

Power tariff up by 26 paisas per unit

ISLAMABAD: The federal government has notified increase in power tariff up to Rs0.26/unit to be collected over next 12 months from power consumers on account of periodic adjustment for first quarter (July-Sept 2019/20) and it will be applicable from December 1, 2019.

However, there will be no increase for domestic power consumers consuming less than 300 units/month, but 7 paisa increase has been made for residential consumers of more than 300 units, including TOU meters holders. The privatised K-Electric is also exempt of this increase.

However, for commercial, general bulk consumers and industrial sector, the increase has been made of 26 paisa/unit. The Ministry of Power's notification issued here dated 29 November, 2019 and has been posted on the NEPRA's website on Dec 5, 2019, says that after this increase, the government would collect around Rs14.7 billion over the next one year. The tariff increase has been notified on account of periodic adjustments for 1st quarter of FY 2019-20 as determined and recommended by the National Electricity Power Regulatory Authority (Nepa).

The Power Division in notification said that this adjustment had been notified along with tariff differential subsidy for domestic consumers and additional charge of Rs0.11 per unit for maintaining uniform tariff on all category of consumers (except domestic consumers) so that the consolidated revenue requirement approved and determined by Nepa on November 26, 2019 is maintained.

Earlier, Nepa had allowed power distribution companies (except K-Electric) to collect Rs14.780 billion for consumers on account of power purchase price (PPP) adjustment for the first quarter of 2019-20. Nepa had notified an increase of 15 paisa in the power tariff across the board (except life line consumer of less than 50 units) for the power consumers on account of PPP adjustment for the first quarter of current fiscal.

However, a senior official of the Power Ministry told The News that instead of transferring the burden on all categories, "we have notified that less than 300 units residential consumers to be exempted of this increase that constitutes around 70 percent of all consumers. However, 7 paisa has been increased for more than 300 units instead of 15 paisa increase suggested by Nepa."

He said that now to collect this Rs14.7 billion, the burden has been shifted to commercial, bulk and industrial consumers and their tariff has been increased by 26 paisa (15 paisa recommended by Nepa plus 11 paisa differential of not increasing the domestic consumers' tariff).

The notification says that the said adjustment shall be shown separately in the consumer's bill by the Discos and applicable for next twelve-monthly billing cycle effective from December 1, 2019.

Spokesman of the Nepra told The News that legally the one quarter adjustment should be collected in the very next quarter, but Nepra has expanded the collection over the next 12 months. He said that if they were to collect it in the next quarter (3-month), the consumers would have to face more than 60 paisa a unit.

Meanwhile, the Power Ministry through its official Twitter account said, “This is reference to some TV channels reporting increase of Rs.0.26 per unit increase in electricity tariff. It is clarified that this is the third time same news is being run that is creating confusion among public. There is nothing new in this news.”

It said the tariff was approved by ECC and determined by Nepra on 25th November 2019 and it was on both occasion reported. The same tariff was notified by Power Division on 29th November and instead of clearly mentioning that it's same tariff, an impression is created that some new tariff is notified.

The notification is exactly what Quarterly tariff adjustment of 0.15 was determined by Nepra. Since consumers up to 300 units are protected, which is 75% of consumers their impact is spread over other categories, the ministry's twitter account said.