



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/DG(CAD)/TCD-10/ 9089-9130

June 13, 2024

- 1) Chief Executive Officer, Faisalabad Electric Supply Company Ltd. (FESCO), Abdullahpur, Canal Bank Road, Faisalabad
- 2) Chief Executive Officer, Gujranwala Electric Power Company Ltd. (GEPCO), 565/A, Model Town, G.T. Road, Gujranwala.
- 3) Chief Executive Officer, Hyderabad Electric Supply Co. Ltd. (HESCO), WAPDA Offices Complex, Hussainabad, Hyderabad.
- 4) Chief Executive Officer, Islamabad Electric Supply Co. Ltd. (IESCO), Street # 40, Sector G-7/4, Islamabad.
- 5) Chief Executive Officer, Lahore Electric Supply Company Ltd. (LESCO), 22-A, Queens Road, Lahore
- 6) Chief Executive Officer, Multan Electric Power Co. Ltd. (MEPCO), Headquarter, Khanewal Road Multan.
- 7) Chief Executive Officer, Peshawar Electric Supply Company (PESCO), WAPDA House, Shami Road, Sakhi Chashma, Peshawar.
- 8) Chief Executive Officer, Quetta Electric Supply Company Ltd. (QESCO), Zarghoon Road, Quetta.
- 9) Chief Executive Officer, Sukkur Electric Power Company Ltd. (SEPCO), Administration Block, Thermal Power Station, Old Sukkur.
- 10) Chief Executive Officer, Tribal Areas Electric Supply Company Limited (TESCO), Room No. 213, 1st Floor, WAPDA House, Shami Road, Sakhi Chashma, Peshawar.
- 11) Chief Executive Officer, K-Electric Limited (KEL), KE House, Punjab Chowrangi, 39-B, Sunset Boulevard, Phase-II, Defence Housing Authority, Karachi.

MOST IMMEDIATE

Subject: **REVISITING CLAUSE 4.3 OF THE CONSUMER SERVICE MANUAL (CSM)-2021
(PREVIOUSLY CLAUSE 4.4(e) OF CSM-2010) ON THE DIRECTIONS OF
HONORABLE SUPREME COURT OF PAKISTAN**

Misc. # 32/06/2023

Reference is made to Honorable Supreme Court of Pakistan's order dated May 17, 2023 in Civil Petition No. 691 of 2020 regarding revisiting Clause 4.3 of the Consumer Service Manual (CSM) – 2021 (previously Clause 4.4(e) of CSM-2010).

2. Please find **enclosed** herewith determination/ decision of the Authority in the matter for information and compliance in true letter & spirit, please.

Enclosure: **As above**

(Engr. Mazhar Iqbal Ranjha)

Copy to:

- 1) Chief Engineer / Customer Services Director, Faisalabad Electric Supply Company Ltd. (FESCO), Abdullahpur, Canal Bank Road, Faisalabad
- 2) Chief Engineer / Customer Services Director, Gujranwala Electric Power Company Ltd. (GEPCO), 565/A, Model Town, G.T. Road, Gujranwala. P-1/2

- 3) Chief Engineer / Customer Services Director, Hyderabad Electric Supply Co. Ltd. (HESCO), WAPDA Offices Complex, Hussainabad, Hyderabad.
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- 10) Chief Engineer / Customer Services Director, Tribal Areas Electric Supply Company Limited (TESCO), Room No. 213, 1st Floor, WAPDA House, Shami Road, Sakhi Chashma, Peshawar.
- 11) Mr. M. Imran Hussain Qureshi, Chief Regulatory Affairs & Govt. Relations Officer, K-Electric Limited Office, 56-A Street No. 88, G-6/3, Islamabad.
- 12) Electric Inspector/ Provincial Office of Inspection, Karachi Region-1, Govt. of Sindh, Mechanical & Soil Laboratory, Irrigation Building, Adjacent to City PAF Chapter, Main Shaheed-e-Millat Road, Baloch Colony, Karachi.
- 13) Electric Inspector/Provincial Office of Inspection, Karachi Region-II, Govt. of Sindh, Plot No. St. 2, Block N, North Nazimabad, Near Sarina Mobile Market, Main Sakhi Hassan, Korangi Karachi.
- 14) Electric Inspector/ Provincial Office of Inspection, Multan Region, 569 G, Shah Rukn-e-Aalam Scheme, Phase-II, Multan.
- 15) Electric Inspector/ Provincial Office of Inspection, Bahawalpur Region, Energy Department, Government of Punjab, 29, BK-Block, Satellite Town, Bahawalpur.
- 16) Electric Inspector/ Provincial Office of Inspection, Gujranwala Region, Energy Department, Government of Punjab, Munir Chowk, Near Kachehri Road, Gujranwala.
- 17) Electric Inspector/Provincial Office of Inspection (POI), Faisalabad Region, Opposite Commissioner Office, D.C.G Road, Civil Lines, Faisalabad.
- 18) Electric Inspector/Provincial Office of Inspection, Energy Department, Government of Punjab, Lahore Region, Block No.1, Canal Offices, Mustafabad, Lahore.
- 19) Electric Inspector/ Provincial Office of Inspection, Abbottabad Region, CB-81, Iqbal Road, Supply Bazar, Abbottabad.
- 20) Electric Inspector/ Provincial Office of Inspection, House No. 149, Sector B, Phase-1, Bannu Township, Bannu.
- 21) Electric Inspector/ Provincial Office of Inspection, Regional Office, Swat Shahi Mohallah, Saidu Sharif, Near Saidu Sharif Science College, Swat.
- 22) Electric Inspector/ Rawalpindi/Islamabad Region, Rawal Dam Colony, Park Road, Islamabad.
- 23) Electric Inspector/ Provincial Office of Inspection, Larkana Region, Room NO.13&14, Kennedy, Market, Larkana (Sindh).
- 24) Electric Inspector/Irrigation Scarp Colony, Military Road, Sukkur.
- 25) Electric Inspector. Mirpurkhas Region, H. No. 1017, Nawab Colony, Mirpurkhas.
- 26) Electric Inspector/Civil Line Banglow No.48-B, Opposite Income Tax Office, Hyderabad.
- 27) Electric Inspector, Benevolent Fund Building, Third Floor, Near Jans Bakers, Peshawar Cantt.
- 28) Electric Inspector/Tehsil Road, Near Police Station, Nowshera Kalan, Nowshera.
- 29) Electric Inspector/ Provincial Office of Inspection, Quetta Regional Office, Energy Department, Govt. of Balochistan, Railway, Housing Society, Joint Road, Quetta.
- 30) Electric Inspector/ Provincial Office of Inspection, Hub Regional Office, Energy Department, Govt. of Balochistan, Sukuran Road, Hub Chowki, Lasbela (Balochistan).



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

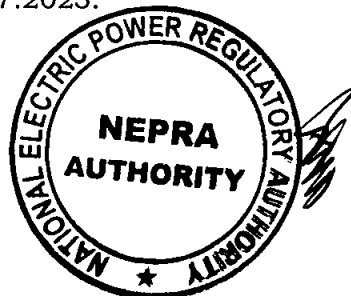
DECISION

Subject: **REVISITING CLAUSE 4.3 OF THE CONSUMER SERVICE MANUAL (CSM): 2021 (PREVIOUSLY CLAUSE 4.4(e) OF CSM-2010) ON THE DIRECTIONS OF HONORABLE SUPREME COURT OF PAKISTAN**

Gujranwala Electric Power Company (GEPCO) filed a Civil Petition No. 691 of 2020 before the Honorable Supreme Court of Pakistan against the Judgment dated 22.11.2019 in WP. No. 70895 of 2019 before the honorable Lahore High Court in the matter of the detection bill on account of slowness of metering installation. During the proceedings, the honorable Supreme Court of Pakistan expressed its concerns over the irregular billing done by GEPCO in the case of "GEPCO vs Ch. Muhammad Yousaf and others" and the quantum of unrecoverable energy loss beyond two billing cycles in the case of slow metering installation. Subsequently, the honorable Supreme Court of Pakistan vide Order dated 17.5.2023, remanded back the matter to NEPRA with the direction to revisit clause 4.4(e) of Consumer Service Manual-2010 (the "CSM-2010") (existing clause 4.3 of the CSM-2021) regarding the period of detection bills on account of the slowness of the metering installation in consultation with distribution companies; the operative part of the said Order of the honorable Supreme Court of Pakistan is reproduced hereunder:

"We have heard the learned counsel for the parties. Considering the technical nature of the dispute, we find it best to first place the matter before NEPRA in order to re-examine and revisit Clause 4.4 ibid (new version 4.3) after hearing all the DISCOs as well as the Respondent in this case so that the matter can be streamlined internally between NEPRA and the DISCOs. Once this matter is concluded, NEPRA shall also revisit its earlier decision dated 08.02.2019 regarding the detection bill served on Respondent No. 1 and decide the matter through a speaking order. While deciding the same, the NEPRA shall not be influenced by the impugned decision of the High Court dated 22.11.2019. All the parties are in agreement with the above process suggested by the Court and have agreed that the matter be first looked at by the NEPRA. This petition is disposed of in the said terms."

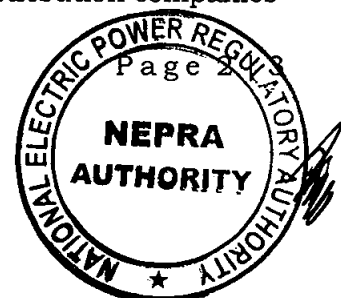
2. Pursuant to the Order dated 17.05.2023 of the honorable Supreme Court of Pakistan, proceedings for the re-determination of the period of charging on account of slowness of the metering installation were initiated and a hearing of the stakeholders was held at NEPRA on 13.07.2023.



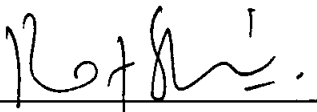
3. Before ascertaining the period for slowness of the metering installation, it is imperative to review the prevailing law/policy governing slowness of the metering installation prior to the approval of the CSM-2010 by the Authority as an applicable document. It is revealed from the "WAPDA Policy for detection bills" circulated vide letter No.1468-99/GMCS/DD(R&CP)/56217 dated 26.10.1999 that the two billing cycles in lieu of slowness of the metering installation was already in the field. After the enactment of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the "NEPRA Act"), the distribution licensees were required under Section 21(2)(d) of the NEPRA Act to establish the procedure for rendering their services to the consumers. In this regard, the distribution licensees formulated CSM-2010 which was approved by the Authority and circulated on May 03, 2010, to the stakeholders. Amongst other provisions for rendering their services to the consumers, the methodology for the replacement of defective meters on account of slowness was also addressed in the table given under clause 4.4(e) of the CSM-2010, wherein the distribution companies were restricted to charge the detection bill maximum for two billing cycles in case of slow metering installation. Later in the year 2020, the distribution companies suggested few amendments in the CSM-2010 including enhancement in period of charging slowness above two (02) months. However, the Authority did not accede to the request of the distribution companies with respect to the enhancement in the period of charging slowness beyond two (02) months and thus the said period remained unchanged in CSM-2021.

4. It is, however, observed that the distribution companies are involved in raising the detection bills beyond two billing cycles in such cases, which is violative of clause 4.4(e) of the CSM-2010 (existing clause 4.3 of the CSM-2021). It is further observed that the slow meters/defective current transformers (CTs) are not being replaced within two billing cycles as prescribed in the CSM-2010 (existing CSM-2021), which raises billing disputes between the distribution companies and the consumers, which results in overburdening the consumers due to irregular billing. In addition, the quantum of slowness charged to the consumers by distribution companies is not compatible with the factual position due to the unbalanced load on the three-phase meters, which either overburdens the consumers or increases the revenue loss sustained by distribution companies.

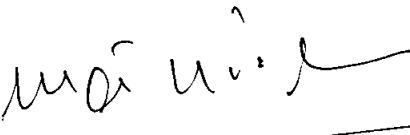
5. As per Clause 6.1.4 of the CSM-2021, the meter readers of the distribution companies shall check the irregularities/discrepancies in the metering installation and report the same in the discrepancy book and the concerned officer/official will take corrective action to rectify the discrepancies. However, the distribution companies failed to point out the discrepancy of slowness of metering installation during monthly readings even in such cases, where the backup meters are installed in series with the billing meters. The Authority allocated the funds in the tariff determinations of the distribution companies for the installation of AMR and AMI meters to streamline the billing process and to avoid revenue loss due to the malfunctioning of metering installation. The AMR meters provide a greater extent of facility to the distribution companies to ascertain the accuracy for billing and point out any discrepancy promptly and remotely but the billing disputes due to slowness of the billing meters are frequent due to negligence on the part of the distribution companies in monitoring of AMR meters. In some cases, the distribution companies took considerable time to replace the slow meter/defective CTs despite timely pointing out by their respective Metering & Testing teams in various checkings, which is unwarranted. Therefore, we are of the view that enhancement in the period of slowness for issuance of supplementary bill will further bring inefficiency in the operation of distribution companies and discourage the fair use of electricity in the country.



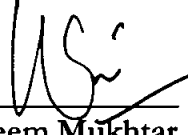
6. For the reasons stated above, we reject the proposal of the distribution companies and retain the period of the supplementary bills for two (02) billing cycles in the case of slowness of the metering installation/defective CTs as mentioned in clause 4.4(e) of CSM-2010 (existing clause 4.3 of CSM-2021). In a vigilant system, slowness of the metering installation should be detected timely, hence the distribution companies must bring efficiency in their working and replace the slow meters/defective CTs within the stipulated period as provided in clause 4.3 of the CSM-2021 in true letter and spirit. The distribution companies should ensure the charging of supplementary bills maximum for two billing cycles. If in the cases where the slowness of the metering installation is not pointed out timely and the metering installation is not replaced within maximum period of two (02) billing cycles, the competent authority of the relevant distribution company shall take disciplinary action against the concerned officials and fix the responsibility for negligence in such cases.


Rafique Ahmed Shaikh
Member


Engr. Maqsood Anwar Khan
Member


Mathar Niaz Rana (nsc)
Member


Amina Ahmed
Member


Waseem Mukhtar
Chairman

