



Before the Appellate Board
National Electric Power Regulatory Authority
(NEPRA)
Islamic Republic of Pakistan

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No. NEPRA/AB/Appeal/098/2017/ 1109-1113

July 06, 2018

1. M/s Sargodha Spinning Mills Ltd,
Through Sheikh Mansoor Rashid,
Manager Admin & HR,
8-KM, Sargodha Road,
Faisalabad
2. The Chief Executive Officer
FESCO Ltd,
West Canal Road, Abdullahpur,
Faisalabad
3. Mehar Shahid Mahmood
Advocate High Court,
Office No. 25, Third Floor,
Ali Plaz, 3-Mozang Road,
Lahore
4. Executive Engineer (Opr),
FESCO Ltd,
Civil Lines Division,
Faisalabad
5. Electric Inspector,
Faisalabad Region,
Energy Department, Govt. of Punjab,
Opposite Commissioner Office,
D.C.G Road, Civil Lines, Faisalabad

Subject: Appeal Titled FESCO Vs. M/s Sargodha Spinning Mills Ltd Against the Decision Dated 26.04.2017 the Provincial Office of Inspection to overnment of the Punjab Faisalabad Region, Faisalabad

Please find enclosed herewith the decision of the Appellate Board dated 03.06.2018, regarding the subject matter, for information and necessary action accordingly.

Encl: As Above

(Ikram Shakeel)

No. NEPRA/AB/Appeal/098/2017/ 1114
Forwarded for information please.

July 06, 2018


Assistant Director
Appellate Board

✓ 1. Registrar



National Electric Power Regulatory Authority

Before Appellate Board

In the matter of

Appeal No. 098/2017

Faisalabad Electric Supply Company Limited

.....Appellant

Versus

M/s. Sargodha Spinning Mills Ltd, Through Sheikh Mansoor Rashid,
Manager Admin &Hr, 8-KM, Sargodha Road, Faisalabad

.....Respondent

**APPEAL UNDER SECTION 38(3) OF REGULATION OF GENERATION,
TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997
AGAINST THE DECISION DATED 26.04.2017 PASSED BY PROVINCIAL
OFFICE OF INSPECTION FAISALABAD REGION FAISALABAD**

For the appellant:

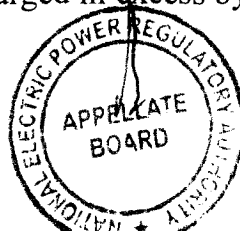
Mr. Mehar Shahid Mahmood advocate
Rana M. Afzal XEN
Mr. Ammar Afzal SDO

For the respondent:

Nemo

DECISION

1. As per fact of the case, the respondent is an industrial consumer of appellant Company bearing Ref No.24-13125-5504900 with a sanctioned load of 4,950 kW under B-3 tariff. Old TOU billing meter of the respondent was found defective by FESCO, which was replaced on 03.10.2013 and its report was signed by both the parties. The respondent filed a complaint before Provincial Office of Inspection (POI) on 26.05.2015 and challenged (i) 2,882,340 units charged in excess by FESCO against the old TOU billing



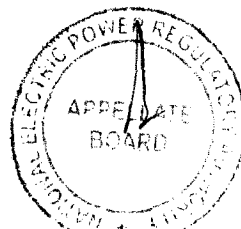


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meter removed in October 2013, (ii) first adjustment bill of Rs.10,59646/- charged in the different bills on account of MDI (kW) during the period February 2013 to March 2015 and (iii) second adjustment bill of Rs.1,595,246/- for 121,860 units for the period December 2014 to May 2015 charged due to difference of new TOU billing and backup meters readings. Subsequently the respondent filed second application before POI on 04.11.2015 and informed that the second adjustment bill of Rs.1,595,246/- (deferred by POI) was debited by FESCO in the bill for September 2015 and paid under coercion. The matter was disposed of by POI vide its decision dated 24.02.2016 on ex-parte basis as FESCO appeared only once despite several notices.

2. The decision of POI dated 24.02.2016 was challenged by FESCO through the Appeal No.066/2016 before NEPRA, which was disposed of by the Appellate Board vide decision dated 21.02.2017, whereby the matter was remanded back to POI as the impugned decision was incomplete and non-speaking. After remand of the case, the metering equipment of the respondent was checked by POI on 04.04.2017, wherein the readings of the meters were noted and the matter was again decided by POI on 26.04.2017 with the following conclusion:-

“Issue-I. The respondent charged excessive units for the cost of 803340 kWh from the petitioner in the billing month for 10/2013. Issue-II. Adjustment bill of Rs.1,595,246/- for 121860 units for the period 12/2014 to 05/2015 charged due to the difference of reading between the new TOU billing and backup meters. The Consumer is liable to be charged the adjustment bill of 52540 kWh units for the period 10/2013 to 03/2016 due



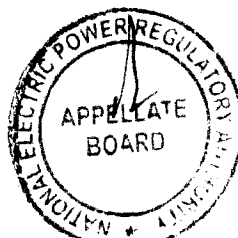


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to the difference of readings between the new TOU billing and backup meters.

Issues-III. Charging the adjustment bill of Rs.1059646/- for the period 02/2013 to 03/2015 are declared null and void and the petitioner is not liable to pay the same."

3. The appeal in hand has been filed by FESCO against aforementioned decision inter alia, with the contentions that old TOU billing meter was replaced with the new TOU billing meter and the report was acknowledged by the respondent through its signature; that there was no dispute of reading of the removed meter and the respondent paid the electricity bill accordingly that 2,882,340 units were charged as per actual consumption recorded by the old TOU billing meter till October 2013; that the first adjustment bill charged for the period February 2013 to March 2015 due to difference of MDI (kW) and the second adjustment bill of Rs.1,595,246/- for 121,860 units for the period December 2014 to May 2015 charged to the respondent due to the difference of consumption between new TOU billing and backup meters are quite legal and justified and that POI miserably failed to appreciate the points raised by FESCO.
4. In his reply/parawise comments, the respondent rebutted the version of FESCO and stated that POI rendered the impugned decision after correct perusal of consumption record, inspection of metering equipment and analysis of billing statement. Hearing of the appeal was conducted in the provincial office NEPRA Lahore on 25.05.2018 in which Mehar Shahid Mehmood advocate along with FESCO officials entered the appearance for the appellant FESCO and no body represented the respondent. Learned counsel for FESCO reiterated the same arguments as narrated in memo of the appeal

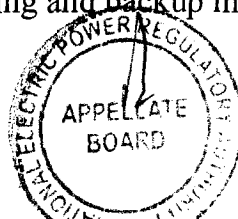




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and contended that upon the request of the respondent, the old TOU billing meter was replaced on 03.10.2013 and the respondent paid electricity bills accordingly. As per learned counsel for FESCO, the respondent approached POI after two years of the replacement of the old TOU billing meter and agitated the excessive billing done against old TOU billing meter. According to the learned counsel for FESCO, first adjustment bill of Rs.1,059,646/- for the period February 2013 to March 2015 on account of difference of MDI charged by FESCO was paid by the respondent without any protest. Learned counsel for FESCO pleaded that the new TOU billing meter remained slow as compared to the backup meter, hence second adjustment bill of Rs.1,595,246/- for 121,860 units for the period December 2014 to May 2015 was charged in May 2015 due to the difference of new TOU billing and backup meters readings which is justified and payable by the respondent.

5. Arguments heard and record perused. It is observed that the old TOU billing meter of the respondent was replaced by FESCO with the new TOU billing meter in October 2013. Adjustment bill of Rs.1,595,246/- for 121,860 units for the period December 2014 to May 2015 was charged by FESCO in May 2015 due to the difference of new TOU billing and backup meters readings. The respondent filed an application before POI on 26.05.2015 and assailed (i) 2,882,340 units charged in excess by FESCO against the old TOU billing meter reading in October 2013, (ii) First adjustment bill of Rs.1,059,646/- charged for the period February 2013 to March 2015 and (iii) Second adjustment bill of Rs.1,595,246/- for 121,860 units for the period December 2014 to May 2015 charged due to difference of new TOU billing and backup meters readings.





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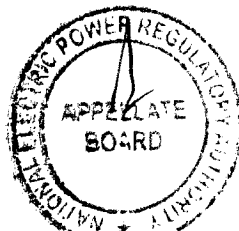
Issue-I: Claim of the respondent for charging 2,882,340 excessive units by FESCO against the old TOU billing meter reading in October 2013 may be analyzed through the following comparison between the consumption recorded by the old TOU billing and the backup meters till 03.09.2013.

Meters	(A) Initial reading on 23.04.2012 x MF	(B) Final reading on 03.09.2013 x MF	(C) = (B) - (A) Difference of Units
Old TOU billing meter	= 0.00 x 6000 = 0	=4557.06 x 6000 = 27,342,360	=27,342,360 - 0 = 27,342,360
Backup meter	= 259,162 x 120 = 31,099,440	= 482,941 x 120 = 57,952,920	=57,952,920 - 31,099,440 = 268,53,480
Percentage slowness/fastness = $\frac{\text{Units of old TOU meter} - \text{Units of Backup meter}}{\text{Units of old TOU meter}} \times 100$ = $\frac{27,342,360 - 268,53,480}{27,342,360} \times 100 = 1.78\% \text{ fast}$			

Above table manifests that the old TOU billing meter remained fast 1.78% as compared to the backup meter during the period 23.04.2012 to 03.09.2013. Since no defect is discovered in both the old TOU billing and backup meters, the consumption recorded by the old TOU billing meter will be considered final.

In consideration of above, both the claim of respondent for excessive billing of 2,882,340 units and determination of POI for refund of 803,340 units charged in excess are declared as null & void.

Issue-II: As far as the fate of first adjustment bill of Rs.10,59646/- charged during the period February 2013 to March 2015 is concerned, accuracy of both the new TOU billing and backup meters was not reported by POI as such we are not convinced with the analysis of POI that excessive MDI (kW) was charged to the respondent during the





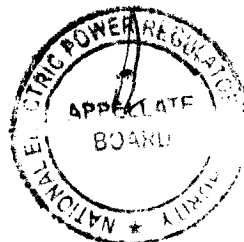
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period February 2013 to March 2015. Hence MDI (kW) already charged by FESCO are justified and the determination of POI for setting aside the first adjustment bill of Rs.1,059,646/- for the period February 2013 to March 2015 is contrary to the facts and the same is also declared null and void.

Issue-III: Second adjustment bill of Rs.1,595,246/- for 121,860 units for the period December 2014 to May 2015 was charged to the respondent on the plea that the new TOU billing meter recorded less consumption in comparison with the consumption of backup meter. To verify the version of FESCO, computation is done below:

Meters	(A) Initial reading on 03.10.2013	(B) Final reading on 10.03.2016	(C) = (B) - (A) Units = (Difference of readings) x MF	
New TOU billing meter	0.41	6,097.33	= (6,097.33 - 0.4) x 6,000	36,581,520
Backup meter	501,290	807,288	=(807,288 - 501,290) x 120	36,719,760
Units actually charged by FESCO from October 2013 to March-2016				36,663,220
Net Difference = Units recorded by backup meter – units already billed by FESCO = 36,719,760 – 36,581,520				= 56, 540 Units

Although TOU billing meter recorded 56,540 units less as compared to the backup meter but there is no determination regarding the accuracy of both the meters. For the same reasons as given in Issue-I above, the units recorded by the new TOU billing meter are justified for the billing purpose. As such, charging of the second adjustment bill of Rs.1,595,246/- for 121,860 units for the period December 2014 to May 2015 is not justified and the findings in the impugned decision to this extent are upheld.





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6. The appeal is disposed of in above terms. The billing account of the respondent should be overhauled in accordance with the above decisions for all the three issues.

Muhammad Qamar-uz-Zaman
Member

Muhammad Shafique
Member

Nadir Ali Khoso
Convener

Dated: 03.07.2018

