposit for different categories of consumers are approved as under: -



Tariff	Consumer Category	Approved Rates (based on contracted load)
A-1	RESIDENTIAL	
	<u>UP TO 4 kW</u>	
	- Rural	Rs. 300/- Fixed
	- Urban	Rs. 500/- Fixed
	<u>4.1 kW to 20 kW</u>	Rs. 500 plus Rs. 500/kW for load above 4 kW
	<u>Above 20 kW</u>	Rs. 8500 plus Rs. 800/kW for load above 20 kW
A-2	COMMERCIAL	
	<u>UP TO 4 kW</u>	
	- Rural	Rs. 900/- Fixed
	- Urban	Rs. 1,600/- Fixed
	<u>Above 4 kW</u>	Rs. 1,600 plus Rs. 1,500/kW for load above 4 kW
INDUSTRIAL		
B-1	400 Volts upto 40 kW	Rs. 800/kW
B-2	400 Volts 41-500 kW	Rs. 1,200/kW
B-3	11 kV 501 kW & above	Rs. 1,500/kW
B-4 & B-5	132/220 kV 5,001 kW & above	Rs. 2,000/kW
BULK SUPPLY		
C-1	400 Volts	Rs. 800/kW
C-2	11 kV	Rs. 1,600/kW
C-3	132/220 kV	Rs. 2,000kW
AGRICULTURE		
D	Same rates as applied to residential consumers	
SEASONAL INDUSTRIES		
F	Same rates as applied to industry of the same load	



18. These approved rates shall be charged from consumers by KESC prior to provision of a new connection or the approval of extension of load. The existing consumers registered with the licensee or applicants for new connection or restoration of connection, who have already deposited the security deposit prior to the notification of the new rates of

security deposits, (now approved by the Authority), according to the instructions of the licensee enforced at that time will not be reimbursed such deposits by the licensee.

Additional Security Deposits

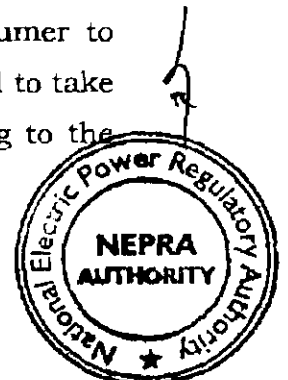
19. KESC requested that it might be allowed to charge additional security deposit from all existing consumer categories upto the amount of two and a half months' billing. It however changed its position during the hearing of the petition and proposed to demand additional security deposit only from those consumers who were not regularly paying their bills. This request is denied since the implementation of the decision would lead to arbitrary application of security deposit rates.

20. KESC may charge the existing consumers for an additional amount of security deposit only for the additional load in case the consumer requests for the authorization of additional load, at the rates approved by the Authority.

Regularization of Additional Load

21. A consumer who has been provided electric power connection by KESC based on an earlier load demand may request the KESC for an additional load. If the consumers request is exceeded to and KESC agrees modify the agreement with the consumer, the consumer shall pay to the KESC the security deposit for the additional load as per the rates approved by the Authority.

22. If however a consumer unilaterally increases its power load without getting it approved or regularized by KESC and this is later on detected by the utility, KESC may issue a notice to the consumer to restrict itself to the contracted load. KESC will however be obliged to take all reasonable measures for restricting the load usage according to the



capability of the distribution facility installed for the consumers upto the metering interconnection point.

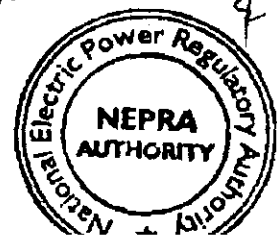
System Development Charges

23. The cost of initial connection or system extension, reinforcement or development charges, if any, would be in accordance with the Eligibility Criteria approved by the Authority. The system development charges earlier approved by the Authority vide its determination of March 16, 2000 are hereby rescinded. Henceforth KESC shall not be entitled to levy Charges if any, on its consumers for the cost of connection, system extension, reinforcement or development except in accordance with the Eligibility Criteria notified by NEPRA vide S. R. O. 743(I)/2003 dated 26th July, 2003.

Contract load vs. connected load

24. The consumers of KESC have protested that they are being unnecessarily penalized due to insertion of the words "connected load" instead of "contracted load" in the definition of "Billing Demand" in the Terms and Conditions of KESC. We have received written requests from the consumers of KESC that due to this insertion of the expression 'connected load', they have to pay huge additional amounts although they pose no additional burden on the KESC system. KESC however strongly protested that this issue requires detailed discussions and should not be considered at this stage.

25. In view of the submissions made by the participants, we are of the opinion that the case needs detailed deliberations before a decision is made by the Authority. The interested/affected persons may file a separate petition on the issue for decision by the Authority.

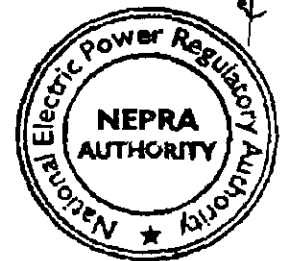


26. **ORDER**

The decisions taken in the aforementioned paragraphs are summarized as under:-

- i) KESC shall henceforth charge only such rates of security deposit as approved by the Authority annexed to this determination as Annexure-A.
- ii) KESC will charge the cost of initial connection, system extension, reinforcement or development charges only in accordance with the Eligibility Criteria approved by the Authority and notified vide S. R. O. No. 743(I)/2003 dated 26th July, 2003. Henceforth KESC shall not be entitled to levy Charges if any, on its consumers for the cost of connection, system extension, reinforcement or development except in accordance with the notified Eligibility Criteria.
- iii) The existing consumers registered with the licensee or applicants who have already deposited the System Development Charges or Security Deposit prior to the notification of the currently approved rates of security deposit and Eligibility Criteria, will not have any right for reimbursement of such deposits.

27. The rates of security deposit and elimination of system development charges as approved by the Authority are attached to this determination per Annexure-A & B. These are sent to the Federal Government for notification under section 31(4) of the Act.



Annexure-A

Statutory notification (S.R.O)

Government of Pakistan

Ministry of Water and Power

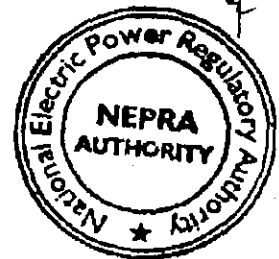
Notification

Islamabad, the ----- 2003

S. R. O. No. In pursuance of sub-section (4) of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), the Federal Government is pleased to notify that the National Electric Power Regulatory Authority has added the following in the Terms and Conditions of KESC earlier notified vide this Ministry's Notification S. R. O. 819(I)/2001 dated 29th November 2001, namely:

Definition of Security Deposit

"A Consumer will be required to pay to KESC, an amount as security as approved by the Authority before the provision of a new connection, restoration of the connection or the approval of extension of load. This amount paid to the KESC will be considered as the Security Deposit (SD). If the consumer no longer wishes to continue its electric power connection, KESC shall be liable to refund the SD to the consumer on demand. In case the consumer does not pay the electricity dues, KESC may adjust the SD against the outstanding amount billed to the consumer. The amount of security deposit may also be transferred to a new consumer availing the existing connection with the consent of the existing consumer."



**National Electric Power Regulatory Authority
(NEPRA)**

**Authority Regulatory Meeting RM 05 – 021
Held on 15th February, 2005**

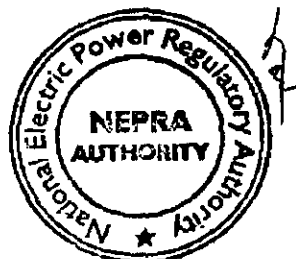
Decision of the Authority on the appeal of Mr M. Aslam regarding clarification with respect to reimbursement of System Development Charges (SDC)

The Authority consequent to the hearing of the complaint of Mr. M. Aslam and others for the refund of system development charges by IESCO as charged against applications for new connection had decided vide its decision of 21-06-04 that "applications for new connections should include no other charge except the charges for the Dedicated Distribution System".

2. Mr. M. Aslam vide another communication dated 15-9-04 brought to the notice of the Authority on 30-12-04, remonstrated that the decision of the Authority does not convey the clarity with respect to his case regarding the relief intended through the Eligibility Criteria (EC) and contended that the payment demanded by IESCO in excess of the Dedicated Distribution System (DDS) cost paid by him after the notification of the Eligibility Criteria as SDC charges is not justified and that such charges should be reimbursed to him by IESCO.

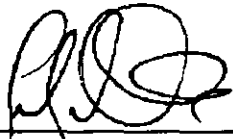
3. The Authority agrees that in the case of Mr. Aslam, as is evident from the demand note dated 12-10-2003 and payment receipt of bank dated 17-10-2003, the demand of SDC by IESCO for the Common Distribution System was made after the notification of the Eligibility Criteria (29-7-2003) and the payment was also made subsequently.

4. The Authority considers that in the instant case as per Eligibility Criteria {Section 4(3)} the matter of deposit of cost in addition to the DDS should have been decided on mutually agreed terms of reimbursement for such portion of the cost. The absence of such an agreement leaves only the terms of the reimbursement unsettled but the obligation of reimbursement of cost relating to Common Distribution System to the consumer by the DISCO with respect to any such cost demanded by the DISCO and deposited by the consumer after the notification of the EC still remains valid in accordance with Section 5 of the EC.

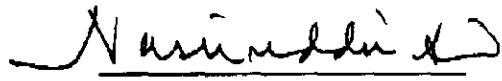


5. The utility has informed that it may have utilized the deposited amount on its system development and may not be able to immediately reimburse the entire amount. The Authority in the absence of mutual agreed terms of reimbursement decides that the reimbursement be affected through adjustment of monthly electricity bills of the consumer if the applicant has already started consuming electricity.

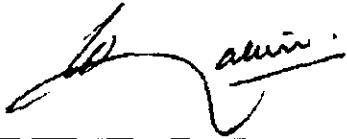
6. In the view of the above the Authority decides that Mr M. Aslam resident of H. Ho 199, St No 73, Sector I-8/3 Islamabad be refunded with such charges relating to the Common Distribution System paid to IESCO as system development charges (over and above the normal new connection charges for the Dedicated Distribution System) which were charged after the notification of NEPRA Consumer Eligibility Criteria, 2003 on July 26, 2003. The reimbursement be affected to the applicant (now consumer) by adjustment of monthly bills of the consumer commencing with the next billing month for which the consumer has not been billed till such time as the entire amount of reimbursement is adjusted.



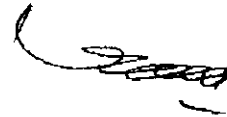
(Faziullah Qureshi)
Member



(Nasiruddin Ahmed)
Member



(Abdul Rahim Khan)
Member



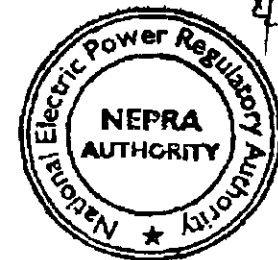
Lt. Gen (R) Saeed uz Zafar, HI (M)
Chairman



RATES OF SECURITY DEPOSIT

Tariff	Consumer Category	Approved Rates (based on contracted load)
A-1	RESIDENTIAL	
	<u>UP TO 4 kW</u>	
	- Rural	Rs. 300/- Fixed
	- Urban	Rs. 500/- Fixed
	<u>4.1 kW to 20 kW</u>	Rs. 500 plus Rs. 500/kW for load above 4 kW
	<u>Above 20 kW</u>	Rs. 8500 plus Rs. 800/kW for load above 20 kW
A-2	COMMERCIAL	
	<u>UP TO 4 kW</u>	
	- Rural	Rs. 900/- Fixed
	- Urban	Rs. 1,600/- Fixed
	<u>Above 4 kW</u>	Rs. 1,600 plus Rs. 1,500/kW for load above 4 kW
INDUSTRIAL		
B-1	400 Volts upto 40 kW	Rs. 800/kW
B-2	400 Volts 41-500 kW	Rs. 1,200/kW
B-3	11 kV 501 kW & above	Rs. 1,500/kW
B-4 & B-5	132/220 kV 5,001 kW & above	Rs. 2,000/kW
BULK SUPPLY		
C-1	400 Volts	Rs. 800/kW
C-2	11 kV	Rs. 1,600/kW
C-3	132/220 kV	Rs. 2,000kW
AGRICULTURE		
D	Same rates as applied to residential consumers	
SEASONAL INDUSTRIES		
F	Same rates as applied to industry of the same load	

The rest of the terms and conditions would remain as notified in S. R. O. 819(I)/2001 dated 29th November 2001 and S. R. O. 325(I)/2002 dated 11th June 2002.



Annexure-B

Statutory notification (S.R.O)
Government of Pakistan
Ministry of Water and Power
Notification
Islamabad, the ----- 2003

In pursuance of sub-section (4) of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), and in supersession of its notification S. R. O. No. 342(I)/2001 dated 28th May 2001, the Federal Government is pleased to notify that henceforth KESC shall not be entitled to levy Charges if any, on its consumers for the cost of connection, system extension, reinforcement or development except in accordance with the Eligibility Criteria notified by NEPRA vide S. R. O. 743(I)/2003 dated 26th July, 2003.

