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**TheNetwork**  
for Consumer Protection

TheNetwork Quarterly Newsletter for Update on Energy Sector from the Perspective of the Domestic Consumer

# ENERGYWATCH



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## Message from EC/CEO

Nadeem Iqbal  
Executive Coordinator/CEO  
TheNetwork for Consumer Protection

On the occasion of its 20th anniversary year, TheNetwork for Consumer

Protection has taken another major step with the generous support of USAID to protect the rights of consumers in the power/energy sector. The project envisages activating the consumer redress mechanism in the power sector by educating the consumers about their rights.

Under the Pakistan laws, redress is available to the consumers under regulatory framework as well as under provincial consumer protection laws.

In regulatory framework, any complaint with regard to gas and electricity is to be routed through relevant gas and electricity office to NEPRA and OGRA. While under consumer protection law, a consumer has the right to approach district consumer council and the court for redress and compensation. Filing opposition in the regulatory bodies during tariff determination etc is another intervention, TheNetwork has undertaken that consumers' interest should also be protected in the hearings conducted by NEPRA and OGRA.

These systems are being made more effective by constant engagement with provincial and district governments in Khyber Pakhtunkhwa, Punjab and Islamabad Capital Territory. Lawyers are also being trained to provide easy and cost effective redress to the affected consumers.

TheNetwork hopes that the project will not only directly benefit the consumers of Peshawar, Islamabad and Rawalpindi but it will go a long way raising the flag of consumer protection in these regions.



# Meetings with the District Officials

## **Director - Consumer Affairs Division - NEPRA, 29th May 2012**

Consumer Affairs Division is a specialised Cell working under National Electric Power Regulatory Authority. The basic role of Consumer Affairs Division is to ensure dispensation of justice and protection of consumers' interests. A detailed meeting with the Director Consumer Affairs Division was held at Islamabad.



## **Director - Provincial Directorate of Consumer Protection, 4th July 2012**

A meeting with Director - Provincial Directorate of Consumer Protection was held at Lahore. Assistant Director Information & Technology (I&T) was also present.

The Director appreciated the step initiated by TheNetwork and extended his full support in consumer awareness and education. He also directed the provincial consumer protection council at District Rawalpindi to fully cooperate in their activities.



## **Assistant Director - (Legal) DCPC - Rawalpindi, 18th July 2012**

A meeting with the Assistant Director (Legal) District Consumer Protection Council was held at TheNetwork's Office at Islamabad. Mr Aftab Alam Project

Coordinator, Mr. Qamber Abbas Consumer Mobilization Officer and Miss Afshan Basharat Communication & Advocacy Officer, The Assistant Director Mr. Adnan Kareem was briefed about the project undertaken by TheNetwork and the nature of the activities. Mr. Adnan Kareem offered his full support in the development of the IEC material for the consumers.



## **President - District Courts - Peshawar, 19th June 2012**

A meeting was held with President Bar Districts Courts Peshawar Mr. Wakeel Zaman Khan at District Court Peshawar for the nomination of the Lawyers for the Lawyer's Training in Peshawar on Consumer Protection & Energy Sector Regulations.

## **Director - Consumer Protection Council - KPK, 19th June 2012**

A meeting with the Mr. Akhonzada Anwar Saeed - Director Consumer Protection Council Khyber Paktunkhwa (K-P) was held at Peshawar seeking support to ensure consumer education and awareness on the consumer rights and to enable the Council to efficiently and effectively play its role in activating consumer redress mechanism.

Mr Akhonzada asked TheNetwork to



provide the council with the IEC material such as poster and banners on the consumer awareness and education to be displayed at prominent location within the Council and in the City. The Deputy Director assured the Team to invite them in the upcoming Council Meetings and awareness by the Council.

## **Chief Commissioner - Islamabad, 30th July 2012**

A meeting with the Chief Commissioner Islamabad Capital Territory was held at the Chief Commissioners office at Islamabad. The Assistant Commissioner and the Additional Commissioner were also present at the meeting.

## **District - Coordination Officer - Rawalpindi, 28th August 2012**

A meeting was held with the District Coordination Officer at Rawalpindi. Assistant Director (Legal) District Consumer Protection Council was also present.

## **President - Chamber of Commerce - Islamabad, 29th August 2012**

A meeting with the President Chamber of Commerce was held at Islamabad.

## **Judge District Consumer Court - Rawalpindi, 16th October 2012**

A meeting with the Judge of District Consumer Court Rawalpindi was held.

## **Registrar - NEPRA, 9th July 2012**

A meeting with the Registrar National Electric Power Regulatory Authority (NEPRA) was held at Islamabad.

## **Director - Complaints - OGRA, 26th July 2012**

A meeting with the Director Complaints of Oil & Gas Regulatory Authority was held at Islamabad.



## Consumer Mobilization – Rawalpindi

10 Consumer Groups were identified and mobilised in the District Rawalpindi. The groups included Government Officials Group – District Consumer Protection Council Rawalpindi, Non-Official Member of District Consumer Protection Council Rawalpindi, Private Teachers Association, Market Committee Group etc.



## Focused Group Discussion & In-Depth Interviews

Focused Group Discussion in Districts Islamabad, Rawalpindi and Peshawar were conducted. Besides FGDs, a number of In-Depth Interviews were conducted with the relevant officials at IESCO, PESCO, and officials at consumer councils in Rawalpindi and Peshawar.



Focused Group Discussion at District Rawalpindi



In-depth Interview with superintendent PESCO



In-Depth Interview with Director- Consumer Protection Council, KPK.

## Focused Group Discussion on the Review of Energy Laws & Regulation

A focused group discussion on the Draft- Review of Energy Laws & Regulations was held at the TheNetwork Office. Participants from different organisation participated in the discussion.



# Orientation Workshops on Consumer Protection Laws & Energy Sector Regulations

# Workshops



## Government Officials – District Rawalpindi

The government officials were trained to enhance their efficacy regarding consumer protection mechanism in the district in a capacity-building workshop at Rawalpindi. Over 35 participants representing the District Consumer Protection Council, District Consumer

Court, citizens and market groups attended the workshop. The consumer groups include district trade union, market committee, teachers' association, Mohalla group and Masjid committees.

The trainees were briefed on international code for the rights of consumer, international practices on efficient and cost effective complaint

redressal mechanism, history of provincial consumer protection laws, and the consumer redressal mechanism of NEPRA and OGRA.

Sohail Nasir, District & Sessions Judge and Presiding Officer of the District Consumer Court, Rawalpindi, made a detailed presentation on the Punjab Consumer Protection Act, 2005. He said that despite presence of the Punjab Consumer Protection since 2005, there is a serious lack of awareness among consumers about the procedures and processes in the law.

Executive Coordinator of TheNetwork for Consumer Protection, Nadeem Iqbal, said that the workshop is a part of series of workshops on the subject to be organised for the consumer group and the government officials in district Rawalpindi, Islamabad and Peshawar.



## Lawyer Bodies Training– Islamabad

Additional & Sessions Judge Kamran Basharat Mufti at a workshop in Islamabad stressed on the needs to have a consumer council to overlook the implementation and efficacy of a consumer protection act passed in 1995.

The day-long workshop featured 20 lawyers invited by the TheNetwork for Consumer Protection to discuss about and activate the “dormant” Islamabad Consumer Protection Act 1995, said the press release. The act is applicable to the entire Islamabad Capital Territory

but little has been done to implement it since its passing in 1995.

Mufti recommended that the council should mainly consist of bureaucrats and eminent people from the capital and the associations of consumers. Once active, people will need to approach the consumer court only after exhausting all these forums.

“Until and unless the Islamabad Consumer Protection Council is formed the consumer courts cannot provide redress effectively to the consumers under the Islamabad Consumer Protection Act 1995,” Mufti said.

Nadeem Iqbal, Executive Coordinator of TheNetwork, briefed the participants about the nature of three types of regulations — self, co and third party — to make the consumer redress framework more effective in consumer sector.

He said that NEPRA and OGRA laws provide for the effective contribution of consumers in the open hearings for price determination of the tariff, but the consumer representation is negligible.

The workshop also focused on the energy sector laws and regulations, in light of past events where the twin cities experienced violent electricity protests that affected thousands of people.

Mr. Muhammad Aftab Alam Project Coordinator of the Energy Project TheNetwork made a comprehensive presentation to the participants of the workshop on the Energy Sector Regulations & Grievance Redress Mechanisms. A mock trial was also held among the participant which was judged by a Jury comprising of a Judge and 4 Jury members.



# Consumer Representation in NEPRA & OGRA



## Intervention in NEPRA

### Intervention in IESCO Public Hearing

TheNetwork formally intervened in the proceedings of NEPRA for determination of tariffs for IESCO for FY 2012-13. TheNetwork submitted its detailed comments requesting the NEPRA to disallow any increase in the tariff. Instead, TheNetwork submitted that the NEPRA should direct the IESCO to improve its efficiency. TheNetwork also highlighted the issue of lack of consumer understanding about the tariffs and tariff determination process.

The NEPRA acknowledged and appreciated the comments/intervention made by TheNetwork. The NEPRA also offered to help improve the capacity of the consumers and support the efforts of TheNetwork regarding activation of consumers' grievances redress mechanisms in energy sector.

### Intervention in PESCO public hearing

1. <http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/national/28-Sep-2012/ncp-opposes-pesco-proposed-rate-hike>

2. <http://dawn.com/2012/09/28/pescos-plea-for-tariff-hike-opposed-at-neptra-hearing-2/>

3. <http://tribune.com.pk/story/443706/pesco-argues-in-favour-of-tariff-increase/>

The Network for Consumer Protection opposed the power tariff hike proposed by Peshawar Electric Supply Company (Pesco) in a public hearing, which was organised by National Electric Power Regulatory Authority (Neptra).

The Network's submitted that the petitioner's request for increase in consumer-end tariff was unjustified as the petitioner had proved to be inefficient in meeting the targets set by the Neptra in previous years. The inefficiency in recovering the dues from consumers was curtailing its capacity to pay for electricity to Central Power Purchasing Agency (CPPA), which ultimately adds to the increasing circular debt, which is the main cause of electricity shortfall and load-shedding.

### Intervention in Ex-Wapda Discos Public hearing

TheNetwork intervened in the public hearing of NEPRA regarding Fuel Adjustment Charges for the Ex-WAPDA Distribution Companies. TheNetwork submitted that the NEPRA should abide by the recent judgement by the Islamabad High Court and shall stop the petitioner from seeking Fuel Adjustment Charges retrospectively. The NEPRA acknowledged and appreciated the comments/intervention made by TheNetwork.

## Intervention in OGRA



### Intervention in the OGRA Public Hearing

TheNetwork for Consumer Protection intervened in the public Hearing by Oil & Gas Regulatory Authority for the determination of the CNG prices. TheNetwork submitted that the consumers' interest must be safeguarded while determining the prices determination formula. It is the duty of OGRA as a regulator to educate consumer and ensure fair regulatory practices.









The Nation on Web

# The Nation

**PESHAWAR** - The Network for Consumer Protection on Thursday opposed power tariff hike the Peshawar Electric Supply Company (Pesco) has proposed in a public hearing organized by the National Electric Power Regulatory Authority (Nepra) here.

A three-member Nepra authority heard the tariff petition of Pesco, seeking Rs 5.74 raise in the power tariffs per kilowatt hour (Kwh) - from Rs. 10.72 to Rs. 16.46. The Pesco, represented by its Chief Executive Officer Brig (retd) Tariq Sadozai, submitted that the Nepa determined the tariff of Rs. 13.77 per Kwh for the year 2011-2012 on July 04, 2011. However, the government notified the tariff at Rs. 10.72 per Kwh.

He contended that the tariff determined by Nepa for the 2011-12 was not sufficient to meet the revenue requirements of Pesco, which had forced the latter to file the review petition that was turned down in March 2012. He added that the PHC issued stay order in June 2011 and February 2012 on Charging Fuel Price Adjustment and the Pesco could not pass on the fuel price to its customers. "Pesco has only charged a nominal amount of Rs 220 million on account of Fuel Price Adjustment for the month of July 2011."

and consequently suffered a loss of Rs 10 billion to this account during the financial year 2011-12," the Pesco tariff petition states.

Representative of The Network for Consumer Protection - an independent non-government as well as non-profit organization working for the promotion and protection of consumer rights - Muhammad Aftab Alam argued that the petitioner's request for increase in consumer-end tariff through the petition is unjustified as the petitioner has proved to be inefficient in meeting the targets set by the Nepa in previous years.

"It has also failed to comply with the directions of the Nepa in reducing its losses from 36 per cent to 28 per cent," he said, adding that according to the estimates one per cent reduction in losses equals to Rs 1 billion saving for the Pesco.

He said that it is pertinent to mention here that even the level of 28 per cent determined by the Nepa for Pesco is too high.

"The neighbouring distribution company (Disco) i.e. the Islamabad Electric Supply Company (IESCO), has brought down its electricity losses to less than 10 per cent. Some variations of 5-8 per cent of losses can be justified, but a difference of more than 20 per cent as compared to the neighbouring Disco is totally unjustified," he submitted before the Nepa authority.

The Network pointed out that the amount of Pesco receivables has been projected to increase from Rs. 41,104 million in 2011-12 to Rs 47,504 million in 2012-13.

"This huge increase in the receivables shows lack of seriousness of the petitioner to improve its efficiency," he said.

This is also alarming, he went on to add, because of the fact that the inefficiency of the petitioner in recovering its dues from consumers is curtailing its capacity to pay for the electricity to Central Power Purchase Agency (CPPA).

"This ultimately adds to the ever increasing circular debt which is the main cause of the electricity shortfall as well as the loadshedding," he said.

He further argued that given the law and order situation in Khyber Pakhtunkhwa, the Ministry of Water and Power has approved 40 per cent Hard Area Allowance for the employees of Pesco.

However, despite having such huge Hard Area Allowance, the Pesco had to bring down its losses and recover its receivable.



## BUSINESS RECORDER

Simultaneously published from Islamabad, Lahore & Karachi  
Founded by M.A. Zuberi  
Islamabad

Thursday 25 October 2012, 8 Zilbij 143

### Need to implement Islamabad Consumer Protection Act 1995 underscored

**RECORDER REPORT** A workshop has the aim of enlisting Islamabad. Speakers at a session of lawyers on the city's seminar have stressed the need 17 years old Consumer Protection Act 1995 to protect and redress to consumers of the rights of consumers effectively. The workshop has a specific focus on energy sector laws that have been enacted in Islamabad. Consumer protection in providing relief to consumers of the rights of consumers effectively. Speaking at a meeting, focus on energy sector laws that have been enacted in Islamabad. Consumer protection in providing relief to consumers of the rights of consumers effectively. Speaking at a meeting, focus on energy sector laws that have been enacted in Islamabad. Consumer protection in providing relief to consumers of the rights of consumers effectively.

## DAWN

Islamabad, Sunday, July 22, 2012

### Confusion over new meters Iesco asked to launch awareness drive

By Our Staff Reporter

**ISLAMABAD, July 21:** Expressing concerns over the complicated reading structure of the newly-installed digital electricity meters, an NGO working for consumer rights demanded of the Islamabad Electricity Supply Company (Iesco) to launch an awareness campaign on how to read them.

According to TheNetwork, Iesco was covering an area of six districts between Attock and Jhelum and Kashmir. It sold electricity to over two million consumers indirectly benefiting 25 million people. According to the provincial consumer protection laws and Nepa regulations, a supply corporation was bound to educate the consumers on how they were being charged for the services.

The prevalent confusion among consumers only substantiated that these consumer protection mechanisms were not being followed by Iesco while charging them through new digital meters, said the executive coordinator of the Network for Consumer Protection, Nadeem Iqbal.

The NGO conducted a USAID-funded project for the activation of consumer redress mechanisms available under the existing laws and Nepa's manuals with regard to safeguarding the consumers' rights.

The consumer group maintained that the units' reading structure in the newly-installed digital meters was complex that consumers could not comprehend because of more than one reading.

Mr Iqbal added that the companies were sending out threatening messages against electricity theft but had not launched any education or awareness campaigns for the consumers.

The consumers, who were interviewed, said the digital meters provided a complex structure of consumed units' reading and they were unable to comprehend the readings and relate them to their electricity bills.

"The complexity of the meter reading and lack of awareness among the consumers in this regard is resulting in dissatisfaction about the meter reading process. This also is a clear violation of basic rights of consumers such as 'right to be informed and right to consumer education' as enshrined in fundamental rights, consumer protection laws of Punjab and Islamabad territory," Mr Iqbal said.

When contacted, Chief Engineer Iqbal Nazim Khan told Dawn that the consumers' concerns had been noted. "It is the right of all consumers to know what they are paying for. The new digital meters are not that complex but confusion arises when they give more than one reading - peak hour readings, off-peak hour readings and the total," he maintained.

Explaining that there were no programmes in the pipeline for consumer awareness, the official said individuals could approach consumer services offices for questions.



**روزنامہ اوصاف**  
DAILY AUSAF  
ISLAMABAD

جلد: 12 نمبر: 25 اکتوبر 2012

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**منازکا وقت**

جمعہ کا وقت	1:30	4:10
مغرب آفتاب	5:30	
عشاء	9:00	
نقہ جغرافیہ		
مغرب آفتاب سے ایک گھنٹہ پہلے		
جمعہ کا وقت	1:30	
مغرب آفتاب سے 10 منٹ پہلے		



# Developments in the Energy Sector



## PESCO – Rickshaw Peshawar

USAID recently delivered 8 rickshaws to Peshawar Electric Supply Company (PESCO) loaded with network maintenance equipment to improve the performance of PESCO linemen in Peshawar's city division.



## Islamabad High Court Judgement of Fuel Price Adjustment

The Islamabad High Court (IHC) directed electricity distribution companies (DISCO) to pay back money collected from consumers last summer under the Fuel Price Adjustment (FPA) head. Justice Shaukat Aziz Siddiqi of the IHC observed in his decision that the executive could not be allowed to exploit electricity consumers and it was duty of regulatory bodies to protect consumer rights. Justice Siddiqui declared that the regulatory authority is under statutory obligation to protect the interest of the common man. The court observed in its

order that the retroactive levy and demand of FPA has been declared unconstitutional. "FPA should remain within the variation of fuel prices... distribution companies are directed to issue amended bills and the excessive amount received so far should be adjusted in coming bills," the court said. In January this year, IHC Justice Riaz Ahmed Khan had restrained National Electric Power Regulatory Authority (Nepra) from charging FPA in a public interest petition.



## USAID Energy Policy Project organizes interactive seminar on Energy Sector

The USAID Energy Policy Project, in collaboration with Roots College International conducted an interactive seminar on the energy crisis in Pakistan and effective energy saving habits for its students at the Roots Millennium Campus in Islamabad. Salahuddin Rifai, Advisor USAID Energy Policy Project, informed the students about the role of efficient lighting in energy conservation.

The students were also given an orientation about the project and its initiatives as well as the contributions made to Pakistan's energy sector by USAID. USAID is committed to providing both development assistance and educational programs that will allow Pakistan to maintain and expand the development/energy infrastructure in their country. "The purpose of conducting this seminar is to educate the younger generation about the energy situation in the country and make them better informed citizens so that they can contribute, even in the smallest of ways, in alleviating the energy crisis," said Mr. Rifai.