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National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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No. NEPRA/CAD/TCD 06/3453-55

March 13, 2017

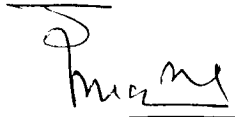
Chief Executive Officer
Multan Electric Power Company Limited (MEPCO)
MEPCO Complex, WAPDA Colony,
Khanewal Road, Multan.

Subject: **ORDER OF THE AUTHORITY REGARDING APPEAL FILED BY
MULTAN ELECTRIC POWER COMPANY LIMITED (MEPCO)
AGAINST THE DECISION OF NEPRA IN THE MATTER OF
COMPLAINT OF IMRAN OIL MILL REGARDING DETECTION
BILL (AC No. 27 15125 1442201)**

Reference is made to Appeal dated 26th August 2016 filed by MEPCO against the decision of NEPRA dated 28th July 2016 in the matter of complaint of Imran Oil Mill.

2. Enclosed find herewith the Order of the Authority regarding the subject matter for necessary action and compliance within thirty (30) days, please.

Encl: As above


13.03.17
(Syed Safer Hussain)

Copy to:

- i. C.E./Customer Services Director
Multan Electric Power Company Limited (MEPCO)
MEPCO Complex,
WAPDA Colony,
Khanewal Road,
Multan.
- ii. Sheikh Muhammad Imran S/o Sheikh Abdul Majeed
Proprietor, Imran Oil Mill,
Chah Mullani Wala,
Vehari Road, Multan.



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

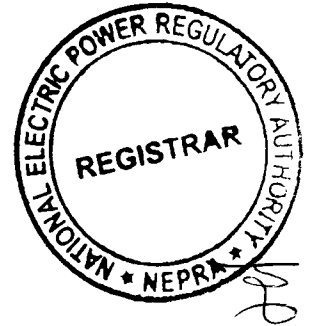
Complaint No. MEPCO-183-2016

Multan Electric Power Company Limited **Appellant**
MEPCO Complex, WAPDA Colony,
Khanewal Road, Multan.

Versus

Imran Oil Mill **Complainant**
Chah Mullani Wala, Vehari Road,
Multan.

Date of Hearing: 29th November 2016



On behalf of:

Appellant: 1) Mr. Umer Lodhi, PD (GSC)
2) Pirzada Naeemul Haq, Commercial Assistant (Legal)

Complainant: Mr. Haseeb Rao, Legal Counsel

Subject: **ORDER OF THE AUTHORITY REGARDING APPEAL FILED BY MULTAN ELECTRIC POWER COMPANY LIMITED (MEPCO) AGAINST THE DECISION OF NEPRA IN THE MATTER OF COMPLAINT OF IMRAN OIL MILL REGARDING DETECTION BILL (AC No. 27 15125 1442201)**

ORDER

This decision shall dispose of an Appeal dated 26th August 2016 filed by Multan Electric Power Company Limited (hereinafter referred to as the "Appellant" or "MEPCO") against the decision of Member (Consumer Affairs), NEPRA dated 28th July 2016 in the matter of complaint of Imran Oil Mill (hereinafter referred to as the "Complainant") filed under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "Act").

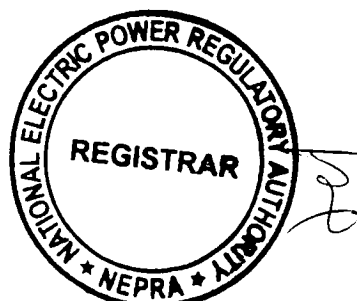
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2. The brief facts of the case are that a complaint was received from the Complainant, wherein it was stated that it owns an oil mill for which it obtained an electricity connection from MEPCO. The Complainant submitted that its electricity meter was checked by officials of MEPCO time and again and found in order. Further, it was explained that MEPCO issued it a detection bill amounting to Rs.13,237,773/- on account of slowness of meter on 10th April 2015 and disconnected the supply. The Complainant requested for intervention/enquiry of the matter in light of the Act, rules and regulations.

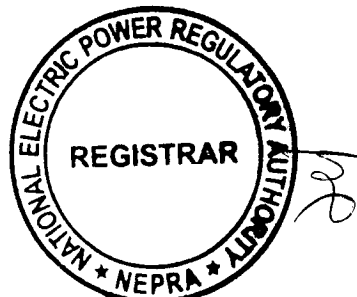
3. The case was taken-up with MEPCO for submission of report/para-wise comments. In response, MEPCO vide letter dated 22nd April 2016 submitted that the connection was checked on 9th April 2015 by Federal Investigation Agency (FIA) on its own information along with MEPCO (M&T) team, whereby it was found that the electricity was being illegally abstracted through Remote Control Device and accordingly an FIR was lodged against the Complainant. A notice was served upon the Complainant on 10th April 2015 along with a detection bill amounting to Rs. 13,257,600/- for the period from April 2013 to March 2015 (24 months) for payment. MEPCO added that the Complainant, instead of making the payment, approached the courts which resulted in multiple cases of litigation. During pendency of the litigation, the Complainant filed a complaint before the Authority.

4. In order to further examine the matter, a hearing was held on 12th May 2016 at NEPRA Head Office, Islamabad. The hearing was attended by both the parties i.e. MEPCO and the Complainant. During the hearing, both the parties advanced their arguments on the basis of their earlier submissions. Subsequent to the hearing, some additional information/documents were sought from MEPCO pertaining to record of the meter, meter inspection reports, billing history, disciplinary proceedings against officials etc. and the same were submitted by MEPCO vide letters dated 1st June 2016 and 8th June 2016.

5. The case was examined in detail in light of written/verbal arguments of the Complainant and MEPCO and applicable documents/law. Following was concluded:



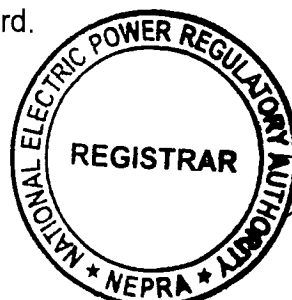
- i. The connection of the Complainant was installed on 25th October 2005 with initial sanctioned load as 8 kW under B-1 tariff category and was fed through a Common Distribution Transformer. The load of the Complainant was enhanced to 66 kW in February 2013. Upon extension of load, a 100 kVA transformer along with allied material was drawn from the store through store requisition No. 0881947 dated 27th February 2013 and installed at the premises. The LT TOU meter drawn through the said store requisition was not installed at the premises, rather another meter bearing No. 89170 drawn for one Mr. Javed Akhtar through store requisition No. 173567 dated 11th June 2012 was installed at the premises of the instant Complainant on 26th March 2013 by the Standing Committee comprising of concerned Assistant Manager (Operation), Deputy Manager (Operation), Test Inspector and Deputy Manager (M & T) Circle Multan. This meter remained at some unknown place for more than nine (09) months. The Committee declared it OK and within accuracy limits.
- ii. The said meter was again checked by the committee during routine checking on 23rd October 2013, 1st September 2014, 17th October 2014 and 25th February 2015 and found it to be in order. Later on, FIA on its own information conducted a raid along with MEPCO officials on 9th April 2015 at the premises and at that time the meter was opened and it was found that the electricity was being illegally abstracted through some remote control device. At the time of checking, the connected load was found as 80 kW. An FIR was lodged against the Complainant. The meter and other relevant record were taken in possession by FIA.
- iii. In view of the said, MEPCO served a detection bill to the Complainant amounting to Rs. 13,257,600/- on 10th April 2015 along with notice for payment within seven (07) days. MEPCO assessed the consumption of the Complainant as 840960 units for the period from April 2013 to March 2015 (24 months) at 60 % load factor & 80 kW connected load. After deducting already charged 178080 units during this period, MEPCO raised a detection bill of 662880 units. MEPCO also assessed total MDI for 24 months as 1924 kW and after deducting already charged 1084 kW, net difference i.e. 836 kW MDI was also charged against the Complainant.



iv. Prima facie, MEPCO was justified in raising detection bill against the Complainant on account of illegal abstraction of electricity but quantum/period of charging is on higher side and is in contradictory to the provisions of Consumer Service Manual (CSM). In this regard it is explained that a procedure is laid down in CSM which provides, inter alia, for securing the existing meter in the presence of the consumer or his representative, installation of check meter, involvement of local representatives of the area and Provincial office of inspection, issuance of notice and examining the reply of the consumer. Once illegal abstraction is confirmed, detection bill is to be restricted to six months previous from the date of establishment of illegal abstraction. If the consumer objects payments or disputes over the quantum of the units detected by the DISCO, the appellat authority for revision of detection bill would be the review committee of DISCO headed by the next higher officer. The consumer will also be given personal hearing by the review committee. In case, the dispute remains unresolved even after exhaustive review, the DISCO after getting approval of Chief Executive Officer may lodge the F.I.R. The consumer may also approach a competent Court of law under the relevant provisions of Electricity Act, 1910. From the record, it was not established that MEPCO followed the procedure given in CSM prior to imposition of detection bill. The CSM envisages that period of detection bill be restricted to six (06) months maximum whereas in the instant case, MEPCO charged detection bill to the tune of twenty four (24) months.

6. Foregoing in view, the case was decided by Member (Consumer Affairs) NEPRA vide decision dated 28th July 2016, wherein MEPCO was directed to "revise the detection bill from twenty four (24) months to six (6) months strictly in accordance with the provisions of CSM, and fix responsibility and finalize the disciplinary proceedings against the officer(s)/official(s) at fault for not being vigilant enough to point out the discrepancy in time".

7. Being aggrieved with the impugned decision, MEPCO filed an Appeal under Section 12-A of the Act. The Authority admitted the appeal of MEPCO and a hearing of the parties was held on 29th November 2016 in this regard.



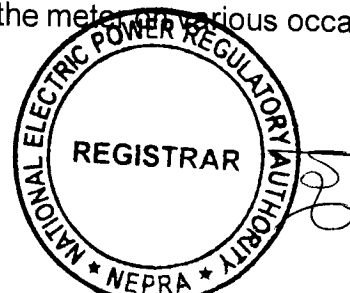
8. During the hearing, representative(s) of MEPCO submitted that Federal Investigation Agency (FIA) checked the meter of the Complainant on 9th April 2015 at its own information along with M&T team of MEPCO. During the raid, it was established that the electricity was being illegally abstracted through a Remote Control Device and accordingly an FIR was lodged against the Complainant. On a query of the Authority regarding charging of detection bill for twenty four (24) months, representative(s) of MEPCO explained that the maximum period of six (6) months mentioned in the CSM is meant for those cases where it is not possible to ascertain/determine the actual period of theft/illegal abstraction. However, in the instant case it was established that a remote control device was installed in the meter, confirming that the Complainant was involved in theft of electricity from the very first day of the installation of the meter (i.e. from 26th March 2013). In view of the said, the Complainant was charged detection bill for a period of twenty four (24) months. On the other hand, the Legal Counsel of the Complainant, during the hearing, requested for adjournment for preparation of the case. However, the Authority declined the adjournment request and directed it to submit written arguments. The Legal Counsel of the Complainant, in its arguments, submitted that MEPCO checked the impugned meter at different occasions and declared the same as healthy and free from any discrepancy. The very basis of the detection bill is that FIA conducted a raid and found a remote control device in the meter. However, despite lapse of more than eighteen (18) months, FIA failed to submit the challan in the court. In view of the said, no allegations have yet been proved against the Complainant to charge any detection bill. Therefore, charging of detection bill against the Complainant even for six (6) months is unwarranted, not justified and is liable to be set-aside.

9. The case has been examined in detail in accordance with the record submitted during the course of the processing of the complaint and other submissions of the parties as explained above. It is established that the official(s) of MEPCO did not install the drawn meter for this particular site. In fact, some other meter drawn for Mr. Javed Akhtar was installed at the premises of the Complainant. The said meter was installed after a lapse of more than nine (9) months of withdrawal from store. The concerned committee of MEPCO declared the meter as healthy and within accuracy limits at the time of installation. The concerned staff of MEPCO checked the meter on various occasions and

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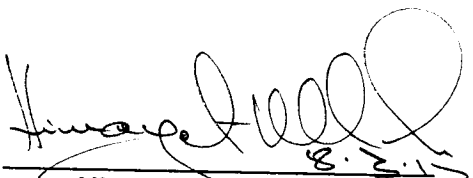


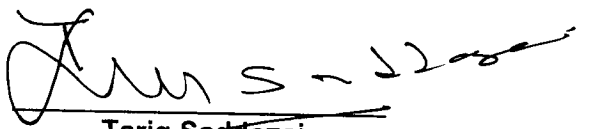
declared the same as healthy unless and until FIA raided the premises and found some remote control device in the meter. Notwithstanding the said, the billing history/consumption pattern of the Complainant confirmed that the same did not match with the sanctioned/connected load. CSM envisages that on confirmation of illegal abstraction, detection bill is to be restricted to the previous six (06) months. In the instant case, illegal abstraction was established and therefore, period of detection is to be restricted to six (06) months as envisaged in the CSM.

10. Foregoing in view, the Authority is of the considered view that the impugned decision considered all material facts and representations. Therefore, there is neither any occasion to amend the impugned decision nor any error inviting indulgence as admissible in law has been pleaded out. Therefore, the Authority is convinced that there is no need to withdraw or modify the impugned decision. Hence, the Appeal of MEPCO is declined and the order dated 28th July 2016 is upheld.



Syed Masood-ul-Hassan Naqvi
(Member)


Maj. (Retd.) Haroon Rashid
(Member)


Himayat Ullah Khan
(VC/Member)


Tariq Saddozai
(Chairman)




13.03.17

