

Mehtab Haider

### **Power tariff hiked again on second day**

ISLAMABAD: The Economic Coordination Committee (ECC) of the Cabinet on Wednesday approved a hike in electricity tariff to the tune of Rs0.83 per unit with effect from October 1, 2019 in order to meet the IMF condition for adjusting prices on quarterly basis.

“Yes, the ECC ratified two separate hikes in electricity tariff, including Rs0.53 and the second additional Rs0.30 per unit in the context of protecting lifeline consumers using up to 300 units,” a top official of Finance Division confirmed to The News on Wednesday night.

Nepa had determined hike in electricity tariff to the tune of Rs0.53 per unit but protected lifeline consumers using 300 units per month. Now the government approved an additional burden of Rs0.30 per unit with effect from October 1, 2019 to protect the lifeline consumers meaning by the additional burden will also be charged from consumers.

According to a statement issued by the Finance Ministry after the ECC meeting stating that on proposal by the Ministry of Energy for tariff rationalisation for power sector-quarterly and annual indexation/adjustments of distribution margin, the ECC approved a proposal to notify the Nepa approved adjustments for Q-3 & 4 of FY 2018-19 and annual adjustment/indexation after incorporating the target quarterly subsidy and additional charge to maintain uniform tariff.

The ECC further directed for the adjustment to be shown separately in the consumer bills and applicable for the next 12 months effective from October 1, 2019. “Similarly, the ECC in order to fully protect the lifeline and domestic consumers consuming up to 300 units, approved the additional charge of Rs0.30 per unit so that the impact of instant adjustments was not passed on to lifeline and domestic consumers up to 300 units and at the same time, the consolidated revenue requirement approved and determined by Nepa on 27-9-2019 was maintained,” the statement added. Dr Abdul Hafeez Shaikh, Adviser to the Prime Minister on Finance and Revenue, chaired a meeting of the ECC and approved a proposal submitted by the Ministry of National Food Security and Research for release of 150,000 tons of wheat to the provincial governments of Khyber Pakhtunkhwa as well as release of 100,000 tons to Sindh subject to release of same quantity of wheat by the latter from its own stocks.

The ECC further approved a set of proposals submitted by the Ministry of Energy for the resolution of issues pertaining to 1124MW Kohala Hydropower Project, including the minimum ecological water flow of 42 cusecs by maintaining the e-flow of 30 cusecs and releasing additional flow of 12 cusecs from the spillway, construction of sewage treatment plants and water bodies whose cost would be included in the Nepa tariff.

The ECC also discussed the issue regarding the Cabinet Committee on Energy’s “Approval of the Settlement of Liquidated Damages,” as referred to it by the Cabinet and constituted a committee comprising Economic Affairs Minister Hammad Azhar, Adviser to the Prime

Minister on Institutional Reforms and Austerity and Special Secretary Finance Omar Hamid Khan to examine the matter and firm submit its recommendations to ECC.

To another proposal by the Ministry of Energy, the ECC amended its decision of August 28, 2019 to allow proposed subsidy by the Sindh government in favour of the destitute residents of Islamkot for reflection in the electricity bills of 4514 consumers of the area while the Sindh government would make budgetary provision/allocation for the amount of the proposed subsidy on annual basis for the life of the proposed facility failing which the facility would be discontinued.

The ECC also approved a proposal of the Ministry of Energy to allow Central Power Purchasing Agency to approach Nepra for approval of extension of tariff as agreed between Pakistan and Iran on March 15, 2019 for supply of power to Makran Division from the Power Generation & Transmission Management Company (Tavanir).

The ECC also approved a technical supplementary grant of Rs419.154 million to pay court fee and fee to foreign counsels in case of Dr Hilal Hussain At-Tuwairiqi and Al-Ittifaq Steel Products Company Limited vs Islamic Republic of Pakistan.