

Peak-hour rates to be imposed: K-Electric not to charge meter rent, bank fee from next billing cycle

K-Electric's consumers will no longer be charged with meter rent, and the bank collection charges from the next billing cycle. However, the electricity tariff for KE users has now been revised upward and the concept of time of use (ToU) billing has been implemented across the board which means over 50 percent high electricity rates will be charged upon consumers during the peak hours from 6:30 pm till 10:30pm in summer compared to the rates of remaining 20 off-peak hours.

Residential consumer using 5kv and above would be charged Rs 20/kWh during the peak hours, compared to Rs 14.38/kWh during the off-peak hours. For the commercial consumer with the sanctioned load of 5 kv and above would be charged with Rs 21/kWh as against Rs 15.63 during the remaining off-peak hours.

The power utility said, as per the National Electric Power Regulatory Authority's (NEPRA) tariff terms and conditions notified in the SRO dated May 22, 2019, issued by the Ministry of Energy (Power Division), electricity tariff for K-Electric consumers has been revised upward and will be applicable from the next billing cycle.

Under the new tariff regime, certain terms and conditions have been revised, including the implementation of the time of use (ToU) billing where eligible consumers will be charged based on their consumption during peak and off-peak hours.

This revision is in line with the consumer-end tariff charged under the uniform tariff policy applicable across Pakistan while no increase has been made in the rates for residential consumers having consumption up to 300 units.

Moreover, bank charges and metre rent will no longer be charged. A new A3 General Services tariff category has been introduced and criteria for lifeline consumers and industrial consumers having tariff category B1 and B2 has been revised.

In addition, Rs 3 per unit relief provided to industries under Industrial Support Package has now been merged into consumer-end tariff and this adjustment will no longer be shown separately in electricity bills.

It is relevant to mention here that on January 23, 2015, NEPRA had directed K-Electric to immediately stop charging metre rent from its consumers declaring it was unjustified and unlawful. The Authority had also imposed an amount of Rs 10 million as fine upon K-Electric.

The NEPRA registrar, in a letter (No-NEPRA/R/D(CAD)crCD.09/ 90/ January 22, 2015) to Chief Executive Officer (CEO), K-Electric stated: "To workout and intimate the amount so far collected on account of metre rent, and refund the same to the consumers through adjustment in their future bills."

Similarly, in March 2015, NEPRA directed K-Electric to stop collecting bank charges @ Rs 8/- from its consumers with immediate effect. In February, 2014, NEPRA issued an interim order to KESC through letter (NEPRA/R/TCD.09/1213-14) in which the regulator said that bill collection charge @ Rs 2 were part of KESC's multi-year tariff approved by the authority in 2002.

These charges have further been increased through CPI indexation from Rs 2 to Rs 6.23 and the KE has been collecting bill collection charges in duplication ie. Rs 6.23+Rs 8 from its consumers. The power utility was directed to stop collecting additional bill collection charges @ Rs 8 from its consumers till decision on the case by the authority.

However, it continued to charge both metre rent and bank collections charges from its consumers in clear violation of the NEPRA orders. Meanwhile, Director Public Relations Pakistan Democratic Party Abu Baker Usman alleged that KE was illegally charging bank collection charges from its 2.2 million consumers for the last many years. He said it in violation of the regulator's orders. He also called for reimbursement of that amount.

MUHAMMAD SHAFI