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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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REGISTRAR

No. NEPRA/R/TCD-02/10541-43


12-9-2014

Chief Executive Officer
Islamabad Electric Supply Co. Ltd.
Street # 40, Sector G-7/4, Islamabad.

SUBJECT: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. IFTIKHAR AHMED S/O NAZAR MUHAMMAD, M/S BARSA CASH & CARRY UNDER SECTION 39 OF REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST IESCO REGARDING DETECTION BILL (AC#24 14123 0983000, 24 14123 0983202 AND 24 14123 0983206)
Complaint # IESCO-27/2014

Please find enclosed herewith decision of NEPRA dated September 10, 2014, regarding the subject matter for necessary action and compliance within 30 days of receipt of this decision.

Encl : As Above


(Naveed Illahi Sheikh)

Copy to:

1. C.E./Customer Services Director, Islamabad Electric Supply Co. Ltd. Street # 40, Sector G-7/4, Islamabad.
2. Mr. Iftikhar Ahmed S/O Nazar Muhammad. M/s BARSA Cash & Carry. Plot No.20-E. Shop No.5, L.G. Floor, G-10 Markaz, Islamabad.



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No: IESCO-27-2014

Mr. Iftikhar Ahmed S/o Nazar Muhammad Complainant
M/s BARSA Cash & Carry,
Plot No. 20-E, Shop No. 5, L.G. Floor,
G-10 Markaz, Islamabad.

Versus

Islamabad Electric Supply Company (IESCO), Respondent
Through its CEO,
Head Office IESCO,
Street No. 40, Sector G-7/4,
Islamabad.

Date of Decision: *September 10, 2014*

Date of Hearing: 14th April 2014

On behalf of:

Complainant: Mr. Iftikhar Ahmed.

Respondent: 1) Mr. Sher Dad Khan, Addl. S.E. IESCO (Division 2).
2) Mr. Khalid Farooq, SDO, IESCO.

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MR. IFTIKHAR AHMED S/O NAZAR MUHAMMAD, M/S BARSA CASH & CARRY UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST IESCO REGARDING DETECTION BILL (AC # 24 14123 0983000, 24 14123 0983202 AND 24 14123 0983206)**

DECISION

This decision shall dispose of the complaint, received in NEPRA on 19th February 2014, filed by Mr. Iftikhar Ahmad S/o Nazar Muhammad, M/s BARSA Cash & Carry (hereinafter referred to as the "Complainant") against Islamabad Electric Supply Company (hereinafter referred to as the "Respondent" or "IESCO") under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

2. The Complainant, in his complaint, stated that he was served with notices regarding detection bills in respect of three accounts pertaining to him. The details are as under:



i. AC # 24 14123 0983000:

SDO, G-9 Islamabad installed check meter in August 2013 and then removed the old meter after 04 months without any MCO or prior intimation to him. Later, a notice was served to him wherein it was stated that the meter is tampered and a detection bill for 12 months (Jan 2013 - Dec 2013) was charged. It was also stated in the notice that FIR will also be processed in this regard. The M&T Report is in his favor.

ii. AC # 24 14123 0983202:

IESCO removed the meter in November 2013 without any intimation and bill was charged on defective status for more than 04 months which has been paid by him. Later, it was informed by IESCO that the meter body is found damaged and he will be charged detection bill for 13 months and FIR application was also sent to FIA crime cell. He paid the bill in installments to avoid any Equipment Removal Order (ERO) or disconnection. The Complainant further stated that IESCO has violated the provisions of Consumer Service Manual.

iii. AC # 24 14123 0983206:

SDO, G-9 Islamabad installed check meter in September 2013 and then removed the old meter after 04 months without prior intimation to him. Later, a notice was served to him wherein it was stated that the meter is tampered and a detection bill for 07 months (Jun 2013 - Dec 2013) is to be charged. It was also stated in the notice that FIR will also be processed against him in this regard. The Complainant added that the M&T Report is in his favor.

3. The matter was taken up with IESCO for submission of parawise comments. In response, IESCO vide its letter dated 13th March 2014 reported that the SDO, ATB, Islamabad Circle checked the meters which were made slow by the Complainant and check meters were also installed in series with existing meters; however, existing meters were removed from site and sent for data retrieval. It was found that the meters were opened by the Complainant and CTs were by-passed for slowness due to which the meters were not recording actual reading / consumption. In light of the Data Retrieval Report, detection bills on account of slowness of meters were charged to the Complainant for 12 months, 13 months and 07 months against the three accounts (i.e. AC Nos. 24 14123 0983000, 24 14123 0983202 and 24 14123 0983206), amounting to Rs. 128,823/- (7611 units), Rs. 557,521/- (28891 units) and Rs. 277,581/- (12821 units) respectively. Further, necessary FIR was also lodged against the Complainant. IESCO further stated that the detection bills so charged are correct and liable for payment, and no IESCO employee is involved in this theft case.

4. The report of IESCO was sent to the Complainant for information/comments. In response, the Complainant raised observations on the report of IESCO vide his letter dated 28th March 2014. To further explore the matter, a hearing was held on 14th April 2014 at NEPRA Office Building, Islamabad which was attended by both the parties who argued over the case on the basis of their written submissions. Subsequent to the hearing, some additional information was sought from IESCO regarding working/rationale of detection bills, rationale/justification for charging detection bills for more than 06 months, explanation regarding removal of metering equipment from site, issuance of detection bill in contradiction to the M&T report, etc. In response thereto, IESCO vide letter dated 28th May 2014 submitted the requisite information.

5. The case has been examined in light of the documents provided by both the parties, arguments advanced during the hearing and applicable law. Following has been observed:

- i. All three (03) connections pertain to commercial category, each having sanctioned load of 5 kW under A-2(c) tariff category.
- ii. Upon checking by SDO ATB (Islamabad Circle), IESCO installed check meters in series with existing meters, and the same were checked by M&T department of IESCO. As per the report of M&T department, check meters installed on AC Nos. 24 14123 0983000 and 24 14123 0983206 were found within limits of accuracy, however, off-peak segment of meters was found defective. M&T Report of AC # 24 14123 0983202 was not provided by IESCO.
- iii. Despite M&T reports, existing meters were removed from site without serving any notice to the Complainant and sent to Data Retrieval department of IESCO. As per the Data Retrieval



- department's report, the meters were opened by the Complainant and CTs were by-passed for slowness due to which the meters were not recording actual reading / consumption, whereas, no such discrepancy was reported by M&T at the time of checking.
- iv. On the basis of Data Retrieval Reports, the Complainant was charged detection bills against AC Nos. 24 14123 0983000, 24 14123 0983202 and 24 14123 0983206 for 12 months (Jan 2013 - Dec 2013), 13 months (Sep 2012 - Sep 2013) and 07 months (Jun 2013 - Dec 2013) respectively.
 - v. There is a contradiction in the reports of M&T and Data Retrieval departments of IESCO. As per M&T department's report, the meters were within the limits of accuracy, whereas, as per Data Retrieval department's report, the meters were opened and not recording actual reading/consumption. If there was any discrepancy in the meters, it should have been pointed out by M&T at the time of checking, however, M&T did not pass any such remarks.
 - vi. IESCO initially charged average bills and, later on, imposed detection bills on the Complainant against all three accounts for 12 months, 13 months and 07 months. As per the provisions of Consumer Service Manual (CSM), Chapter 9, a procedure is laid down for establishing illegal abstraction of electricity which provides for securing the existing meter in the presence of the consumer or his representative, installation of check meter, involving local representatives, issuance of notice and examining the reply of the consumer. Once illegal abstraction is confirmed, detection bill is to be restricted to three billing cycles and upto six months with the approval of CEO or his authorized committee.
 - vii. IESCO should not have removed disputed meters from site. The check meters installed by IESCO should have been declared as billing meters till settlement of dispute. Once the meters are removed from site, the consumer/Complainant cannot be held responsible regarding any deficiency in the metering equipment.
6. Foregoing in view, it has been observed with great concern that procedure followed by IESCO in the instant case was against the prevailing rules/regulations, and detection bills served by IESCO are required to be declared as null and void. However, keeping in view the consumption pattern of the Complainant, IESCO is directed to:
- i. Revise the detection bills of all 03 accounts (i.e. AC Nos. 24 14123 0983000, 24 14123 0983202 and 24 14123 0983206) to six (06) months each as per the following formula:
$$\text{Detection bill to be charged} = \frac{\text{Detection bill already charged}}{\text{No. of months charged}} \times 6$$
 - ii. Since the Complainant has paid the detection bill(s), therefore, FIR(s) lodged against him be withdrawn.
7. Further, in future, if any dispute on metering equipment is observed, it shall not be removed from site and check meter be installed and declared as billing meter till settlement of dispute, as envisaged in Consumer Service Manual. If any such violation is observed in future, strict action shall be initiated under NEPRA (Fines) Rules, 2002 against CEO and concerned Manager (Operation).
8. Compliance report be submitted within thirty (30) days.

For and on behalf of NEPRA,


(Maj (R) Haroon Rashid)
Member (Consumer Affairs)

Islamabad, Sep 10, 2014

