

# NATIONAL ASSEMBLY SECRETARIAT

## PRESS RELEASE

**Islamabad the 4<sup>th</sup> March, 2021:** The Standing Committee on Power which met under the Chairmanship of **Chaudhry Salik Hussain, MNA** deliberated on the Bill "The regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Bill, 2020". Mr. Salik Hussain and other Members of the Committee observed that the Circular Debt Management Plan needs transparency and clarifications with regards to the imposition of surcharge. The Secretary said that an exclusive briefing will be given on Circular Debt Management Plan, after the same is presented before the Cabinet. The Secretaries of M/o Power and Finance told the Committee that the Bill would empower the Federal Government, that in addition to the notified tariff, rates and charges determined by the regulator, to impose such surcharges on any or all categories of consumers as it may notify from time to time on each unit of electricity. The amount of such surcharges would be deemed as a cost incurred by the distribution companies (DISCOs) and included in the tariff, they said. The Ministry told that such surcharges would be levied for funding any public-sector project to the extent decided by the Federal Government or fulfillment of any financial obligations of the Federal Government on account of electric power services. And that such surcharges shall be levied for the fulfillment of, to the extent decided by the Federal Government, any financial obligation of the Federal Government with respect to electric power services. The Committee asked the Ministry that Public Sector Project of National importance be added and sought explanation of financial obligations vis-à-vis' Circular Debt Management Plan. The Chairman opined that "surcharges" should be imposed only to finance specific developmental projects of national importance, for example, the on-going Diamer Basha Dam project in AJK/GB in future (to secure our water rights under the Indus Water Treaty with India), etc. projects of strategic importance. Even if surcharge is capped at 10% of the Base Tariff, power surcharges should not be allowed to pay for future circular debt (which should be budgeted elsewhere by M/o Finance and paid for through tax revenues). On the suggestion of the Committee a proviso was added that aggregate amount of such surcharges shall not exceed ten percent (10%) of the aggregate revenue requirement of all electric power suppliers owned or controlled by the Federal Government as determined by the Authority. The Bill was deferred for the next scheduled meeting with the direction that Bill with proposed amendments be sent to the Committee for study and giving their input.

2. The CEO of Karachi Electric (KE) appeared before the Committee and assured that concerns of Legislators will be addressed in written.

3. The meeting was attended by MNA's Mr. Sher Akbar Khan, Mr. Saif Ur Rehman, Mr. Lal Chand, Mr. Muhammad Israr Tareen, Ms. Saira Bano, Mr. Zahid Akram Durrani, Secretaries, M/o Power Division & Finance and senior officers of the relevant departments.



**(SYED JAWAD NAQVI)**

J. S /Secretary Committee

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