



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

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No. NEPRA/Appeal/071/2024/ *888*

September 26, 2025

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| 1. Atiq Ur Rehman,
S/o. Abdul Hafeez,
R/o. Chak No. 27/SB,
Tehsil & District Sargodha
Cell No. 0345-8966690 | 2. Chief Executive Officer,
FESCO Ltd,
West Canal Road, Abdullah Pur,
Faisalabad |
| 3. Hafiz Faisal Raheem,
Advocate High Court,
33-District Courts, Faisalabad
Cell No. 0321-6661306 | 4. Sub Divisional Officer (Operation),
FESCO Ltd,
Sub Division Bhagtanwala-I,
Sargodha
Cell No. 0345-1502528 |
| 5. POI/Electric Inspector,
Energy Department, Govt. of Punjab,
H. No.225-226, Peer Muhammad Colony,
Behind Imtiaz Shopping Mall,
University Road, Sargodha Region,
Sargodha
Phone No. 048-3765238 | |

Subject: **Appeal No.071/2024 (FESCO Vs. Atiq ur Rehman) Against the Decision Dated 11.09.2023 of the Provincial Office of Inspection to Government of the Punjab Sargodha Region, Sargodha**

Please find enclosed herewith the decision of the Appellate Board dated 26.09.2025 (03 pages), regarding the subject matter, for information and necessary action, accordingly.

Encl: **As Above**


(Ikram Shakeel)
Deputy Director
Appellate Board

Forwarded for information please.

1. Director (IT) –for uploading the decision of the Appellate Board on the NEPRA website



National Electric Power Regulatory Authority

Before the Appellate Board

In the matter of

Appeal No.071/POI-2024

Faisalabad Electric Supply Company Limited

.....Appellant

Versus

Atiq ur Rehman, S/o. Abdul Hafeez, R/o. Chak No. 27/SB,
Tehsil & District Sargodha

.....Respondent

APPEAL U/S 38(3) OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997

Hearing dated 13.06.2025

For the Appellant:

Hafiz Faisal Raheem Advocate
Mr. Mohammad Ikram ALM

Hearing dated 11.01.2025

For the Respondent:

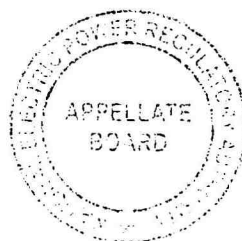
Mr. Atiq ur Rehman

DECISION

1. Brief facts of the case are that Atiq ur Rehman (the "Respondent") is an industrial consumer of Faisalabad Electric Supply Company Limited (the "Appellant") bearing Ref No.27-13424-5452106-R with a sanctioned load of 17.4 kW and the applicable Tariff category is B-1(b). Audit Department of the Appellant vide Audit Note No. 07 dated pointed out illegal extension of load by the Respondent in August 2018, November 2018, December 2018, February 2019 and May 2019 and recommended to debit Rs.59,200/-. Subsequently, the Appellant debited a detection bill of Rs.59,200/- for 148 kW MDI to the Respondent on the basis of audit recommendation and added to the bill for June 2023.
2. The Respondent filed a complaint before the Provincial Office of Inspection, Sargodha Region, Sargodha (the "POI") on 01.08.2023 and challenged the above detection bill. The complaint of the Respondent was disposed of by the POI vide the decision dated 11.09.2023, wherein the impugned bill amounting to Rs.59,200/- added in the bill for the month of June 2023 was cancelled, and the Appellant was directed to overhaul the billing account of the Respondent.
3. Being dissatisfied, the Appellant filed instant appeal before the NEPRA against the afore-referred decision of the POI, which was registered as Appeal No. 071/POI-2024. In its appeal, the Appellant opposed the maintainability of the impugned decision, *inter-alia*, on the main

Appeal No.071/POI-2024

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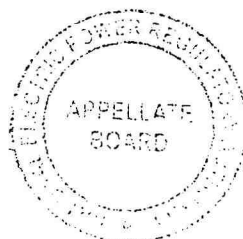


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grounds that the impugned decision is against the facts and law of the case; that the POI has no jurisdiction in the instant case as the meter of the Respondent was functioning within BSS limits; that the POI did not consider the real facts of the case and relied his determination upon the judgments regarding audit note; that the detection bill was charged for recovery of MDI charges; that the impugned decision is illegal, unlawful against the law and record of the case and that the same is liable to be set aside. Notice dated 12.08.2024 of the appeal was issued to the Respondent for filing reply/para-wise comment, which were filed on 23.08.2024. In the reply, the Respondent defended the impugned decision and prayed for dismissal of the appeal.

4. Hearing of the Appeal was initially attended by the Respondent only at NEPRA Regional Office Lahore on 11.01.2025, wherein he supported the impugned decision for cancellation of the detection bill of Rs.59,200/- and prayed for dismissal of the appeal. Hearing of the appeal was again conducted at NEPRA Regional Office Lahore on 13.06.2025 for the arguments of the Appellant only. On the given date, learned counsel along with an official, tendered appearance for the Appellant. Learned counsel for the Appellant contended that the Respondent was found involved in illegal extension of load due to which the audit department recommended to recover the detection bill of Rs.59,200/- from the Respondent. Learned counsel for the Appellant further contended that the above detection bill was charged to the Respondent to recover the revenue loss sustained by the Appellant due to the misuse of the tariff, and the Respondent is responsible for paying the same. Learned counsel for the Appellant submitted that the impugned decision is incorrect and the same is liable to be struck down.
5. Having heard the arguments and the record perused. Following are our observations:
 - i The Audit Party vide Audit Note No.07 pointed out illegal extension of load during the months, i.e., August 2018, November 2018, December 2018, February 2019 and May 2019 and recommended to charge the detection bill of Rs.59,200/- for 148 kW MDI to the Respondent on account of misuse of tariff. Subsequently, the Appellant debited the above detection bill of Rs 59,200/- to the Respondent in June 2023.
 - ii This whole scenario indicates that the Appellant did not point out illegal extension of load/misuse of tariff during the monthly readings of the disputed months, i.e., August 2018, November 2018, December 2018, February 2019, and May 2019, which is the prime

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responsibility of the meter reader as per Chapter 6 of the CSM-2021. Subsequently, the Audit Department vide the above-referred audit note recommended to charge the detection bill of Rs.59,200/- to the Respondent on account of misuse of tariff; however, the Appellant debited the impugned detection bill in June 2023 after a lapse of more than four years. As per Clause 12 of the clarification dated 26.03.2021 regarding the revised CSM-2021, if due to any reason, the charges, i.e., MDI/Fixed charges, multiplication factor, power factor penalty, tariff category, etc, have been skipped by the DISCO, the difference of these charges can be raised within one year for maximum period of six months, retrospectively. Thus, the recovery of the impugned detection bill after a lapse of more than four years is contradictory to the above-mentioned clarification of the revised CSM-2021.

- iii In view of the foregoing discussion, we are of the considered view that the detection bill of Rs.59,200/- against 148 kW MDI charged to the Respondent based on audit observation is unjustified and the same is liable to be cancelled, which is also the determination of the POI.
- iv The Appellant may verify the connected load of the Respondent if found beyond 25 kW, the same may be regularized and the Respondent is liable to be charged the detection bill for six months retrospectively due to misuse of tariff i.e. B-2 instead of B-1, in pursuance of Clause 7.5.3 of the CSM-2021.

6. Foregoing in view, it is concluded as under:

- i. The detection bill of Rs.59,200/- against 148 kW MDI charged to the Respondent based on audit observation is unjustified and cancelled.
- ii. The Appellant is directed to verify the load of the Respondent and regularize the extended load as per the applicable tariff, and the Respondent may be charged the revised detection bill for six months retrospectively due to misuse of tariff, i.e., B-2 instead of B-1, pursuant to Clause 7.5.3 of the CSM-2021.
- iii. The billing account of the Respondent may be overhauled accordingly.

7. The impugned decision is modified in the above terms.

Abid Hussain
Member/Advisor (CAD)

Naweed Illahi Sheikh
Convener/DG (CAD)

Muhammad Irfan-ul-Haq
Member/ALA (Lic.)

Dated: 26-09-2025
Appeal No.071/POI-2024

