

# **National Electric Power Regulatory Authority**

ISLAMIC REPUBLIC OF PAKISTAN
NEPRA Head Office
Ataturk Avenue (East) Sector G-5/1, Islamabad.

Ph:051-2013200, Fax: 051-2600021

## Consumer Affairs Department

TCD 01/ 2/98 -2025 May 30, 2025

Chief Executive Officer, Peshawar Electric Supply Company (PESCO), WAPDA House, Sakhi Chashma, Shami Road, Peshawar.

Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. SHER ZAMAN, UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST PESCO REGARDING EXCESSIVE BILLING (A/C NO. 30 26247 0005300).

PESCO-PSH-10736-02-22

Please find enclosed herewith the decision of NEPRA Complaints Resolution Committee (CRC) dated May 30, 2025, regarding the subject matter for necessary action and compliance within thirty (30) days.

### Encl: As above

Copy to:

- Chief Commercial Officer, PESCO, WAPDA House, Sakhi Chashma Shami Road, <u>Peshawar.</u>
- Incharge Complaint Cell, PESCO, WAPDA House, Sakhi Chashma Shami Road, Peshawar.
- Mr. Imtiaz Khan (Deputy Director),
   NEPRA Regional Office, 6th Saddar Road,
   2nd Floor, Tasneem Plaza, Peshawar Cantt.
- 4) Mr. Sher Zaman, Shinwari Ice Factory, OTS, <u>Kohat</u>. 0334-8250254

(Muhammad Bilal) AIRS Additional Director (CAD)

> NEPRA Islamabad

> > (CAD)



#### BEFORE THE

# NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)

Complaint No. PESCO-PSH-10736-02-22

Mr. Sher Zaman,

...... Complainant

Shiwari Ice Factory, O.T.S Kohat,

Ph: 0334-8250254

Versus

Peshawar Electric Supply Company (PESCO)

...... Respondent

WAPDA House, Sakhi Chashma Shami Road, Peshawar

Date of Hearing(s):

1) January 21, 2023

2) November 19, 2024

3) April 11, 2025

On behalf of:

Complainant:

Mr. Sher Zaman

Respondent:

Mr. Tufail Ahmed, Director Commercial

Mr. Aminullah, Executive Engineer (Operation)

Mr. Noor Muhammad, Sub-Divisional Officer (Operation)

Mr. Kamaluddin, Revenue Officer

Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. SHER ZAMAN UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST PESCO REGARDING EXCESSIVE BILLING (A/C NO. 30 26247 0005300).

#### DECISION

This decision shall dispose of the complaint filed by Mr. Sher Zaman (hereinafter referred to as the "Complainant") against Peshawar Electric Supply Company Limited (hereinafter referred to as the "Respondent" or "PESCO"), under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act").

2. Brief facts of the case are that NEPRA received a complaint wherein the Complainant submitted that PESCO incorrectly imposed a Late Payment Surcharge of Rs. 99,616/- on their connection in October 2019. Furthermore, the Complainant requested reimbursement of seasonal charges amounting to Rs. 4,118,316/-, which, according to the Complainant, were paid to PESCO under duress to prevent service disconnection.

- 3. The subject matter was taken up with PESCO for submission of para-wise comments. In response, PESCO submitted that the seasonal charges had been levied as per applicable tariff terms and conditions approved by the Authority. The connection is installed against an Ice Factory under the B2b(12) tariff as a seasonal connection, and the relevant seasonal industrial tariff was charged as per the prevailing policy as seasonal charges. PESCO further submitted that the consumer later opted to switch to a regular industrial connection, and since then, seasonal charges have not been levied. PESCO also stated that the case for withdrawal of the Late Payment Surcharge of Rs. 99,616/- is under process and will be adjusted accordingly.
- 4. The report submitted by PESCO was shared with the Complainant for information. In response, the Complainant submitted a rejoinder stating that PESCO had not levied seasonal charges on other factories engaged in the same line of business. In order to finalize the matter, hearings were held at NEPRA Head Office Islamabad, which were attended by both parties, i.e., PESCO and the Complainant, wherein the issue was discussed in detail. During the hearings, the Complainant reiterated the request for withdrawal of seasonal charges, citing alleged discriminatory billing.
  - 5. The Complainant further submitted that PESCO had charged them an excessive and incorrect Maximum Demand (MDI) of 1795 kW in May 2022, leading to inflated fixed charges, and requested an adjustment of the excess amount levied. PESCO submitted that seasonal charges had been levied as per the applicable tariff terms and conditions for seasonal connections. The consumer had been provided a connection for Ice Factory under B2b(12) tariff as a seasonal connection since the date of connection; therefore, seasonal charges were being levied. The Complainant later opted for a regular industrial connection in December 2020, and from January 2021 onward, seasonal charges have not been applied. PESCO also provided a list of other seasonal connections being charged similarly and stated that the claim of discrimination is not justified. PESCO admitted that the wrong MDI had been charged in May 2022.
  - 6. The case has been examined in detail in light of the record made available by the parties, arguments advanced during the hearing, and the applicable law. The following has been observed:
  - i. The Complainant is a consumer of PESCO with a sanctioned load of 101 kW under Reference No. 30262470005300. The Complainant operates an Ice Factory and was provided a connection under B2b(12) tariff as a seasonal connection; hence, seasonal charges were being levied accordingly. According to PESCO the connection was installed in mid 70s as seasonal connection. The Complainant has requested withdrawal of these charges, asserting that PESCO does not charge seasonal rates to other Ice Factories.
  - ii. The Tariff Terms and conditions provide that a seasonal industry means an industry which works only for part of the year to meet demand for goods or services arising during a particular season of the year. Moreover, any seasonal industry running in combination with one or more seasonal industries, against one connection, in a manner that the former works in one season while the latter works in the other season will not be classified as a seasonal industry for the purpose of the application of this Tariff. Moreover, fixed charges shall be levied at the rate of 125% of the corresponding regular Industrial Supply Tariff Rates and shall be recovered only for the period to the minimum of six months during any twelve months.
  - iii. The Complainant's business is seasonal in nature; therefore, PESCO provided a seasonal connection under the B2b(12) tariff and the seasonal charges are being added in the monthly bills. Seasonal consumers are charged at a specified higher rate compared to the corresponding regular industrial connection. The seasonal charges were levied in accordance with the terms and conditions

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approved by the Authority and same is the practice in the distribution companies. The billing history of the Complainant reflects/confirm seasonal operation of the business.

iv. Regarding the change of the seasonal industrial tariff, the tariff terms and conditions approved by the Authority stipulate as under.

"The consumers falling within the purview of seasonal Tariff shall have the option to change over to the corresponding industrial supply Tariff provided that they undertake to abide by all the conditions and restrictions, which may, from time to time, be prescribed as an integral part of those Tariffs. The consumer under seasonal Tariff will have the option to convert to Regular Tariff and vice versa. This option can be exercised at the time of obtaining a new connection or at the beginning of the season. Once exercised, the option will remain in force for at least one year."

- v. The Complainant was charged under the seasonal industrial tariff from the date of connection and later opted for the regular industrial tariff in December 2020. PESCO implemented this change in January 2021, and seasonal charges were discontinued thereafter. The Complainant has claimed for reimbursement of seasonal charges since date of installation of connection. On a query, the Complainant failed to submit any documentary evidence that he ever approached PESCO for conversion of seasonal industry tariff to regular industrial tariff except his application submitted to PESCO in December, 2020. In view thereof, the request of the Complainant for reimbursement of seasonal charges at this belated stage is unjustified.
- vi. The Complainant alleged that seasonal charges are not applied to other Ice Factories and that their imposition in this case is discriminatory. However, PESCO provided sufficient evidence, including a list of other consumers being charged seasonal rates, demonstrating that the charges were not discriminatory.
- vii. During the process of the complaint, it was informed by the Complainant that excessive MDI of 1795 kW in May 2022 was charged, which resulted in inflated fixed charges. PESCO admitted the error, however, failed to correct the excessive charges levied on the basis of the incorrect MDI.

7. In view of the foregoing, the request of the Complainant for reimbursement/refund/adjustment of seasonal charges is unjustified and cannot be allowed. However, PESCO is directed to adjust the excessive fixed charges levied on the consumer based on the incorrect MDI in May 2022. A compliance report in this regard shall be submitted within thirty (30) days.

(Lashkar Khan Qambrani)

(Muhammad Irfan-ul-Haq)

NEPRA Islamabad

CAO

Member, Complaints Resolution Committee/ Member, Complaints Resolution Committee/
Director (CAD) Assistant Legal Advisor

(Naweed Illahi Shaikh)

Convener, Complaints Resolution Committee/

Director General (CAD)

Islamabad, May 36, 2025.