



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

NEPRA Office , Atta Turk Avenue (East), G5/1, Islamabad  
Tel. No. +92 051 2013200 Fax No. +92 051 2600030  
Website: [www.nepra.org.pk](http://www.nepra.org.pk) E-mail: [office@nepra.org.pk](mailto:office@nepra.org.pk)

No. NEPRA/AB/Appeal/143/2018/ 417-421

February 21, 2019

1. Khawaja Muhammad Akram  
Prop: Fine Roller Flour Mills,  
G. T. Road, Kala Gujran,  
Jhelum
2. Chief Executive Officer  
IESCO Ltd,  
Head Office, St. No. 40,  
Sector G-7/4, Islamabad
3. Faisal Bin Khurshid  
Advocate Supreme Court,  
Al Rush Advocates, 32-Haroon-ur-Rasheed Block,  
Near Post Office, Johar Road,  
F-8 Markaz, Islamabad
4. Assistant Manager/SDO (Operation)  
IESCO Ltd,  
Civil Lines Sub Division,  
Jhelum
5. Electric Inspector  
Islamabad Region,  
Irrigation Colony, Park Road,  
Rawal Dam Chowk, Islamabad

Subject: Appeal Titled IESCO Vs. Khawaja Muhammad Akram Against the Decision Dated 30.05.2018 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 20.02.2019, regarding the subject matter, for information and necessary action accordingly.

Encl: As Above

No. NEPRA/AB/Appeal/143/2018/ 422

Forwarded for information please.

(Ikram Shakeel)

February 21, 2019

  
Assistant Director  
Appellate Board

✓  
Registrar



# National Electric Power Regulatory Authority

## Before Appellate Board

In the matter of

### Appeal No. 143/2018

Islamabad Electric Supply Company Limited

.....Appellant

Versus

Khawaja Muhammad Akram Prop: Fine Roller Flour Mills,  
G.T. Road Kala Gujran, Jhelum

.....Respondent

**APPEAL UNDER SECTION 38(3) OF REGULATION OF GENERATION,  
TRANSMISSION, AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997  
AGAINST THE DECISION DATED 31.05.2018 PASSED BY PROVINCIAL  
OFFICE OF INSPECTION ISLAMABAD REGION, ISLAMABAD**

For the appellant:

Mr. Faisal Bin Khursheed Advocate  
Mr. Qazi Manzoor-ul-Haq SDO

For the respondent:

Mr. Iftikhar Hussain Accountant

## DECISION

1. Through this decision, an appeal filed by Islamabad Electric Supply Company Limited (IESCO) against the decision dated 30.05.2018 of Provincial Office of Inspection, Islamabad region, Islamabad (POI) is being disposed of.
2. As per facts of the case, the respondent is an industrial consumer of IESCO bearing Ref No.27-14416-8570100 with a sanctioned load of 378 kW under B-2 (II) tariff.





## National Electric Power Regulatory Authority

Date and time of the respondent's meter were found upset during IESCO checking dated 02.05.2014, therefore it was replaced with a new meter vide meter change order (MCO) dated 02.05.2014. Subsequently, Audit Department vide Audit Note No.47 dated 18.03.2015 recommended to charge the detection bill amounting to Rs.4,543,812/- for 249,920 units/906 kW MDI for the period September 2013 to May 2014 (9 months) to the respondent on the basis of healthy consumption of June 2014 to October 2014 of the new meter. However, the review committee in the meeting held on 28.08.2015 recommended charging loss of (kW) MDI only. Resultantly, IESCO charged the detection bill of Rs.439,200/- for 906 kW MDI for the period September 2013 to May 2014 (9 months) to the respondent in September 2017, which was assailed by the respondent before POI. Complaint of the respondent was disposed of by POI vide decision dated 30.05.2018 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 charging of Rs.439,200/- in 09/2017 on the basis of Audit Notes as null, void and without any legal effect and the consumer is not liable to pay the same. The IESCO/Respondents are directed to withdraw the same and overhaul the petitioner's account by adjusting all Credits, Debits, Deferred Amount & Payments already made by the consumer.”*





## National Electric Power Regulatory Authority

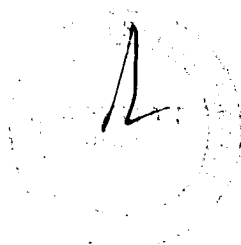
3. Through the instant appeal, afore referred decision dated 30.05.2018 of POI has been impugned by IESCO. In its appeal, IESCO contended that the date and time of the meter were found disturbed, hence it was replaced vide MCO dated 02.05.2014. As per IESCO, the Audit Department vide AN No.47 dated 18.03.2015 recommended to recover an amount of Rs.4,543,812/- for 249,920 units/906 kW MDI for the period September 2013 to May 2014 (9 months) on the basis of healthy consumption of the new meter, which was reduced to Rs.439,200/- by the review committee vide Adjustment Note No.788 dated 13.09.2017. IESCO challenged the impugned decision on the plea that POI neither intimated the appellant with the eventful date nor supplied the attested copy of impugned decision as per Regulation 4(2) of NEPRA (Procedure for filing of Appeal) Regulations 2012; that the impugned decision suffers from serious technical, factual and legal infirmities; and that it is liable to be set aside being passed without lawful authority.
4. In response to the notice for filing reply/para-wise comments to the appeal, the respondent submitted the reply on 23.10.2018, wherein the opposed the charging of detection bill of Rs.439,200/- on the basis defective accumulative MDI segment and stated that the said amount is not acceptable being based on presumptions. The respondent further submitted that the impugned decision was based on substantial legal grounds and liable to be maintained.
5. Hearing of the appeal was conducted in NEPRA Head Office, Islamabad on 22.01.2019, which was attended by both the parties. Learned counsel for IESCO



## National Electric Power Regulatory Authority

reiterated the same version as contained in the memo of the appeal and contended that the less MDI was recorded during the period September 2013 to May 2014 (9 months) due to defective meter, which subsequently became higher after installation of the new meter. Learned counsel for IESCO further contended that the Audit Department vide AN No.47 dated 18.03.2015 recommended for recovery of the bill of Rs.4,543,812/- for 249,920 units/906 kW MDI for the period September 2013 to May 2014 (9 months) on the basis of consumption of June 2014 to October 2014 of the healthy meter. As per learned counsel for IESCO, the review committee recommended to charge the (kW) MDI component only and consequently the bill was reduced to Rs.439,200/- for 906 kW MDI for the period September 2013 to May 2014 (9 months), which is justified and payable by the respondent. On the contrary, the representative for the respondent termed the above bill as illegal, unjustified and submitted that the payment against the said bill was made under duress. The representative for the respondent supported the impugned decision for declaring the bill of Rs.439,200/- as null and void.

6. Arguments heard, the record perused. Following are our observations:
  - i. The defective meter of the respondent was replaced with the new meter by IESCO vide MCO dated 02.05.2014. Subsequently, Audit Department vide Audit Note No.47 dated 18.03.2015 recommended to charge the detection bill Rs.4,543,812/- for 249,920 units/906 kW MDI for the period September 2013 to May 2014 (9 months) on the basis of consumption of June 2014 to October 2014 of the





## National Electric Power Regulatory Authority

healthy meter. However, in the IESCO review meeting held on 28.08.2015, the amount of detection bill was reduced from Rs.4,543,812/- to Rs.439,200/- only. Resultantly, IESCO charged the detection bill of Rs.439,200/- for 906 kW MDI only for the period September 2013 to May 2014(9 months) to the respondent, which was assailed before POI.

- ii. We are inclined to agree with the determination of POI that the audit affair is an internal matter between the DISCO and the audit department and the consumer cannot be held responsible for any detection bill on the recommendation of the audit department. 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. Therefore the detection bill of Rs.439,200/- for 906 kW MDI for the period September 2013 to May 2014 (9 months) charged to the respondent on the basis of Audit Note is unjustified and liable to be withdrawn as decided by POI.
- iii. Pursuant to clause 4.4 of Consumer Service Manual (CSM), in case of a defective meter, the consumer may be charged for two months only. As the billing meter of the respondent was found defective by IESCO in May 2014, hence the MDI component of the bill may be charged @ 344 kW MDI/month for the period March 2014 to May 2014 on the basis of average MDI recorded during June 2014 to October 2014. The calculation in this regard is done below:



# National Electric Power Regulatory Authority

Period: March 2014 to May 2014

- MDI to be charged =  $344 \text{ kW/month} \times 3 \text{ months} = 1,032 \text{ kW}$
- MDI already charged =  $320 \text{ kW} + 269 \text{ kW} + 160 \text{ kW} = (-)749 \text{ kW}$
- Net MDI chargeable = **283 kW**

7. Upshot of the above discussion is that the detection bill of Rs.439,200/- for 906 kW MDI for the period September 2013 to May 2014 (9 months) charged to the respondent is illegal and declared null and void. However, the respondent may be charged 283 kW MDI for the period of March 2014 to May 2014. IESCO may issue revised bill after making the adjustment of payment made against the above detection bill.
8. Impugned decision is modified in above terms.

Muhammad Qamar-uz-Zaman  
Member

Nadir Ali Khoso  
Convener

Muhammad Shafique  
Member

Date: 20.02.2019

