



For Information & n. a. Please

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PAKISTAN TELECOMMUNICATION COMPANY LIMITED

OFFICE OF THE/Group Head (Cost Management)/ FINANCE PTCL

3RD FLOOR, "E" BLOCK, PTCL H/Qtrs. G-8/4 ISLAMABAD

No 72 / GM (COST) /Power 13.12,2021.

The Registrar

National Electric Power Regulatory Authority (NEPRA)

2nd Floor, OPF Building

Sector G-5/2 Islamabad.

Subject: Tariff Petition Under Section 46 Of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XI Of 1997), Under , The National Electric Power Regulatory Authority (Tariff Standards and Procédure) Rules, 1998. And Other Enabling Provisions of The Law: For Revision of Tariff from Commercial to Industrial

Dear Sir,

I Syed Sharafat HUSSAIN Shah son of Syed Gulab Shah .

Power Consultant Pakistan Tele communication Company Limited Islamabad (PTCL) hereby solemnly affirm and declare that the content of the accompanying petition/application under Section 46 Of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XI Of 1997), Under , The National Electric Power Regulatory Authority (Tariff Standards and Procédure) Rules, 1998. For Revision of Tariff from Commercial to Industrial including all documents are true and correct to the best of my knowledge and belief and that nothing has been concealed. I also affirm that all further documentation and information to be provided by me in connection with the accompanying application shall be true to the best of my knowledge and belief.

An affidavit on stamp paper(sworn) is attached.

I hereby further request the authority to accede to my request for acceptance oof the petition for revision of Tariff from Commercial to Industrial, as Government of Pakistan has *declared Telecom Sector as an Industry, Through Finance bill 2021, an amended is made in section 2(29C) of the Income Tax Ordinance, 2001 and new clause "c" is inserted which declares Telecom Sector as an Industry.*

SYED SHARAFAT HUSSAIN SHAH

Power Consultant

PTCL HQ`s Sector G-8/4 Islamabad

E-mail: sharafat.hussain@ptcl.net.pk

17.12.2021
16.12.2021

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY ISLAMABAD

Tariff Petition Under Section 46 Of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XI Of 1997), Under , The National Electric Power Regulatory Authority (Tariff Standards and Procédure) Rules, 1998. And Other Enabling Provisions of The Law: For Revision of Tariff from Commercial to Industrial

NAME AND ADDRESS
 SYED SHARAFAT HUSSAIN SHAH ,
 POWER CONSULTANT. COST MANAGEMENT CELL.
 OFFICE OF THE/Group Head (Cost Management)/ FINACE PTCL
 3RD FLOOR, "E" BLOCK, PTCL H/Qtrs. G-8/4 ISLAMABAD.

Manner in which the Petition is likely to be changed the commercial tariff with industrial tariff

Pakistan Telecommunication Company Limited Islamabad is paying heavy amount of electricity bill for all regions.

No of PTCL Regions	No of Electricity Connections,	Consumption Kwh Units	Electricity Bill (Rupees)
19	7823	17.0 Million	339.84.00 Million

Contention/Grounds of making the formal request

1. The existing tariff of PTCL connections was industrial tariff, B-1, and B-2 up to Nov 2001, then the Ministry of Water and Power, Govt of Pakistan vide Notification No.SRO, 572 (i) /2001, dated 8-8-2001 revised the tariff A-2 (a) up to 20 kW and A-2 (b) above 20 kW separately
2. The schedule of tariff was revised, and a new tariff A-2 (c) was approved by NEPRA w.e.f. 3-9-2007 which was applicable to all commercial connections exceeding 20 kW load (two-part tariff).
3. Telecommunication sector was declared as "Industry" by the Ministry of industries and Production, Government of Pakistan vide Notification No.1(11)/2004-InvIII, dated 20-4-2004. PTCL, therefore, was entitled to benefit all the concessions available to "Industry" including industrial tariff of electricity for its exchanges and other installations.
4. *Through Finance 2021, an amended is made in section 2(29C) of the Income Tax Ordinance, 2001 and new clause "c" is inserted which declares Telecom Sector as an Industrial.*


Relief sought (if any)

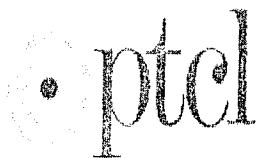
NEPRA Authority is humbly requested that Pakistan Telecommunication Company Limited (PTCL) may please be declared as industry and approval may kindly be accorded for revision of tariff from commercial to industrial tariff as per sanctioned load of each connection.

Brief of evidence (if any)

Attached at Annexure-A,B

Date: 13.12.2021


SYED SHARAFAT HUSSAIN SHAH
 Power Consultant
 PTCL HQ`s Sector G-8/4 Islamabad
 E-mail: sharafat.hussain@ptcl.net.pk



PAKISTAN TELECOMMUNICATION COMPANY LIMITED
OFFICE OF THE Zahid Raza Khan/Group Head (Cost Management)/PTCL
3RD FLOOR, "E" BLOCK, PTCL H/Qtrs. G-8/4 ISLAMABAD

AN EXTRACT FROM THE MINUTES OF 185th MEETING OF THE PTCL
BOARD OF DIRECTOR.

- The Board of Director of The Company in Its 185th Meeting Held On November 24, 2015 Resolved The Following.
- Resolved that on the advice of Executive Vice President (Legal Affairs) Concerned CXO(Chief Executive Officer) ,Executive Vice Presidents(EVP`s),General Mangers(GM`s) and Regional General Manger (RGM`s) of the company are hereby authorized/empowered to sign the pleadings or prosecute, institute petition(s) including objection, application, revision, appeal (s) ,complaint .Delegation of functions and power at all levels should be performed by the persons to whom they are delegated without reference to the Board of Director or any outside agency.
- Further resolved that Mr. Syed Sharafat Hussain shah , Power Consultant PTCL be and is hereby authorized to sign individually the necessary documents, to file Tariff Petition Under Section 46 Of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XI Of 1997), Under , The National Electric Power Regulatory Authority (Tariff Standards and Procédure) Rules, 1998. And Other Enabling Provisions of The Law: For Revision of Tariff from Commercial to Industrial with NEPRA Authority as needed, AND does all acts necessary for pleadings.

Zahid Raza Khan
Group Head (Cost Management)/PTCL
PTCL H/Qtrs. G-8/4 ISLAMABAD



PAKISTAN TELECOMMUNICATION COMPANY LIMITED

OFFICE OF THE/Group Head (Cost Management)/ FINACE PTCL

3RD FLOOR, "E" BLOCK, PTCL H/Qtrs. G-8/4 ISLAMABAD

No / GM (COST) /Power 13.12,2021.

The Registrar

National Electric Power Regulatory Authority (NEPRA)

2nd Floor, OPF Building Sector G-5/2 Islamabad.

Subject: Tariff Petition Under Section 46 Of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XI Of 1997), Under , The National Electric Power Regulatory Authority (Tariff Standards and Procédure) Rules, 1998. And Other Enabling Provisions of The Law: For Revision of Tariff from Commercial to Industrial

- i) Telecommunication sector was declared as "Industry" by the Ministry of industries and Production, Government of Pakistan vide Notification No.1(11)/2004-InvIII, dated 20-4-2004. PTCL, therefore, was entitled to benefit all the concessions available to "Industry" including industrial tariff of electricity for its exchanges and other installations.
- ii) *Through Finance 2021, an amended is made in section 2(29C) of the Income Tax Ordinance, 2001 and new clause "c" is inserted which declares Telecom Sector as an Industry,*
- iii) To Revise NEPRA Tariff Determination Decision of 08.08.2001 and 26-9-2008.

Respected sheweth,

It is submitted that Pakistan Telecommunication Company Limited (PTCL), Islamabad is consumer of all DISCO`S is paying heavy amount of electricity bills as per the detail of connections given below:

No of PTCL Regions	No of Electricity Connections,	Consumption Kwh Units	Electricity Bill (Rupees)
19	7823	17.0 Million	339.84.00 Million

DISCO`S WISE NO OF ELECTICITY CONNECTIONS:

SR NO	NAME OF DISCO	NO OF CONNECTIONS	AVERAGE CONSUMPTION PER MONTH
1	FESCO	861	1,639,938
2	GEPCO	1,055	1,419,655
3	HESCO	190	583,125
4	IESCO	1,260	2,448,105
5	K-Electric	73	1,745,309
6	LESCO	1,732	4,190,326
7	MEPCO	1,041	1,542,238
8	PESCO	951	1,391,305
9	QESCO	363	380,703
10	SEPCO	232	537,251
11	TESCO	65	29,231
Grand Total		7,823	16,053,197

It is submitted that

1. The existing tariff of PTCL connections was industrial tariff, B-1, and B-2 up to Nov 2001, then the Ministry of Water and Power, Govt of Pakistan vide Notification No.SRO, 572 (i) /2001, dated 8-8-2001 revised the tariff A-2 (a) up to 20 kW and A-2 (b) above 20 kW separately
2. The schedule of tariff was revised, and a new tariff A-2 (c) was approved by NEPRA w.e.f. 3-9-2007 which was applicable to all commercial connections exceeding 20 kW load (two-part tariff).
3. The schedule of tariff was further revised vide NEPRA No. NEPRA/TRF-108/IESCO-2008/238-40, dated 26-9-2008 and a new tariff A-2 (c) was approved by NEPRA which was applicable to all commercial connections exceeding 05 kW load.

4. Two-part tariff levied above 5 kW instead of above 20 kW. As per two-part tariff, fixed charges and low power factory penalty were charged in the monthly electricity bills of all commercial connections having load 5 Kw and above.
5. Telecommunication sector was declared as "Industry" by the Ministry of industries and Production, Government of Pakistan vide Notification No.1(11)/2004-InvIII, dated 20-4-2004. PTCL, therefore, was entitled to benefit all the concessions available to "Industry" including industrial tariff of electricity for its exchanges and other installations.
6. *Through Finance 2021, an amended is made in section 2(29C) of the Income Tax Ordinance, 2001 and new clause "c" is inserted which declares Telecom Sector as an Industrial Undertaking and the same citation is reproduced below for your ease.*

(29C) "Industrial undertaking" means —

(a) an undertaking which is set up in Pakistan and which employs,

(i) ten or more persons in Pakistan and involves the use of electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal energy; or

(ii) twenty or more persons in Pakistan and does not involve the use of electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal energy: and which is engaged in,—

(i) the manufacture of goods or materials or the subjection of goods or materials to any process which substantially changes their original condition; or

(ii) ship-building; or

(iii) generation, conversion, transmission or distribution of electrical energy, or the supply of hydraulic power; or (iv) the working of any mine, oil-well or any other source of mineral deposits;

(aa) from the 1st day of May, 2020, a person directly involved in the construction of buildings, roads, bridges and other such structures or the development of land, to the extent and for the purpose of import of plant and machinery to be utilized in such activity, subject to such conditions as may be notified by the Board;

(ab) from the first day of July, 2020 a resident company engaged in the hotel business in Pakistan; and

(c) telecommunication companies operating under the license of Pakistan Telecommunication Authority (PTA).


7. Due to the reduction of load limit of A-2 (b) tariff, the grievances of PTCL substantially increased as the bills of exchanges and other connections have gone up by 40% and the major factor of increase of bills has been the impact of fixed charges and low power factor penalties.
8. There are 75% telephone exchanges installed in the rural areas of Pakistan with small switching arrangement as per villagers' demand. The sanctioned /connected load of these connections fall between 5 kW to 40 kW and the running load of these exchanges is a maximum of 10 kW. In many cases, the sanctioned loads of these connections do not even reflect the actual load of this small load, especially in winter season. Sometime MDI recorded 3-4 times higher than the sanctioned load or deliberately wrong reading by the reading staff of DISCO`s.
9. Also, no inactive power is recorded as there is no motive load; therefore, range of power factor is already up to 1.0%. PFI equipment's have already been provided on each site.
10. In comparison of revenue received, these exchanges are now facing great financial implications due to the increased electricity bills with the impact of fixed charges and LPF.
11. Due to heavy loss in revenue, PTCL is forced to close approximately 10 exchanges every month.

PRAYER:

- A. *it is requested that Telecommunication sector was declared as "Industry" by the Ministry of industries and Production, Government of Pakistan vide Notification No.1(11)/2004-InvIII, dated 20-4-2004. PTCL, therefore, was entitled to benefit all the concessions available to "Industry" including industrial tariff of electricity for its exchanges and other installations.*
- B. *Through Finance 2021, an amended is made in section 2(29C) of the Income Tax Ordinance, 2001 and new clause "c" is inserted which declares Telecom Sector as an Industry,*

- C. As per *section 2(29C)* of the Income Tax Ordinance, 2001 Pakistan Telecommunication Company Limited (PTCL), is *under the license of Pakistan Telecommunication Authority (PTA).*
- D. NEPRA Authority is humbly requested that Pakistan Telecommunication Company Limited (PTCL) may please be declared as industry and approval may kindly be accorded for revision of tariff from commercial to industrial tariff as per sanctioned load of each connection.

An early remedy is requested.


SYED SHARAFAT HUSSAIN SHAH
Power Consultant
PTCL HQ's Sector G-8/4 Islamabad
E-mail: sharafat.hussain@ptcl.net.pk

Subject: Section 2(29C)(c) of Income Tax Ordinance, 2001 declaring Telecom Sector as Industrial Undertaking

Through Finance 2021, an amended is made in section 2(29C) of the Income Tax Ordinance, 2001 and new clause "c" is inserted which declares Telecom Sector as an Industrial Undertaking and the same citation is reproduced below for your ease.

(29C) "Industrial undertaking" means —

(a) an undertaking which is set up in Pakistan and which employs,—

(i) ten or more persons in Pakistan and involves the use of electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal energy; or

(ii) twenty or more persons in Pakistan and does not involve the use of electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal energy:

and which is engaged in,—

(i) the manufacture of goods or materials or the subjection of goods or materials to any process which substantially changes their original condition; or

(ii) ship-building; or

(iii) generation, conversion, transmission or distribution of electrical energy, or the supply of hydraulic power; or (iv) the working of any mine, oil-well or any other source of

mineral deposits;

(aa) from the 1st day of May, 2020, a person directly involved in the construction of buildings, roads, bridges and other such structures or the development of land, to the extent and for the purpose of import of plant and machinery to be utilized in such activity, subject to such conditions as may be notified by the Board;

(ab) from the first day of July, 2020 a resident company engaged in the hotel business in Pakistan; and

(c) Telecommunication companies operating under the license of Pakistan Telecommunication Authority (PTA).

TO BE PUBLISHED IN THE GAZETTE OF PAKISTAN PART-IIIGOVERNMENT OF PAKISTAN
MINISTRY OF INDUSTRIES & PRODUCTION

Islamabad, dated the 20th April 2004.

NOTIFICATION

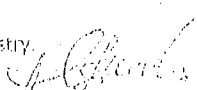
NO.1(11)/2004-InvIII. In pursuance of the Cabinet's decision in Case No. 29/02/2004 dated 28-01-2004, the Federal Government of Pakistan is pleased to classify the Telecom sector, including cellular operations as "industry," with immediate effect.

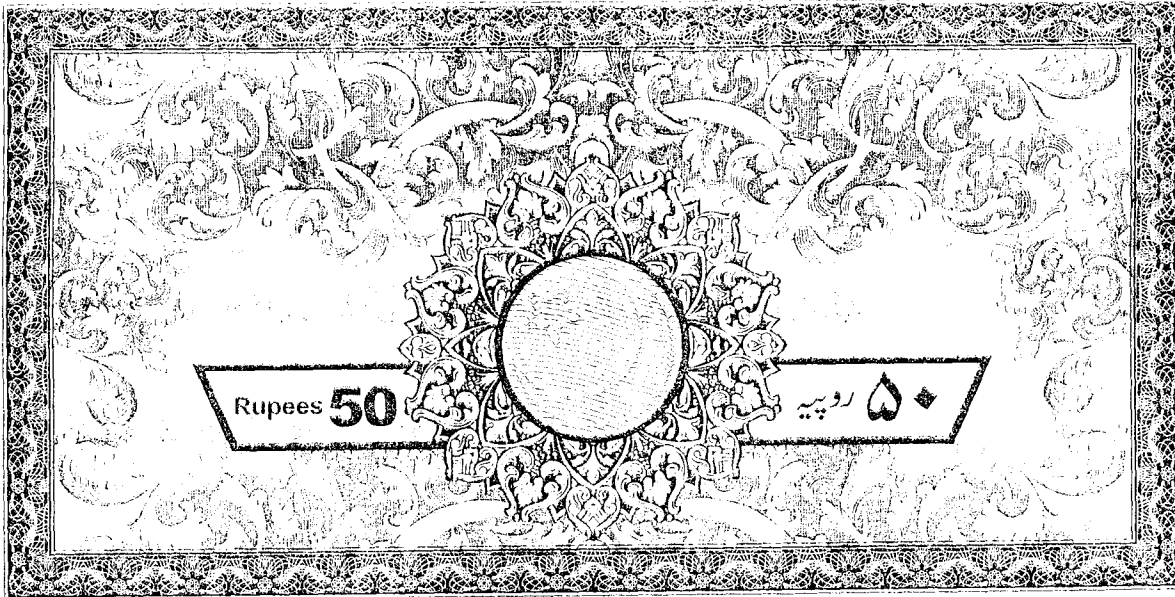
(MUHAMMAD HAFIZ)
DEPUTY SECRETARY

The Manager,
Printing Corporation of Pakistan Press,
KARACHI.

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- (2) Prime Minister's Secretariat, Islamabad.
- (3) Cabinet Division, Islamabad.
- (4) Ministry of Information and Technology, Islamabad.
- (5) Ministry of Petroleum and Natural Resources, Islamabad.
- (6) Ministry of Water and Power, Islamabad.
- (7) Ministry of Finance Islamabad.
- (8) Ministry of Commerce Islamabad.
- (9) State Bank of Pakistan, Karachi.
- (10) Federation of Pakistan Chamber of Commerce & Industry, Islamabad.
- (11) All Banks/DFIs.
- (12) All Provincial Chamber of Commerce and Industry.


(MUHAMMAD HAFIZ)
DEPUTY SECRETARY



AFFIDAVIT

I Syed Sharafat HUSSAIN Shah son of Syed Gulab Shah . NIC#37405-0567788-5 POWER CONSULTANT Pakistan Tele communication Company Limited Islamabad (PTCL) being dully authorized representative of Pakistan Telecommunication Company Limited Islamabad (PTCL) hereby solemnly affirm and declare that the content of the accompanying petition/application under Section 46 Of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XI Of 1997), Under , The National Electric Power Regulatory Authority (Tariff Standards and Procédure) Rules, 1998. And Other Enabling Provisions of The Law: For Revision of Tariff from Commercial to Industrial including all documents are true and correct to the best of my knowledge and belief and that nothing has been concealed. I also affirm that all further documentation and information to be provided by me in connection with the accompanying application shall be true to the best of my knowledge and belief.

Verified on Oath this 13th day of December ,2021 that contents hereof are true and correct to the best of my knowledge and belief. And nothing has been concealed.


DEPONENT

SYED SHARAFAT HUSSAIN SHAH

POWER CONSULTANT

PTCL HQ's Sector G-8/4 Islamabad.

ATTESTED

