

ISLAMABAD: The top mandarins of the Ministry of Water and Power on Monday told the National Assembly's Special Committee on Energy Crisis that the cost of 45 percent of total electricity generated was not recovered due to transmission and distribution losses, theft and non-recovery of bills.

Led by Additional Secretary Arshad Mirza, the officials also said prepaid metering system was being installed in all government departments and the facility of free of cost electricity currently being enjoyed by Wapda employees would also be withdrawn.

Instead, the government intends to monetize the electricity units being given free of cost. Mirza said: "We are in the process of talks with the Wapda management and its union about the plan to monetize electricity units."

According to the plans under discussion, the government will pay employees in advance for the power units and the latter will then be liable to pay the electricity bills.

The additional secretary and joint secretary of the power ministry said in the last financial year line losses crossed the limit of permissible losses, amounting to Rs80 billion; the amount accrued under the non-recovery of electricity cost stood at Rs95 billion, while the cost of fuel worth Rs79 billion incurred on electricity generated under the head of fuel adjustment could not be recovered because of the Islamabad High Court's verdict.

However, the government has paid the Rs225 billion subsidy in the last fiscal under the tariff differential subsidy. They said Rs120 billion was added to circular debt every year and in last four months Rs45 billion had been added, as the government was allowed to collect fuel cost incurred on electricity generation because of the IHC's stay.

The officials said 30 percent of revenue was stuck on account of non-recovery of fuel cost and this was aggravating the cash flow situation in the power sector. If things continue like this, they said, the power sector may collapse.

To a question, Arshad Mirza said the government was paying Rs3 per unit as subsidy to power consumers. He also said the outstanding dues of the central power purchase agency (CPPA) had swollen to Rs426 billion as of November 2012. Of this, the federal government still owes Rs7 billion, the AJK government Rs19 billion, provincial governments Rs93 billion and the private sector Rs251 billion. Other consumers also owe billions.

Bushra Gohar, a member of the committee, said in the last meeting it was decided that power supply to influential tycoons not paying bills since long would be disconnected, and wanted to know any progress in this regard.

She pointed out that the spouse of Foreign Minister Hina Rabbani Khan was also found to be a huge defaulter of electricity bills and cited reports suggesting that he was being offered a settlement plan. However, Mirza rejected this report as baseless.

To a question, Mirza said recovery of electricity bills had increased by 4 percent to 94 percent in the last 4-5 months. He said the country was currently facing a power deficit of 2,500 MW. However, the members of the committee contested his claim, saying that if the power deficit was indeed 2,500 MW then why the country was facing 10-12 hours of outages on average.

Hameedullah Jan Afridi, another member of the committee, said a powerful oil lobby was resisting the government's move to bridge the power deficit through exploitation of alternative renewable resources.

Courtesy: The News