

NATIONAL ASSEMBLY SECRETARIAT

REPORT OF THE STANDING COMMITTEE ON ENERGY (POWER DIVISION) ON THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER (AMENDMENT) BILL, 2020

I, Chairman of the Standing Committee on Energy (Power Division) have the honour to present this report on the Bill further to amend "The Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997" [The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Bill, 2020] referred to Committee on 10-06-2020.

2. The Committee comprises the following:-

1.	Chaudhry Salik Hussain	Chairman
2.	Mr. Sher Akbar Khan	Member
3.	Mehar Ghulam Muhammad Lali	Member
4.	Ms. Ghulam Bibi Bharwana	Member
5.	Malik Muhammad Amir Doger	Member
6.	Mr. Muhammad Abdul Ghafar Wattoo	Member
7.	Mr. Saif Ur Rehman	Member
8.	Mr. Aamir Hussain	Member
9.	Mr. Lal Chand	Member
10.	Engr. Sabir Hussain Kaim Khani	Member
11.	Mr. Muhammad Israr Tareen	Member
12.	Ms. Saira Bano	Member
13.	Mr. Azhar Qayyum Nahra	Member
14.	Mian Riaz Hussain Prizada	Member
15.	Sardar Muhammad Irfan Dogar	Member
16.	Mr. Muhammad Afzal Khokhar	Member
17.	Mr. Raza Rabani Khar	Member
18.	Syed Ghulam Mustafa Shah	Member
19.	Shazia Marri	Member
20.	Mr. Zahid Akram Durrani	Member
21.	Mr. Omer Ayub Khan	Ex-Officio Member
	Minister for Power Division	

3. The Committee considered the Bill as introduced in the National Assembly placed at "Annex-A", in its meetings held on 18-06-2020, 12-10-2020, 19-10-2020, 28-10-2020, 20-01-2021, 22-02-2021, 04-03-2021 and 11-03-2021. The Committee proposed the following amendments, therein:-

1. Clause 2

In clause 2:-

(i) paragraph (a), shall be substituted with the following, namely:-

“(a) after clause (iii), the following new clause (iiia) shall be inserted, namely: -

“(iiia) “consolidated accounts” means the consolidated revenue requirement of public sector licensees, engaged in supply of electric power to consumers, compiled by the uniform tariff applicant, on the basis of individual tariff determined by the Authority of such licensees”; and”

- (ii) paragraphs (b) and (c) shall be omitted and the remaining paragraphs shall be re-numbered accordingly.
- (iii) re-numbered paragraph (b), shall be substituted with the following, namely:-

“(b) after clause (xxvii), the following new clauses (xxviiia) and (xxviiib) shall be inserted, namely:-

“(xxviiia) “uniform tariff applicant” means any entity designated by the concerned Minister in Charge for the purposes of filing uniform tariff application based on consolidated accounts; and

(xxviiib) “uniform tariff application” means an application filed by the uniform tariff applicant for the purposes of determination, modification and revision of the uniform tariff;”.

- (iv) re-numbered paragraphs (c) and (d) shall be omitted.

2. Clauses 3

- (i) Clause (3) shall be substituted with the following, namely:-

“3. Amendment of section 23F, Act XL of 1997. - In the said Act, in section 23F, in sub-section 2, after clause (f), the following new clause shall be inserted, namely:-

“(g) ensure timely submission of annual or multiyear petitions and quarterly petitions, as specified by the Authority and to the extent applicable to it, ensure timely submission of all information and data to the uniform tariff applicant so that the uniform tariff application duly supported by consolidated accounts is moved by it within a period of fifteen days of intimation of tariff by the Authority under sub-section 4 of section 31 of this Act:

Provided that in the event timely submissions are not made, then the Authority may call for requisite information in terms of section 44 of this Act.”.

Clauses 4,5,6,7 and 8

- 3. Clauses 4,5,6,7 and 8 shall be deleted and the remaining clauses shall be re-numbered accordingly.

4. Clause 4

in clause 4, re-numbered as aforesaid:-

- (i) following new paragraph (a), shall be added and the remaining paragraphs shall be re-numbered, accordingly:-

“(a) in sub-section 4, for the expression “ in the public consumer interest, determine a uniform tariff for distribution licensees wholly owned and controlled by a common shareholder,” the expression “on the basis of uniform tariff application, determine a

uniform tariff for public sector licensees, engaged in supply of electric power to consumers, in the consumer's interest;”

(ii) re-numbered paragraphs (b) and (c), shall be substituted with the following, namely:-

“(b) for sub-section 7 the following shall be substituted, namely: -

“(7) Notification of the Authority's approved tariff or uniform tariff, as the case may be; rates, charges, and other terms and conditions for the supply of electric power services shall be made, in the official Gazette, by the Federal Government within thirty days of intimation of the same by the Authority. In the event the Federal Government fails to notify the tariff so determined by the Authority, or refer the matter to the Authority for reconsideration, within the time period specified, then the Authority may direct immediate application of its recommended and approved tariff or uniform tariff as the case may be, by way of notification of the same, subject to adjustment which may arise on account of reconsideration, if any, subsequently filed by the Federal Government:

Provided that-

- (i) the Federal Government may, as soon as may be, but not later than thirty days of receipt of the Authority's intimation of its approved tariff of public sector licensees involved in distribution and supply business, require the Authority to reconsider its determination of such tariff to the extent of issues common to these licensees. Whereupon the Authority shall, within thirty days, determine these after reconsideration and intimate the same to the Federal Government;
- (ii) the Authority may, on a quarterly basis and not later than a period of fifteen days, make quarterly adjustments in the approved tariff on account of capacity and transmission charges, impact of transmission and distribution losses, variable operation and maintenance and, policy guidelines as the Federal Government may issue and, intimate the tariff so adjusted to the Federal Government prior to its notification in the official Gazette. The Federal Government may, as soon as may be, but not later than fifteen days of receipt of the Authority's intimation of its recommendation for adjustment, require the Authority to reconsider its determination of such quarterly adjustment. In the event the Federal Government does not refer the matter to the Authority for reconsideration, within the time period specified above, then the Authority shall notify the tariff so adjusted in the official gazette. However, in case of filing of the reconsideration request by the Federal Government, within the time period specified above, the Authority shall, within fifteen days, determine such adjustments after reconsideration and intimate the same to the Federal Government prior to its notification in the official Gazette;
- (iii) the Federal Government in lieu of reconsideration requests may opt to file an appeal, however, in the event the Federal Government moves reconsideration request then it shall not subsequently be entitled to avail the remedy of appeal against the decision of reconsideration request;
- (iv) the Authority may, on a monthly basis and not later than a period of seven days, make adjustments in the approved tariff on account of any variations in the fuel

charges and policy guidelines as the Federal Government may issue and, notify the tariff so adjusted in the official Gazette.”;

(c) after sub-section (7), the following sub-section shall be inserted, namely:

(8) Notwithstanding anything contained in this Act and in addition to the tariff, rates and charges notified under sub-sections (7) and this sub-section, each electric power supplier shall collect such surcharges from any or all categories of consumers, as the Federal Government may charge and notify in the official Gazette from time to time, in respect of each unit of electric power sold to any or all categories of consumers and deposit the amount so collected in such manner as may be prescribed. The amount of such surcharges shall be deemed as a cost incurred by the electric power supplier and included in the tariff notified under sub-section (7):

Provided that such surcharges shall be levied for the following purposes, namely:-

- (a) funding of any public sector project of public importance [to the extent decided by the Federal Government]; and
- (b) fulfillment of any financial obligation of the Federal Government with respect to electric power services[to the extent decided by the Federal Government].

Explanation:

For the purposes of this proviso, the term “financial obligation” includes obligations of the Federal Government to make payments in respect of purchase of electric power as well as obligations related to electric power services secured through issuance of sovereign guarantee:

Provided further that the aggregate amount of such surcharges shall not exceed ten percent of the aggregate revenue requirement of all electric power suppliers, engaged in supply of electric power to end consumers, as determined by the Authority.”

5.

Clause 5

Clause 5, re-numbered as aforesaid shall be deleted.

4. The Committee recommends that the Bill as amended, placed at “Annex-B” may be passed by the National Assembly. Dissent Note of Shazia Marri and Syed Ghulam Mustafa Shah, MNAs is placed at “Annex-C”.

-Sd/-

(TAHIR HUSSAIN)

Secretary

Islamabad, the 4th June, 2021

-Sd/-

(CHAUDHRY SALIK HUSSAIN)

Chairman