



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

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No. NEPRA/Appeal/105/2023/ *650*

July 09, 2025

- | | |
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| 1. Muhammad Farooq,
House No. 54-F, Street No. 5,
Sector F-8/3, Islamabad
Cell No. 0300-9563337 | 2. Chief Executive Officer,
IESCO Ltd,
Head Office, St. No. 40,
Sector G-7/4, Islamabad |
| 3. Faisal Bin Khurshid,
Advocate Supreme Court,
Office No. 3, First Floor,
National Arcade, 4-A (NBP),
F-8 Markaz, Islamabad
Cell No. 0333-5119299 | 4. Sub Divisional Officer (Operation),
IESCO Ltd,
F-8 Sub Division,
Office at Street No. 6,
Near Abbasi Market, F-8,
Islamabad
Cell No. 0319-5990122 |
| 5. POI/Electric Inspector,
Islamabad Region,
XEN Office, Irrigation & Power Department,
Rawal Dam Colony, Park Road,
Islamabad | |

Subject: **Appeal No.105/2023 (IESCO vs. Muhammad Farooq) Against the Decision Dated 10.02.2022 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 09.07.2025 (05 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.105/POI-2023

Islamabad Electric Supply Company Limited

.....Appellant

Versus

Muhammad Farooq House No.54-F, Street No.05,
Sector F-8/3, Islamabad

.....Respondent

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

For the Appellant:

Mr. Faisal Bin Khursheed Advocate through Zoom
Mr. Usman Farooq SDO

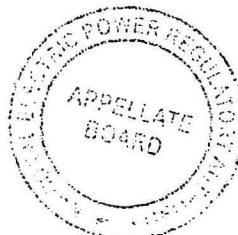
For the Respondent:

Mr. Muhammad Fawad Ahmed

DECISION

1. As per the facts of the case, Muhammad Farooq (hereinafter referred to as the "Respondent") is a commercial consumer of Islamabad Electric Supply Company Limited (hereinafter referred to as the "Appellant") bearing Ref No.24-14122-1559600 having sanctioned load of 09 kW and the applicable tariff category is A-2(C). Old meter (the "first meter") of the Respondent was replaced with a new meter (the "second meter") by the Appellant on 05.03.2020 and a detection bill of 539 units was charged to the Respondent. Subsequently, the second meter became defective in September 2020 and the said meter was replaced with third meter by the Appellant on 04.11.2020. Audit Department vide Audit Note No.238 dated 08.09.2021 pointed out less recovery of units during the months i.e. March 2020, September 2020, and November 2020 due to defective meters of the Respondent and recommended to charge the detection bill of Rs.375,745/- for 14,387 units+42 kW MDI. Accordingly, a detection bill of Rs.375,745/- for 14,387 units+42 kW MDI was debited by the Appellant to the Respondent in October 2021.
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.375,745/-. The

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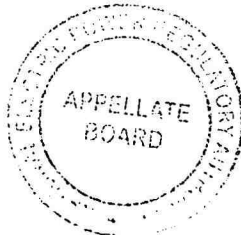




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complaint of the Respondent was disposed of by the POI vide decision dated 10.02.2022, wherein the detection bill of Rs.375,745/- for 14,387 units+42 kW MDI for March 2020, September 2020 and November 2020 charged based on Audit Note No.238 dated 08.09.2021 was cancelled.

3. Being dissatisfied, the Appellant has filed the instant appeal before NEPRA and assailed the decision dated 10.02.2022 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 the grounds that the assertions made under the impugned order are manifestly against the law and facts of the case; that the impugned decision is illegal, unlawful, without lawful authority and is against the norms of natural justice, fairness, equity; that the Respondent consumed electricity through supply, whereupon the bills were charged on estimated basis; that the POI erred with the factual bearing reported under test check proforma and relevant reports; that the impugned decision is scanty and without valid basis, which is reflection of wheeling and dealing as it is passed without taking into account the expert opinion; that the POI flouted the legal technical and factual aspects of the case and that the impugned decision is liable to be set aside.
4. Notice dated 26.10.2023 of the appeal was issued to the Respondent for filing reply/para-wise comment, which, however, were not filed.
5. Hearing of the appeal was conducted at NEPRA Head Office Islamabad on 21.04.2025, wherein both parties tendered appearance. At the outset of the hearing, the representative for the Respondent raised the preliminary objection regarding the limitation and prayed for the dismissal of the appeal being barred by time. In response, learned counsel for the Appellant submitted that the copy of the impugned decision was obtained by the Appellant on 18.09.2023 and the present appeal was filed before the NEPRA on 13.10.2023 within 30 days as envisaged in Section 38(3) of the NEPRA Act. On merits, learned counsel for the Appellant contended that the impugned meters of the Respondent became defective in March 2020 and September 2020 due to which actual energy could not be charged in March 2020, September 2020, and November 2020. Learned counsel of the Appellant further contended that the Audit department recommended to recover the detection bill of Rs.375,745/- for 14,387 units+42 kW MDI from the Respondent. As per learned counsel for the Appellant, the above detection bill was charged to the Respondent to recover the revenue loss sustained by the Appellant due to defective meters and the Respondent is responsible to pay the same. Learned counsel for the Appellant





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submitted that the impugned 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 merits. In support of his contention, the Respondent submitted the written arguments before NEPRA on 28.04.2021, wherein he reiterated the same contention as argued in the hearing.

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

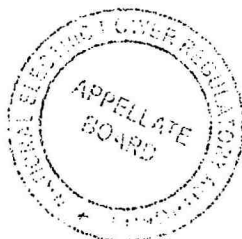
6.1 While considering the preliminary objection of limitation raised by the Respondent, it is noted that the Appellant received the impugned decision dated 10.02.2022 on 18.09.2023 and thereafter preferred the appeal before NEPRA on 13.10.2023. As per Section 38(3) of the NEPRA Act, any aggrieved party may prefer an appeal before NEPRA within 30 days of receipt of the decision of the POI. Reliance in this regard is placed on the judgment of the honorable Lahore High Court Lahore cited as *2016 YLR 1916*, wherein it was held that the POI is required to send a copy of the impugned decision to the parties and the period of limitation for filing the appeal will start from the date of receipt of the impugned decision. The Respondent even did not bring out any material evidence in support of his contention with regard to limitation.

6.2 In view of the foregoing discussion, we opined that the appeal filed before NEPRA on 13.10.2023 is within the prescribed limit of 30 days as envisaged in Section 38(3) of the NEPRA Act, therefore, the objection of the Respondent regarding limitation is not valid and dismissed.

6.3 The Audit Party vide Audit Note No.238 dated 08.09.2021 pointed out less recovery of units + MDI during the months i.e. March 2020, September 2020, and November 2022, and recommended to charge the detection bill of Rs.375,745/- for 14,387 units+42 kW MDI to the Respondent. Subsequently, the Appellant debited the above detection bill to the Respondent, which is under adjudication.

6.4 To verify the contention of the Appellant, the consumption data of the Respondent is

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reproduced below:

First Meter			Second Meter			Third Meter		
Month	Units	MDI	Month	Units	MDI	Month	Units	MDI
Jan-19	3262	8	Apr-20	1398	8	Dec-20	4104	12
Feb-19	2953	10	May-20	2149	5	Jan-21	5475	16
Mar-19	2025	6	Jun-20	6606	21	Feb-21	4378	18
Apr-19	2842	9	Jul-20	9670	24	Mar-21	2155	12
May-19	4512	14	Aug-20	10893	24	Apr-21	3041	10
Jun-19	6460	18	Sep-20	0	0	May-21	3487	19
Jul-19	8330	22	Oct-20	5318	5	Jun-21	8871	22
Aug-19	9300	24	Nov-20	977	4	Jul-21	7845	28
Sep-19	9655	24				Aug-21	5958	22
Oct-19	5318	23				Sep-21	4686	19
Nov-19	2707	12				Oct-21	1227	15
Dec-19	2009	8				Nov-21	2771	7
Jan-20	4688	11				Dec-21	5854	13
Feb-20	5258	11				Jan-22	7806	17
Mar-20	539	6				Feb-22	5435	17
Average	4657	14	Average	4626	11	Average	4928	17

6.5 Perusal of the above consumption data reveals that actual consumption was not charged by the Appellant in March 2020, September 2020 and November 2020 due to defective meters of the Respondent. In such cases, Clause 4.3.1(b) of the CSM-2020 is relevant, which states that DISCO may charge the bills on the basis of the average consumption of the last eleven months or the consumption of the corresponding month of the previous year, whichever is higher in case of defective meter. Whereas the Appellant instead of adhering to the ibid clause of the CSM-2020 debited the impugned detection bill on the basis of consumption of corresponding months of previous year as recommended by the Audit Department.

6.6 Even otherwise, 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 WAPDA and its audit department and no audit report could in any manner make*

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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.

6.7 It is further observed that the impugned detection bill was charged in October 2021, which includes the months of March 2020, September 2020 and November 2020. As per Clause 12 of the clarification dated 26.03.2021 rendered in the revised CSM-2021, the Appellant may recover the bill within one year from the date of discrepancy noticed. In the instant case, the bill of November 2020 may be recovered from the Respondent.

6.8 In view of the foregoing discussion, we are of the considered view that the detection bill of Rs.375,745/- for 14,387 units+42 kW MDI for March 2020, September 2020 and November 2020 charged to the Respondent based on audit note No.238 dated 08.09.2021 is unjustified and the same is cancelled, which is also the determination of the POI.

6.9 As evident from the above table, less consumption was charged in March 2020, September 2020 and November 2020 due to defective meters, the Respondent may be charged the revised bill for November 2020 on DEF-EST code as per clause 12 of the above referred clarification dated 26.03.2021 rendered in the revised CSM-2021 and the already charged units during the said month be adjusted, accordingly.

7. Impugned decision is modified in the above terms.

Abid Hussain
Member/Advisor (CAD)

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

Naweed Illahi Sheikh
Convener/DG (CAD)

Dated: 09-07-2025

