



**PERFORMANCE AUDIT REPORT
ON
MULTAN ELECTRIC POWER COMPANY
(MEPCO)
MINISTRY OF ENERGY
(POWER DIVISION)
AUDIT YEAR 2021-22**

AUDITOR GENERAL OF PAKISTAN

PREFACE

The Auditor General conducts audits in terms of Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan 1973, read with Sections 8 and 12 of the Auditor-General's (Functions, Powers, Terms and Conditions of Service) Ordinance 2001. The Performance Audit of MEPCO was carried out accordingly.

The Directorate General of Audit Power conducted Performance Audit of MEPCO during March-April, 2022 for the period 2019-20 & 2020-21 with a view to report significant findings to stakeholders. Audit examined the performance of MEPCO regarding achievement of NEPRA targets in respect of Transmission & Distribution (T&D) losses, sales of electricity, investment plan, system performance, safety standards and distribution margin. In addition, Audit also assessed, on test check basis, whether the management complied with applicable laws, rules and regulations in managing the affairs of the company. The Performance Audit Report indicates specific actions that, if taken, will help the management realize the objectives of the company and meet the targets fixed by NEPRA. Most of the observations included in this report have been finalized in the light of discussions in the DAC meeting held on June 8, 2022.

The Performance Audit Report is submitted to the President of Pakistan in pursuance of Article 171 of the Constitution, in order to be laid before both houses of Majlis-e-Shoora [Parliament].

Islamabad
Dated: 16 MAR 2023

Sd/-
(Muhammad Ajmal Gondal)
Auditor-General of Pakistan

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Abbreviations And Acronyms

AEL	Annual Energy Loss
AMI	Automatic Metering Infrastructures
AMR	Automatic Meter Reading
APR	Annual Performance Report
CCMS	Customer Complaint Management System
CDP	Common Delivery Point
CP	Commercial Procedure
CSD	Customer Services Directorate
CSM	Consumer Service Manual
DISCOs	Distribution Companies
DM	Distribution Margin
DoP	Development of Power
ELR	Energy Loss Reduction
GWH	Giga Watt Hour
GoP	Government of Pakistan
GSC	Grid System Construction
GSO	Grid System Operation
H.T	High Transmission
KW	Kilo Watt
KV	Kilo Volt
L.T	Low Transmission
MCO	Meter Change Order
MEPCO	Multan Electric Power Company
MI	Meter Inspector
MMM	Manager Material Management
MoWP	Ministry of Water and Power
M&T	Metering & Testing
MWH	Mega Watt Hour
NEPRA	National Electric Power Regulatory Authority
NGPS	Natural Gas Power Station
O&M	Operation and Maintenance
Op	Operation

PMDU	Prime Minister's Delivery Unit
POI	Provincial Office of Inspection
PSDR	Performance Standards (Distribution) Rules
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SCO	Service Connection Order
SDO	Sub Divisional Officer
SOPs	Standard Operating Procedures
STG	Secondary Transmission Grid
T&D	Transmission & Distribution
ToU	Time of Use
UoSC	Use of System Charges

EXECUTIVE SUMMARY

The Directorate General Audit Power conducted Performance Audit of Multan Electric Supply Company Limited (MEPCO) during March-April, 2022 for the financial year 2019-20 to 2020-21. The main objectives of the audit were to evaluate the economy, efficiency and effectiveness of the company and to find out whether the targets set out by NEPRA were achieved or not. In addition, the investment plan of the company, system performance standards, procurement process and other issues like misuse of tariff, detection charges levied on the consumers, provision of new electricity connections, redressal of complaints, bifurcation of feeders, overbilling to the consumers, theft of electricity and realization of recovery were also analyzed.

The audit revealed that the overall operational performance of company remained less effective in managing excessive line losses of feeders, overloaded transformers, non-replacement of defective meters within time line and controlling the issue of electricity theft. The company also breached the recovery targets during 2019-20 which resulted in heavy accumulation of receivables from the private and government consumers.

Keeping in view the basic audit objectives, key audit findings and recommendations are as follows:

a) Key Audit Findings

- i. Non-achievement of target for installation of new connections¹
- ii. Loss of transformers damaged due to overloading - Rs.1,529 million²
- iii. Wasteful expenditure on account of bifurcation of 11KV feeders- Rs.3,520.648³
- iv. Undue favor to legal counsels in issuance of powers of attorney - Rs.34.903 million⁴
- v. Non-replacement of defective meters within the time limit - Rs.178.446 million⁵

¹ Para No. 4.1.1

² Para No. 4.1.2

³ Para No. 4.1.3

⁴ Para No. 4.1.4

⁵ Para No. 4.1.5

- vi. Non-recovery of receivables from energy defaulters - Rs.48,199.65 million⁶
- vii. Irregular application of rehabilitation charges – Rs.118.826 million⁷
- viii. Inordinate delay in procurement process ⁸
- ix. Irregular imposition of detection charges to consumers - Rs.716.240 million⁹
- x. Loss due to theft of electricity – Rs.1,787.80 million¹⁰
- xi. Irregular charging of detection to the life line consumers - Rs.561.193 million ¹¹
- xii. Loss due to abnormal line losses on feeders-Rs.12847.233 million ¹²
- xiii. Energy losses beyond permissible limit – Rs.167.765 million¹³
- xiv. Non-installation of AMR meters and Automatic Metering Infrastructure¹⁴
- xv. Non-compliance of SoPs for allotment of defective code and replacement of defective meters¹⁵

b) RECOMMENDATIONS

- i. Time frame for new connections should be observed strictly keeping in view the guidelines issued by the NEPRA in Consumer Service Manual.
- ii. SoPs for planning, maintenance and load management of distribution transformers need to be implemented.
- iii. High loss feeders may be selected for bifurcation in order to reduce the technical losses and to improve the voltage drop.
- iv. Defective meters may be replaced within time limit of guidelines issued by NEPRA in Consumer Service Manual.

⁶ Para No. 4.2.1

⁷ Para No. 4.2.2

⁸ Para No. 4.3.1

⁹ Para No. 4.4.1

¹⁰ Para No. 4.4.2

¹¹ Para No. 4.4.5

¹² Para No. 4.4.7

¹³ Para No. 4.4.9

¹⁴ Para No. 4.4.11

¹⁵ Para No. 4.4.14

- v. The rehabilitation charges should be recovered from the consumers according to actual cost incurred (if any) for upgradation of system in the light of NEPRA guidelines.
- vi. Procurement process of the company needs to be made more efficient in order to attain value of money.
- vii. Effective measures may be taken for recovery of long outstanding arrears.
- viii. Performance standards may be implemented to ensure the safety of staff and to provide reliable power supply to the consumers.
- ix. Effective monitoring system needs to be implemented to curb the problem of over-billing to energy consumers.
- x. AMR system at all 400/230 volts may be installed as soon as possible to eliminate theft, as well as to diagnose actual technical problems / losses.
- xi. Accurate and proper billing should be made, in the light of SoPs issued by the MEPCO Management, against defective meters.

1. INTRODUCTION

Multan Electric Power Company Limited (MEPCO) was registered, under the Companies Ordinance, 1984, as a Public Limited Company in May, 1998. The registered office of the Company is situated in Multan. MEPCO commenced its business from 1st July 1998. As a result of WAPDA Corporatization and Commercialization process, its former Electricity Area Boards were transformed into Companies and MEPCO took over the business of assets and liabilities of WAPDA. However, DISCOs at present are under the administrative control of Government of Pakistan, Ministry of Energy (Power Division). The principal activity of the Multan Electricity Power Company is to render uninterrupted electricity to its area of jurisdiction. The Company obtained distribution license from National Electric Power Regulatory Authority (NEPRA). The jurisdiction of MEPCO includes nine Operation Circles, one Project Construction Circle, one Grid System Construction Circle and two Grid System Operation Circles.

The area under these circles was fed by 1,652 feeders emanating from 129 grid stations which were providing service to a total number of 7.217 million consumers. The total length of High Transmission & Low Transmission lines used by the company was 79,837 KM and 50,331 KM respectively in June, 2021.

2. AUDIT OBJECTIVES

The main audit objectives were as follows:

- i. To examine the achievement of Transmission & Distribution (T&D) loss targets fixed by NEPRA.
- ii. To examine the achievement of sale of electricity target as determined by NEPRA.
- iii. To examine the achievement of investment plan approved by NEPRA with reference to DOP, ELR, STG, Smart/TOU meters and others through their own resources, loans and capital contribution / deposit works.
- iv. To review the incurrence of operating & maintenance expenditure (salaries, wages & other benefits, maintenance, TA, vehicle running expenditure and other expenses) with reference to NEPRA assessment.

- v. To review the retention of Distribution Margin (DM) as allowed by NEPRA.
- vi. To evaluate the achievement of annual revenue realization with reference to recovery of receivables.
- vii. To review the compliance to any other directives passed by NEPRA in tariff determination e.g. installation of TOU meters, recruitment of staff, T&D losses and overbilling.
- viii. To review whether there were any irregularities in procurement against annual procurement plan.

3. AUDIT SCOPE AND METHODOLOGY

The Performance Audit of MEPCO was carried out for the years 2019-20 and 2020-21. The main elements of the methodology adopted during the execution of performance audit were as under:

- i. Interview and discussion with the management.
- ii. Analysis of Annual Progress Reports.
- iii. Scrutiny of Audited Financial Statements & Notes to Management.
- iv. Review of Investment Plans.
- v. Probing compliance with the necessary rules, laws and guidelines such as:
 - a) NEPRA Performance Standards (Distribution) Rules, 2005.
 - b) National Power Policy 2013.
 - c) Distribution Rehabilitation Guidelines.
 - d) NEPRA Annual Performance Reports.
 - e) Consumer Service Manual.
 - f) Commercial Procedures of electricity.

4. AUDIT FINDINGS & RECOMMENDATIONS

4. AUDIT FINDINGS AND RECOMMENDATIONS

4.1 Organization and Management

4.1.1 Non achievement of target for installation of new connections

According to Annex-III of Consumer Service Manual regarding time frame for new connections, a period of thirty (30) days will be given for registration of application, submission of wiring test report, site survey, verification of test, preparation of service cost estimate, vetting, issuance of demand notice, issuance of Service Connection Order (SCO), approval of store requisition / issuance of material and installation of meters.

During Performance Audit of MEPCO for the financial years 2019-20 & 2020-21, it was observed that 3902 single phase connections were installed during the month of July, 2020 (**Annex-I**). In most of the connections, registration date was October, 2019 but the installation date was July, 2020 which reflected delay of nine (09) months in installation of new connections. Moreover, the change in priority was also observed in the data for registration and installation of new connection. This not only reflected inordinate delay in installation but also inefficiencies of the MEPCO Management and violation of Consumer Service Manual (CSM).

Non-adherence to the policies / guidelines of consumer service manual resulted into non-installation of meter within time limit during the financial year 2019-20 & 2020-21.

The matter was taken up with the management in April, 2022. The management replied that connections were only pending due to shortage of material in the wake of non-participation of bidders in tenders for procurement of material due to outbreaks of Covid-19. The situation has been improved and connections are being installed according to procedure.

The DAC, in its meeting held on June 8, 2022, directed the management to get verified the record of installed connections and expedite the action against remaining new connection up to September, 2022. No record was provided till finalization of the report.

Audit recommends implementation of DAC's decision.

4.1.2 Loss of transformers damaged due to overloading - Rs.1,529 million

According to clause 2.2.7 of Distribution Rehabilitation Guidelines regarding augmentation of overloaded distribution transformers, transformers are damaged due to overloading. Consequently, the voltage level decreases and technical losses rise. This condition can be improved by replacing of overloaded transformers with higher capacity ones.

During Performance Audit of MEPCO for the financial years 2019-20 & 2020-21, it was observed that 18,933 distribution transformers of different capacity were damaged due to lack of proper maintenance. The main causes of damaged transformers were overloading and running on silver winding instead of copper (**Annex-II**). This state of affairs reflected ineffectiveness and inefficiency on the part of the management as no proper checking /supervision was made which not only resulted in technical loss to the company but also huge expenditure of Rs.1,529 million was incurred on repair and maintenance of damaged transformers.

Non-observance of instructions resulted into loss of Rs.1.529 million on account of expenditure incurred on repair of damaged transformers due to overloading during the financial years 2019-20 & 2020-21.

The matter was taken up with management in April, 2022. The management replied that actually very few transformers were damaged due to overloading; main reasons for damaging of transformers were unbalancing of load, heavy wind storm, heavy rains, and poor maintenance etc. Most of the damaged transformers had completed their life span/operational life. However, action was taken through imposition of recovery on shortage of copper in distribution transformers. Furthermore, for safety of transformers various steps were being taken for example load balancing, checking of fuses, checking of overloading, tightening of bushes & jumpers and augmentation of overloaded transformers.

The DAC in its meeting held on June 8, 2022 expressed its concern over the increasing trend of damaged transformers, especially with reference to Sahiwal circle where the number of damaged transformers had doubled. The DAC directed to conduct an inquiry at PPMCL level and progress was desired to

be intimated within 45 days. The DAC also directed the management to efficiently monitor the situation and to implement the SoPs for maintenance of transformers along with taking actions against the persons at fault. The record for the completed actions may be got verified from Audit.

Audit recommends implementation of DAC's decision.

4.1.3 Wasteful expenditure on account of bifurcation of 11KV feeders - Rs.3,520.648 million

According to Para 4.1.1 (ii) of Planning Procedure of Power Distribution Program Planning Guide, the feeders selected for rehabilitation / renovation should be based on their peak load, length, technical / geographical aspects and keeping in view the particular problems of the area to achieve the maximum benefits not only in term of reducing losses and improving in voltage drop but also to provide stable / uninterrupted power supply to the customers.

During Performance Audit of MEPCO for the financial years 2019-20 & 2020-21, it was observed that 297 Feeders were running on high losses and selected on top priority for bifurcation in order to reduce the loss and improve the voltage drop. However, 162 feeders were bifurcated under head ELR and DOP during the financial year 2019-20 & 2020-21 incurring an expenditure of Rs.3,502.648 million without observing the priority to the feeders on high loss. The feeders selected for bifurcation did not meet the criteria and had minimum annual energy losses as compared to left over high loss feeders. Resultantly, MEPCO management not only failed to provide reliable power supply to the consumers according to NEPRA performance standards but also failed to achieve NEPRA target of line losses. This depicted that, undue individual benefits were extended in bifurcation of feeders instead of giving priority to the feeders on high losses. The performance of MEPCO management remained ineffective in bifurcation of feeders.

Violation of Power Distribution Program Planning Guide resulted in wasteful expenditure incurred in high line loss area on distribution of power amounting to Rs.3,502.648 million.

The matter was taken up with management in April, 2022. The management replied that bifurcation was carried out in view of benefit cost ratio

which resulted in saving of Rs.202.578 million and reduction in losses on these feeders.

The DAC in its meeting held on June 8, 2022 directed the management to provide justification for not observing the priority of high loss feeders along with provision of Energy Loss Reduction Plan and annual energy saving after bifurcation of 11KV Feeder within 15 days to Audit.

Audit recommends implementation of DAC's decision.

4.1.4 Undue favour to legal counsels in issuance of powers of attorney - Rs.34.903 million

According to clause-24 of "The Pakistan WAPDA Employee (Conduct) Rules 1978", no WAPDA employee shall indulge in provincialism, parochialism, nepotism, favoritism or willful abuse of office.

During Performance Audit of MEPCO for the financial year 2019-20 & 2020-21, it was observed that 2,816 Powers of Attorney against the total of 5,587 Powers of Attorney were issued to four (04) members of counsel out of 259 Counsel members (**Annex-III**). Powers of Attorney were being issued to specific favorite MEPCO Counsel without going into the facts with reference to their success rate, performance and number of pending cases for the previous years. On average 704 Powers of Attorney were issued to each member. It is very much clear that entrusting the cases to one person beyond his / her capacity resulted in poor performance. This resulted in inefficient and ineffective control of the MEPCO management.

Non-observance of the Pakistan WAPDA Conduct (Rule) resulted in incurring of huge expenditure of Rs. 34.903 million on account of legal fee due to nepotism, favoritism and victimization in issuance of powers of attorney.

The matter was taken up with the management in April 2022. It was replied that the cases were assigned in the interest of company by keeping in view the technical and legal expertise in order to achieve the results.

The DAC in its meeting held on June 8, 2022 directed the management to provide performance review of each counsel to Audit. Moreover, SoPs for engagement of counsel be shared with Audit and its implementation needed to be ensured. No further status was reported till finalization of the report.

Audit recommends implementation of DAC's decision.

4.1.5 Non-replacement of defective meters within the prescribed time limit - Rs.178.446 million

According to Clause 4.3.1 of Consumer Service Manual, “in case a metering installation becomes defective / burnt (which was otherwise correct upto last billing cycle), DISCO shall: (a) Replace the metering installation immediately or within two billing cycles if meters are not available.”

During Performance Audit of MEPCO for the financial year 2019-20 & 2020-21, it was observed that 85,679 single phase and 512 three phase meters were burnt and remained un-replaced (aging above 2 month). According to Annual Progress Report for the financial years 2019-20 & 2020-21 (**Annex-IV**), the defective meters were to be replaced within three (03) days but MEPCO management did not replace the defective meters. Resultantly, irregular billings of defective meters were being made in violation of SoPs regarding replacement of defective meters.

Non-observance of instructions resulted into irregular and suspicious meter reading on account of defective meters due to non-replacement of defective meters amounting to Rs. 178.446 million.

The matter was taken up with the management in April 2022. The management replied that replacement of defective meters was only pending because the bidders were not participating in the bidding process, which resulted in shortage of transformers, energy meters and cables etc. However, now no defective meters were pending for replacement.

The DAC, in its meeting held on June 8, 2022, directed the management to get the record verified from Audit. No record was produced till the finalization of the report.

Audit recommends implementation of DAC’s decision.

4.2 Financial Management

4.2.1 Non-recovery of receivables from energy defaulters - Rs.48,199.65 million

According to Para-1.3 of commercial Procedure, “the Revenue Officer and Assistant Manager are responsible for: (i) implementing in conjunction with the Executive Engineer, the commercial policy laid down from time to time by the Authority through the Company (ii) efficient application of billing and collection procedure”.

During Performance Audit of MEPCO for the financial year 2019-20 & 2020-21, it was observed that an amount of Rs.48,199.65 million was recoverable from energy consumers (Private & Government). However, no efforts were made by the management to accelerate the recovery from defaulters. The company did not achieve the recovery target set out by NEPRA during 2019-20. Owing to increasing trend of receivables, MEPCO was facing difficulties in discharging its obligations towards CPPA(G), Power Sector Companies (PSCs) and Independent Power Producers (IPPs).

Non-adherence to Commercial Procedure resulted in non-recovery of Rs.48,199.65 million from energy defaulters up to the financial years 2019-20 & 2020-21.

The matter was taken up with the management in April, 2022. The management replied that the continuous efforts were being made for recovery of arrears from defaulters.

The DAC in its meeting held on June 8, 2022 directed the management to submit work plan regarding recovery through its BOD and also submit weekly position and progress of recovery to the Ministry and Audit. Further progress was not reported till finalization of the report.

Audit recommends compliance of DAC’s decision.

4.2.2 Irregular application of rehabilitation charges - Rs.118.826 million

According to clause 2.6 (xiv) of Consumer Service Manual, the rehabilitation charges are applicable in case of industrial category where connection is given from Common 11KV Feeder up to 1000 KW load. In other

cases, the rehabilitation charges shall be according to actual cost incurred (if any) for up-gradation of system for provision of connection from Distribution System.

During Performance Audit of MEPCO for the financial year 2019-20 & 2020-21, it was observed that an amount of Rs.118.826 million was recovered on account of rehabilitation charges (capacitor charges) against the housing societies and commercial plazas up to the ultimate load of 1,000 KW. The rehabilitation charges were required to be recovered / charged on the basis of actual cost incurred (if any) for up-gradation of system for provision of connection from Common Distribution System. Moreover, no purchase order was placed for the procurement of capacitors during the financial years 2019-20 & 2020-21 and the stock position was nil at the end of financial year. No expenditure was incurred on the up-gradation of the system for provision of connection from Common Distribution System.

Non-adherence to the policies / guidelines of consumer service manual resulted into irregular charging of rehabilitation charges against the housing societies and commercial plaza's during the financial years 2019-20 & 2020-21.

The matter was taken up with the management in April 2022. The management replied that physical rehabilitation of the system under WAPDA program should not be made a pre-requisite because WAPDA had its own program to follow as the load of the scheme also took a long time to fully develop. However, before implementation of CSM-2021, the rehabilitation charges were being recovered according to guidelines issued.

The DAC in its meeting held on June 8, 2022 observed that rehabilitation charges in lieu of cost of capacitors were recovered to bring the line losses within technical limit. However, neither the capacitors were procured nor installed on lines which cause recurring technical line losses on the feeders. DAC directed the management to conduct detailed analysis on line losses due to simulation of load of housing societies and commercial plazas caused by non-installation of capacitors. No further status was reported till finalization of the report.

Audit recommends implementation of DAC's decision.

4.3 Procurement and Contract Management

4.3.1 Inordinate delay in procurement process

According to rule-8 of PPRA regarding Procurement Planning, all procuring agencies shall devise a mechanism for planning in detail for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future. The annual requirements thus determined would be advertised in advance on the Authority's website as well as on the website of the procuring agency in case the procuring agency has its own website.

During Performance Audit of MEPCO for the financial years 2019-20 & 2020-21, it was observed that annual procurement plans amounting to Rs.13,106 million & Rs.10,044 million for the financial years 2019-20 & 2020-21 were prepared and approved by the BoD. The procurement guidelines and procedures regarding improving the procurement methodology—Procurement Section of MEPCO was required to plan the requirement well in advance to enable purchases being made at most economical prices and formulate an appropriate procurement budget by March 31st of each year in accordance with company's capital and development plan. The tenders for the procurement of electrical material above Rs.40 million were submitted / presented to BoD for approval but it took much time till their approval from the BoD subcommittee and subsequently from BoD. The BoD of the company did not finalize the procurement process well in time due to which the cost of material escalated. Moreover, analysis of tender floating date and issuance of purchase order date for the financial year 2020-21 revealed that the procurement process was much delayed due to inefficiency of the MEPCO management as well as BoD and resulted in escalation of cost of material up to 97%, as admitted by the CFO MEPCO in the letter vide dated 15.10.2021. Therefore, price variation in the same financial year led to the conclusion that procurement of electrical material was made at higher rates in violation of PPRA Rules-2004 and procurement guidelines and procedures causing loss to company's exchequer.

Non-adherence to instructions resulted in loss due to procurement at higher rate during the year 2020-21.

The matter was taken up with the management in April 2022. The management replied that BoD took its routine time & decided the matters accordingly. All the procurement cases were finalized by CEO / BoD within the bid validity period and no extra time was taken.

The DAC in its meeting held on June 8, 2022 directed the management to inquire the matter at Ministry level under the convenorship of Joint Secretary and submit the report within 45 days. No further status was reported till finalization of the report.

Audit recommends implementation of DAC's decision.

4.4 Monitoring and Evaluation

4.4.1 Irregular imposition of detection charges to consumers - Rs.716.240 million

According to clause 7.5.2 of Consumer Service Manual regarding misuse of tariff, DISCO (MEPCO) shall serve seven days clear notice to the consumer who is found misusing his / her sanctioned tariff. However, DISCO (MEPCO) shall immediately change the tariff and shall determine the difference of charges of the previous period of misuse to be recovered from consumers. However, in the absence of any documentary proof, the maximum period of such charges shall not be more than two billing cycle.

During Performance Audit of MEPCO for the financial years 2019-20 & 2020-21, it was observed that an amount of Rs.716.240 million was charged to 772 consumers for change of tariff (A1 to A3). The detection was required to be charged for maximum period of two months. However, the detection was charged ranging from 3 to 12 months on account of change of tariff in violation of Consumer Service Manual. This resulted in irregular charging of detection amounting to Rs.716.240 million to the consumers due to misuse of tariff.

Non-compliance of consumer service manual resulted in irregular charging of detection to the consumers amounting to Rs.716.240 million for more than two billing cycle during the financial year 2019-21.

The matter was taken up with management in April 2022. The management replied that difference of rates was charged on change of tariff from A-1 to A-3, according to tariff notified by NEPRA.

The DAC in its meeting held on June 8, 2022 directed the management to provide tariff implementation date and reconcile the differences charged to consumers and also justify charging for excessive months to Audit. No further status was reported till finalization of the report.

Audit recommends implementation of DAC's decision.

4.4.2 Loss due to theft of electricity - Rs.1787.80 million

According to clause 9.1.1 of Consumer Service Manual regarding direct theft of electricity by registered / un-registered consumers, if a premises / person is found to be hooked with supply line by passing the metering installation or the metering installation is missing at site or the supply restored illegally on disconnected premises, or if the consumer is using electricity direct from supply line and /or the person living in the premises is not a consumer, or meter is installed at site but no record exist then shall inter-alia process the case as theft of electricity.

During Performance Audit of MEPCO for the financial years 2019-20 & 2020-21, it was observed that an amount of Rs.1,787.80 million was recoverable on account of theft of electricity through 82,405 illegal kunda cases / direct hooking. The amount was recoverable for more than 10 years. However, neither FIR's were lodged against the concerned parties nor any schemes were launched by MEPCO Management to recover the dues from the defaulters. The MEPCO Management did not make concrete efforts to overcome the issue of theft of electricity in the area.

Non-implementation of guidelines resulted into loss of Rs.1787.80 million due to theft of electricity through kunda / direct hooking.

The matter was taken up with management in April 2022. The management replied that due to strict monitoring and surveillance, theft of electricity decreased. However, efforts were being made to curb theft by conducting continuous liaison with Civil Administration. Hectic efforts were made by field formations for lodging FIRs against stealers through anti-theft Campaign.

The DAC in its meeting held on June 8, 2022 DAC directed the management to recover the amount and get the record verified from Audit. No further status was reported till the finalization of the report.

Audit recommends implementation of DAC's decision.

4.4.3 Excessive expenditure on litigation due to dispute in overbilling – Rs.15.22 million

According to Clause-6 of Performance (Distribution) Rules 2005, a distribution company shall ensure that any investigation and decision of dispute concerning metering, billing and electricity consumption charges are finalized within 21 days of the filing of the complaints failing which it shall be immediately referred to the Provincial Offices of Inspection (POIs), established pursuant to Section 38 of the Act.

During Performance Audit of MEPCO for the financial years 2019-20 & 2020-21, it was observed that 7,069 court cases in Civil & Session Court and 1,216 cases in High Court were registered by the consumers against MEPCO due to average charged, wrong reading, overbilling, detection and services matter. This situation put the company into un-necessary litigation in which MEPCO had to bear financial implications in shape of deferred amount and litigation expenses. Moreover, the cases involving less than Rs.100,000/- were required to be finalized at circle review committee to avoid un-necessary litigation according to directions of Director legal. Contrary to this, MEPCO management did not resolve the matter to avoid un-necessary litigation. Resultantly, an expenditure of Rs.15.22 million during the financial years 2019-20 & 2020-21 was incurred on account of litigation cases of both nature i.e. consumer issues and employee service matters. This exhibited ineffectiveness of the MEPCO management due to non-resolving the issues / complaints within time limit.

Non-implementation of guidelines / policies resulted into excessive expenditure of Rs.15.22 million on account of litigation of cases and blockage of revenue.

The matter was taken up with the management in April 2022. The management replied that deferred amount was Rs.8,581.37 million ending 06/2021 out of which Rs.7,528.36 million was deferred against tubewell consumers and recovery was pending for want of decision by the Punjab Govt.

Efforts were being made to receive the deferred amount through out of court settlements and pursuance of cases in courts/relevant forums.

The DAC in its meeting held on June 8, 2022 directed the management to effectively monitor the disputed cases at circle level. DAC further directed that BOD should actively review and formulate policies for earlier resolution of consumer complaints and earlier disposal of litigation cases. No further status was reported till finalization of the report.

Audit recommends implementation of DAC’s decision.

4.4.4 Non-compliance of performance standards

According to rule 4(g) of NEPRA Performance Standards (Distribution) Rules, 2005, “A Distribution Company shall implement suitable, necessary and appropriate rules, regulations and working practices, as outlined in its Distribution Code or applicable documents, to ensure the safety of its staff and members of the public”.

According to rule 4(a&b) of NEPRA Performance Standards (Distribution) Rules, 2005 “A Distribution Company shall ensure that the system Average interruption Frequency Index (SAIFI) of supply of power per consumer does not exceed thirteen (13) Numbers and system Average interruption duration index (SAIDI) does not exceed fourteen (14) minutes per annum.

During Performance Audit of MEPCO for the financial years 2019-20 & 2020-21, it was observed that twenty-six (26) fatal incidents happened during the years 2019-20 to 2020-21, which showed the failure of management to comply with safety Performance Standards. Weak implementation of safety standards not only resulted into loss of precious human lives but also financial loss due to imposition of fine valuing Rs.28 million to MEPCO by NEPRA.

The company also failed to achieve Performance Standards regarding SAIFI & SAIDI as prescribed in PSDR by NEPRA:

Performance Standard	Year	Reported Figure (Nos.)	Target by NEPRA (Nos.)	Breach of Target
SAIFI	2020-21	471	13	Far away

SAIDI		39733	14	Far away
SAIFI	2019-20	375.98	13	Far away
SAIDI		31920	14	Far away

The review of above table clearly revealed that the Company could not achieve the targets relating to SAIFI and SAIDI (**Annex – V**). It showed that measures for preventive maintenance of distribution system were not taken in an efficient and effective manner and the Company was unable to provide reliable and uninterrupted power supply to its consumers.

Non-compliance of performance standards resulted into fatal incidents as well breach of SAIFI and SAIDI targets.

The matter was taken up with the management in April 2022. The management replied that MEPCO was implementing NEPRA Power Safety Code in true letter and spirit. Further MEPCO had already developed its own safety manual which was also implemented in field to save precious lives of MEPCO employees and general public as well as removing public safety hazards of high/medium/low risks on daily basis. As regards compliance to SAIFI & SAIDI standards, MEPCO was doing its best with available resources in bifurcation of feeders, construction of new feeders, replacement of old/deteriorated poles and conductors, new HT/LT proposals for minimizing the frequency and duration of tripping.

The DAC in its meeting held on June 8, 2022, directed the management to furnish revised reply vetted through Director Safety to Audit within 15 days. DAC further directed the management to justify the reason for non-achieving the targets of NEPRA Performance Standards. No further status was reported till finalization of the report.

Audit recommends implementation of DAC’s decision.

4.4.5 Irregular charging of detection to the life line consumers - Rs.561.193 million

According to Part-II of S.R.O. issued by the Ministry of Energy vide dated 01.01.2019, “Life Line Consumer” means those residential consumers having single phase electric connection with a sanctioned load upto 1KW. At any

time, if the floating average of last six-month consumption exceeds 50 units, then said consumer would not be classified as life line for the billing month even its consumption is less than 50 units.

During Performance Audit of MEPCO for the financial years 2019-20 & 2020-21, it was observed that 43.116 million units amounting to Rs.561.193 million were charged on account of detection to compensate the theft of electricity with fake reasons in detection proformas against 110,345 number of life line consumers. The floating average during last six months against these consumers remained below 50 units. Contrary to this, irregular detection on an average of 392 units was charged to these consumers which were far beyond the average monthly consumption of the consumers. Neither the departmental enquiry was initiated nor the unjustified detection charged to life line consumers was refunded.

Units	Consumers	Average units
43,116,709	110,345	392

Source: MIS Data

Non adherence to the instructions resulted into unjustified charging of detection valuing Rs.561.193 million to life line consumers during the financial years 2019-20 & 2020-21.

The matter was taken up with the management in April 2022. The management replied that correction of unjustified detection charged to the life line & P-DISC consumers have been rectified in 12/2019 in the light of recommendations of enquiry committee and disciplinary action were also finalized against officers/officials.

The DAC in its meeting held on June 8, 2022 directed the management to inquire the matter at PPMCL level to review the units charged to life line consumers in overall MEPCO. The report needed to be finalized within three months.

Audit recommends implementation of DAC's decision.

4.4.6 Non- redressal of complaints

According to Chapter No.10 of Consumer Service Manual, all complaints regarding billing, detection, voltage drop, restoration of supply, time frame for new connection, damaged transformers, issuance of bill against new connection,

replacement of defective meters, tripping and unscheduled load shedding were registered in the sub-divisional office or consumer service centre or one-window operation in DISCO (MEPCO) offices wherein dates for their rectification shall be given to the complainants according to procedure and time frame for handling and redressal of complaints. All these complaints shall be monitored by DISCO Complaint Cell.

During Performance Audit of MEPCO for the financial years 2019-20 & 2020-21, it was observed that a large number of complaints were registered under the Customer Complaint Management System (Roshan Pakistan – PITC Lahore), Federal Complaint Centre (Ministry of Energy Power Division Islamabad), Customer Complaint Management System (CCMS) MEPCO and Prime Minister Delivery Unit (PMDU) Islamabad. The complaints were required to be resolved within time limit but contrary to this, performance of Customer Complaint Management System (CCMS) MEPCO remained un-satisfactory as 258,567 complaints were not resolved within the time limit. This shows inefficiency and ineffectiveness of the MEPCO management in performing their responsibilities.

Non-compliance of guidelines resulted into non-redressal of the complaints of different nature within the given time frame.

The matter was taken up with the management in April 2022. The management replied that complaints resolved after prescribed time limit were attributable to scattered area and extreme weather conditions. The complaints were resolved on average, within 3 hours and 5 minutes.

The DAC in its meeting held on June 8, 2022 directed the management to get the record along with SoPs verified from Audit. No further status was reported till finalization of the report.

Audit recommends implementation of DAC's decision.

4.4.7 Loss due to abnormal line losses on 11kv feeders - Rs.12,847.233 million

According to clause 33.23 of NEPRA Tariff Determination for the financial year 2019-20, the Authority allowed 11.75% {8.56% 11KV Network Losses + 3.19% L.T Line Losses} distribution losses for MEPCO.

During Performance Audit of MEPCO for the financial years 2019-20 & 2020-21, it was observed that according to CP 22-A abnormal line losses of 912 general feeders were in excess of the permissible limit of 11.75% (ranging from 11.86% to 100%) which resulted into loss of 799.348 million units costing Rs.12,847.233 million during the financial year 2020-21. The theft of electricity and lengthy & over loaded feeder were the main causes of line losses. MEPCO management did not make concrete efforts to reduce the line losses which reflected its poor performance.

Non-adherence to NEPRA directions resulted into loss of Rs.12,847.233 million during financial year 2020-21.

The matter was taken up with the management in April 2022. The management replied that MEPCO had achieved line losses at 15.2% in 2019-20 against NEPRA target of 15% & presently loss level of MEPCO was 14.9% ending 06/2021.

The DAC in its meeting held on June 8, 2022 directed the management to closely monitor the high loss feeders and special campaign against theft of electricity be initiated. DAC further directed to get the record verified from Audit in respect of improved position of high loss feeders. No further status was reported till finalization of the report.

Audit recommends implementation of DAC's decision.

4.4.8 Undue revenue generation through overbilling - Rs.465.586 million

According to Commercial Procedure Manual, Revenue Officer and Assistant Manager are responsible for Implementing in conjunction with the Executive Engineer, the commercial policy laid down from time to time by the Authority through the company and efficient application of billing and collection procedures.

During Performance Audit of MEPCO for the financial years 2019-20 & 2020-21, it was observed that the units billed were more than the units received during the financial year 2019-20 & 2020-21 on 221 No. 11 KV feeders as forthcoming from CP-22A. This indicated that overbilling to the extent of 22.82 million units @ Rs.23.75 costing Rs.465.586 million was made to the consumers.

It showed that overbilling was made merely to conceal line losses (theft of electricity).

Non-adherence to the commercial procedure resulted into overbilling of Rs.465.586 million during the financial years 2019-20 & 2020-21.

The matter was taken up with the management in April 2022. The management replied that the negative losses were not due to overbilling / excess reading. Possible causes for the negative losses were like variation in meter reading cycle and billing cycle, shifting of load from one feeder to another due to system constraints and saving of financial loss to avoid damages.

The DAC in its meeting held on June 8, 2022 directed the management to get the record verified from Audit. No further status was reported till finalization of the report.

Audit recommends implementation of DAC's decision.

4.4.9 Energy losses beyond permissible limit – Rs.167.765 million

According to table-5 of chapter-5 of Distribution Rehabilitation Guidelines issued by the General Manager (Operation) WAPDA, Lahore on September 24, 2003, the maximum voltage drop and A.E.L (Annual Energy Losses) for H.T Circuit (HT feeders) is 3% for rural/urban areas.

During Performance Audit of MEPCO for the financial years 2019-20 & 2020-21, it was observed that according to CP 22-A annual energy losses of 49 independent feeders were in excess of the permissible limit of 3% which resulted into loss of 7.204 million units costing Rs.167.765 million during the financial year 2019-20 & 2020-21. The independent feeders causing loss mainly pertained textile and foods industry as well as housing societies and government departments where losses ranged from 3.22% to 99.90% (**Annex-VI**). The said amount was required to be recovered from the concerned independent consumers.

Non-adherence to the Distribution Rehabilitation Guidelines resulted into loss of Rs.167.765 million during the financial years 2019-20 & 2020-21.

The matter was taken up with the management in April 2022. The management replied that efforts were being made to bring the losses within permissible limits which was evident from the fact that out of 49 feeders only 10 feeders were pending which were also mainly due to billing cycle differences.

The DAC in its meeting held on June 8, 2022 directed the management to get the record verified from Audit. No further status was reported till finalization of the report.

Audit recommends implementation of DAC's decision.

4.4.10. Irregular charging of excess units on AMR Meter - Rs.31.78 million

According to Commercial Procedure Manual, Revenue Officer and Assistant Manager are responsible for implementing in conjunction with the Executive Engineer, the commercial policy laid down from time to time by the Authority through the company and efficient application of billing & collection procedures.

During Performance Audit of MEPCO for the financial years 2019-20 & 2020-21, it was observed that 2.124 million units valuing Rs.31.78 million were excess charged by the field formations on Automatic Meter Reading (AMR) connection against Batch 27, 29 & 30 (**Annex-VII**). This act was deliberately made by the MEPCO management in order to conceal the data / figure of actual line losses. Hence, the overbilling was made to the consumers to generate undue revenue which showed poor control of MEPCO management. Resultantly, irregular excess units valuing Rs.36.114 million were charged to the consumers connected with AMR.

Non-implementation of commercial procedure resulted into excess charging to the consumers connected with AMR meter valuing Rs.31.78 million during the financial years 2019-20 & 2020-21.

The matter was taken up with the management in April 2022. The management replied that overbilling was not possible on AMR meters. The meter reading was taken on the last day of the month and the difference may appear due to non-updation of Meter Serial Number (MS) against Meter Change Orders (MCOs) in galaxy software well in time. It may not be termed as excess billing but it was an arithmetical error reported in AMR billing statements.

The DAC in its meeting held on June 8, 2022 directed the management to get the record verified from Audit. No record was provided to Audit till finalization of the report.

Audit recommends implementation of DAC's decision.

4.4.11 Non-installation of AMR meters and Automatic Metering Infrastructure

According to Para 33 (I) of Tariff Determination 2014-15, NEPRA directed all DISCOs to install AMR and AMI at all their common delivery points, receiving end of 11kv feeders and consumers level up to June, 2016.

During Performance Audit of MEPCO for the financial years 2019-20 & 2020-21, it was observed that NEPRA directed to install Automatic Meter Reading (AMR) and Automatic Metering Infrastructure (AMI) at all Common Delivery Points (CDPs). The basic purpose for installation of AMR meter was to devise a mechanism for tracking of electricity flow from the beginning points to the end consumers, to eliminate theft, as well as to diagnose actual technical problems/losses. Contrary to this, AMR and AMI meters were not installed up till June, 2021.

Non-adherence to the direction of NEPRA resulted into non-achievement of targets to eliminate theft.

The matter was taken up with the management in April 2022. The management replied that AMR and AMI meters had been installed at all common delivery points.

The DAC in its meeting held on June 8, 2022 directed the management to get the record verified from Audit. No further status was reported till finalization of the report.

Audit recommends implementation of DAC's decision.

4.4.12 Non-return of defective meters by field formation

According to Clause 3 of SoPs issued vide dated 15-03-2018 of MEPCO regarding replacement of defective meters, "meter declared defective by the Meter Reader and MI will be transmitted to the concerned Circle Manager (M&T) on the same day" and further according to clause 08, "MIS department will supply the list of meters declared defective after billing of each 05 batches to Manager (Commercial) and Manager (MM)".

During Performance Audit of MEPCO for the financial years 2019-20 & 2020-21, it was observed that 781,161 single phase and 22,928 three phase meters were replaced (CP-90 and other than CP-90) by the field formations. The

meters removed and replaced were required to be shifted to the concerned Circle Manager (M&T) on the same day. Contrary to this, Circle Manager (M&T-I & II) only received 337,761 single and three phase meters for data retrieval out of total 804,089 meters during the financial year 2019-21. This reflected that, irregular billings of defective meters were being made in violation of SoPs due to non-timely completion of M&T reports.

Non-observance of SoPs regarding replacement of defective meters resulted into irregular and suspicious billing on account of thousands of defective meters.

The matter was taken up with the management in April 2022. The management replied that all the meters had been shifted to M&T and there was no pendency for the year 2019-20 & 2020-21.

The DAC in its meeting held on June 8, 2022 directed the management to get the record verified from Audit. No further status was reported till finalization of the report.

Audit recommends implementation of DAC's decision.

4.4.13 Non-adjustment of credit units on account of M&T Report – Rs.15.927 million

According to clause 4.3.2 (c) of Consumer Service Manual, data of impugned meter shall be retrieved and actual consumption according to retrieved data shall be charged to the consumers after issuing a notice to the consumer and already charged bills issued on average basis shall be adjusted.

During Performance Audit of MEPCO for the financial years 2019-20 & 2020-21, it was observed that according to reports of M&T-I on data retrieval against replaced meters, the credit adjustment/excess charging of 1.115 million units valuing Rs.15.927 million (1.115 X Rs.14.28 per unit) were not adjusted/credited to the consumer accounts. According to Para-07 of SoPs regarding data retrieval of single phase and three phase meters issued by Chief Engineer /C.S.D MEPCO Multan vide No. 6863/MC dated 14th November, 2016, “A discrepancy pointed out by M&T department during lab checking i.e difference of units or any other discrepancy during data retrieval will be sent to SDO (Op) for charging”. It was noticed that bill reading charged was more than the M&T report / actual meter reading. Audit observed that in order to

camouflage actual distribution losses/overbilling, the said adjustments/excess charging of units were not being adjusted/credited to the consumer accounts.

Non-observance of SoPs regarding data retrieval of replaced meters resulted into irregular and excessive billing valuing to Rs.15.927 million during the financial years 2019-20 & 2020-21.

The matter was taken up with the management in April 2022. The management replied that credit units pointed out by M&T would be adjusted against eligible consumers and Audit would be informed accordingly.

The DAC in its meeting held on June 8, 2022 directed the management to adjust the credit units to the consumers within two weeks and get the record verified from Audit within a month. No further status was reported till finalization of the report.

Audit recommends implementation of DAC's decision.

4.4.14 Non-compliance with SoPs for allotment of defective code and replacement of defective meters

According to Clause-03 of SoPs issued by MEPCO vide dated 15-03-2018 regarding allotment of defective code and replacement of defective meters, "meter declared defective by the Meter Reader and Meter Inspector will be transmitted to the concerned Circle Manager (M&T) on the same day" and further according to clause 04, "Circle Manager (M&T) will assign checking of defective code to the special team, which will verify whether the defective codes are correctly allotted or otherwise and will report to SDO concerned and Executive Engineer (M&T) within One Day" and according to Para-7 of SoPs issued by Chief Engineer / C.S.D MEPCO Multan vide No.2224/MC dated 15th March, 2018, action will be initiated by the concerned Executive Engineer (Operation) against the Meter Reader and Meter Inspector who have wrongly allotted the defective code.

During Performance Audit of MEPCO for the financial years 2019-20 & 2020-21, it was observed that 641,620 single phase meters were declared defective and replaced against CP-90 without checking of defective code by the special team of (M &T) in violation of SOPs. Moreover, instances were observed where defective meters removed and sent to M&T for checking which were declared healthy. The disciplinary action was required to be taken against the

meter readers, meter inspectors and sub divisional officers on account of wrong allotment of defective code which was not done.

Non-compliance of SoPs resulted in irregular and unjustified allotment of defective code during the financial years 2019-20 & 2020-21.

The matter was taken up with the management in April 2022. The management replied that M&T representatives were regularly giving their services for checking of energy meters at site. Defective codes were allotted due to deficiencies such as terminal burnt due to rain / weather condition, meter deteriorated with passage of time and glass of meters become foggy/smoggy and in such cases no discrepancy could be pointed out by M&T.

The DAC in its meeting held on June 8, 2022 directed the management to provide revised reply along with relevant documents regarding allotment of defective code duly approved by M&T and get the record verified from Audit. No further status was reported till finalization of the report.

Audit recommends implementation of DAC's decision.

5. Overall Assessment

The Performance Audit of MEPCO revealed that the management of the Company was unable to achieve all the envisaged objectives. The performance audit was focused on electricity distribution and other aspects which could influence the performance of the company.

i) Effectiveness: To meet the main objectives, the Company was required to effectively monitor operational activities; however, the overall operational performance of company remained less effective in managing excessive line losses of feeders, overloaded transformers, non-replacement of defective meters within stipulated time and curbing theft of electricity.

ii) Efficiency: The performance of MEPCO remained inefficient with regard to meeting the performance standards such as SAIFI & SAIDI as set by NEPRA. The company also failed to meet the recovery targets during 2019-20 which resulted in heavy accumulation of receivables from the private and government consumers.

iii) Economy: The procurement of material was required to be carried out in such a way that it brings value for money in efficient and economical way. However, inordinate delay in procurement process was observed in audit observations which might result in escalation of prices of material to be procured.

6. CONCLUSION

In view of the audit findings, it was concluded that,

1. MEPCO management did not achieve the targets for installation of new connections within prescribed time limit.
2. MEPCO management did not maintain the load balancing, checking of fuses, overloading, tightening of bushes and jumpers and augmentations.
3. MEPCO management failed to carry out the survey of distribution transformers either running on copper or silver.
4. MEPCO management failed to bifurcate the high losses feeder on priority in order to reduce the technical losses.
5. The feeder rehabilitation charges were not recovered on actual cost incurred (if any) for up-gradation of system for provision of connection.
6. Annual Procurement Plan and Procedure was not observed by the MEPCO management in order to procure the material in most economical and well in time.
7. MEPCO management did not resolve issues of consumers in overbilling, average billing, detection charges, theft of electricity, adjustment of credit unit, non-replacement of defective meters, allotment of defective and redressal of complaints.
8. The theft of energy due to higher rates of electricity was also one of the major factors contributing towards loss of revenue attributed as line losses.
9. MEPCO failed to achieve its recovery to reduce its receivables for the purpose of bringing improvement in its liquidity and reducing the circular debt as recovery plays a key role in financial health of distribution companies.

10. MEPCO management failed to meet the overall standards for safety, such as SAIFI & SAIDI, as per the licensing requirements of the regulators.

7. ACKNOWLEDGEMENT

We wish to express our appreciation to the management and staff of MEPCO for the assistance and cooperation extended to the Auditors during this assignment.

8. List of MFDAC Paras

Sr. No.	AIR Para No.	Subject	Amount (Rs. in million)
1	4.1.5	Non-compliance in augmentation of overloaded Power Transformers	-
2	4.1.7	Loss due to issuance of double power of attorney in the same case / petition -Rs.1.361 million	1.361
3	4.1.8	Huge financial burden due to issuance of Power of Attorney in abundance of identical cases - Rs.8.195 million	8.195
4	4.1.9	Non-replacement of electrical meter damaged under warranty period from supplier	-
5	4.2.4	Irregular charging / booking of late payment surcharge as supplementary / other charges valuing -Rs.4,996.243 million	4,996.243

9. ANNEXES

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Annex-I

(Para No.4.1.1)

Category wise detail of delayed installation of connections

Sr. No	Category of Connection	No. of applications
1	Industrial	4
2	Commercial	58
3	Tube well	194
4	Domestic & General	3,646
	Total	3,902

Annex-II
(Para No.4.1.2)

Statement showing detail of Overloaded Transformers in June 2021

Sr. no	Capacity in KVA	No. of T/F
1	10	37
2	15	128
3	25	733
4	50	1,365
5	100	1,113
6	200	681
		4,057

Statement showing detail of copper found short / nil against damaged transformers during financial year 2020-21 (TRW MEPCO)

No. of T/F	Capacity in KVA	Copper available in transformers (in kg)	Silver available in transformers (in kg)	Oil available in transformers (in liter)
15	10	76	74	360
21	15	36	158	588
401	25	1,790	1,734	13,233
373	50	266	4,119	18,277
262	100	202	3,538	18,078
120	200	34	1,558	11,640
1,192		2,404	11,181	62,176

Annex-III (i)
(Para No. 4.1.4)

**Statement showing detail of power of attorney's issued and payment made
on account of legal fee to MEPCO Counsels**

S. No.	Name of Counsel	Financial Year	No. of PAOs	Fee Paid (Rs.)
1	Rao Muhammad Iqbal	2014-15	64	1,256,500
		2015-16	165	2,742,000
		2016-17	124	2,871,500
		2017-18	250	4,044,000
		2019-20	270	3,012,000
			873	13,926,000
2	Mureed Hussain Makwal	2014-15	71	654,000
		2015-16	253	2,012,000
		2016-17	238	1,764,000
		2017-18	255	2,044,000
		2019-20	251	1,465,000
			1,068	7,939,000
3	Amir Aziz Qazi	2014-15	133	2,259,000
		2015-16	182	2,896,500
		2016-17	69	1,157,000
		2017-18	103	1,574,000
		2019-20	76	837,000
			563	8,723,500
4	Saleem Akhtar Warraich	2014-15	43	630,000
		2015-16	96	1,335,500
		2016-17	94	1,278,000
		2017-18	56	812,000
		2019-20	23	259,000
			312	4,314,500
			2,816	34,903,000

Financial Year	No. of PAOs Issued	No. of MEPCO Counsel	Legal Fee Paid (Rs. In million)
2014-15	1,071	77	11.81
2015-16	1,221	58	14.33
2016-17	1,114	46	13.86
2017-18	1,126	40	12.93
2018-19	1,055	38	9.84
Total	5,587	259	62.75

Annex-III (ii)
(Para No. 4.1.4)

Statement showing detail of success cases and pending cases in MEPCO

Year	Cases Added (POAs issued)	Total Decided	Cases Decided in Favour	Cases Decided With Direction	Cases Decided against MEPCO	Winning %	Fee Paid (Rs. in million)	Total Pending	Pending %
2017-18	1,126	303	168	111	24	56%	12.93	823	73%
2018-19	1,055	392	220	129	43	57%	9.84	663	63%
2019-20	578	376	334	26	16	88%	5.26	202	35%
2020-21	552	244	230	10	4	94%	5.02	308	56%
2021-22	859	354	167	182	5	95%	5.45	505	59%

Annex-IV
(Para No. 4.1.5)

Statement showing detail of non-replacement of defective meters within time limit

S. No.	Description of Material	Quantity (No.)	Rate with GST (Rs.)	Amount (Rs.)	Status
1	Single Phase Meter	85,679	2,024	173,414,296	Aging above 2 months
2	Three Phase Meter	512	9,828	5,031,936	
	Total	86,191		178,446,232	

Annex -V
(Para No.4.4.4)

Detail of performance standards regarding SAIFA and SAIDI

Year	SAIFI (Nos)		SAIDI (Minutes)	
	Standard	Actual	Standard	Actual
2020-21	13	471	14	39,733
2019-20	13	375.98	14	31,920.87
Average	13	423.49	14	35,826

Annex-VI
(Para No.4.4.9)

Category wise details of energy losses on independent feeders

Sr. No.	No. of Feeders	Sector	Progressive Units received	Progressive Units billed	Progressive Units lost	% of Progressive losses	Units Lost in excess of 3%	Amount of Less Billing (Rs)
1	9	Textile Industry	67,153,407	64,369,155	2,784,252	3.28% to 8.32%	769,650	17,434,056
2	5	Foods Industry	41,965,566	40,067,066	1,898,500	3.08% to 26.82%	639,533	15,122,792
3	3	Housing Societies	1,721,064	1,659,870	61,194	3.23% to 13.57%	9,562	219,923
4	27	Governments Departments	51,119,692	46,776,831	4,342,861	3.22% to 60.44%	2,809,270	64,306,168
5	5	Others	6,171,411	3,009,668	3,161,743	3.36% to 99.90%	2,976,601	70,682,180
TOTAL			168,131,140	155,882,590	12,248,550		7,204,616	167,765,119

Annex-VII
(Para No. 4.4.10)

**Statement showing detail of excess units charged on AMR Meter during
financial years 2019-20 & 2020-21**

Financial Year	No. of units excess charged	Rate per Units (Rs.)	Amount excess charged	All type of taxes and duties @ 35%	Total amount excess charged (Rs.)
2019-20	1,164,374	10.61	12,354,008	4,323,902	16,677,910
2020-21	959,473	11.66	11,187,455	3,915,609	15,103,064
					31,780,094