

**SUBJECT: COMPLAINT FILED BY MALIK MUHAMMAD SAEED AKHTAR, ADDITIONAL XEN, GUJRANWALA ELECTRIC POWER COMPANY LIMITED (THE "GEPSCO") UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST GEPSCO OFFICIALS**

Brief facts of the matter are that NEPRA received a letter dated July 07, 2018, from National Accountability Bureau (NAB) with respect to the complaint/application of Mr. Muhammad Saeed Akhtar, Additional XEN, Gujranwala Electric Power Company Limited (Hereinafter referred to as "GEPSCO" or "the Complainant"). The complaint contained allegations against GEPSCO officials in Gujranwala Division 1 and Division 2 for overbilling and charging of unjustified detection bills. The Complaint was registered under section 39 of the NEPRA Act. A similar nature of complaint of the Complainant was also received from Human Rights Cell of the Honourable Supreme Court (SC) of Pakistan.

2. The Authority constituted the following four Members Committee to investigate the matter:

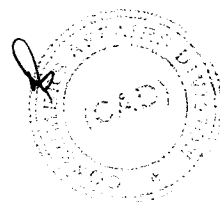
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|-------|-------------------------|---|----------------------------------|
| (i)   | Mr. Masood Akhtar       | - | DG/Consultant (M&E)              |
| (ii)  | Mr. Mazhar Iqbal Ranjha | - | Director (Standards/Enforcement) |
| (iii) | Mr. Khawar Hanif        | - | Dy. Director (M&E)               |
| (iv)  | Mr. Hafiz Irfan Ahmed   | - | Sr. AD (Standards)               |

3. The Committee after analysing the matter submitted a report to the Authority with its recommendations. The Authority after detailed deliberations decided vide RM 18-697 dated August 19, 2019, as under:

..there were no approved ToRs for conducting the inquiry therefore, the recommendation of the report prepared by M&E are not relevant. The Authority directed the Consumer Affairs Department to draft ToRs for analysing the case and get the same approved by the Authority through circulation urgently. Further, the Authority directed ADG (CAD) to analyse the report prepared by M&E wing and submit recommendations in accordance with approved ToRs to the Authority within 30 calendar days of RM for consideration.

4. In order to proceed further into the matter, the Authority reconstituted the Inquiry Committee comprising following:

- |       |   |          |
|-------|---|----------|
| (i)   | Mr. Nadir Ali Khoso, SA(CA)                         | Convener |
| (ii)  | Mr. Naweed Illahi Sheikh, ADG (CA)                  | Member   |
| (iii) | Mian Ahmed Ibrahim, LA (CA).<br>(later on resigned) | Member   |
| (iv)  | Lashkar Khan Qambrani, Dy. Director (CA)            | Member   |



5. Following are the approved ToRs of the revised Inquiry Committee:

- (i) Meeting of the Committee with the Complainant and obtaining record/evidence in support of the complaint.
- (ii) Site inspection i.e. GEPCO Headquarter and other relevant Division /Grid stations.
- (iii) Verification of Allegation and scrutiny of record of GEPCO, Gujranwala Division I & II from 2013 to 2016 particularly verification of reference numbers/cases mentioned in the complaint.
- (iv) Revisiting the draft report earlier submitted by M&E.

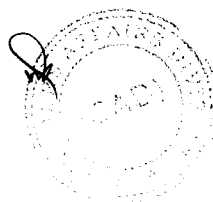
6. **Allegations Levelled in The complaint**

The Complainant levelled the following allegations in his complaint:

- (i) Issuance of unjustified Detection Bills in Gujranwala Division 1 and Division 2.
- (ii) Adjustment of excessively charged bills against Civil Hospital Gujranwala through Paper MCO
- (iii) Issuance of detection bills in case of extension of Load
- (iv) Charging of excessive bills against 10 Nos. Consumers including Government connections
- (v) Misappropriation of 40MVA power Transformer at Veneke Taror Grid Station
- (vi) Embezzlement of funds pertaining to Earth-filling at Khiali Grid Station

7. In pursuance of the approved ToRs, a hearing on the subject matter was held on October 09, 2019, at NEPRA Head office, Islamabad, wherein the Complainant was exclusively invited. The Complainant reiterated his version submitted in the Complaint. However, he did not submit any documentary evidence in support of his allegations. Accordingly, the Complainant was advised to submit documentary evidence in support of his case.

8. In order to proceed further into the matter, an opportunity of hearing was provided to the accused officers/officials of GEPCO on October 25 and 26, 2019 at GEPCO headquarters Gujranwala. The Complainant was also advised to provide evidence in support of his case during the hearing. Some of the relevant officers of GEPCO were on leave, therefore, CEO, GEPCO requested for giving opportunity of hearing to the unavailable officers before deciding the matter. Accordingly, another hearing was held on January 22, 2020, at GEPCO headquarters, Gujranwala.



9. **The point wise detail of the allegation/proceedings is as under:**

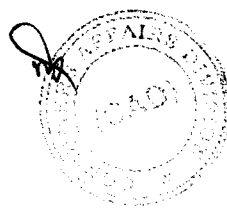
**A. Issuance of unjustified Detection Bills in Gujranwala Division No.1 and 2**

The Complainant has submitted that the XENs and SEs have charged fake detection bills in Gujranwala Div 1 and 2 with effect from the year 2013 to date (i.e. November 2016 filing of complaint). They have shown the already charged units as nil due to which unit rate has been reduced, which has caused financial loss to GEPCO. Further, the consumers are unaware of the fraud of charging detection bills against them. The amount was later on adjusted against fuel Price adjustment. The officers are involved in facilitating theft of electricity and in order to control line losses they charge false detection bills to consumers. He added that during his posting as SDO Chamman Shah Sub Division, he was directed by the concerned XEN to charge fake detection bills. Upon his refusal, the Meter Inspector namely Mr. Irshad complied with the directions of the XEN. However, when he (the Complainant) knew the same, he wrote letter for withdrawal of charging detection bills and also framed charge sheet against the Mr. Irshad (Meter Inspector) which was not approved by the high-ups. During the proceedings Mr. Irshad (Meter Inspector) denied the allegations and submitted that no such instructions have been given to me by the XEN.

The Complainant provided lists against which the detection bills were charged.

**Division I**

Sub-Division	Period	Detection Units Charged	No. of Affected Consumers
Garjakhhi Gate	Aug 13	142514	289
City	Aug 13	89199	300
Model Town	Aug 13	563977	2914
Farooq Gunj	May 14	413130	705
Garjakhhi Gate	Dec 14	28387	298
City	Jan 15	16542	84
Model Town	Jan 15	311720	3198
Model Town	Feb 15	76447	785
Garjakhhi Gate	Feb 15	52026	541
Baghbanpura	Feb 15	153105	1061
City	Feb 15	18943	128
Farooq Gunj	Feb 15	58400	400



Baghbanpura	May 16	35519	301
<b>Total</b>		1959909	11004

*Detection Bills Issued in Division I – List Attached at Annex A*

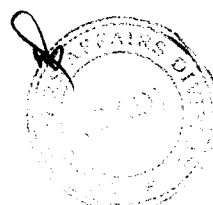
**Division II**

Sub-Division	Period	Detection Units Charged	No. of Affected Consumers
Colony	Jul 14	420000	875
Chamman Shah	Dec 14	201300	671
T.M Khan	Dec 14	167263	392
Civil Lines	May 16	104,830	1090
T.M Khan	May 16	27538	281
Colony	May 16	28167	286
GT Road	May 16	13426	137
Chamman Shah	May 16	28126	287
<b>Total</b>		990650	4019

*Detection Bills Issued in Division II – List Attached at Annex B*

The matter of issuance of detection bills was scrutinized in detail. The relevant XENs/SDOs/ROs were heard at length. None of the officers denied issuance of detection bills. They admitted that the detection bills were issued against those consumers where sluggish meters were installed and the actual consumption was not being recorded. In order to recover the loss, sustained by GEPCO, detection bills were raised. The Complainant in his complaint submitted that the detection bills were issued on the directions of the higher management of GEPCO including Chief Executive Officer and Superintending Engineers. However, the GEPCO officers/officials categorically denied about receiving any such instructions from the management. GEPCO officials further informed that no consumer raised any objection on the detection bills and paid all the bills.

The Consumer Service Manual (CSM) envisages a procedure for issuance of detection bills and replacement of defective meters. The record reveals that mostly



the detection bills were issued to the consumers without following the procedure as laid down in CSM. However, no element of corruption by the officers/officials or financial loss to GEPCO surfaced.

In view of the forgoing, it is concluded that mostly the detection bills were issued without following the prescribed procedure laid down in CSM, therefore, GEPCO is required to scrutinize each case of the detection bill charged in Division I and II of GEPCO, as pointed out by the Complainant (Attached at **Annex A and B**) and give the adjustment to the consumers where proper procedure has not been followed.

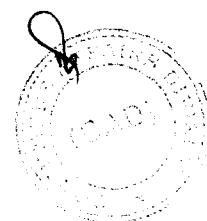
#### **B. Paper MCO bills against Government Civil Hospital Gujranwala**

The Complainant has alleged that Mr. Imtiaz, XEN charged excessive bills to the tune of 11,50,000 units against Civil Hospital Gujranwala. Later the units were reversed through paper MCO.

The record reveals that Meter No. 201476 was installed against Reference No. 12121-1786700 of Civil Hospital Gujranwala. The bill was charged up to meter index of 42997 Off-Peak and 39011 Peak up to the month of February 2016. In March 2016 the reading was reversed through paper MCO (Bearing No. A 88/41 Dated March 15, 2016) as 16837 Peak and 2846 Off-Peak, leaving behind a difference of 28862 and after applying multiplying factor of 40 the total 11,54,480 units were reversed (details attached at **Annex C**).

The concerned XEN and SDO submitted that 14 Nos. connections were installed for different wings and wards of DHQ Hospital Gujranwala. Some dignitaries or NGO donated 02 Nos. 400kVA Transformers to the Hospital and the hospital management at their own installed and energized the same directly without any meters. Therefore, they were constrained to charge the unrecorded consumption of the new direct connections against account No. 28-12121-1786700 by raising its readings. The difference between the readings recorded on the meter of this registered connection and the billed readings had become so big that they had to find out ways to correct the readings at the time of introduction of snap reading. Therefore, Paper MCO was fed for bringing the billed readings up to the level of readings on the display of the meter. GEPCO officials further informed that the concerned Department has raised no objections on it.

In view of the foregoing, it is concluded that, the method adopted for charging bills against an account of Civil Hospital Gujranwala is not correct. The distribution companies have their own procedure for charging bills against direct connections,



which should have been followed by GEPCO; However, GEPCO did not follow the said procedure, therefore, GEPCO is required to adjust the excessively charged units i.e. 1154480 units against the Reference No. 28-12121-1786700 as per the rate/tariff applicable at that time.

### C. Issuance of Detection Bills in case of load extension

The Complainant submitted that GEPCO officials charged detection bills in cases of load extension. The Complainant has provided the following list of consumers who were charged detection bills on account of extension of load. The details are as under:

Reference No.	Sanctioned Load	MDI	Period	Units Charged
24121110198400	16	33	01-2017 to 07-2017	5245
24121133204300	09	56	06-2016 to 07-2017	13147
24121132375901	19	41	08-2016 to 07-2017	6458
24121132521201	24	34	06-2016 to 06-2017	6759
24121132515300	20	42	07-2016 to 07-2017	12709
24121132490400	19	30	11-2016 to 07-2017	5870
24121132471400	12	28	07-2016 to 07-2017	3753
24121132147901	24	49	04-2017 to 07-2017	5867
24121131914001	24	36	08-2016 to 07-2017	9976
24121131845200	24	35	08-2016 to 07-2017	9777
24121131399102	24	33	11-2016 to 07-2017	7331
24121131161502	19	31	04-2017 to 07-2017	5775
24121130614700	10	42	04-2017 to 07-2017	5613
Total				98,280

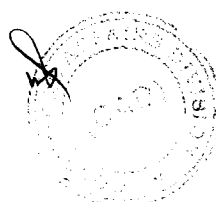
*List Attached at Annex D*

The GEPCO officials informed that the consumers had extended their load, therefore, in order to recover the loss sustained by GEPCO, detection bills were issued to them.

The procedure adopted by GEPCO for issuance of detection bills for load extension is not in line with the Provisions of the Consumer Service Manual (CSM), wherein, a separate procedure exists for regularization/extension of excessively used load. In view of the said, the units charged by GEPCO are required to be withdrawn, however, GEPCO may charge the difference of tariff and the MDI for the disputed period against the above mentioned connections and regularize their load as per the CSM.

### D. Adjustment of excessive bills including Govt. Connections

The Complainant provided a list of 10 Nos. consumers where excessive bills were charged. The data is summarized below:



	Reference No.	Name	Billing Month	Units Billed/Reading Charged (A)	Final Meter Reading as per M&T Report (B)	Excessive Unit: [(A) - (B)] * Mi
1.	28121140014100	Pakistan Mobilink Communication	May 2016	Off-Peak- 24612 Peak - 4219 Total: 28831	Off-Peak: 24152 Peak: 4234 Total: 28387	35,520 (MF=80)
2.	28121140394600	Habib Bank	May 2016	Off-Peak - 11132 Peak - 1968 Total: 13100	Off-Peak- 9187 Peak - 1958 Total: 11145	39,100 (MF=20)
3.	28121140009100	Askari Bank	May 2016	Off-Peak- 15339 Peak - 1523 Total: 16862	Off-Peak- 13930 Peak - 1227 Total: 15157	34,100 (MF=20)
4.	28121140012800	Pakistan Railway	May 2016	Off-Peak- 12698 Peak - 2730 Total: 15428	Off-Peak- 11520 Peak - 2769 Total: 14289	45,560 (MF=40)
5.	28121140008500	MCB Bank	May 2016	Off-Peak- 9633 Peak - 1579 Total: 11212	Off-Peak- 8019 Peak - 1564 Total: 9583	32,580 (MF=20)
6.	28121140008800	Faisal Bank	May 2016	Off-Peak- 11874 Peak - 14654 Total: 26528	Off-Peak- Peak - Total: 17906	86,220 (MF=10)
7.	28121140005100	State Bank	May 2016	Off-Peak- 17511 Peak - 2922 Total: 20433	Off-Peak- 16803 Peak - 2911 Total: 19715	28,720 (MF=40)
8.	28121140007800	Al-Falah Bank	May 2016	Off-Peak- 4729 Peak - 750 Total: 5479	Off-Peak- 4143 Peak - 736 Total: 4879	48,000 (MF=80)
9.	28121140006100	Nasir Ahmed	May 2016	Off-Peak- 11081 Peak - 2494 Total: 13575	Off-Peak- 10009 Peak - 2482 Total: 12491	21,680 (MF=20)
10.	28121140012500	Digital Engineer PTCL	May 2016	Off-Peak- 10138 Peak - 1189 Total: 11327	Off-Peak- 5297 Peak - 1166 Total: 7463	6,18,240 (MF=160)
	Total					371480

*M&T Report Attached at Annex E*

GEPCO officials were of the view that above mentioned meters were defective and the bills were charged to recover the uncharged units.

The record reveals that M&T has pointed out that the final reading dial of the above connections/meters. If the meters were defective, GEPCO should have replaced the same in time and issued bills in accordance with the provisions of Consumer Service Manual, however, the same was not done by GEPCO officials. Therefore, the bills charged to the above mentioned consumers are not justified and GEPCO is required to charge the bills as per the final meter readings pointed out by the M&T and adjust



the excessively charged units against the above mentioned connections as per the rates applicable at that time, keeping in view the peak and off-peak readings.

**E. Misappropriation of 40 MVA power transformer at Veneke Taror Grid Station**

The Complainant in his complaint submitted that Mirza Faisal Nafees (XEN) in connivance with officials of PMU installed an old 40 MVA power transformer at Veneke Taror Grid Station instead of a new one because a new transformer was procured. During the hearing, the Complainant informed that he has no proof regarding his allegations of misappropriation in procurement of 40 MVA power transformer and that he had only learnt about it from an un-authentic source and he does not want to press the allegation any further.

**F. Embezzlement in funds relating to Earth-filling at Khiali Grid Station**

The Complainant also alleged embezzlement in funds of earth filling at Khiali Grid Station. On a query, he informed that he has no proof regarding this allegation and rather he had heard about it from some person. However, regarding other allegations he reiterated his earlier version. The Complainant submitted that he does not want to press this allegation also.

**10. Allegations upon the Complainant**

It is worth mentioning here that the Complainant's own record/conduct is not clean:

- i) The record reveals that the Complainant's Matriculation certificate has been cancelled by the Board of Intermediate and Secondary education Gujranwala and the case is still subjudice.
- ii) The record further reveals that the Complainant is a habitual litigant and has filed many complaints/cases at different forums against GEPCO officials due to any reason whatsoever.
- iii) In one of its inquiries, the FIA in its inquiry had declared the Complainant as habitual litigant.
- iv) The record also reveals that the Complainant himself has issued detection bills without following the proper procedure.





## 11. Conclusion

In light of the verbal/written arguments forwarded before this committee; the following has been concluded:

- i) Most of the detection bills charged in Division I and II of GEPCO were without following the proper procedure as laid down in the Consumer Service Manual.
- ii) It has been established that GEPCO has charged excessive units against the Account No. 28-12121-1786700 of Civil Hospital Gujranwala.
- iii) The Detection bills issued on account of extension of load against 13 Nos. connections, as provided by the Complainant, are not-justified. The load of these consumers is to be extended as per the provisions of CSM and the difference of tariff and MDI may be charged for the disputed period against the relevant consumers.
- iv) In 10 Nos. of connections pointed out by the Complainant, GEPCO has charged excessive bills. In this regard, GEPCO is required to charge bills according to the final readings as pointed out by the M&T and adjust the excessively charged bills against the relevant consumers.
- v) The concerned GEPCO officials, including the Complainant, are either not well-versed with the provisions of Consumer Service Manual or have deliberately overlooked the provisions of the CSM regarding issuance of detection bills/regularization of load, etc.

## 12. Recommendations

In view of the above, it is recommended that GEPCO be directed to proceed as under in order to avoid reoccurrence of such incidents:

- i) Scrutinize each case of detection bills pointed out by the Complainant, in Division I and II of GEPCO in line with the procedure laid down in the Consumer Service Manual (CSM) and withdraw/adjust the detection bills where the procedure has not been followed.
- ii) To adjust the excessively charged units i.e. 1154480 units against the Account No. 28-12121-1786700 of Civil Hospital Gujranwala, as per the rate/tariff applicable at that time.
- iii) Regularize the load of the consumers (as per the list given by the Complainant) according to the provisions of CSM and withdraw the detection bills charged against them. GEPCO may charge the difference of tariff and MDI as per the rates applicable at that time for the disputed period.
- iv) Adjust the excessive bills charged against the 10 Consumers as mentioned in the complaint according to the final readings pointed out by the M&T.



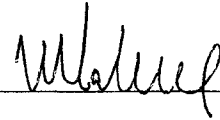
- v) Although no financial/corruption element has been observed, however, proper procedure was not followed by GEPCO in issuance of detection bills, extension of load, etc. Accordingly, GEPCO may take action against the relevant officers/staff of Division I and II as per its own Procedures.
- vi) GEPCO to conduct training sessions for its officers to create awareness amongst them regarding the Consumer Service Manual.

  
25/3/2020

Lashkar Khan Qambrani  
Deputy Director



Naweed Illahi Sheikh  
Addl. Director General (CAD)



Nadir Ali Khoso  
Senior Advisor (CAD)

