



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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Registrar

No. NEPRA/RTCD 06/6041-13

10-7 2012

Chief Executive Officer
Multan Electric Power Company Ltd. (MEPCO)
MEPCO Complex
WAPDA Colony, Khanewal Road,
Multan.

Subject: Decision of the Authority in the matter of Motion for Leave for Review filed by Multan Electric Supply Company Ltd. (MEPCO) against the Decision Passed by Member (Consumer Affairs) upon a Complaint filed under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997 by M/s. Azam Associates on behalf of Subhan Cotton Industries, Multan Complaint # 434-2011

Please find enclosed herewith the decision of the Authority on the review petition filed by MEPCO regarding the subject matter for compliance within 30 days of the receipt of this decision.

Encl: As above

Sd/-
(Syed Safer Hussain)

Copy to:

1. Chief Engineer/Customer Services Director
Multan Electric Power Co. Ltd.
MEPCO Headquarter,
Khanewal Road, Multan
2. M/s. Azam Associates
On behalf of M/s. Rehman Cotton Industries
R/O 15 & 16 Ground Floor, Muhammad Arcade
LMQ Road, Multan

No. NEPRA/RTCD 06/6044

Forwarded for information, please.

Senior Advisor (CAD) (w.r.t. Dy. No. 669 dated 09.07.2012)
Master File

CC:

1. Acting Chairman

2012

Registrar



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No: 434-2011

Multan Electric Power Company (MEPCO) Petitioner

Versus

M/s Subhan Cotton Industries Complainant

Date of Decision: May 23, 2012

Present:

1) Mr. Ghiasuddin Ahmed	Chairman
2) Mr. Shaukat Ali Kundi	Member (Licensing)
3) Mr. Habibullah Khilji	Member (Monitoring & Enforcement)
4) Khawaja Muhammad Naem	Member (Tariff)

Subject: **DECISION OF THE AUTHORITY IN THE MATTER OF MOTION FOR LEAVE FOR REVIEW FILED BY MULTAN ELECTRIC POWER COMPANY (MEPCO) AGAINST THE DECISION PASSED BY MEMBER (CONSUMER AFFAIRS) UPON A COMPLAINT FILED UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT 1997 BY M/S AZAM ASSOCIATES ON BEHALF OF SUBHAN COTTON INDUSTRIES MULTAN.**

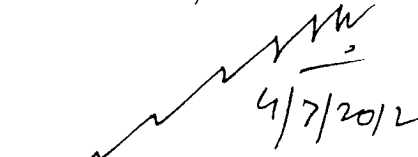
1. Brief facts of the case are that on 15.9.2011, a complaint under section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred as NEPRA Act) was filed before National Electric Power Regulatory Authority (NEPRA) by M/s Azam Associates (Consultants) at Multan on behalf of M/s Subhan Cotton Industries against Multan Electric Power Company (MEPCO). It was the case of the complainant that the industrial consumers do have the option to switch over to the seasonal tariff and similarly seasonal consumers will have the option to convert to corresponding regular industrial tariff category and vice versa and

this option once exercised to remain in force for at least one year. The complainant has challenged the notice dated 6.8.2011 given by MEPCO for payment of Rs. 392,217/- as arrears while considering the tariff of the complainant as "seasonal" instead of "regular".

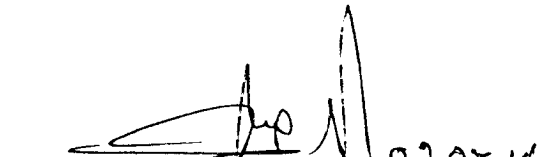
2. Notice of the complaint was given to MEPCO which filed its response contending inter-alia therein that the change of tariff was made conditional upon running the factory for whole of the year but the complainant has failed to fulfill that condition, therefore, the tariff was changed from regular to seasonal.
3. The complaint was decided on 15th March, 2012 while holding that a seasonal consumer may opt for switching to regular tariff and vice versa and the Distribution Company cannot, at its own, change the tariff from seasonal to regular or from regular to seasonal.
4. Being aggrieved from the above said decision, MEPCO has filed a motion seeking review inter-alia on the grounds that the complainant/consumer run his business only for 4 months and its consumption pattern does reflect that its connection is seasonal in nature and the option of change of tariff was exercised just to avoid levy of 25% seasonal charges.
5. The Authority has considered the motion for leave for review and also gone through the relevant record. As per terms and conditions for supply of electricity applicable for B-category (Industrial supply), it is clearly mentioned that an industrial consumer shall have the option, to switch over to seasonal tariff-F, provided his connection is seasonal in nature and that a seasonal consumers will have the option to convert to corresponding Regular Industrial Tariff category and vice versa and the option once exercised to remain operative for at least one year. It is also a matter of record that upon the request of complainant, MEPCO had changed its tariff from "seasonal" to "regular" on 21.07.2010. The complainant could not regularly use the electricity for the reasons of 'flood' as well as 'load shedding'. When a consumer is supplied with electricity with a minimum period of time, then it cannot be expected that the factory of the complainant could run around the clock. Further that the question of "option", if any, is available with the consumer and a Distribution Company cannot at its own change the connection unilaterally on any pretext.
6. As a matter of fact, earlier the seasonal tariff was less as compared to the regular industrial tariff for the reason that regular industrial consumers had also to pay the fixed charges (MDI) @ 50% of their sanctioned load even if they were not running the industry, however, in the recent past the terms and conditions of tariff were revised whereby the amount of fixed charges was replaced with that of minimum charges which are nominal. In this view of the matter, having regular industrial tariff has become more attractive as compared to the "seasonal". The request of complainant for change of tariff from 'seasonal' to 'regular' was accepted by MEPCO and the tariff was changed accordingly. The option available to the complainant has been exercised by him. MEPCO cannot reverse it under the existing tariff rules as such.
7. Keeping in view the above stated facts, the Authority is of the view that in terms of regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009, a motion seeking review of any order of the Authority is competent only upon discovery of new and important matter of evidence or on account

of some mistake or error apparent on the face of record. Filing of review petition within the time prescribed is also mandatory. The perusal of a order sought to be review clearly indicates that all material facts and representation made were examined in detail and there is no occasion to amend the impugned order. The review petition is also barred by time. No error inviting indulgence as admissible in law has been pleaded out. Therefore, the Authority is convinced that the review would not result in the withdrawal or modification of the impugned order.

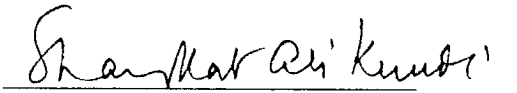
8. From what has been discussed above, the Authority is of the considered view that the grounds agitated in the motion for leave for review are not sufficient enough justifying the modification of the impugned order, hence the motion for leave for review is declined. MEPCO, however, would be at liberty to seek modification of the existing terms and conditions of supply of electricity to the consumers with justifications and in accordance with law.


4/7/2012

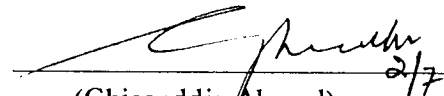
(Habibullah Khilji)
Member


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(Khawja Muhammad Naeem)
Member



(Shaukat Ali Kundi) 04.07.2012
Member



(Ghiasuddin Ahmed)
Chairman