

#### Subject: <u>Appeal Titled HESCO Vs. Rana Amanat Ali Sabir Rajput Against the Decision</u> <u>Dated 24.03.2021 of the Provincial Office of Inspection to Government of the</u> <u>Sindh Hyderabad Region, Hyderabad</u>

Please find enclosed herewith the decision of the Appellate Board dated 07.02.2022, regarding the subject matter, for information and necessary action accordingly.

#### Encl: <u>As Above</u>

(Ikram Shakeel) Deputy Director (M&E)/ Appellate Board

Forwarded for information please.

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



## **Before Appellate Board**

In the matter of

### Appeal No.075/2021

Hyderabad Electric Supply Company Limited

.....Appellant

Versus

#### APPEAL UNDER SECTION 38(3) OF REGULATION OF GENERATION, TRANSMISSION, AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST THE DECISION DATED 24.03.2021 PASSED BY PROVINCIAL OFFICE OF INSPECTION HYDERABAD REGION, HYDERABAD

For the Appellant: Mr. Mujeeb-ur-Rehman XEN Mr. Shakeel Ahmed A.D

For the Respondent: Nemo

### **DECISION**

 Brief facts of the case are that the Hyderabad Electric Supply Company Limited (the HESCO) is a licensee of the National Electric Power Regulatory Authority (hereinafter referred to as the NEPRA) for the distribution of electricity in the territory specified as per terms and conditions of the license and the Respondent is its domestic consumer bearing Ref No.03-37223-0013094 U with a sanctioned load of 2 kW under the A-1 Tariff category. The Respondent filed an application before the Provincial Office of Inspection, Hyderabad Region, Hyderabad (the POI) on



Month	Units	Remarks
June 2018	11,376	Pending units
July 2018	999	-
August 2018	595	-
November 2018	11,376	Pending units
December 2018	11,376	Pending units
February 2019	546	-

28.02.2019 and assailed the following six detection bills charged by the HESCO:

The POI disposed of the matter vide decision dated 24.03.2021, wherein the above six detection bills along with Late Payment Surcharges (LPS) charged by the HESCO to the Respondent were cancelled.

- 2. Through the instant appeal, the HESCO has challenged the decision dated 24.03.2021 of the POI (hereinafter referred to as the impugned decision) before the NEPRA. In its appeal, HESCO contended that the meter of the Respondent became defective, therefore 11,376 units were charged in the bill for June 2018 on account of balance units. HESCO further contended that the electricity bills of November 2018 and December 2018 were wrongly charged @ 11,376 units/month to the Respondent, therefore the Respondent is legally entitled to the adjustment of Rs.478,072/- for total 22,752 units, which will be waived off. HESCO prayed that the bill of 11,376 units charged in June 2018 may be allowed for recovery.
- 3. Notice of the appeal was issued to the Respondent for filing reply/para-wise comments, which however were not filed.
- 4. Hearing of the appeal was fixed for 21.01.2022 at the NEPRA Regional Office Hyderabad and notice thereof was served upon both the parties. On the date of the hearing, the HESCO officials were in attendance and no one appeared for the



Respondent. XEN HESCO reiterated the same grounds as contained in memo of the appeal and contended that the meter of the Respondent was defective due to which the bill of 11,376 units was debited in June 2018 on account of accumulated units. He further contended that the bills of November 2018 and December 2018 were debited @ 11,376 units/month due to the defective meter. As regards the bills for July 2018 and August 2018, HESCO officials explained that the billing in the said months was done on an estimated basis due to the defective meter. As per XEN HESCO, the defective billing meter of the Respondent was replaced with a new meter in January 2019 and the bill of February 2019 for the cost of 546 units was charged to the Respondent as per the actual consumption recorded by the new meter. XEN HESCO defended the charging of the above six bills.

5. Arguments heard and the record examined. It is observed as under:

i. Perusal of record shows that nil consumption was charged by the HESCO for the period December 2017 to May 2018 to the Respondent due to the defective meter, thereafter, the following bills were debited to the Respondent, which were agitated by him before the POI:

Month	Units	Remarks
June 2018	11,376	Pending units
July 2018	999	-
August 2018	595	-
November 2018	11.376	Pending units
December 2018	11,376	Pending units
February 2019	546	-

ii. As regards the bill of 11,376 units charged by the HESCO in June 2018 is



concerned, it is observed that the Respondent was billed 297 units in November 2017, thereafter nil consumption was charged during the period December 2017 to May 2018. How could it be possible that such high consumption of 11,376 units was recorded by the disputed meter of the Respondent in six months i.e. December 2017 to May 2018? HESCO neither provided any document i.e. detection proforma, meter checking report, notice before this forum nor could justify the bill of June 2018. Even otherwise, such high consumption of 11,376 units charged in June 2018 is not compatible with the sanctioned load i.e.2 kW of the Respondent. Similarly, the bills of 999 units and 595 units charged in the months of July 2018 and August 2018 respectively are much higher as compared to the 292 units/month assessed as per the formula given in Annex VIII of the CSM.

Units/month to be charged	= Sanctioned load (kW) x No. of Hours x Load factor
	2 x 730 x 0.2 = <b>292</b> units/month

As far as the bills of November 2018 and December 2018, HESCO in its appeal admitted that the bills for the above said months were charged wrongly and an adjustment of Rs.478,072/- for a total of 22,752 units is recommended. The above assertion of HESCO confirms that the irregular, unjustified bills were charged to the Respondent in November 2018 and December 2018.

In view of the above-narrated facts, we conclude that the bills for the months i.e. June 2018, July 2018, August 2018, November 2018, and December 2018 charged to the Respondent by the HESCO are declared as unjustified and liable to be cancelled. The impugned decision is liable to be maintained to this extent.



- iii. It would be judicious to charge the revised bills @ 292 units/month for the periods i.e. December 2017 to August 2018 and November 2018 to December 2018 (11 months) as assessed in accordance with the formula given in Annex-VIII of the CSM. The impugned decision is liable to be modified to this extent.
- iv. With regard to the bill of 546 units charged to the Respondent in February 2019, HESCO claims that the defective meter of the Respondent was replaced with a new meter in January 2019 and the accumulated units were charged in February 2019. Since the Respondent neither submitted any reply in this regard nor appeared before us for the rebuttal, we are inclined to agree with the contention of HESCO that the bill of 546 units charged in February 2019 is justified and payable by the Respondent. The impugned decision for cancellation of the same is not correct and liable to be withdrawn to this extent.
- 6. Summing up the foregoing discussion, it is concluded as under:
  - i. the following bills charged by the HESCO to the Respondent are unjustified, excessive and the same are declared as null & void.

Month	Units	Remarks
June 2018	11,376	Pending units
July 2018	999	-
August 2018	595	-
November 2018	11,376	Pending units
December 2018	11,376	Pending units

ii. HESCO may recover the bills @ 292 units/month for the periods i.e.
December 2017 to August 2018 and November 2018 to December 2018
(11 months) as calculated as per formula given in Annex-VIII of the CSM and



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the bill of 546 units debited in February 2019.

- iii. However, the payments already made by the Respondent against the abovedisputed bills shall be adjusted in the revised bill.
- 9. Forgoing into consideration, the appeal is partially accepted.

Abid Hussain Member/Advisor (CAD)

Nadir Ali Khoso Convener/Senior Advisor (CAD)

Date: 07.02.2022