

Circular debt reaches Rs1.316 tr: official

ISLAMABAD: Country is braving the huge loss of Rs80 billion per annum just in the head of electricity theft which is one of the main factors that is contributing to the mammoth circular debt in the power sector which has now surged up to Rs1.316 trillion, Secretary Power Division Irfan Ali, in an exclusive talk here on Thursday evening, told The News. He said that the payable of CPPA (central Power Purchase Agency) have spiked to Rs734 billion and the loans and liabilities of the power sector parked in the PHPL (power holding private limited) stand at Rs582 billion.

“Although there are many causes for the surge in circular debt, but theft has emerged as the biggest one. Alone in KP, which is jurisdiction of Pesco (Peshawar Electric Supply Company), electricity theft stands at Rs3-4 billion meaning by that in 12 months system sustains the loss of Rs48 billion at the maximum just in Pesco. Some portion of AJK also falls in the jurisdiction of Pesco. However, there is no need to lose heart as the government has braked upon a countrywide effective operation across the country against the menace of electricity theft,” Mr Ali said and added, “The Discos staff is also indulged in helping the unscrupulous elements to steal the electricity in various ways which include Kunda, direct connections and meter tampering. And to this effect, 16 officials of Lesco (Lahore Electricity Supply Company) have been nabbed, and, at present, they are being probed to find out main culprits.”

The drive that has been launched in all federating units will start fetching the dividends after span of 6 months. To a question, Mr Ali said that the operation against the electricity theft has now been proliferated from three districts to the whole province. The multi-pronged strategy is being adopted to cope with the challenge of circular debt which includes bringing down the line losses, increasing the recovery and erasing out the electricity theft.

The government has increased the electricity tariff which will not be approved and notified within next week as the quorum of Nepra has got completed. Nepra has already held the hearing of the government petition seeking the uniform tariff under Nepra amended act, but with the notification of Member in Nepra from Sindh the quorum has got completed which was earlier broken down when Nepra chairman's tenure was completed, and he got retired and at that time Punjab Member and Balochistan member were left in the Nepra.

The quorum gets completed with at least three members. After tariff approval and notification, the new tariff with raise by Rs1.27 per unit will be implemented, and the bleeding in power sector to some extent will get halted. He said in areas of loss making feeders in Sindh, 70-80 percent electricity theft is observed.

Many XENs and SDOs have been suspended and CEOs of the Sepco and Hesco have been ordered to swing into actions themselves against the culprits. Mr Ali sharing the reports about electricity theft in jurisdiction of Sepco and Hesco said that authorities have found many plazas over there with direct electricity connections having residential flats with 4 ACs each. Mr secretary said that there is zero tolerance against theft and no one, involved in electricity theft whether he is influential or not, is being spared. He disclosed that on Thursday, Mepco authorities busted the meter reversing gang. “As many as ten meters, 4 laptops, remote controls and other equipment has been confiscated from the possession of the gang.” According to the data available with The News about electricity theft in report with the headline of Quantum of Theft of Electricity in nine public sector Discos during the period from July 2017 to March 2018 also showed the alarming disclosure revealing that in 9 month of 2017-18 system sustained loss of Rs59.174 billion. The official documents also unfold Discos in the past, instead of plugging the theft hole in the power sector, subjected the end consumers to Rs30-40 billion over-billing in one year through manipulating the electricity units in a bid to offset the damage done to nation exchequer in the wake of electricity theft. This shocking disclosure has been unfolded in the latest official documents about the Quantum of Theft of Electricity in nine public sector Discos. The documents are also in procession of The News.

In the first nine months of outgoing fiscal 2017-18, the biggest theft of electricity of 1.921 billion units in Pepco (Peshawar Electric Supply Company) took place inflicting the colossal loss of Rs23.489 billion upon the system. Pepco supplies the electricity to whole KP province and some portion of AJK. It (Pepco) is right now considered the most loss making entity because of theft of electricity at the highest level. In Sindh there are two Discos which supply the electricity to the inhabitants of the province excluding Karachiites; One is Hesco (Hyderabad Electric Supply Company) and other one is Sepco (Sukkar Electric Power Company). Sindh during 9 month of 2017-18 emerged the second province where in the electricity theft is at higher side with 1.126 billion units stolen of worth Rs16.505 billion.

The documents further revealed that in the Punjab province, all is not well. The sizable electricity theft of Rs12.429 billion has also ranked Punjab in third number in first 9 months of 2017-18. In Punjab, there are five Discos in number that include Iesco, Lesco, Mepco, Gepco and Fesco. Amongst the five in Punjab, Lesco (Lahore Electric Supply Company) is the entity that braved the maximum loss of Rs6.656 billion on account of theft of 546 million electricity units. Lesco supplies the electricity to the provincial capital--Lahore.

The second Disco in Punjab in terms of electricity theft is Mepco (Multan Electric Power Company) which provides electricity to Multan and many cities of South Punjab. The quantum of electricity theft in Mepco is also at higher side as the documents maintains that 286 million units of electricity valuing Rs3.021 billion have been stolen. Likewise, in Fesco (Faisalabad Electric Supply Company), the 128 million electricity units got stolen by unscrupulous elements valuing Rs1.524 billion. In Gepco (Gujranwala Electric Power Company), theft of 80 million units of electricity took place damaging the nation exchequer of the loss of Rs1.002 billion. However, Tesco (Islamabad Electric Supply Company) has emerged as the most efficient entity as just 16 million units valuing Rs0.226 billion are stolen. Coming to Balochistan, in Qesco(Quetta Electric Supply Company), the official documents painted the dismal situation telling that the huge quantum of electricity units of 460 million valuing Rs6.751 billion got stolen in first 9 months of the 2017-18.

Meanwhile, latest presentation on Discos performance, pitched before higher authorities, unfolds that Discos are still involved in overbilling by manipulated units in the electricity bills sent to the consumers. According to the presentation on Discos output, just in the month of January 2018, end consumers has paid Rs1.970 billion to Discos in the head of overbilling managed through manipulation of the electricity units. In the month of November 2017 as many as 10.5 percent units of electricity are manipulated and are illegally added in electricity bills, in December last year, 14.7 percent and in the month of January this year 3.9 percent units are manipulated and added into the electricity bills. In Multan Electric Power Company (Mepco) alone, overbilling has gone up to Rs5.50 billion.

Khalid Mustafa