



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

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No. NEPRA/Appeal/059/2023/ 63/

June 30, 2025

1. Anas Nawaz,
S/o. Hamid Nawaz Malik,
R/o. Awan House, Nai Abadi,
Chakra Road, Dhoke Sada,
Rawalpindi
Cell No. 0305-5552436
2. Chief Executive Officer,
IESCO Ltd,
Head Office, St. No. 40,
Sector G-7/4, Islamabad
3. Mohammad Ahmad,
Advocate High Court,
Office 301, 3rd Floor, Azeem Mansion,
Fazl-e-Haq Road, Blue Area,
Islamabad
Cell No. 0321-4224870
4. Sub Divisional Officer (E),
IESCO Ltd,
Seham Sub Division,
Rawalpindi
5. POI/Electric Inspector,
Islamabad Region,
XEN Office, Irrigation & Power Department,
Rawal Dam Colony, Park Road,
Islamabad

Subject: **Appeal No. 059/2023 (IESCO vs. Anas Nawaz) Against the Decision Dated 20.03.2023 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 30.06.2025 (04 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.059/POI-2023

Islamabad Electric Supply Company Limited

.....Appellant

Versus

Anas Nawaz S/o. Hamid Nawaz Malik,
R/o. Awan House, Nai Abadi, Chakra Road,
Dhoke Sada, Rawalpindi

.....Respondent

APPEAL UNDER SECTION 38(3) OF THE REGULATION OF GENERATION, TRANSMISSION, AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997

For the Appellant:

Mr. Muhammad Ahmed Advocate

For the Respondent:

Mr. Anas Nawaz Malik

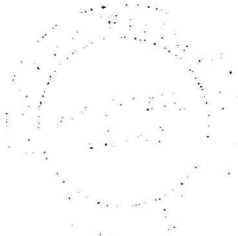
DECISION

1. As per the facts of the case, Anas Nawaz (hereinafter referred to as the “Respondent”) is an industrial consumer of Islamabad Electric Supply Company Limited (hereinafter referred to as the “Appellant”) bearing Ref No.24-14358-736408 having sanctioned load of 16 kW and the applicable tariff category is B-1(b). Audit Department vide Audit Note No.236 dated 26.01.2021 pointed out commercial activity during the period from August 2018 to January 2021 and recommended to charge the difference of tariff. Subsequently, notice dated 22.12.2022 was issued to the Respondent regarding the misuse of tariff, and a detection bill of Rs.1,434,505/- was debited by the Appellant in December 2022.
2. Being aggrieved with the above-mentioned actions of the Appellant, the Respondent filed a complaint before the Provincial Office of Inspection, Islamabad Region, Islamabad (hereinafter referred to as the “POI”) and challenged the detection bill of Rs.1,434,505/-. The complaint of the Respondent was disposed of by the POI vide decision dated 20.03.2023, wherein the detection bill of Rs.1,434,505/- was cancelled.
3. Being dissatisfied, the Appellant has filed the instant appeal before NEPRA and assailed the decision dated 20.03.2023 of the POI (hereinafter referred to as the “impugned decision”). In its appeal, the Appellant opposed the maintainability of the impugned decision, *inter-alia*, on

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the grounds that the impugned decision is void as the same has been passed by the Respondent without jurisdiction, coram non-judice; that the parliament did not envisage the establishment of POI for Islamabad; that the Government of Punjab cannot regulate the affairs of Islamabad; that the appointment of POI for Islamabad by the Punjab Government is bad in law; that the determination of the POI based on the judgment of superior courts is misplaced and misconceived; that the Appellant discovered the revenue loss on the basis of checking instead of audit; that the Respondent applied for industrial connection but used the said connection for commercial activity; that the POI did not consider the real facts of the case 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.

4. Notice dated 13.06.2023 of the appeal was issued to the Respondent for filing reply/para-wise comment, which were filed on 26.06.2023. In the reply, the Respondent rebutted the version of the Appellant and contended that the connection was not applied for industrial water supply and the said connection was being used for bricks kiln. The Respondent further contended that said business was closed in October 2022, since then said tube well has been used to supply water to needy persons on a charitable basis. As per Respondent, the Appellant targeted him on the basis of the audit note, which was rightly cancelled by the POI. According to the Respondent, the Appellant did not produce any evidence with regard to the commercial activity of the premises, as such the detection bill of Rs.1,434,505/- was issued to him with prior notice. The Respondent defended the impugned decision and prayed for the dismissal of the appeal with cost.
5. Hearing of the appeal was conducted at NEPRA Head Office Islamabad on 14.04.2025, wherein learned counsel appeared for the Appellant and the Respondent was present in person. At the outset of the hearing, learned counsel for the Appellant raised the preliminary objection regarding the jurisdiction of the POI and argued that the said forum was not empowered by the Federal government to entertain disputes of the billing, metering and collection of tariff. On merits, learned counsel for the Appellant contended that the Respondent was found involved in commercial activity due to which the audit department recommended to recover the detection bill of Rs.1,434,505/- 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 misuse of tariff and the Respondent is responsible to pay the same. Learned counsel for the Appellant submitted that the impugned

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decision is incorrect and the same is liable to be struck down. On the other hand, the Respondent repudiated the contention of the Appellant and averred that the above detection bill was debited on the basis of audit observation. The Respondent argued that the audit observation is internal observation and he cannot be held responsible for payment of the impugned detection bill. The Respondent finally prayed for dismissal of the appeal being devoid of merit.

6. Having heard the arguments and the record perused. Following are our observations:

6.1 With regard to the preliminary objection of the Appellant regarding the jurisdiction of POI, it is clarified that the Electric Inspectors were conferred the powers of POIs by the Provincial Governments to adjudicate the disputes related to metering, billing and collection of tariff under Section 38 of the NEPRA Act. In the instant case, the Appellant debited the detection bill of Rs.1,434,505/- to the Respondent on account of misuse of tariff i.e. A-2(c) instead of B-1(b), hence the POI is the competent forum to entertain such nature of disputes. The objection of the Appellant has no force and the same is rejected.

6.2 The Audit Party vide Audit Note No.236 dated 26.01.2021 pointed out misuse of tariff during the months i.e., August 2018 to January 2021, and recommended to charge the detection bill of Rs.1,434,505/- to the Respondent on account of misuse of tariff. Subsequently, the Appellant debited the above detection bill to the Respondent.

6.3 It is observed that the Appellant did not point out misuse of tariff during the monthly readings of the disputed period i.e. August 2018 to January 2021, which is the prime responsibility of the meter reader as per Chapter 6 of the CSM-2021. It is further observed that the red phase of the impugned meter of the Respondent was found dead during the Appellant checking dated 26.11.2020, however, the Appellant did not charge any detection bill based on the said checking due to misuse of tariff.

6.4 Subsequently, the Appellant charged the detection bill of Rs.1,434,505/- to the Respondent on account of misuse of tariff in December 2022 after a lapse of more than twenty-two months from the date of audit observation i.e. 26.01.2021. In this regard, it is clarified that the detection bill of Rs.1,434,505/- raised on the basis of Audit observation is not tenable in the eyes of the law. The Audit observation is an internal matter between the DISCO and the Audit Department and the Consumer cannot be held responsible for the payment of any detection bill based on the Audit Para. The honorable Lahore High Court in its judgment in the "Water and Power Development Authority, etc v. Umaid Khan" (1988 CLC 501) held that *no amount could be recovered from the consumer on the basis of the audit report as the audit affair is between the*

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WAPDA and its audit department and no audit report could in any manner make consumer liable for any amount and the same could not bring about any agreement between the WAPDA and the consumer making consumer liable on the basis of the so-called audit report. The courts in similar cases relied on the same principle in cases reported cited as 2014 MLD 1253 and 2008 YLR 308.


6.5 As per Clause 12 of the clarification dated 26.03.2021 rendered in 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 for a period of thirty months and after a lapse of more than twenty-two months is contradictory to the above-mentioned clarification of the revised CSM-2021.


6.6 In view of the foregoing discussion, we are of the considered view that the detection bill of Rs.1,434,505/- charged to the Respondent in December 2022 is unjustified and the same is cancelled, which is also the determination of the POI.

7. Foregoing in view, the appeal is dismissed.


Abid Hussain
Member/Advisor (CAD)

Dated: 30-06-2025


Naweed Illahi Sheikh
Convener/DG (CAD)


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