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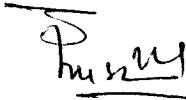
April 2, 2019

Chief Executive Officer
Multan Electric Power Company (MEPCO)
MEPCO Complex, WAPDA Colony,
Khanewal Road, Multan.

Subject: **ORDER OF THE AUTHORITY IN PURSUANCE OF DECISION OF THE HONORABLE LAHORE HIGH COURT, MULTAN BENCH IN WRIT PETITIONS NO. 6483/2017 AND NO. 7448/2017 FILED BY MEPCO AND IMRAN OIL MILL RESPECTIVELY AGAINST ORDER OF THE AUTHORITY DATED 13TH MARCH 2017**
MEPCO-183/2016

Please find enclosed herewith the Order of the Authority (06 Pages) regarding the subject matter for necessary action and compliance within thirty (30) days, please.

Encl: As above


02 04 19
(Syed Safer Hussain)

Copy to:

1. C.E./Customer Service Director
Multan Electric Power Company (MEPCO),
MEPCO Complex, WAPDA Colony,
Khanewal Road, Multan.
2. Sheikh Muhammad Imran S/o Sheikh Abdul Majeed
Proprietor, Imran Oil Mill,
Bilal Street, Near Masjid Ameer Hamza,
Near Bilal Motors, Shamsabad Colony, Multan.
Cell. No. 0300 632 2171



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No. MEPCO-183-2016

Imran Oil Mill **Petitioner**
Chah Mullani Wala, Vehari Road,
Multan.

VS

Multan Electric Power Company (MEPCO) **Respondent**
MEPCO Complex, WAPDA Colony,
Khanewal Road, Multan.

Date of Hearing: 16th January 2019

Authority:

- | | | |
|----|--------------------------|-----------------------|
| 1) | Mr. Rehmatullah Baloch | VC/Member (CA) |
| 2) | Mr. Saif Ullah Chattha | Member (M&E)/(Tariff) |
| 3) | Mr. Rafique Ahmad Sheikh | Member (Licensing) |

On behalf of:

Imran Oil Mill:

- 1) Mr. Imran Sheikh
- 2) Mr. Nadir Altaf, Legal Counsel (RIAA)
- 3) Mr. Haseeb Rao, Legal Counsel (RIAA)

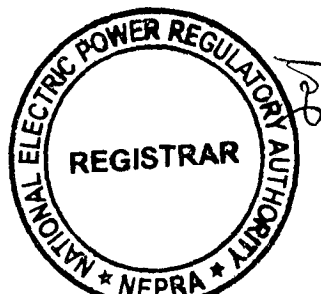
MEPCO:

- 1) Mr. Muhammad Tanveer, XEN
- 2) Mr. Jamal-ud-Din, Revenue Officer

Subject: **ORDER OF THE AUTHORITY IN PURSUANCE OF DECISION OF THE HONORABLE LAHORE HIGH COURT, MULTAN BENCH IN WRIT PETITIONS NO. 6483/2017 AND NO. 7448/2017 FILED BY MEPCO AND IMRAN OIL MILL RESPECTIVELY AGAINST ORDER OF THE AUTHORITY DATED 13TH MARCH 2017**

ORDER

In compliance with the directions of the Honorable Lahore High Court, Multan Bench dated 30th January, 2018 in Writ Petitions No. 6483/2017 and 7448/2017 filed by Multan Electric Power Company Limited (hereinafter referred to as the "Respondent" or

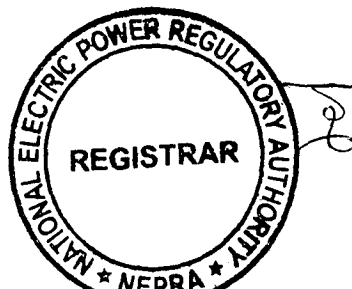


"MEPCO") and Imran Oil Mill (hereinafter referred to as the **"Petitioner")** respectively, this Order shall dispose of the complaint filed by the Petitioner.

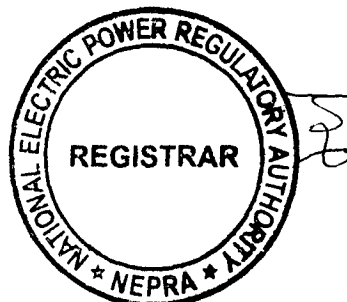
2. The brief facts of the case are that NEPRA received a complaint on 8th April 2016 from Imran Oil Mill, wherein it was stated that it owns an oil mill for which it obtained an electricity connection from MEPCO. Its electricity meter was checked by MEPCO officials time and again and found to be in order. However, MEPCO issued a detection bill amounting to Rs.13,237,773/- on account of slowness of meter on 10th April 2015 and subsequently disconnected the supply. The case was taken up with MEPCO for submission of report/para-wise comments. In response, MEPCO vide letter dated 22nd April 2016 submitted report which is summarized as under:

- a) The connection of Imran Oil Mill was installed on 25th October 2005 with sanctioned load as 8 kW under B-1 tariff category (industrial) and was fed through a Common Distribution Transformer. The load of Imran Oil Mill was enhanced to 66 kW in February 2013. Upon extension of load, a 100 kVA transformer along with allied material was drawn from the store on 27th February 2013 and installed at the premises of Imran Oil Mill on 26th March 2013 by the Standing Committee.
- b) The meter installed at the premises of the Petitioner was checked by the committee during its routine checking on 23rd October 2013, 1st September 2014, 17th October 2014 and 25th February 2015 and found it to be in order. Later on, FIA at its own information conducted a raid along with MEPCO officials on 9th April 2015 at the premises and the meter was found opened, thereby the electricity was being illegally abstracted through a remote control device. At the time of checking, the connected load was found as 80 kW. An FIR was lodged against Imran Oil Mill. The meter and other relevant record were taken in possession by the FIA.
- c) MEPCO assessed the consumption of Imran Oil Mill as 840960 units for the period from April 2013 to March 2015 (24 months) at 60 % load factor & 80 kW connected load. After deducting already charged 178080 units during this period, MEPCO raised a detection bill of 662880 units. MEPCO also assessed total MDI for 24 months as 1924 kW and after deducting already charged 1084 kW, net difference i.e. 836 kW MDI, was also charged against Imran Oil Mill. Accordingly, MEPCO served a detection bill to Imran Oil Mill amounting to Rs. 13,257,600/- on 10th April 2015 along with notice for payment within seven (07) days.
- d) Imran Oil Mill, instead of making the payment, approached the courts which resulted in multiple cases of litigation. During pendency of the litigation, Imran Oil Mill filed a complaint before the Authority.

3. An opportunity of hearing was afforded to both the parties by NEPRA. After examining the case in light of written/verbal arguments of Imran Oil Mill and MEPCO and applicable documents/law, the matter was decided by Member (Consumer Affairs) vide decision dated 28th July 2016 wherein MEPCO was directed as under:



- i. Revise the detection bill from twenty four (24) months to six (6) months strictly in accordance with the provisions of Consumer Service Manual(CSM).
 - ii. Fix responsibility and finalize the disciplinary proceedings against the officers/officials at fault for not being vigilant enough to point out discrepancy in time.
4. Being aggrieved with the decision of Member (Consumer Affairs), MEPCO filed an Appeal under Section 12-A of the NEPRA Act, 1997. The Authority admitted the Appeal of MEPCO and a hearing of the parties was held on 29th November 2016, wherein both the parties participated and advanced their arguments. The Authority dismissed the Appeal of MEPCO and upheld the earlier decision of Member (Consumer Affairs). The Authority's decision was conveyed to both the parties vide letter dated 13th March 2017.
5. Subsequently, both MEPCO and Imran Oil Mill approached Lahore High Court, Multan Bench vide Writ Petitions No. 6483/2017 and No. 7448/2017 respectively. The Honorable High Court, vide Order dated 30th January 2018, remanded the matter to NEPRA for re-hearing and re-deciding within three (03) months.
6. In pursuance of the directions of the Honorable Lahore High Court, hearing in the matter was initially scheduled for 29th March 2018, however, the same was adjourned on request of both the parties (i.e. MEPCO and Imran Oil Mill). Later, the hearing was re-scheduled for 26th April 2018, however, the same was also adjourned on request of Imran Oil Mill. Later, the hearing was re-scheduled for 31st July 2018. Imran Oil Mill again approached NEPRA and requested that the hearing may be adjourned and re-scheduled after Eid-ul-Azha. Accordingly, the hearing was rescheduled for 12th September 2018, however, Imran Oil Mill again approached NEPRA and requested for adjournment of hearing. Imran Oil Mill also provided order of the Honorable High Court, wherein MEPCO was directed to provide the some documents/record to Imran Oil Mill. Accordingly, MEPCO was also directed by NEPRA for provision of the said record/documents to Imran Oil Mill. Further, as requested by Imran Oil Mill, the hearing was adjourned, and the same was re-scheduled for 27th December 2018, wherein both the parties participated and advanced arguments. The representative of Imran Oil Mill requested the Authority that MEPCO be directed to provide certain information for clarification. Accordingly, MEPCO was directed by the Authority to provide the same. Further, the Authority decided to adjourn the hearing. Accordingly, hearing was scheduled for 9th January 2019, however, MEPCO, vide letter dated 8th January 2019, submitted that Imran Oil Mill has refused to receive the desired record from MEPCO, therefore, the hearing may be postponed for 2-3 days. Accordingly, the hearing was again adjourned and re-scheduled for 16th January 2019, wherein representatives of both the parties participated and advanced their arguments. MEPCO representatives reiterated their earlier versions. The Legal Counsel of the Complainant raised issue of non provision of meter reading record of AMR meter for comparison with ToU billing meter. The Legal Counsel of the Complainant further stated that the Civil Court has not yet decided the case of the Complainant's involvement in theft of electricity and theft has



not yet been proved, therefore charging of detection bill on assumption basis is not justified

7. The case has been re-examined in light of the arguments advanced during the hearings, documents made so available by the parties and applicable law. Following has been concluded:

- i. The connection of Imran Oil Mill was installed on 25th October 2005 with initial sanctioned load as 8 kW under B-1 tariff category and was fed through a Common Distribution Transformer. The load of the Complainant was enhanced to 66 kW in February 2013. Upon extension of load, a 100 kVA transformer along with allied material was drawn from the store through store requisition No. 0881947 dated 27th February 2013 and installed at the premises. The LT TOU meter drawn through the said store requisition was not installed at the complainant's premises, rather another meter bearing No. 89170 drawn for one Mr. Javed Akhtar through store requisition No. 173567 dated 11th June 2012 was installed at the premises of Imran Oil Mill on 26th March 2013 by the Standing Committee comprising of concerned Deputy Manager (Operation), Deputy Manager (M & T) Circle Multan, Assistant Manager (Operation) and Test Inspector. This meter remained at some unknown place for more than nine (09) months. The Committee declared it OK and within accuracy limits.
- ii. The said meter was again checked by the Committee during routine checking on 23rd October 2013, 1st September 2014, 17th October 2014 and 25th February 2015 and found it to be in order. Later on, FIA at its own information conducted a raid along with MEPCO officials on 9th April 2015 at the premises and at that time the meter was opened and it was found that the electricity was being illegally abstracted through some remote control device. At the time of checking, the connected load was found as 80 kW. An FIR was lodged against Imran Oil Mill. The meter and other relevant record were taken in possession by FIA.
- iii. In view of the said, MEPCO served a detection bill to Imran Oil Mill amounting to Rs. 13,257,600/- on 10th April 2015 along with notice for payment within seven (07) days. MEPCO assessed the consumption of Imran Oil Mill as 840960 units for the period from April 2013 to March 2015 (24 months) at 60 % load factor & 80 kW connected load. After deducting already charged 178080 units during this period, MEPCO raised a detection bill of 662880 units. MEPCO also assessed total MDI for 24 months as 1924 kW and after deducting already charged 1084 kW, net difference i.e. 836 kW MDI was also charged against Imran Oil Mill.
- iv. The Complainant is of the view that availability of record of the AMR meter is necessary for comparison of the consumption recoded on the impugned meter. The demand of the Complainant for provision of record of AMR meter is immaterial at this stage as the complainant never raised the issue of record of AMR meter earlier during the proceedings. Moreover, it is clear that the recording mechanism of the impugned meter was altered in connivance with MEPCO officials as another meter bearing No. 89170 drawn for another consumer namely Mr. Javed Akhtar through store requisition No. 173567 dated



11th June 2012 was installed at the premises of Imran Oil Mill on 26th March 2013 after nine (09) months of its withdrawal from the store. MEPCO terminated, the concerned Line Superintendent who drew the impugned meter from the store, however, later on he was reinstated on directions of the court. The impugned meter was declared OK and within accuracy limits at the time of installation by the standing committee. The discrepancy could not be pointed out at the time of installation of meter as the meter was sealed and electronic chip was already installed inside the meter which was to be operated through remote control device. Further, the AMR meter was installed on 25th February, 2015 i.e. almost one and a half month prior to raid by FIA, therefore, the Complainant may not have used the remote control device after installation of AMR meter, as such, AMR data cannot be relied upon to arrive at an informed decision. This could be one of the reasons that the complainant was pressing for provision of this information and on the other end, MEPCO has informed that the AMR data is not available with them.

- v. Importantly, the billing data of the complainant requires examination. The billing history of the Complainant's account provided by MEPCO is as under::

Month	2012		2013		2014		2015		2018	
	MDI	Units	MDI	Units	MDI	Units	MDI	units	MDI	Units
Jan	-	-	27	8067	55	13040	32	4440	-	-
Feb	-	-	31	7074	57	11160	0	0	-	-
Mar	-	-	29	4387	54	4480	59	4640	-	-
April	-	-	0	0	52	11280	Disconnected w.e.f April 2015 to April 2018		-	-
May	-	-	0	0	57	7480			56	9134
June	-	-	0	0	33	2800			34	4650
July	37	4540	271	54400	15	3360			43	7860
Aug	32	7186	60	10240	27	2240			22	6970
Sep	27	770	50	8320	31	3000			31	8107
Oct	30	8236	51	9480	21	2320			33	9665
Nov	27	8799	56	8800	18	2600			34	8989
Dec	28	8604	51	8760	34	4440			34	10991

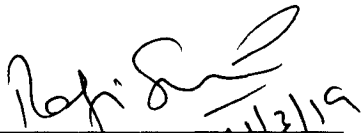
The above data shows unassailable evidence that the impugned meter was not recording the actual consumption. From the above data it is clear that the units recorded on the impugned meter were not in accordance with the load at site. Moreover, after reconnection of electricity supply and installation of a new healthy metering equipment at site in May 2018, the average monthly consumption of the Complainant has increased as compared with the consumption recorded by the impugned metering equipment in corresponding months of the previous year. From, this it is evident that the impugned meter did not record the actual consumption and electricity was being illegally abstracted as stated by MEPCO.

- vi. MEPCO charged a detection bill against Imran Oil Mill on account of illegal abstraction of electricity for twenty four (24) months which is on higher side and contradictory to the provisions of Consumer Service Manual (hereinafter referred to as "CSM"). In this regard, a procedure is laid down in CSM which provides a complete mechanism to deal with such cases. From the record, it was not established that MEPCO followed the procedure given in CSM prior to imposition of detection bill, however, there are sufficient signs as stated above




that the Petitioner was involved in illegal abstraction of electricity. However, the CSM envisages that period of detection bill be restricted to six (06) months maximum whereas in the instant case, MEPCO charged detection bill to the tune of twenty four (24) months.

8. The criminal proceedings against the Complainant are in a court of law. Further, on the directions of Honorable Lahore High Court, Multan Bench the case has been reheard/reconsidered. The parties have failed to submit any new ground/evidence. Foregoing in view, the decision of Member (Consumer Affairs) NEPRA dated 28th July 2016 is upheld. MEPCO is directed to submit compliance report within thirty (30) days.



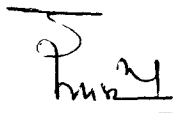
(Rafique Ahmad Sheikh)
Member



(Saif Ullah Chattha)
Member 28-3-2018



(Rehmatullah Baloch)
VC/Member 21/3/2018



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