

FPA charges declared 'null and void'

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ISLAMABAD: The Islamabad High Court (IHC) on Wednesday declared the receipt of fuel price adjustment (FPA) charges in the electricity bills 'null and void' and directed National Electric Power Regulatory Authority (Nepra) to adjust the charged amount in the future bills.

Justice Shaukat Aziz Siddiqui while hearing the petitions filed

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against FPA imposed by the Nepra, declared these charges null and void. Seven hundred petitioners including CNG sector, cement industry, steel mills had filed petitions in IHC against the recovery of FPA charges in the electricity bills.

The petitioners pleaded that the government had put extra burden on the consumers by imposing FPA and the concerned authority collected billions of rupees from consumers under the FPA charges. They argued that putting extra charges in the previous bill was in violation of consumer rights. Therefore, they requested the court to declare it null and void.

Barrister Abu Bakar Sehri in his petition claimed that the imposition of FPA charges on domestic consumers was illegal. He requested the court to restrain Nepra from collecting the charges for September, October, November, December 2011 and January 2012.

According to the petitioners, Nepra had collected Rs 77 billion under the FPA charges between June and July, 2011, and that the authority recently imposed FPA charges at the rate of 87 paisa to Rs2.13 per unit for September 2011 to January 2012.

The lawyer said that Nepra had imposed an additional Rs 2.04 per unit FPA on all the electricity con-

sumers in July 2011; Rs3.03 for August, Rs1.67 for September, Rs2.13 for October, Rs1.17 for November, 86 paisa for December and Rs 1.86 for January 2012. The FPA charges were unconstitutional and against Articles 4 and 25 of the Constitution as well as a violation of Section 31 of the Regulation, Generation, Transmission and Distribution Act of 1997 and the Nepra Tariff Standards and Procedure Rules 1997, according to him. Justice Shaukar Aziz, before issuing order, said that none of the respondents including NEPRA or Islamabad Electric Supply Company (IESCO) appeared before the court to rebut the arguments. The court directed them to submit their replies.

Justice Aziz said that power distribution companies (Discos) "cannot" include the charges of previous bills into the fresh ones. The decision applies on industrial and domestic consumers bills.

Niazullah Niazi, one of the petitioner's lawyer, told media persons that millions of electricity consumers would benefit by declaring the FPA recovery invalid. After the court order, the electricity distribution companies would have to reimburse the recoveries made against 'fuel price adjustment' to the respective consumers, he said.



PRESS CLIPPING OF BUSINESS RECORDER DATED 25TH OCTOBER, 2012 CAPTIONED "FPA CHARGES DECLARED 'NULL AND VOID'" BEING CIRCULATED TO ALL MEMBERS OF THE ASSOCIATION FOR THEIR INFORMATION.

PLEASE NOTE THAT FUEL PRICE ADJUSTMENT (FPA) CHARGED IN THE ELECTRICITY BILL OF THE CONSUMERS WILL HAVE TO BE ADJUSTED IN THE FUTURE BILLS.

THANKS & BEST REGARDS,

M. JAWED BILWANI
CENTRAL CHAIRMAN