



Before the Appellate Board  
National Electric Power Regulatory Authority  
(NEPRA)  
Islamic Republic of Pakistan

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No. NEPRA/Appeal/033/2024/ 643

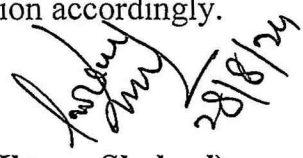
August 28, 2024

1. Abdul Majid,  
S/o. Malik Nazeer Ahmad,  
R/o. Plot No. 1, Nazeer Colony,  
Rehman Pura Road, Tehsil & District Sargodha  
Cell No. 0300-8700307
2. Chief Executive Officer,  
FESCO Ltd,  
West Canal Road, Abdullah Pur,  
Faisalabad
3. Hafiz Faisal Raheem,  
Advocate High Court,  
33-District Courts, Faisalabad  
Phone No. 041-2641435  
Cell No. 0321-6661306
4. Sub Divisional Officer (Operation),  
FESCO Ltd,  
Islampura Sub Division,  
Sargodha
5. POI/Electric Inspector,  
Energy Department, Government of Punjab,  
II.No.225-226, Peer Muhammad Colony,  
Behind Imtiaz Shopping Mall, University Road,  
Sargodha Region, Sargodha  
Phone No. 048-3765238

Subject: **Appeal No.033/2024 (FESCO Vs. Abdul Majid) Against the Decision Dated 14.12.2023 of the Provincial Office of Inspection to Government of the Punjab Sargodha Region, Sargodha**

Please find enclosed herewith the decision of the Appellate Board dated 28.08.2024 (03 pages), regarding the subject matter, for information and necessary action accordingly.

Encl: As Above

  
(Ikram Shakeel)  
Deputy Director  
Appellate Board

Forwarded for information please.

1. Director (IT) –for uploading the decision on NEPRA website



# National Electric Power Regulatory Authority

## Before The Appellate Board

In the matter of

### Appeal No.033/POI-2024

Faisalabad Electric Supply Company Limited

.....Appellant

Versus

Abdul Majid S/o. Malik Nazeer Ahmed,  
R/o. Plot No.1, Nazeer Colony, Rehmanpura Road,  
Tehsil & District Sargodha

.....Respondent

## **APPEAL UNDER SECTION 38(3) OF THE REGULATION OF GENERATION, TRANSMISSION, AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997**

For the Appellant:

Haliz Faisal Raheem Advocate  
Mr. Zahid Yaseen SDO

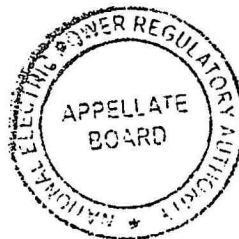
For the Respondent:

Mr. Abdul Majid

### **DECISION**

1. As per the facts of the case, Abdul Majid (hereinafter referred to as the “Respondent”) is an industrial consumer of Faisalabad Electric Supply Company Limited (hereinafter referred to as the “Appellant”) bearing Ref No.27-13421-5164301-U having sanctioned load of 18.06 kW and the applicable tariff category is B-1(b). Audit Department vide Audit Note No.13 dated 01.06.2016 pointed out illegal extension of load and misuse of tariff i.e. B-2 instead of B-1 during the months i.e. August 2015, September 2015, November 2015, March 2016, and April 2016, and recommended to charge the detection bill of Rs.104,198/- for 178 kW MDI to the Respondent on account of misuse of tariff. Subsequently, the Appellant debited the above detection bill to the Respondent in July 2023.
2. Being aggrieved with the above-mentioned actions of the Appellant, the Respondent filed a complaint before the Provincial Office of Inspection, Sargodha Region, Sargodha (hereinafter referred to as the “POI”) and challenged the detection bill of Rs.104,198/-. The complaint of the Respondent was disposed of by the POI vide decision dated 14.12.2023, wherein the detection bill of Rs.104,198/- for 178 kW MDI was cancelled.

Appeal No.033/POI-2024

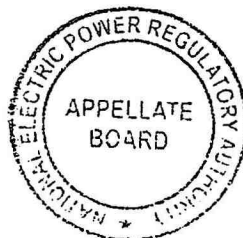


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3. Being dissatisfied, the Appellant has filed the instant appeal before NEPRA and assailed the decision dated 14.12.2023 of the POI (hereinafter referred to as the “impugned decision”). In its appeal, the Appellant opposed the maintainability of the impugned decision, *inter-alia*, on the grounds that the impugned decision is against the facts and law of the case; that the POI has no jurisdiction in the instant case; that the POI did not consider the real facts of the case and consumption history of the Respondent; that the impugned decision is illegal, unlawful against the law and record of the case and that the same is liable to be set aside.
4. Notice dated 02.04.2024 of the appeal was issued to the Respondent for filing reply/para-wise comment, which however were not filed. Subsequently, hearing of the appeal was conducted at NEPRA Regional Office Lahore on 08.06.2024, wherein learned counsel appeared for the Appellant and the Respondent was present in person. Learned counsel for the Appellant contended that the Respondent was found involved in illegal extension of load due to which the audit department recommended to recover the detection bill of Rs.104,198/- for 178 kW MDI from the Respondent. Learned counsel for the Appellant further contended that the above detection bill was charged to the Respondent to recover the revenue loss sustained by the Appellant due to misuse of tariff and the Respondent is responsible to pay the same. Learned counsel for the Appellant submitted that the impugned decision is incorrect and the same is liable to be struck down. On the other hand, the Respondent repudiated the contention of the Appellant and averred that the above detection bill was charged in the year 2023 after a lapse of more than six years, and the said detection bill was debited on the basis of audit observation. The Respondent argued that the audit observation is internal observation and he cannot be held responsible for payment of the impugned detection bill. The Respondent finally prayed for dismissal of the appeal being devoid of merits.
5. Having heard the arguments and record perused. Following are our observations:
  - 5.1 The Audit Party vide Audit Note No.13 dated 01.06.2016 pointed out illegal extension of load during the months i.e. August 2015, September 2015, November 2015, March 2016 and April 2016 and recommended to charge the detection bill of Rs.104,198/- for 178 kW MDI to the Respondent on account of misuse of tariff. Subsequently, the Appellant debited the above detection bill to the Respondent in July 2023.
  - 5.2 This whole scenario indicates that the Appellant did not point out illegal extension of load/misuse of tariff during the monthly readings of the disputed months i.e. August 2015, September 2015, November 2015, March 2016, and April 2016, which is the prime



Ad.



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responsibility of the meter reader as per Chapter 6 of the CSM-2021. Subsequently, the Audit Department vide the above-referred audit note recommended the Appellant to charge the detection bill of Rs.104,178/- to the Respondent on account of misuse of tariff, however, the Appellant debited the impugned detection bill in July 2023 after a lapse of more than seven years from the date of audit observation i.e.01.06.2016. As per Clause 12 of the clarification dated 26.03.2021 regarding the revised CSM-2021, if due to any reason, the charges i.e. MDI/Fixed charges, multiplication factor, power factor penalty, tariff category, etc, have been skipped by the DISCO, the difference of these charges can be raised within one year for maximum period of six months, retrospectively. Thus the recovery of the impugned detection bill after a lapse of more than seven years is contradictory to the abovementioned clarification of the revised CSM-2021.


5.3 Given the impugned detection bill of Rs.104,178/- raised on the basis of Audit observation is not tenable in the eyes of the law. The Audit observation is an internal matter between the DISCO and the Audit Department and the Consumer cannot be held responsible for the payment of any detection bill based on the Audit Para. The honorable Lahore High Court in its judgment in the “Water and Power Development Authority, etc v. Umaid Khan” (1988 CLC 501) held that *no amount could be recovered from the consumer on the basis of the audit report as the audit affair is between the WAPDA and its audit department and no audit report could in any manner make consumer liable for any amount and the same could not bring about any agreement between the WAPDA and the consumer making consumer liable on the basis of so-called audit report.* The courts in similar cases relied on the same principle in cases reported cited as 2014 MLD 1253 and 2008 YLR 308.


5.4 In view of the foregoing discussion, we are of the considered view that the detection bill of Rs.104,178/- against 178 kW MDI charged to the Respondent based on audit observation is unjustified and the same is cancelled, which is also the determination of the POI.

6. Foregoing in view, the appeal is dismissed.

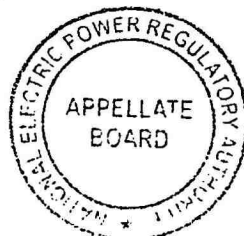
On leave  
Abid Hussain  
Member/Advisor (CAD)

Dated: 28-08-2024

  
Naveed Illahi Sheikh  
Convener/DG (CAD)

  
Muhammad Irfan-ul-Haq  
Member/ALA (Lic.)

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