



**National Electric Power Regulatory Authority**

ISLAMIC REPUBLIC OF PAKISTAN

Attaturk Avenue (East) Sector G-5/1, Islamabad.

Ph: 051-2013200 Fax: 051-2600021

**Consumer Affairs  
Department**

TCD.06/5364 -2025  
December 04, 2025

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

Chief Executive Officer,  
Central Power Purchasing Agency (Guarantee) Limited,  
73-West, Shahcen Plaza, Fazl-e-Haq Road,  
Blue Area, Islamabad.

**SUBJECT: DECISION PURSUANT TO THE JUDGMENT OF THE APPELLATE TRIBUNAL (NEPRA) IN APPEAL NO. 25/NT/2024 FILED BY M/S.COLONY TEXTILE MILLS LIMITED THROUGH MR. MUHAMMAD ALI SIDDIQUI ADVOCATE, AGAISNT NEPRA'S DECISION DATED JANUARY 12, 2024.**  
Complaint No. MEPCO-NHQ-26486-07-23

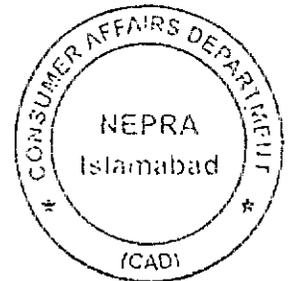
Please find enclosed herewith the decision of the NEPRA Complaints Resolution Committee (CRC), dated December 04, 2025 regarding the subject matter for necessary action and compliance.

Encl: As above

  
**(Muhammad Abid)**  
Assistant Director (CAD)

Copy to:

1. C.E./Customer Service Director,  
Multan Electric Power Company (MEPCO),  
MEPCO Complex, WAPDA Colony,  
Khanewal Road, Multan.
2. Executive Engineer/XEN (Op.), City Division,  
Multan Electric Power Company (MEPCO),  
Sher Shah Road, Near Aziz Hotel Chowk, Multan.
3. M/s. Colony Textile Mills Limited,  
P.O. Islamabad, Multan.
4. Mr. Muhammad Ali Siddiqui Advocate,  
2nd Floor, Golden Heights, Opposite High Court,  
Public Gate, Multan.  
Cell # 0322-6103403.





**BEFORE THE**  
**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY**  
**(NEPRA)**

**Complaint No. MEPCO-NHQ-26486-07-23**

**Mr. Muhammad Ali Siddiqui Advocate** ..... **Complainant/Appellant**  
2<sup>nd</sup> Floor Golden Heights Plaza  
Opposite Public Gate High Court, Multan.

**VERSUS**

**Multan Electric Power Company (MEPCO)** ..... **Respondent**  
MEPCO Complex, WAPDA Colony, Khanewal Road  
Multan.

**Dates of Hearing:** February 23, 2024  
March 08, 2024  
July 23, 2024

**On behalf of Complainant:** Mr. Muhammad Ali Siddiqui Advocate

**Respondent:** Mr. Jam Gul Zahid CSD, MEPCO  
Mr. Asad Hammad Director Commercial, MEPCO  
Mr. Hisham Hamayun Senior Manager Legal, CPPAG  
Mr. Zunair Seemab Asst. Manager Legal, CPPAG

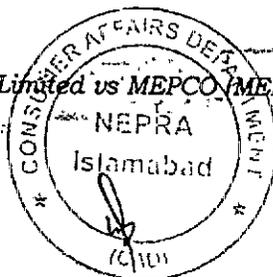
**SUBJECT: DECISION PURSUANT TO THE JUDGMENT OF THE APPELLATE TRIBUNAL (NEPRA) IN APPEAL NO. 25/NT/2024 FILED BY M/S COLONY TEXTILE MILLS LIMITED THROUGH MR. MUHAMMAD ALI SIDDIQUI, ADVOCATE, AGAINST NEPRA'S DECISION DATED JANUARY 12, 2024**

**DECISION**

In compliance with the judgment of the Appellate Tribunal (NEPRA) in Appeal No. 25/NT/2024 filed by M/s Colony Textile Mills Limited through Mr. Muhammad Ali Siddiqui, Advocate (hereinafter referred to as the "Appellant" or "Complainant"), this decision disposes of the complaint filed by the Appellant against Multan Electric Power Company (hereinafter referred to as "MEPCO").

2. Brief facts of the case are that NEPRA received an Order from the Honourable Lahore High Court, Multan Bench, dated May 18, 2023, in Writ Petition No. 13914/2013, wherein the Court forwarded the petition of the Complainant to NEPRA to treat it as a representation and decide the grievance expeditiously after providing a hearing opportunity to all concerned. Through the said petition, the Complainant submitted that MEPCO was charging mark up on the installments of Fuel Price Adjustment (FPA) charges in excess of its lawful authority; therefore, such action was infringing upon the fundamental rights of the Complainant, being illegal, void ab initio, and without lawful justification.

CRC Decision: M/s Colony Textile Mills Limited vs MEPCO, MEPCO-NHQ-26486-07-23)



3. The Complainant further stated that various textile companies had challenged the veracity and validity of charging FPA in the Honourable Supreme Court of Pakistan, and finally, on July 23, 2013, the Honourable Supreme Court directed payment of FPA charges in six equal instalments. However, MEPCO charged markup on the installments of FPA charges. According to the Complainant, this was in violation of the Supreme Court's Order, which allowed payment in installments only and did not authorize charging of markup. Therefore, the imposition of markup amounted to contempt of Court.
4. The Complainant further asserted that FPA charges are not part of the tariff but constitute an adjustment linked to fuel consumption for the month billed. They do not relate to future electricity prices but rather to past consumption already paid for by the Government. Consequently, the markup charged by MEPCO does not fall under the definition of markup. MEPCO allegedly violated the Supreme Court's order by adding conditions not provided therein and by charging markup instead of receiving only the original FPA charges in six monthly installments.
5. The Complainant further contended that NEPRA has never permitted charging of markup on installments; therefore, MEPCO could not impose such charges on its own. The Complainant requested that MEPCO be directed not to charge markup on the installments of FPA as ordered by the Honourable Supreme Court of Pakistan, and that the markup already paid be declared void ab initio, without lawful authority, illegal, and in violation of the fundamental rights guaranteed under the Constitution of the Islamic Republic of Pakistan, 1973. The Complainant also prayed for adjustment of the markup already paid in future electricity bills.
6. The matter was taken up with MEPCO and hearings were held at NEPRA Head Office, Islamabad. These hearings were attended by both parties. During the proceedings, MEPCO submitted that the Petitioner, M/s Colony Textile Mills Limited, Multan, approached MEPCO for installments of FPA amounting to Rs. 64,987,053/- on July 11, 2013. The competent authority approved four instalments. As a result of these installments, markup amounting to Rs. 1,009,530/- was charged. The Petitioner, instead of paying the markup, challenged it before the Honourable Lahore High Court, Multan Bench, through Writ Petition No. 13914/2013. The Court directed MEPCO to defer the recovery of markup, which MEPCO complied with. Regarding the levy of markup, MEPCO submitted that every consumer who avails the facility of installments is charged markup @ 14% as per various notifications issued from time to time.
7. The case was examined in detail in light of the available record, arguments advanced during the hearings, and applicable law. It was concluded that markup is levied @ 14% instead of 18% on installments/extension of the due date for payment of electricity bills, pursuant to WAPDA's notification dated December 03, 2003. Moreover, the Consumer Service Manual (CSM) was silent regarding charging of markup, therefore, the existing practice of charging markup on instalments was maintained.
8. Being aggrieved, the Complainant approached the Appellate Tribunal (NEPRA) through Appeal No. 25/NT/2024. The Appellate Tribunal, through its judgment dated January 29, 2024, remanded the matter to NEPRA for re-hearing and fresh adjudication. The operative part of the judgment is reproduced below:
- "2. *It seems that the consumer complaints tribunal NEPRA Islamabad was not properly assisted on the complicated but interesting legal issue. Contention heard. After deliberation, necessary parties to this appeal including MPECO have agreed that the impugned order dated January 12, 2024 may be set aside and complaint (WP converted into complaint) be remanded back to the tribunal for its fresh adjudicating in accordance with law, rules and regulations and respective versions of the parties. The appeal is accordingly allowed, impugned order is set aside and the complaint remanded to the tribunal for its decision afresh.*"
9. The Appellate Tribunal, NEPRA framed following issues for re-examination:



- (i) Whether the amount of markup is accounted for calculating/determining the charges of Fuel Price Adjustment (FPA) in consumer end tariff?
- (ii) Whether the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, rules, regulations framed thereunder provide any mechanism for charging any markup on payment of bill amount on installments made by DISCOs?
- (iii) What is the legal effect of notification dated 03.12.2003 issued by WAPDA?

10. In compliance with the above directions, subsequent hearings were held at NEPRA Head Office, Islamabad, attended by all parties, including the Central Power Purchasing Agency Guarantee (CPPAG). During the hearing, CPPA-G was directed to submit written arguments regarding the levy of markup on installments granted against outstanding FPA amounts. CPPA-G submitted that markup is not included in the determination of FPA in the consumer-end tariff, as no delay in payment is assumed at policy level. However, practically, delays in payment do carry financial implications. Therefore, pursuant to WAPDA's notification dated December 03, 2003, DISCOs charge markup @ 14% per annum without exception.

11. The record and relevant arguments submitted by all parties have been re-examined in light of the Tribunal's directions. The following conclusions are drawn as a point-by-point response to the issues framed by the Appellate Tribunal, along with additional inferences:

- (i) **Issue-I.** In conformity with NEPRA Rules and Regulations governing tariff matters, and as per CPPAG's submission, the consumer-end tariff determined by the Authority does not include markup on installments against outstanding amounts. This is because no delay in payment—whether through installments or otherwise—is assumed in the tariff design approved by the Authority. The tariff determinations do not deal with the issue of installments. The mechanism of charging of installments and markup thereto is provided in the Consumer Service Manual (CSM) which is an applicable document.
- (ii) **Issue-II.** It is noted that the CSM was silent regarding the application of markup during the impugned period, however, MEPCO continued charging markup @ 14% per annum pursuant to WAPDA's 2003 notification. Subsequently, the Authority amended the CSM on May 14, 2025, and Clause-6.8.2 now states:
  - a) No markup or Late Payment Surcharge (LPS) shall apply if the first installment is paid within the due date;
  - b) The remaining installments shall be subject to markup @14% per annum on a pro-rata basis.
- (iii) **Issue-III.** It is pertinent to clarify the relationship between the CSM and other laws or notifications. Under Section 45 of the NEPRA Act, provisions of the Act, rules, regulations, and licenses issued thereunder override any inconsistent law, rule, or regulation. Contrastingly, as the CSM was silent during the impugned period, the validity of MEPCO's actions hinges on whether such actions were contrary to NEPRA approved documents at that time. After careful review, it is evident that markup was charged in the absence of any applicable NEPRA rule, regulation, or CSM provision, but in accordance with the only available reference at the time i.e., WAPDA's notification. Therefore, the charging of markup prior to the amendment of the CSM was valid and payable by the Appellant as the same was not in violation of NEPRA Act and other enabling rules & regulations and applicable document.



13. In view of the above, it is established that the impugned decision is consistent with the facts and applicable law, and no new facts, legal errors, or inconsistencies have emerged from the re-examination of the case pursuant to the Tribunal's directions. Both the pre-existing and subsequent documentary evidence have been thoroughly analysed in light of relevant Rules and Regulations and do not reveal any ground warranting withdrawal or modification of the impugned decision. Accordingly, no case is made out for altering the findings, and the decision of the then Consumer Complaints Tribunal (now Complaints Resolution Committee) dated January 12, 2024, is upheld.

**(Lashkar Khan Qambrani)**  
Member, Complaints Resolution Committee/  
Director (Consumer Affairs)

**(Muhammad Irfan ul Haq)**  
Member, Complaints Resolution Committee/  
Assistant Legal Advisor

**(Naweed Illah Shaikh)**  
Convener, Complaints Resolution Committee/  
Director General (Consumer Affairs)

Islamabad, December 04, 2025

