



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

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No. NEPRA/AB/Appeals/197/2016 & 199/2016 /048-053 January 11, 2018

1. M/s Decent Flour Mills Ltd,  
Through its Director,  
Tanveer Iqbal, S/o Muhammad Iqbal,  
Faisalabad Road, Jhang Saddar
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 Plaza, 3-Mozang Road,  
Lahore
4. Ch. Muhammad Imran Bhatti,  
Advocate High Court,  
44-District Courts, Faisalabad
5. SubDivisional Officer (Opr),  
FESCO Ltd,  
Jhang Rural Sub Division,  
Near Ghalla Mandi, Jhang
6. The Electric Inspector  
Energy Department,  
Govt. of Punjab,  
Opposite Commissioner Office,  
D.C.G Road, Civil Lines,  
Faisalabad Region, Faisalabad

Subject: **Appeal Titled FESCO Vs. M/s Decent Flour Mills Ltd and M/s Decent Flour Mills Ltd Vs. FESCO Against the Decision Dated 21.11.2016 of the Provincial Office of Inspection to Government of the Punjab Faisalabad Region, Faisalabad**

Please find enclosed herewith the decision of the Appellate Board dated 10.01.2018, regarding the subject matter, for information and necessary action accordingly.

Encl: As Above

(Ikram Shakeel)

No. NEPRA/AB/Appeals/197/2016 & 199/2016 /054

January 11, 2018

Forwarded for information please.

  
Assistant Director  
Appellate Board

✓ Registrar

CC:

1. Member (CA)



**National Electric Power Regulatory Authority**

**Before Appellate Board**

In the matter of

**Appeal No. NEPRA/Appeal-197/POI-2016**

Faisalabad Electric Supply Company Limited

.....Appellant

Versus

M/s. Decent Flour Mills Ltd,  
Through its Director Tanvir Iqbal S/o Muhammad Iqbal,  
Faisalabad Road, Jhang Saddar

.....Respondent

**Appeal No. NEPRA/Appeal-199/POI-2016**

M/s. Decent Flour Mills Ltd,  
Through its Director Tanvir Iqbal S/o Muhammad Iqbal,  
Faisalabad Road, Jhang Saddar

.....Appellant

Versus

Faisalabad Electric Supply Company Limited

.....Respondent

**For FESCO:**

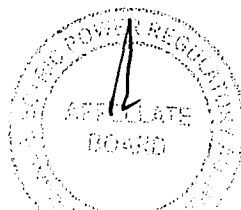
Mehar Shahid Mehmood advocate  
Mr. Muhammad Masood Afzal RO

**For Consumer:**

Ch. M. Imran Bhatti advocate

**DECISION**

1. Through this decision, Appeal No. NEPRA/Appeal-197/POI-2016 and Appeal No. NEPRA/Appeal-199/POI-2016 filed against the decision dated 21.11.2016 of Provincial Office of Inspection, Faisalabad Region, Faisalabad (hereinafter referred to





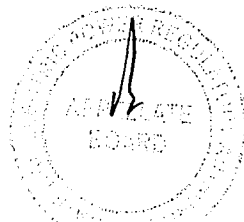
## National Electric Power Regulatory Authority

as POI) are being disposed of.

2. Faisalabad Electric Supply Company Limited (hereinafter referred to as FESCO) is a licensee of National Electric Power Regulatory Authority (hereinafter referred to as NEPRA) for distribution of electricity in the territory specified as per terms and conditions of the license and M/s. Decent Flour Mills Ltd is its industrial consumer having sanctioned load of 421 kW under B-2b tariff (hereinafter referred to as "the Consumer"). Metering equipment of the Consumer was checked by metering and testing (M&T) FESCO on 21.12.2015 and reportedly both the TOU billing and backup meters were running 33% slow due to yellow phase being dead. After issuing notice dated 08.01.2016 to the Consumer, multiplication factor (MF) was raised from 160 to 238.8 by FESCO w.e.f January 2016 and onwards. Subsequently a detection bill amounting to Rs.2,375,785/- for 136,449units/1,075 kW for the period April 2015 to December 2015 (9 months) was charged to the Consumer in April 2016 @ 33% slowness of the meter
3. The above referred action of EESCO was challenged by the consumer before the POI on 21.4.2016. The Metering equipment of the Consumer was checked by POI in presence of both the parties on 10.05.2016 and 32.78% and 32.37% slowness was noticed in the TOU billing and backup meters respectively. POI disposed of the complaint of the Consumer vide its decision on 21.11.2016 (hereinafter referred to as the impugned decision), the operative portion of which is reproduced below:-

*"Summing up all the above observations/discussion and keeping in view all the*

Page 2 of 6





## National Electric Power Regulatory Authority

*aspects of the case, this forum declares the detection bill amounting to Rs.2375785/- for 136449 units and 1075 kWMDI for the period of 04/2015 to 12/2015 null, void and without legal effect and the petitioner is not liable to pay the same. The Respondents are directed to withdraw the same and charge the petitioner revised detection bill for the cost of 28568 units and 244 KW MDI for two billing cycles 11/2015 to 12/2015. The respondents are also directed to overhaul the petitioners/complainants account by adjusting all Credits, Debits, Deferred Amount & Payments already made by the consumer. Disposed of in above terms."*

4. Being dissatisfied with the impugned decision, both the parties filed appeals before NEPRA under Section 38 (3) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997 (hereinafter referred to as "the NEPRA Act 1997"). As the subject matter of both the appeals is same therefore both have been clubbed and being disposed of through this single/consolidated decision.
5. In its appeal, FESCO contended that 33% slowness was observed in both the TOU billing and backup meters by M&T FESCO on 21.12.2015, therefore MF was enhanced from 160 to 238.8 w.e.f January 2016 and onwards till the replacement of the metering equipment. As per FESCO, the detection bill amounting to Rs.2,375,785/- for 136,449 units/1,075 kW for the period April 2015 to December 2015 charged to the Consumer is justified as the consumption during these months declined drastically as compared to the corresponding consumption of previous year due to 33% slowness of the meter. According to FESCO, impugned decision is against the law as the instant matter pertains to chapter 9 of Consumer Service Manual (CSM) and the Consumer is

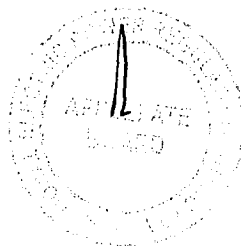




## National Electric Power Regulatory Authority

liable to be charged beyond the period mentioned in clause 4.4(c) of CSM. On the contrary, the Consumer rebutted the stance of FESCO regarding 33% slowness of the meter and contended that metering equipment of the Consumer was functioning within BSS limits and no discrepancy whatsoever was observed during the monthly readings till December 2015. As per the Consumer, neither any notice was served nor he was associated during the FESCO checking dated 21.12.2015, therefore the detection bill of Rs.2,375,785/- for 136,449 units/1,075 kW for the period April 2015 to December 2015 and the electricity bills with enhanced MF=238.8 from January 2016 and onwards charged by FESCO are unlawful and unjustified. The Consumer further opposed the version of FESCO regarding the drop in consumption during the disputed period and contended that the reduction in the consumption occurred due to slump in the business and weather changes.

6. Notices of the appeals were sent to both parties for reply/parawise comments, which were filed by both the parties. Each party in its reply rebutted the grounds of the opposite party and reiterated its stance as given in memo of the appeal.
7. Notices of both the appeals were issued for hearing in NEPRA regional office Lahore on 22.12.2017, which was attended by both the parties. Learned counsel for FESCO repeated the same grounds as contained in its appeal and contended that metering equipment of the Consumer was found 33% slow during M&T FESCO checking dated 21.12.2015. As per learned counsel for FESCO, both the TOU billing and backup

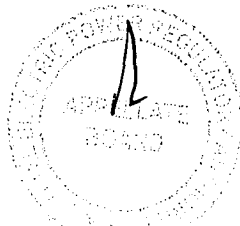




## National Electric Power Regulatory Authority

meters of the Consumer were even found 32.78% and 32.37% slow respectively during POI checking dated 10.05.2016, therefore the detection bill of Rs.2,375,785/- for 136,449 units/1,075 kW for the period April 2015 to December 2015 (9 months) charged to the Consumer is justified and payable. On the contrary, learned counsel for the Consumer contended that the aforesaid detection bill charged to the Consumer by FESCO is violative of provisions of CSM and the Consumer is not liable to pay any detection bill. He argued that the impugned decision for revision of the detection bill for two months is not correct and liable to be modified to that extent.

8. Arguments of both the parties heard and record examined. Following has been observed:
  - i. The Consumer assailed the detection bill of Rs.2,375,785/- for 136,449 units/ 1,075 kW for the period April 2015 to December 2015 before POI.
  - ii. Metering equipment of the Consumer was checked by M&T FESCO on 21.12.2015, wherein both the TOU billing and backup meters were found 33% slow and the slowness @ 32.78% and 32.37% slow respectively was confirmed during POI checking dated 10.05.2016.
  - iii. Pursuant to clause 4.4(e) of CSM, the Consumer is liable to be charged maximum for two billing cycles due to slowness of the meter, whereas in the instant case, detection bill of Rs.2,375,785/- for 136,449 units/1,075 kW for the period April 2015 to December 2015 was charged by FESCO beyond two billing cycles.





## National Electric Power Regulatory Authority

POI has rightly declared the aforesaid detection bill as null and void and the Consumer is not liable to pay the same.

- iv. Since 32.78% slowness of the TOU billing meter is established, therefore FESCO may charge the revised detection bill for the cost of 28,568 units/244 kW MDI for only two billing cycles i.e. November 2015 and December 2015 as already allowed in the impugned decision. As such the contention of the Consumer in this regard carries no weight.
9. In view of what has been stated above, the impugned decision is maintained and both the appeals are dismissed.

Handwritten signature of Muhammad Qamar-uz-Zaman in black ink.

Muhammad Qamar-uz-Zaman  
Member

Handwritten signature of Muhammad Shafique in black ink.

Muhammad Shafique  
Member

Handwritten signature of Nadir Ali Khoso in black ink.

Nadir Ali Khoso  
Convener

Dated: 10.01.2018

