



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

NEPRA Office , Ataturk Avenue (East), G5/1, Islamabad
Tel. No. +92 051 2013200 Fax No. +92 051 2600030
Website: www.nepra.org.pk E-mail: ikramshakeel@nepra.org.pk

No. NEPRA/Appeal/056/2024/ 665

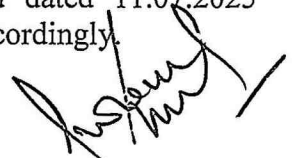
July 11, 2025

- | | |
|---|---|
| 1. Muhammad Saleem,
S/o. Firoz Din,
Through Raheem Mubarik,
Prop: Power Looms, 2079/2,
Iqbal Nagar, Multan
Cell No. 0301-6270709 | 2. Chief Executive Officer,
MEPCO Ltd,
MEPCO Complex, Khanewal Road,
Multan |
| 3. Malik Mureed Hussain Makwal,
Advocate High Court,
15-New Block, District Courts,
Multan.
Cell No. 0301-7510406 | 4. Executive Engineer (Operation),
MEPCO Ltd,
City Division, Multan |
| 5. Sub Divisional Officer (Op),
MEPCO Ltd,
Pak Gate Sub Division,
Multan | 6. POI/Electric Inspector,
Multan Region,
Energy Department, Govt. of Punjab,
249-G, Shah Rukan-e-Alam Colony,
Phase-II, Multan |

Subject: **Appeal No.056/2024 (MEPCO vs. Muhammad Saleem) Against the Decision Dated 20.05.2024 of the Provincial Office of Inspection to Government of the Punjab Multan Region, Multan**

Please find enclosed herewith the decision of the Appellate Board dated 11.07.2025 (06 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.056/POI-2024

Multan Electric Power Company Limited

.....Appellant

Versus

Muhammad Saleem S/o. Firoz Din,

Through Raheem Mubarak, Prop: Power Looms 2079/2,

Iqbal Nagar, Multan

.....Respondent

APPEAL U/S 38(3) OF REGULATION OF GENERATION, TRANSMISSION, AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997

For the Appellant:

Mr. Mureed Hussain Makwal Advocate

For the Respondent:

Nemo

DECISION

1. Brief facts leading to the filing of instant appeal are that Muhammad Saleem (hereinafter referred to as the "Respondent") is an industrial consumer of Multan Electric Power Company Limited (hereinafter referred to as the "the Appellant") bearing Ref No.28-15133-0990401-U with a sanctioned load of 18 kW and the applicable tariff category is B-1(b). Audit Department vide Audit Note No.130 dated 07.07.2022 pointed out illegal extension of load and recommend to charge fixed charges of 187 kW MDI for the period from September 2021 to February 2022. Accordingly, the Appellant debited a detection bill (the "first detection bill") of Rs.107,525/- against 187 kW MDI for the period from September 2021 to February 2022 to the Respondent based on the audit recommendation and added to the bill for November 2022. Subsequently, the Audit Department vide Audit Note No.21 dated 19.01.2023 pointed out the illegal extension of load and recommended to charge fixed charges of 117 kW MDI for the period from September 2022 to December 2022. Accordingly, the Appellant debited

Appeal No.056/POI-2024

Page 1 of 6



11.68



National Electric Power Regulatory Authority

another detection bill (the “second detection bill”) of Rs.71,370/- against 117 kW MDI for the period from September 2022 to December 2022 to the Respondent based on the audit recommendation and added to the bill for August 2023.

2. Being aggrieved, the Respondent filed an application before the Provincial Office of Inspection, Multan Region, Multan (hereinafter referred to as the “POI”) and challenged the abovementioned detection bills. The complaint of the Respondent was disposed of by the POI vide the decision dated 20.05.2024, wherein the first detection bill of Rs.107,525/- against 187 kW MDI for the period from September 2021 to February 2022 and the second detection bill of Rs.71,370/- against 117 kW MDI for the period from September 2022 to December 2022 were cancelled and the Appellant was directed to overhaul the billing account of the Respondent, accordingly.
3. Subject appeal has been filed against the afore-referred decision dated 20.05.2024 of the POI by the Appellant before the NEPRA. In its appeal, the Appellant opposed the impugned decision *inter alia*, on the following grounds that the impugned decision is against the facts and law of the case; that the POI miserably failed to appreciate the real facts/documents of the case and law applicable on the subject; that as per Clause 7.5.3 of the CSM-2021, if any consumer having B-1 connection uses load higher than 25 kW, he may be charged the difference of tariff for six months, therefore, first detection bill of Rs.107,525/- against 187 kW MDI for the period from September 2021 to February 2022 and second detection bill of Rs.71,370/- against 117 kW MDI for the period from September 2022 to December 2022 charged to the Respondent are justified and payable by him; that the POI did not observe the case in letter and spirit and the policy formulated in the CSM and that the impugned decision is liable to be set aside.

4. **Proceedings by the Appellate Board**

Upon filing of the instant appeal, a notice dated 12.07.2024 was sent to the Respondent for filing reply/para-wise comments to the appeal within ten (10) days, which, however, were not filed.

5. **Hearing**

A hearing was conducted at NEPRA Regional Office Multan on 07.02.2025, wherein learned counsel appeared for the Appellant, and no one tendered appearance on behalf of the

Appeal No.056/POI-2024

Page 2 of 6



M. 60



National Electric Power Regulatory Authority

Respondent. Learned counsel for the Appellant contended that the Respondent was found involved in the misuse of the tariff/illegal extension of load as pointed out by the Audit Department, therefore, two detection bills i.e. the first detection bill of Rs.107,525/- against 187 kW MDI for the period from September 2021 to February 2022 and second detection bill of Rs.71,370/- against 117 kW MDI for the period from September 2022 to December 2022 were debited to the Respondent based on audit recommendation to recover the revenue loss sustained by the Appellant. Learned counsel for the Appellant opposed the impugned decision for the cancellation of the above detection bills and prayed that the same is liable to be set aside.

6. Arguments were heard, and the record was perused. Following are our observations:

6.1 The Appellant charged two detection bills the first detection bill of Rs.107,525/- against 187 kW MDI for the period from September 2021 to February 2022 and the second detection bill of Rs.71,370/- against 117 kW MDI for the period from September 2022 to December 2022 to the Respondent based on recommendation of Audit Department, which are under dispute:

6.2 To reach a just conclusion, the consumption data of the Respondent is reproduced below:

Month	Units	MDI	Month	Units	MDI	Month	Units	MDI	Month	Units	MDI
Jan-21	0	0	Jan-22	3561	26	Jan-23	262	30	Jan-24	0-RC	0-RC
Feb-21	0	0	Feb-22	5257	48	Feb-23	0	0	Feb-24	1743	5
Mar-21	0	0	Mar-22	929	24	Mar-23	0	0	Mar-24	1591	5
Apr-21	0	0	Apr-22	0	0	Apr-23	0	0-DC	Apr-24	952	4
May-21	3340	2	May-22	0	0	May-23	0	0-DC	May-24	216	2
Jun-21	3776	27	Jun-22	50	1	Jun-23	0	0-DC	Jun-24	402	3
Jul-21	3581	25	Jul-22	28	1	Jul-23	0	0-DC	Jul-24	341	2
Aug-21	3026	26	Aug-22	29	1	Aug-23	0	0-DC	Aug-24	273	4
Sep-21	4280	28	Sep-22	3219	31	Sep-23	0	0-DC	Sep-24	509	34
Oct-21	2765	30	Oct-22	3082	30	Oct-23	0	0-DC	Oct-24	480	3
Nov-21	2005	28	Nov-22	1445	27	Nov-23	0	0-DC	Nov-24	906	3
Dec-21	3616	27	Dec-22	1796	29	Dec-23	0	0-DC	Dec-24	858	3

6.3 Perusal of the billing record shows that the MDI of the Respondent recorded above 25 kW for the periods from June 2021, August 2021 to February 2022, and from September 2022 to December 2022 therefore the connection under dispute falls in the B-2 category and the recovery of fixed charges be made from the Respondent as per Clause 7.5.3 of the CSM-2021, which is reproduced below:



11-2



National Electric Power Regulatory Authority

"7.5 MIS-USE OF TARIFF"

7.5.1 The consumer shall, in no case use the connection for the purpose other than for which it was originally sanctioned. In case of violation, the consumer is liable for disconnection and legal action.

Explanation:

The phrase for the purpose other than for which the connection was originally sanctioned means if a connection was originally sanctioned under one tariff category for example domestic tariff (A-1) and is being used for a commercial purpose i.e. A-2.

7.5.2 DISCO shall serve seven days clear notice to the consumer who is found misusing his/her sanctioned tariff. However, DISCO shall immediately change the tariff and shall determine the difference of charges of the previous period of misuse to be recovered from the consumer. However, in the absence of any documentary proof, the maximum period of such charges shall not be more than two billing cycles.

7.5.3 If any consumer uses higher MDI i.e. B-1 consumer uses load above 25 kW, the DISCO shall immediately issue notice for change of tariff to B-2; however, charging of the difference of tariff or power factor penalty shall not be more than six (6) months, retrospectively. Similarly, if a consumer having load less than 5 kW uses higher load; the DISCO shall issue notice for extension of load and shall extend the load after completion of codal formalities, and in such case fixed charges/power factor penalty wherever applicable shall not be raised for more than six (6) months, retrospectively. However, these charges may be raised within one year, and after one year, no claim shall be legal."

6.4 In view of the above, the recoverable period of the difference of tariff is January 2022 to June 2022 (six months) before the Audit Note dated 07.07.2022, whereas the Appellant debited the first detection bill for the period from September 2021 to February 2022 contrary to Clause 7.5.3 of the CSM-2021.

6.5 Even otherwise, the first detection bill of Rs.107,525/- against 187 kW MDI for the period from September 2021 to February 2022 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 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 so-called audit*



11
60



National Electric Power Regulatory Authority

report. The courts in similar cases relied on the same principle in cases reported cited as 2014 MLD 1253 and 2008 YLR 308.

6.6 In view of the foregoing discussion, we are of the considered view that the first detection bill of Rs.107,525/- against 187 kW MDI for the period from September 2021 to February 2022 charged to the Respondent based on audit observation is unjustified and the same is cancelled, which is also the determination of the POI.

6.7 As per Clause 7.5.3 of the CSM-2021, the Respondent is liable to be charged the revised detection bill for January 2022 and February 2022 on account of fixed charges, wherein the MDI exceeds 25 kW. The impugned decision is liable to be modified to this extent.

6.8 The Appellant debited second detection bill of Rs.71,370/- against 117 kW MDI for the period from September 2022 to December 2022 to the Respondent based on Audit Note No.21 dated 19.01.2023 and added to the bill for August 2023.

6.9 It is observed that the Appellant neither regularized the illegally extended load of the Respondent despite previously being recommended by the Audit Department nor pointed out the discrepancy of misuse of tariff during monthly readings as per Chapter 6 of the CSM-2021. Subsequently, the Audit department vide audit note No.21 dated 19.01.2023 recommended to charge the fixed charges for the period from September 2022 to December 2022, which is not tenable as per the above-referred judgments of superior courts. As such the second detection bill of Rs.71,370/- against 117 kW MDI for the period from September 2022 to December 2022 charged to the Respondent based on the Audit Note No.21 dated 19.01.2023 and added to the bill for August 2023 is unjustified and the same is liable to be cancelled as already decided by the POI.

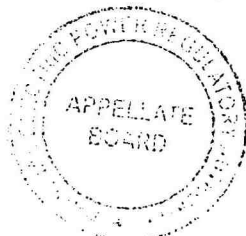
6.10 Examination of billing history reveals that the MDI of the Respondent exceeded beyond 25 kW during the period from September 2022 to January 2023. Hence, the Appellant may recover the fixed charges for the period from September 2022 to January 2023 from the Respondent. The impugned decision is liable to be modified to this extent.

7. Summing up the foregoing discussion, it is concluded as under:

7.1 First detection bill of Rs.107,525/- for 187 kW MDI for the period from September 2021 to February 2022 and the second detection bill of Rs.71,370/- against 117 kW MDI for the period from September 2022 to December 2022 are unjustified and the same are cancelled.

7.2 The Appellant is directed to take action for the regularization of the illegally extended load

Handwritten signature/initials.





National Electric Power Regulatory Authority

and for the Respondent's account to be shifted to the B-2 tariff category and charged the bills as per B-2 tariff category w.e.f January 2022 and onwards.

7.3 The billing account of the Respondent be overhauled, accordingly.

8. The 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: 11-07-2025

