



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

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No. NEPRA/Appeal/002/2019/ 1100-1105

May 15, 2019

1. Raja Muhammad Hanif
S/o. Jehandad Khan,
R/o. Bobri, Tehsil Murree,
District Rawalpindi
2. Chief Executive Officer
IESCO Ltd,
Head Office, St. No. 40,
Sector G-7/4, Islamabad
3. Faisal Bin Khurshid,
Advocate Supreme Court,
Al Rushd Advocates,
32-Haroon-Ur-Rasheed Block,
Near Post Office, Johar Road,
F-8 Markaz, Islamabad
4. Akseer Ahmed Abbasi
Advocate High Court,
Office No. 29-13, Muslim Block,
District Courts, F-8,
Islamabad
5. Sub Divisional Officer
IESCO Ltd,
Bhara Kahu Sub Division,
Islamabad
6. Electric Inspector/POI,
Islamabad Region,
XEN Office, Irrigation & Power
Department,
Rawal Dam Colony, Park Road,
Islamabad

Subject: **Appeal Titled Raja Muhammad Hanif Vs. IESCO Against the Decision Dated 20.11.2018 of the Provincial Office of Inspection to Government of the Punjab Islamabad Region, Islamabad**

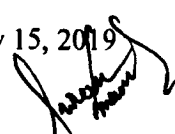
Please find enclosed herewith the decision of the Appellate Board dated 14.05.2019, regarding the subject matter, for information and necessary action accordingly.

Encl: **As Above**

No. NEPRA/Appeal/002/2019/1106
Forwarded for information please.

(Ikram Shakeel)

May 15, 2019


Assistant Director
Appellate Board

✓
Registrar



National Electric Power Regulatory Authority

Before Appellate Board

In the matter of

Appeal No.002/2019

Raja Muhammad Hanif S/o Jehandad Khan,
R/o Bobri Tehsil Murree, District Rawalpindi

Appellant

Versus

Islamabad Electric Supply Company Limited

Respondent

**APPEAL UNDER SECTION 38 OF REGULATION OF GENERATION, TRANSMISSION, AND
DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST THE DECISION DATED
20.11.2018 OF PROVINCIAL OFFICE OF INSPECTION, ISLAMABAD REGION,
ISLAMABAD**

For the appellant:

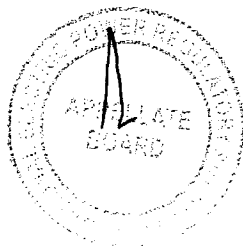
Mr. Akseer Abbasi Advocate
Ms. Rakshanda Azhar Advocate

For the respondent:

Mr. Faisal Bin Khurshid Advocate
Mr. Muhammad Asim XEN
Mr. Naqeebullah SDO

DECISION

1. As per facts of the case, the appellant is an industrial consumer of IESCO bearing Ref No.28-141351962800 with a sanctioned load of 44 kW under B-2b tariff. The electricity meter of the appellant was initially checked by IESCO during July 2013





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and reportedly found defective, hence the DEF-EST code was fed by IESCO in July 2013. The defective meter of the appellant was replaced with a new meter by IESCO on 30.08.2013 but meter change order (MCO) was prepared on 13.09.2013. Subsequently, the Audit department vide Audit Note No.51 dated 03.04.2015 pointed out less charging of units during the period September 2012 to June 2013 and recommended to charge 67,170 units to the appellant on the basis of average consumption of January 2012 to August 2012. Consequently, IESCO charged the detection bill of Rs.1,234,593/- for 67,170 units for the period September 2012 to June 2013 to the appellant in June 2017 as per Audit Note No.51 dated 03.04.2015.

2. The appellant assailed the above referred detection bill before NEPRA on 27.11.2017 and the complaint of the appellant was forwarded by NEPRA to the Provincial Office of Inspection (POI) for further adjudication. POI disposed of the matter vide decision dated 20.11.2018 with the following conclusion:

“Summing up all the above observations/discussion and keeping in view all the aspects of the case this forum declares the detection bill of Rs.1,446,944/- for the period September 2012 to June 2014 on the basis of Audit Notes as legal & justified and the consumer is liable to pay the same. The IESCO/Respondents are directed to overhaul the petitioner’s account by adjusting all Credits, Debits, Deferred Amount & Payments already made by the consumer on the above findings.”

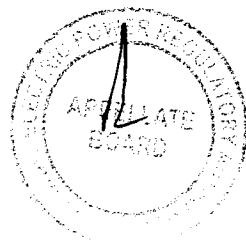




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3. The subject appeal has been filed by the appellant against the POI decision dated 20.11.2018 (hereinafter referred to as the impugned decision) before NEPRA in which the appellant contended that the appellant suffered a huge loss in the year 2012 and the electricity was not utilized through the meter under dispute. As per appellant, IESCO was approached for rectification of bills and for disconnection of electric supply but neither the bills were corrected nor was supply discontinued and he had deposited Rs.1,240,437/- till June 2014 during the disputed period. According to the appellant, after a lapse of three years, a detection bill of Rs.1,446,944/- for the period September 2012 to June 2013 was debited by IESCO in June 2017 on the Audit report for the year 2015 against which a civil suit was filed by him before the Civil Court, Islamabad. The appellant further submitted that the said civil suit was withdrawn and he approached POI against the above detection bill vide application dated 27.11.2017. The appellant further submitted that he is not liable to be burdened on the basis of the audit report and prayed that the impugned decision is against the facts and law and liable to be set aside.

4. Notice for filing reply/para-wise comments to the appeal was sent to the respondent/IESCO, which were filed on 31.01.2019. In his reply, IESCO rebutted the version of the appellant and stated that the meter of the appellant is defective w.e.f September 2012 and onwards, which was confirmed by the technical committee IESCO on 30.08.2013. It is submitted on behalf of IESCO that less consumption was

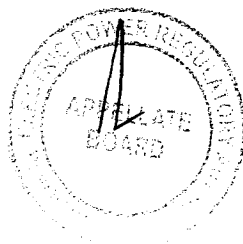




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charged during the period September 2012 to June 2013, which was noticed vide Audit Note No.51 dated 03.04.2015, hence the detection bill of Rs.1,234,593/- for 67,170 units for the period September 2012 to June 2013 charged to the appellant in June 2017 is justified and payable by the appellant.

5. Hearing of the appeal was conducted in NEPRA Head Office, Islamabad on 04.04.2019, which was attended by both the parties. Learned counsel for the appellant reiterated the same arguments as contained in the memo of the appeal and contended that the poultry business of the appellant was closed in the year 2012 due to slump. Learned counsel for the appellant argued that the appellant could not be penalized on the basis of audit recommendation as per judgments of superior courts. Learned counsel for the appellant pointed out that the detection bill of Rs.1,234,593/- for 67,170 units for the period September 2012 to June 2013 was charged to the appellant in violation of clause 4.4(e) of Consumer Service Manual (CSM), which allows charging the detection bill maximum for two billing cycles. On the contrary, learned counsel for IESCO defended the impugned decision and termed the detection bill of Rs.1,234,593/- for 67,170 units for the period September 2012 to June 2013 as justified and payable by the appellant. Arguments heard and record perused. The defective meter of the appellant was replaced with the new meter by IESCO on 30.08.2014. Subsequently, the Audit department pointed out less charging of 67,170 units during the period of September 2012 to June 2013 vide Audit Note No.51 dated





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03.04.2015. IESCO charged the detection bill of Rs.1,234,593/- for 67,170 units for the period September 2012 to June 2013 to the appellant in June 2017 on the basis of average consumption of January 2012 to August 2012 as recommended vide Audit Note No.51 dated 03.04.2015. It is observed that the said detection bill was charged for a period of ten months to the appellant by IESCO due to a defective meter, which is inconsistent with clause 4.4 of the CSM. In fact, said clause of CSM allows DISCOs to charge the detection bill maximum for two months to a consumer. Hence the detection bill is violative of ibid clause of CSM. Even otherwise, the audit observation is an internal matter between the DISCO and Audit Department and the appellant cannot be held responsible for payment of the same. In this regard, reliance is placed on the cases reported in 2014 MLD 1253 titled M/s. Mehmood Textile Mills v/s MEPCO and 2008 YLR 308 titled WAPDA v/s Fazal Karim. In view of the above, we are convinced with the arguments of the appellant that the detection bill of Rs.1,234,593/- for 67,170 units for the period September 2012 to June 2013 charged to the appellant in June 2017 on the basis of average consumption of January 2012 to August 2012 as recommended vide Audit Note No.51 dated 03.04.2015 is unjustified.

Since the defectiveness in the meter of the appellant was noticed by IESCO in the billing month of July 2013, hence the appellant is liable to be charged the detection bill for two months only i.e. May 2013 to June 2013 as per clause 4.4(e) of CSM. Impugned decision of POI is thus declared to be inconsistent with the facts and law.





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6. From what has been discussed above, we are of the view that the detection bill of Rs.1,234,593/- for 67,170 units for the period September 2012 to June 2013 charged to the appellant in June 2017 is unjustified and as such is declared null and void. The appellant may be charged the detection bill for May 2013 to June 2013 only. Billing of the appellant may be revised after making the adjustment of payment made (if any) against the above detection bill.
7. The appeal is partly accepted in the above terms.

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Muhammad Qamar-uz-Zaman
Member

A handwritten signature in black ink, appearing to read "Nadir Ali Khoso", is written over a horizontal line.

Nadir Ali Khoso
Convener

A handwritten signature in black ink, appearing to read "Muhammad Shafique", is written over a horizontal line.

Muhammad Shafique
Member

Dated: 14.05.2019

