



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

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No. NEPRA/AB/Appeal-183/POI-2016/ 1246-1251

August 21, 2017

1. M/s Fateh Textile Mills Ltd,
P. O. Box No. 69,
Hali Road, Hyderabad
2. Chief Executive Officer,
HESCO Ltd.,
WAPDA Offices Complex,
Hussainabad, Hyderabad
3. Atta-ur-Rehman,
Advocate High Court,
Gulshan-e-Hali,
Hali Road, Hyderabad
4. Muhammad Aslam Bhatti,
Advocate Supreme Court,
M/s Muhammad Aslam Bhatti & Co,
Chamber: Plot No. 41-442,4,
Mazzunine Floor, Sadar Complex,
Saddar Cantt, Hyderabad
5. Executive Engineer (Operation),
HESCO Ltd,
Latifabad Division,
Hyderabad
6. Electric Inspector,
Hyderabad Region,
Govt: Building No. 48/B,
Civil Lines, Hyderabad

Subject: **Appeal Titled HESCO Vs. M/s Fateh Textile Mills Ltd Against the Decision Dated 18.08.2016 of the Electric Inspector/POI to Government of the Sindh Hyderabad Region, Hyderabad**

Please find enclosed herewith the decision of the Appellate Board dated 17.08.2017, regarding the subject matter, for information and necessary action accordingly.

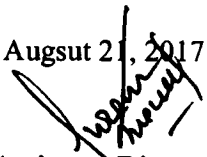
Encl: **As Above**

No. NEPRA/AB/Appeal-183/POI-2016/ 1252

Forwarded for information please.

(Ikram Shakeel)

August 21, 2017


Assistant Director
Appellate Board

✓ 1. Registrar

CC:

1. Member (CA)



National Electric Power Regulatory Authority

Before Appellate Board

In the matter of

Appeal No. NEPRA/Appeal-183/POI-2016

Hyderabad Electric Supply Company LimitedAppellant

Versus

M/s. Fateh Textile Mills Ltd, P.O. Box No.69,
Hali Road, HyderabadRespondent

For the appellant:

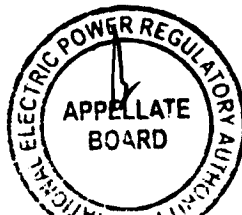
Mr. Muhammad Aslam Bhatti Advocate
Syed Nabi Shah Executive Engineer

For the respondent:

Nemo

DECISION

1. This decision shall dispose of the appeal filed by Hyderabad Electric Company Limited (hereinafter referred to as HESCO) against the decision dated 18.08.2016 of Provincial Office of Inspection/Electric Inspector, Hyderabad Region, Hyderabad (hereinafter referred to as POI).
2. As per fact of the case, the respondent is an industrial consumer of HESCO bearing Ref No. 24-37155-0000225 with a sanctioned load of 998 kW under B-3 tariff. Electrical connection of the respondent was checked by Metering and Testing (M&T) HESCO on 13.02.2014 and reportedly both the TOU billing and backup meters were found okay. However HESCO observed that electricity of



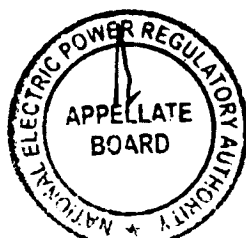


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the above mill was being used for another mill of same owner through an internal 11 kV cable network and the connected load was observed as 793 kW. Premises of the respondent was again checked by M&T HESCO on 05.03.2014 whereby the electrical connection was found disconnected and all the electrical equipment were found removed. As per HESCO, a detection bill amounting to Rs.3,439,963/-for 231,560 units (off peak=192,966, peak=38,594) for the period 14.02.2014 to 27.02.2014 (14 days) was charged to the respondent in May 2014 on the basis of connected load.

3. Being aggrieved, the respondent filed an application before POI on 12.01.2015 and challenged the aforesaid detection bill. Premises of the respondent was checked by POI in presence of both the parties and missing of the electrical equipment was confirmed, however presence of 11 kV internal cable network was observed to supply electric power to another mill. The matter was disposed of by POI vide its decision dated 18.08.2016 with the following conclusion:

"On going through the record made available; documentary evidence provided by the Appellant, hearing of both the parties and site verification report of the disputed Factory, this Authority disposes of the matter as under;- 1) The Detection bill issued by the Opponents (HESCO) is unlawful, without any justification is liable for cancellation along with late payment surcharges. 2) The remaining of the disputed amount shown in the bill for the month of May-2014 which has already been allowed for payment in 06 (six) installments by the Opponents (HESCO) is needs to be paid by the Applicant in four (04) equal monthly installments."

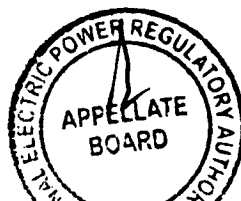




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4. Being dissatisfied with the POI decision dated 18.08.2016 (hereinafter referred to as the impugned decision), HESCO has filed the instant appeal under section 38 (3) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997 (hereinafter referred to as the NEPRA Act 1997). In its appeal, HESCO inter alia, contended that premises of the respondent was checked by M&T HESCO on 13.02.2014 and the electricity was being supplied illegally to another mill through internal 11 kV cable network and the connected load was observed as 793 kW. Premises of the respondent was again checked by M&T HESCO on 05.03.2014, it was found disconnected and the electrical equipment was found removed. HESCO submitted that the detection bill amounting to Rs.3,439,963/- for 2,31560 units (off peak=192,966, peak=38,594) for the period 14.02.2014 to 27.02.2014 (14 days) charged to the respondent in May 2014 on the basis of connected load was justified and payable, whereas POI has declared the aforesaid detection bill as unlawful, without any justification. HESCO alleged that the plea of the respondent regarding theft of electrical equipment was unfounded as no report in this regard was made to HESCO or Police by the respondent. HESCO prayed for setting aside the impugned decision being contrary to the documentary evidence. Notice of the appeal was issued to the respondent for filing reply/parawise comments, which however were not filed.

5. After issuing notice to both the parties, the appeal was heard in regional office Karachi on 07.08.2017, wherein Mr. Aslam Bhatti advocate and Syed Nabi Shah XEN entered appearance for the appellant HESCO and no one appeared for the respondent. Learned counsel for HESCO reiterated the same arguments

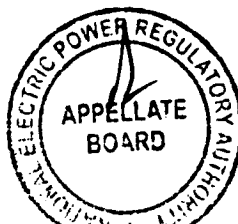




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as narrated in memo of the appeal and pleaded that the respondent was found using electricity for his another connection during checking on 13.02.2014, however on a subsequent checking dated 05.03.2014, it was observed that the respondent malafidely had removed the all electrical equipment. According to HESCO, the respondent consumed electricity for the entire month of February 2014 and therefore liable to be billed for whole month. As per HESCO, the detection bill amounting to Rs.3,439,963/- for 2,31560 units (off peak=192,966, peak=38,594) for the period 14.02.2014 to 27.02.2014 (14 days) charged in May 2014 on the basis of connected load is payable by the respondent.

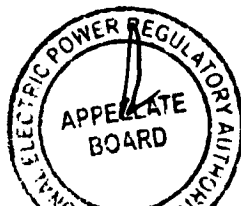
6. Arguments heard, perused the record placed before us. It is observed as under:
- i. Premises of the respondent was checked by M&T HESCO on 13.02.2014 and reportedly the electricity was being supplied to another mill through internal 11 kV cable network and the connected load was observed as 793 kW. Hence the detection bill amounting to Rs.3,439,963/- for 2,31560 units (off peak=192,966, peak=38,594) for the period 14.02.2014 to 27.02.2014 (14 days) was charged in May 2014 on the basis of connected load, which was assailed by the respondent before POI.
 - ii. Premises of the respondent was checked by POI and all electrical equipment were found missing and presence of 11 kV internal cable network was confirmed by POI for supply of electric power to another mill of the respondent. This establishes that the respondent was illegally utilizing the source of power of the disputed mill for another mill. However there is no verification of 793 kW load, as such the detection bill amounting to





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- Rs.3,439,963/- for 2,31560 units (off peak=192,966, peak=38,594) for the period 14.02.2014 to 27.02.2014 (14 days) charged in May 2014 on the basis of connected load is not justified, therefore liable to be cancelled as already determined in the impugned decision.
- iii. There is no controversy regarding the bill charged for 01.02.2014 to 13.02.2014 (13 days). The detection bill has been charged for the period 14.02.2014 to 27.02.2014 (14 days) to the respondent by HESCO on the basis of average load, which is agitated by the respondent. It would be appropriate to charge the detection bill for the period 14.02.2014 to 27.02.2014 (14 days) on the basis of average consumption per day recorded during the undisputed period i.e. 01.02.2014 to 13.02.2014. Impugned decision is liable to be modified to this extent.
- iv. As regards the determination of POI regarding the remaining disputed amount shown in the bill for the month of May-2014 which was allowed for payment in 06 (six) installments by the appellant (HESCO) and need to be paid by the respondent in four (04) equal monthly installments, it is observed that the said matter was neither agitated in the memo of the appeal expressly nor argued by the appellant HESCO during the hearing. Therefore the impugned decision to that extent is maintained accordingly.
7. Forgoing in view, we have reached to the conclusion:
- i. Detection bill amounting to Rs.3,439,963/- ,for 2,31560 units (off peak=192,966, peak=38,594) for the period 14.02.2014 to 27.02.2014 (14 days) and late payment surcharges levied due to non-payment of aforesaid





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detection bill are unjustified, therefore cancelled as already determined by POI.

ii. The respondent should be charged the detection bill for the period 14.02.2014 to 27.02.2014 (14 days) on the basis of average consumption of 01.02.2014 to 13.02.2014.

iii. The billing account of the respondent should be revised and overhauled accordingly. The payment made (if any) against the aforesaid detection bill should be adjusted.

8. The appeal is disposed of in above terms.

Muhammad Qamar-uz-Zaman
Member

Muhammad Shafique
Member

Nadir Ali Khoso
Convener

Dated: 17.08.2017

