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

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No. NEPRA/Appeal/124/2024/ 916 October 15, 2025

1. Muhammad Zubair Khan,
   C/o. Nauman Engineering Works,
   192-A, Industrial Estate, Hayatabad,
   Peshawar
   Cell No. 0333-9152593

2. Chief Executive Officer,
   PESCO Ltd,
   WAPDA House, Sakhi Chashma,
   Shami Road, Peshawar

3. Executive Engineer (Operation),
   PESCO Ltd,
   Khyber Division, 41/B-1, Phase-5,
   Hayatabad, Peshawar
   Phone No. 091-9217359
   Cell No. 0370-1340210

4. Sub Divisional Officer (Operation),
   PESCO Ltd,
   Hayatabad-II Sub Division,
   Near S.S Kanta & Opposite Al-Hafiz
   Crystoplast Industry, Hayatabad,
   Peshawar
   Phone No. 091-5881077
   Cell No. 0370-1340216

5. POI/Electric Inspector,
   Peshawar Region,
   Benevolent Fund Building,
   3rd Floor, Near Jans Bakers,
   Peshawar Cantt,
   Phone No. 091-9211343

Subject: **Appeal No.124/2024 (PESCO vs. Muhammad Zubair Khan) Against the Decision Dated 22.07.2024 of the Provincial Office of Inspection to Government of the Khyber Pakhtunkhwa Peshawar Region, Peshawar**

Please find enclosed herewith the decision of the Appellate Board dated 15.10.2025 (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.124/POI-2024

Peshawar Electric Supply Company Limited ....Appellant

Versus

Muhammad Zubair Khan, C/o. Nauman Engineering Works,
192-A, Industrial Estate, Hayatabad, Peshawar ....Respondent

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

For the Appellant:
Mr. Naqeeb Ullah SDO

For the Respondent:
Mr. Muhammad Zubair Khan

DECISION

1. Through this decision, the appeal filed by Peshawar Electric Supply Company Limited (hereinafter referred to as the "Appellant") against the decision dated 22.07.2024 of the Provincial Office of Inspection, Peshawar Region, Khyber Pakhtunkhwa (hereinafter referred to as the "POI") is being disposed of.
2. Brief facts of the case are that Mr. Muhammad Zubair Khan (hereinafter referred to as the "Respondent") is an industrial consumer of the Appellant bearing Ref No.30-26216-503950 with a sanctioned load of 78 kW and the applicable Tariff category is B-2(b). Audit department vide Audit Note No.19 dated 23.05.2022 pointed out illegal extension of load and misuse of tariff and recommended to charge the detection bill of Rs.601,848/- for 1,286 kW MDI for the period from January 2018 to December 2020. According, the Appellant charged the above-mentioned detection bill was charged to the Respondent in January 2024.
3. Being aggrieved, the Respondent filed a complaint before POI on 20.05.2024 and challenged the detection bill of Rs.601,848/-, which was disposed of by the POI vide the decision dated

22.07.2024, wherein the Appellant was directed to withdraw the arrears pertaining to audit observations and issue a revised bill to the Respondent for payment.

4. Being dissatisfied, the Appellant filed instant appeal before the NEPRA against the afore-referred decision of the POI, which was registered as Appeal No. 124/PO1-2024. In its appeal, the Appellant opposed the impugned decision *inter alia*, on the following grounds that the POI has personal grudge with PESCO, which is resulting unprofessional and non-cooperative behavior; that the PESCO has not been heard and the case has been decided on ex-parte due to non-issuance, non-dispatching and non-delivery of summons/notices; that the Respondent is defaulter ad huge arrears are lying unpaid against his connection; that the bill was charged as per Ministry of Water and Power SRO 510(1)/2012 dated 16.05.2024 for charging B-2 tariff category for those consumers, who exceeds load beyond 25 kW; and that the impugned decision is liable to be set aside.

5. Upon the filing of the instant appeal, a notice dated 10.12.2024 was sent to the Respondent for filing reply/para-wise comments to the appeal within ten (10) days, which were filed on 20.12.2024. In the reply, the Respondent raised the preliminary objection regarding limitation and submitted that the appeal is badly time-barred and the same be dismissed on this sole ground. The Respondent further submitted that the Appellant debited an excessive bill of Rs.568,288/- in May 2024 on account of misuse of tariff, which was challenged before the POI. As per the Respondent, neither attended the proceedings before the POI nor was a reply submitted to the complaint, hence the impugned decision was rendered on ex parte. The Respondent finally prayed for upholding the impugned decision.

6. Hearing was conducted at NEPRA Regional Office, Peshawar, on 25.08.2025, which was attended by both parties. The representative for the Appellant defended the charging of the impugned detection bill and argued that the Respondent was involved in illegal extension of load and misuse of tariff. This fact was pointed out by the Audit department vide AN No.19 dated 23.05.2022. He submitted that the detection bill of Rs.601,848/- for 1,286 kW MDI for the period from January 2018 to December 2020 was charged to the Respondent, against which he filed a complaint before the POI. As per the Appellant, the POI has neither summoned notice for reply/para-wise comments nor afforded an opportunity of hearing and rendered the ex parte impugned decision. On the contrary, the Respondent appearing in person defended the impugned decision for cancellation of the above detection bill and prayed for

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dismissal of the appeal being barred by time.

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

i With regard to the preliminary objection of the Respondent regarding limitation, it is observed that a copy of the impugned decision was obtained by the Appellant on 26.08.2024, against which the Appellant initially preferred before the NEPRA on 25.09.2024 within 30 days of receipt of the impugned decision as envisaged in Section 38(3) of the NEPRA Act. Hence, the objection of the Respondent is devoid of force and rejected.

ii The Appellant charged a detection bill of Rs.601,848/- for 1,286 kW MDI for the period from January 2018 to December 2020 to the Respondent based on the recommendation of the Audit Department, which is under dispute:

iii It is observed that the Audit department vide audit note No.19 dated 23.05.2022 recommended recovery of fixed charges for the years 2018 to 20220 due to misuse of tariff. 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, multiplying factor, power factory penalty, tariff category, etc., have been skipped by DISCO, the difference of these charges can be raised within one year for maximum period of six months retrospectively. However, the Appellant debited the above detection bill in January 2024 after a lapse of more than eighteen (18) months, and the period of recovery was three years i.e.2018 to 2020, instead of six retrospective months, which is inconsistent with the ibid clause of the clarification dated 26.03.2021 rendered in the revised CSM-2021. It is an admitted fact that the extended load of the Respondent was regularized by the Appellant vide SCO 002389 (Extension of load) dated 04.02.2020, and the tariff category is changed from B-1 to B-2(b) in April 2020. Thus, there is no justification to include the period from April 2020 to December 2020 for the recovery of the difference in tariff category, which has already been debited as per the applicable tariff category B-2(b).

iv Even otherwise, the impugned detection bill 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*

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

v In view of the foregoing discussion, we are of the considered view that the detection bill of Rs.601,848/- for 1,286 kW MDI for the period from January 2018 to December 2020 charged to the Respondent based on audit observation is unjustified and the same is cancelled, which is also the determination of the POI.

8. Forgoing in view, the appeal is dismissed.

Abid Hussain
Member/Advisor (CAD)

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

Naweed Illahi Sheikh
Convener/DG (CAD)

Dated: 15-10-2025

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