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

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No. NEPRA/AB/Appeal/074/2022/643 October 25, 2023

1. Muhammad Zafar Iqbal Goriya,
S/o. Ch. Muhammad Siddique Goriya,
Prop: Mr. Winggz, Akbarabad,
Jail Road, Faisalabad

2. Chief Executive Officer
FESCO Ltd,
West Canal Road, Abdullahpur,
Faisalabad

3. Dr. Muhammad Irtiza Awan,
Advocate High Court,
Awan Law Associates, Al-Majeed Centre,
1-Mozang Road, 38-Link Farid Kot Road,
Lahore

4. Ch. Muhammad Imran Bhatti,
Advocate High Court,
44-District Courts, Faisalabad

5. Sub Divisional Officer (Operation),
FESCO Ltd,
Islampura Sub Division,
Faisalabad

6. POI/Electric Inspector,
Energy Department, Govt. of Punjab,
Opposite Commissioner Office,
D.C.G Road, Civil Lines,
Faisalabad Region, Faisalabad

Subject: **Appeal Titled FESCO Vs. Muhammad Zafar Iqbal Goriya Against the Decision Dated 28.02.2022 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 25.10.2023 (07 pages), regarding the subject matter, for information and necessary action accordingly.

Encl: As Above

(Ikram Shakeel)
Deputy Director (AB)

Forwarded for information please.

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

Before The Appellate Board

In the matter of

Appeal No.074/POI-2022

Faisalabad Electric Supply Company Limited .....Appellant

Versus

Muhammad Zafar Iqbal Goriya S/o. Muhammad Siddique Goriya,
Prop: Mr. Winggz Akbarabad, Jail Road, Faisalabad .....Respondent

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

For the Appellant:
Mr. Asim Iqbal SDO
Mr. Shabir Ahmed Meter Inspector

For the Respondent:
Mr. Junaid Advocate

DECISION

1. Through this decision, the appeal filed by the Faisalabad Electric Supply Company Limited (hereinafter referred to as the "Appellant") against the decision dated 28.02.2022 of the Provincial Office of Inspection, Faisalabad Region, Faisalabad (hereinafter referred to as the "POI") is being disposed of.

2. Briefly speaking, Mr. Moazzam Saeed Khan (hereinafter referred to as the "Respondent") is a commercial consumer of the Appellant bearing Ref No.24-13123-5313265 with a sanctioned load of 63.38 kW, and the applicable Tariff category is A-2(c). The Respondent filed two complaints before the POI on 16.07.2021 and 06.08.2021 and challenged the following bills:

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i. Charging of excessive units in peak hours in June 2021.
ii. Charging of excessive MDI from June 2021 to November 2021.
iii. Charging of low power factor penalty.
iv. Charging of MF=60 instead of 40
v. Charging of late payment surcharges (the "LPS") of Rs.45,147/- against the bill of July 2021.

3. Both the complaints of the Respondent were clubbed and disposed of by the POI vide the single consolidated decision dated 28.02.2022, wherein the POI held that (i) the bills of June 2021 and July 2021 be cancelled and the revised bills of OP=11,150+P=2,230 units for June 2021 and OP=11,100+P=2,220 units for July 2021 are allowed, (ii) the Appellant may revise the MDI component for the period from June 2021 to November 2021 @ 28 kW MDI as noted during the joint checking; (iii) Contention of the Appellant for charging low power factor penalty is correct; (iv) the stance of the Appellant for recovery of the bills @ MF=40 is justified; and (v) the inclusion of LPS of Rs.45,147/- in the bill for July 2021 is illegal, unjustified.

4. Through the instant appeal, the afore-referred decision dated 28.02.2022 of the POI has been impugned by the Appellant before the NEPRA. In its appeal, the Appellant objected to the maintainability of the impugned decision, *inter alia*, on the main grounds that the POI did not consider the real aspect of the case that the billing meter of the Respondent was found 33% slow during checking dated 17.06.2021, therefore detection bill of 720 units was charged to him due to the difference of readings of the billing and back up meters; that the bill of June 2021 was charged with peak units only, therefore, the bill of July 2021 was charged with off-peak units only to compensate the Respondent; that the POI did not advert the real aspects of the case and that the impugned decision is liable to be set aside.

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5. **Proceedings by the Appellate Board**
Upon filing of the instant appeal, a notice dated 23.06.2022 was sent to the Respondent for filing reply/para-wise comments to the appeal within ten (10) days, which however were not filed.

6. **Hearing**

6.1 Hearing of the appeal was conducted at NEPRA Regional Office Faisalabad on 24.06.2023, which was attended by both the Appellant and the Respondent. The Appellant reiterated the same version as contained in the memo of the appeal and contended that the billing meter of the Respondent was found running 33% slow, therefore a detection bill of 720 units was debited in June 2021. The Appellant further contended that the bill of June 2021 was charged with peak units only, therefore the Respondent was afforded relief by debiting the off-peak units only in July 2021. As per the Appellant, the impugned decision for cancellation of the MDI part from June 2021 to November 2021 is incorrect as the above bills were charged to the Respondent as per the actual MDI recorded by the impugned meter. The Appellant finally prayed for setting aside the impugned decision.

6.2 On the other hand, learned counsel appearing for the Respondent rebutted the contention of the Appellant and prayed for upholding the impugned decision and for the dismissal of the appeal.

7. Arguments heard and the record perused. Following are our observations:

7.1 The Respondent filed a complaint before the POI and disputed the following bills debited by the Appellant.

i. Charging of excessive units in peak hours in June 2021.
ii. Charging of excessive MDI from June 2021 to November 2021.

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iii. Charging of low power factor penalty.

iv. Charging of MF=60 instead of 40

v. Charging of the LPS of Rs.45,147/- against the bill of July 2021.

7.2 Issue-1: Bills charged in June 2021 and July 2021:

The Appellant debited the bills of June 2021 and July 2021 with MF=60 instead of 40, which is incorrect as the billing of the Respondent was shifted on the backup meter in the year 2019, which is also an unrealistic approach and the grievance of the Respondent regarding the irregular billing is correct. Hence the bills of June 2021 and July 2021 are unjustified and cancelled.

7.3 The readings charged in the aforementioned bills need to be revised as per the formula for off-peak and peak segments given in the terms and conditions of the NEPRA Tariff determination. Calculation in this regard is done below:

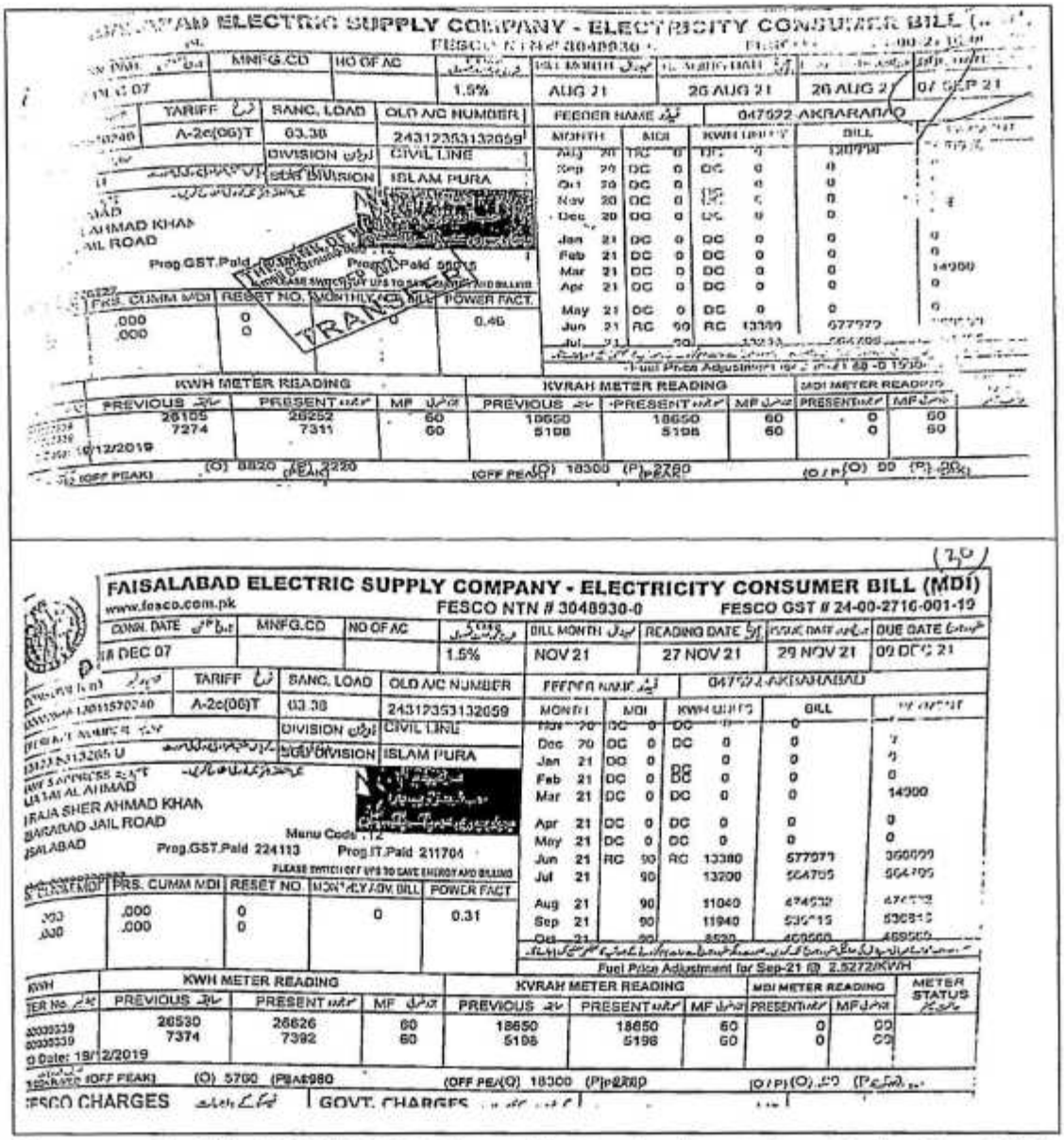
Month	A	B	C = B x 20 Hrs./24 Hrs.	D=B x 4 Hrs./24 Hrs.
Units	Already charged with MF=60	Units to be charged with MF=40	Off-peak	Peak
Jun-21	13380	$\frac{13,380 \times 40}{60} = 8920$	7433	1487
Jul-21	13320	$\frac{13,320 \times 40}{60} = 8880$	7400	1480

As per the above calculation, the Respondent is liable to be charged the revised bills for June 2021 and July 2021. The impugned decision is liable to be modified to this extent.

7.4 Issue-II: Excessive MDI charged for the period from June 2021 to November 2021:

Perusal of billing history shows that the Appellant debited the bills for the period from June 2021 to November 2021 @ 90 kW MDI per month, however, the reading of the MDI segment remained static i.e.Off-peak=18,650 and Peak=5,198 during the said period as evident from the snaps of the bills for August 2021 and November 2021.

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FAISALABAD ELECTRIC SUPPLY COMPANY - ELECTRICITY CONSUMER BILL (MDI)

www.fesco.com.pk FESCO NTN # 3048930-0 FESCO GST # 24-00-2716-001-19

CONN. DATE	MNFG.CD	NO OF AC		BILL MONTH	READING DATE	ISSUE DATE	DUE DATE
DEC 07			1.5%	NOV 21	27 NOV 21	29 NOV 21	09 DEC 21

TARIFF	SANC. LOAD	OLD A/C NUMBER	FEEDER NAME	047522-AKBARABAD
A-2c(06)T	03.38	243123531320S9		
	DIVISION	CIVIL LINE		
	SUB DIVISION	ISLAM PURA		

RAJA SHER AHMAD KHAN
BARARAD JAIL ROAD
SALABAD

Prog.GST.Paid 224113 Prog.IT.Paid 211704

PLEASE SWITCH OFF UPS TO SAVE ENERGY AND BILLING

PRS. CUMM MDI	RESET NO.	MONTHLY CONV. BILL	POWER FACT.
.000	0	0	0.31
.000	0		

MONTH	MDI		KWH UNITS		BILL	
Nov 20	DC	0	DC	0	0	
Dec 20	DC	0	DC	0	0	
Jan 21	DC	0	DC	0	0	
Feb 21	DC	0	DC	0	0	
Mar 21	DC	0	DC	0	0	14300
Apr 21	DC	0	DC	0	0	0
May 21	DC	0	DC	0	0	0
Jun 21	RC	90	RC	13380	577079	560699
Jul 21		90		13200	564705	564705
Aug 21		90		11040	474532	474532
Sep 21		90		11940	536815	536815
Oct 21		90		8520	469565	469565

Fuel Price Adjustment for Sep-21 @ 2.5272/KWH

KWH METER NO.	KWH METER READING PREVIOUS	KWH METER READING PRESENT	KWH MF	KVRAH METER READING PREVIOUS	KVRAH METER READING PRESENT	KVRAH MF	MDI METER READING PRESENT	MDI MF	METER STATUS
30033539	26530	26626	60	18650	18650	60	0	60	
30033539	7374	7392	60	5195	5196	60	0	60	

Due Date: 19/12/2019

(OFF PEAK) (O) 5700 (P)4980 (OFF PEAK) (O) 18300 (P)2820 (O/P) (O) 00 (P) 00

FESCO CHARGES GOVT. CHARGES

Moreover, the bill of 90 kW MDI charged during the disputed months i.e. June 2021 to November 2021 is much higher than the sanctioned load of the Respondent. Under these circumstances, the plea of the Appellant for the billing as per meter reading in terms of MDI part during the period from June 2021 to November 2021 is not correct. The POI has rightly revised the MDI part of the bills for the period from June 2021 to November 2021 @ 28 kW MDI per month as observed during the joint checking, which is also equivalent to the average MDI recorded by the check meter.

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7.5 Issue-III: Charging of low power factor penalty.

The Respondent challenged before the POI the debit of low power factor penalty, which was allowed by the said forum vide the impugned decision. In this regard, the billing history of the Respondent was perused, which revealed that the kVARH remained static during the disputed period, therefore the implication of a low power factor penalty during the disputed period by the Appellant is not correct. It is further observed that the Respondent maintained the allowed power factor limit i.e. 0.9 during the period before and after the dispute. In view of the foregoing discussion, we are of the view that the determination of POI to allow the imposition of a low power factor penalty is incorrect being without any valid basis and the same is liable to be withdrawn to this extent.

7.6 Issue-IV: Billing charged with MF=60 instead of 40

Regarding the charging of bills with MF=60 instead of 40, the bills as given in the above table were examined and it was confirmed that the Appellant debited the bills with MF=60 instead of 40, which is incorrect as the billing of the Respondent was shifted on the backup meter in the year 2019, hence the bills for the period from June 2021 to November 2021 with regard to the variable charges be revised as per the reading advanced in the backup meter and the applicable MF=40. The impugned decision is liable to be modified to this extent.

7.7 Issue-V: Charging of LPS of Rs.45,147/- by the Appellant

The above-referred LPS amount was debited by the Appellant to the billing account of the Respondent due to non-payment of the bills for June 2021 and July 2021. Since the bills for the said months are declared as illegal, and excessive, hence there is no justification to charge the LPS on the said bills. The finding of the POI regarding waiving off of LPS of Rs.45,147/- is correct and the same is liable to be maintained

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to this extent.

8. In view of what has been stated above, we concluded that:

8.1 The bills for June 2021 and July 2021 along with LPS charged by the Appellant to the Respondent are cancelled. The bills for June 2021 and July 2021 be revised as detailed below:

Month	Units to be charged		(kW) MDI to be charged
	Off-peak	Peak	
Jun-21	7433	1487	28
Jul-21	7400	1480	28

8.2 The MDI part of the bills for the period from August 2021 to December 2021 be revised @ 28 kW MDI per month.

8.3 Similarly, the variable part of the bills from August 2021 to November 2021 be revised as per the reading of the backup meter, and the applicable MF for the above-said billing is 40.

8.4 The impugned decision with regard to the low power factor penalty is incorrect and withdrawn to this extent.

8.5 The billing account of the Respondent be overhauled after adjusting payments made against the disputed bills.

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

Abid Hussain
Member

Muhammad Irfan-ul-Haq
Member

Naweed Illahi Sheikh
Convener

Dated: 25-10-2023

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