



Registrar

**National Electric Power Regulatory Authority**  
**Islamic Republic of Pakistan**

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad  
Ph: +92-51-9206500, Fax: +92-51-2600026  
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/CAD/TCD 02 / 2383-85

February 17, 2017

1. Chief Executive Officer  
Islamabad Electric Supply Company (IESCO)  
Street No 40, G-7/4,  
Islamabad.
2. Managing Director  
Silver Oaks Multiline Estates  
Plot No. 07, F-10 Markaz,  
Islamabad

Subject: **Order in the matter of Charging of Illegal/Exorbitant High Rates of Electricity by Silver Oaks F-10, Islamabad**  
IESCO-78/2016

Please find enclosed herewith the Order of NEPRA dated 16.02.2017 in the subject matter for compliance within thirty (30) days of receipt of the Order.

Encl: As above

  
(Jftikhar Ali Khan)  
Director  
Registrar Office

Copy to:

1. C.E. / Customer Service Director  
Islamabad Electric Supply Company Ltd. (IESCO)  
Street No. 40, Sector G-7/4,  
Islamabad



**BEFORE THE**  
**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY**  
**(NEPRA)**

Case No. IESCO-78-2016

**Islamabad Electric Supply Company Limited (IESCO) ..... Respondent No. 1**  
Street No 40, G-7/4  
Islamabad.

**Managing Director**  
Silver Oaks Multiline Estates ..... **Respondent No. 2**  
Plot No. 07, F-10 Markaz  
Islamabad

**Date of Hearings:** July 12, 2016  
August 24, 2016

**On behalf of:**

**Respondent No.:1**

- i) Mr. Wajid Ali Kazmi, GM/CSD
- ii) Mr. Sarbuland Khan, CE, (P&E)
- iii) Raja Asghar Ali, SE, Islamabad
- iv) Mr. Muhammad Naeem Jan, Additional Manager, (P&E)
- v) Mr. Imam Buksh, Additional Dy. Manager, (Planning)
- vi) Mr. Saleem Abdullah, Dy. Manager (Transmission & Grid)
- vii) Mr. Zafar Iqbal, SDO, F-8

**Respondent No. 2:**

- i) Mr. Usman Khawar, Director, Silver Oaks
- ii) Mr. Shahryar Tariq, Advocate
- iii) Mr. Yaseen, Elect. Engineer

**Date of Order:** February 16, 2017

**Subject:** ORDER IN THE MATTER OF CHARGING OF ILLEGAL/EXORBITANT HIGH RATES OF ELECTRICITY BY SILVER OAKS F-10, ISLAMABAD.

**ORDER**

- 1) This Order shall dispose of the suo-moto action by the Authority (hereinafter referred to as "the Authority" or NEPRA) taken against Islamabad Electric Supply Company

Limited (hereinafter referred to as the "Respondent No. 1" or "IESCO") and its consumer "Silver Oaks Multiline Estates" (hereinafter referred to as the "Respondent No. 2" or "Silver Oaks") under Rule 3 (1) of NEPRA (Complaint Handling and Dispute Resolution Procedure) Rules, 2015 (hereinafter referred to as "The Rules").

- 2) The issue of charging high tariff rates to its occupants by Silver Oaks was brought to the notice of the Authority. In view of the interest of the public at large, the competent authority took a serious notice of the alleged violation and provided an opportunity to IESCO on July 12, 2016 to present its case, wherein the representatives of IESCO apprised that the management of Silver Oaks is involved in resale of electricity through individual meters at apartments and charging higher tariff to its occupants which is not approved by the Authority.
- 3) In light of the above, this office vide letter dated July 13, 2016 directed IESCO to investigate the said matter further and submit a detailed investigation report, supporting documents etc. In response, Respondent No.1 vide letter dated August 02, 2016 submitted that the connection was provided to Silver Oaks after getting a stamp paper duly attested by a 1<sup>st</sup> Class Magistrate that consumer will not involve itself in resale of electricity. However, when it was surfaced that Silver Oaks is involved in resale of electricity accordingly notices were issued for discontinuing of this resale activity.
- 4) The report of Respondent No.1 was sent to the Respondent No.2 for their comments. In response, Silver Oaks vide letter dated August 12, 2016 submitted that it provides backup generator, lifts, security and other janitorial services. The issue has already been settled and the complainant has also agreed with their explanation. Silver Oaks further contended that the reply of IESCO's notices has already been submitted to the concerned officers requesting to advice/provide them guidelines regarding charging of electricity units to their occupants.
- 5) In order to seek further clarity in the matter, another hearing was held on August 24, 2016 at NEPRA Office, Islamabad which was attended by both the parties i.e. (IESCO and Silver Oaks) wherein the parties advanced their respective arguments on the basis of their earlier submissions. The representatives of Silver Oaks further added that it is providing best utility/electricity services to its residents throughout a day 24/7 without any interruption through stand by generators during load shedding period and

the expenses so incurred are recovered from the residents through electricity bills based on covered areas. The representatives of Silver Oaks further informed that they are not charging any extra amount for electricity and assured that they would not do anything contrary to the NEPRA Act, Rules & Regulations.

6) The case has been analyzed in detail in light of documents made so available by both the parties, arguments advanced during the hearing(s) and the applicable law. Following has been observed/concluded:

- (i). Silver Oaks is a luxurious multiline residential project situated in sector F-10 of the posh area of Islamabad. The status of premises is purely residential comprising ground plus ten 10 floors and three (03) basements for car parking etc. Electricity connection has been provided by IESCO at one point under C-2 tariff category with sectioned load of 2558 kW.
- (ii). The management of Silver Oaks is involved in resale of electricity through installation of individual meters and is charging higher tariff to its residents without any authorization although an agreement had already been signed by the management of Silver Oaks with IESCO at the time of obtaining the said connection. According to the said agreement, Silver Oaks cannot resale electricity in any manner whatsoever. The electricity bills transpire that the Silver Oaks is charging higher tariff to its residents as compared to the tariff of IESCO approved by the Authority.
- (iii). According to the tariff term & conditions of IESCO approved by the Authority, the C-2 tariff (Bulk Supply) shall be given at one point for self-consumption only and not for selling to any other consumer such as residential, commercial, tube-well and others.
- (iv). According to Section 20 of the NEPRA, Act no person shall engage in the distribution of electric power except under the authority of a license issued by the Authority.

(v). The Authority has issued NEPRA (Supply of Electric Power) Regulations, 2015 (the Regulations). The purpose of ibid regulation is to establish a framework for the regulation of supply of electric power by a Distribution Company to other Distribution Companies, Operation and Maintenance(O&M) Operator under O&M Agreement and Authorized Agent. Respondent No.2 is in contravention of the said regulations.

7) In consideration of the above, it is established that Silver Oaks is involved in resale/distribution of electric power without any authority which is illegal and contrary to the Act and applicable documents, therefore the Respondents are directed to proceed as under:

i. Respondent No.2 may hand over its distribution system to Respondent No.1 for Operations/Maintenance and metering/billing by providing individual connections.

OR

ii. Respondents may regularize their arrangement in accordance with the ibid Regulations.

8) Respondent No.1 is further directed to ensure the implementation of the decision and submit a compliance report within thirty (30) days. It must also be ensured that residents of Respondent No.2 are charged rates as per the tariff of Respondent No.1 approved by the Authority.

  
Member (Consumer Affairs)

Islamabad, February 16 , 2017