



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

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No. NEPRA/Appeal/081/POI/2020/ 1062


December 28, 2021

1. Tahir Mahmood,
Managar Powr Plant,
Pakistan Telecommunication Company Limited,
PTCL Telephone Exchange,
Chakwal City, Chakwal
2. Chief Executive Officer
IESCO Ltd,
Head Office, St. No. 40,
Sector G-7/4, Islamabad
3. Faisal Bin Khurshid,
Advocate Supreme Court,
Office No. 3, First Floor,
National Arcade, 4-A,
F-8 Markaz, Islamabad
4. Sub Divisional Officer,
IESCO Ltd,
Chakwal Sub Division,
Chakwal
5. POI/Electric Inspector,
Islamabad Region,
XEN Office, Irrigation & Power Department,
Rawal Dam Colony, Park Road,
Islamabad

Subject: Appeal Titled IESCO Vs. Tahir Mahmood Against the Decision Dated 26.02.2020 of the Provincial Office of Inspection to Government of the Punjab Islamabad Region, Islamabad

Please find enclosed herewith the decision of the Appellate Board dated 08.12.2021, regarding the subject matter, for information and necessary action accordingly.

Encl: As Above


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

Forwarded for information please.

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



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Before Appellate Board

In the matter of

Appeal No.081/POI-2020

Tahir Mahmood Manager Power Plant, Pakistan
Telecommunication Company Limited PTCL Exchange,
Chakwal City, Chakwal

.....Appellant

Versus

Islamabad Electric Supply Company Limited

.....Respondent

APPEAL U/S 38 OF REGULATION OF GENERATION, TRANSMISSION, AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997

For the Appellant:

Syed Sharafat Hussain Power Manager
Mr. Shahid Rafi Assistant Manager PTCL

For the Respondent:

Mr. Faisal Bin Khurshid Advocate
Mr. M. Asad SDO

DECISION

1. As per facts of the case, the Appellant is a consumer of the IESCO bearing Ref No.27-14525-9421401 U with a sanctioned load of 95 kW under the tariff A-2(C). The billing meter (hereinafter referred to as the disputed meter) of the Appellant was found 33% slow due to the yellow damaged current transformer (CT) during the Metering and Testing (M&T) IESCO checking dated 16.04.2018, therefore, the Multiplication Factor (MF) of the Appellant was raised from 20 to 30 by the IESCO





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w.e.f May 2018 and onwards. A detection bill (the first detection bill) of Rs.995,133/- for 47,555 units for the period December 2017 to April 2018 five (5) months was charged to the Appellant by the IESCO on account of 33% slowness of the disputed meter and added in the bill for May 2018. The disputed meter of the Appellant was again checked by the M&T IESCO on 12.11.2018 and reportedly it was found 66% slow due to the two defective CTs. Notice dated 12.11.2018 was served to the Appellant regarding the above slowness of the disputed meter and another detection bill (the second detection bill) amounting to Rs.475,432/- for the cost of 22,430 units for the period September 2018 and October 2018 two (2) months was debited to the Appellant by the IESCO in November 2018, which was paid by the Appellant. Subsequently, the IESCO charged an additional detection bill (the third detection bill) of Rs.523,559/- for 20,602 units for the period November 2018 to January 2019 three (3) months to the Appellant and added in the bill for February 2019 on the plea that the bills for the said months were charged with the wrong application of MF i.e. 45 instead of 58.8. IESCO charged further bills with enhanced MF=58.8 till the date of replacement of the two defective 100/5 Amp CTs of the disputed meter i.e. 08.05.2019. Thereafter, the billing of the Appellant was continued with actual MF=20 by the IESCO. Later on, the disputed meter of the Appellant was checked by the M&T IESCO on 03.02.2020 and reportedly it was again found 33% slow due to damaged CT of the red phase. The IESCO charged a further detection bill (the fourth detection bill) of Rs.1,129,336/-



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for 38,137 units for the period December 2019 to February 2020 three (3) months. Further bills were charged with enhanced MF=30 due to 33% slowness of the disputed meter till the replacement of the 100/5 Amp CTs with 200/5 Amp CTs on 02.06.2020.

2. Being aggrieved with the above actions of the IESCO, the Appellant initially approached the NEPRA on 15.06.2020 and raised the dispute of the above irregular billing. The NEPRA forwarded the matter to the Provincial Office of Inspection Islamabad Region, Islamabad (the POI) for decision. The Appellant filed an application before the POI and challenged the above-mentioned detection bills. The POI vide decision dated 26.02.2020 disposed of the matter with the following conclusion:

"I have thoroughly examined the consumption pattern and reply of Respondents & I am in the opinion that the plea of the Respondents regarding charging of slowness from time to time and further charging on the enhanced multiplication factor is justified and as per law. It is added that payments made by the petitioner from time to time are also scrutinized and found correct and justified. The Respondents are directed to solve the matter of LPS as per government policy as the above said reference number is for the government entity. Issue debits and credits only for LPS according to the government instructions. The Respondents are directed to overhaul the accounts by making all debits and credits by intimating to this forum. Also, the petitioner is directed to clear all liabilities."

3. Through the instant appeal, the afore-referred decision of the POI (hereinafter referred to as the impugned decision) has been agitated by the Appellant before the NEPRA. In its appeal, the Appellant opposed the impugned decision inter alia, on



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the following grounds; (1) the IESCO violated Clause 4.4 of the Consumer Service Manual (CSM) while charging the detection bills i.e. first detection bill of Rs.995,133/-, second detection bill of Rs.475,432/-, third detection bill of Rs.523,559/- on account of slowness as observed time to time; (2) several requests were made to SDO IESCO for replacement of the defective CTs of the disputed meter with 200/5 Amp ratio and demand notice was accordingly paid on 05.03.2019 but IESCO initially installed CTs of 100/5 Amp instead of 200/5 Amp on 08.05.2019; (3) IESCO charged the entire bills with wrong application of MF; that three detection bills were charged in a period of one year but the POI declared the same as justified and as per law; (4) the impugned decision is liable to be set aside and (5) an excessive amount of Rs.1,994,124/- charged on account of the three detections bills and due to wrong application of MF be refunded.

4. Notice for filing reply/para-wise comments to the appeal was issued to IESCO, which however were not filed. Later on, the IESCO submitted a copy of the letter No.755-56/CE/IESCO/CSD(S) dated 03.08.2020 addressed to ADG (CAD) NEPRA, wherein the IESCO explained the following facts of the case; (1) 33% slowness observed in the disputed meter of the Appellant during the M&T checking dated 16.04.2018 and the MF was raised from 20 to 30 due to 33% slowness of the disputed meter w.e.f May 2018 and onwards; (2) the first detection bill of 47,555 units for the period December 2017 to April 2018 was charged to the Appellant at the rate of 33% slowness; (3) 66% slowness in the disputed meter was observed by





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the M&T IESCO on 12.11.2018, hence the second detection bill of 22,430 units for the period September 2018 and October 2018 was debited to the Appellant in November 2018; (4) the bills were charged with wrong application of MF=45 instead of 58.8 w.e.f November 2018 and onwards till the date of replacement of the two defective CTs of the disputed meter i.e. 08.05.2019; (5) two defective CTs of the disputed meter were replaced on 08.05.2019; (6) red CT of the disputed meter again found damaged on 03.02.2020 therefore the third detection bill for 38,137 units for the period December 2019 to February 2020 and further bills were debited with enhanced MF=30 due to 33% slowness of the disputed meter; (6) the old 100/5 Amp CTs of the disputed meter were replaced with new CTs of 200/5 Amp on 02.06.2020 and (7) the allegations of the Appellant regarding charging of the above detection bills on bogus checking are not based on facts.

5. After issuing notice, hearing of the appeal was conducted in the NEPRA Head Office, Islamabad on 14.10.2021, which was attended by the representatives for the Appellant and the Respondent was represented by a counsel along with the SDO IESCO. The representatives for the Appellant repeated the same arguments as written in memo of the appeal and contended that 33% slowness in the disputed meter was found on 16.04.2018, therefore the MF was raised from 20 to 30 w.e.f May 2018 and onwards and the first detection bill of 47,555 units for the period December 2017 to April 2018 was charged to the Appellant. The representatives for the Appellant further contended that the IESCO charged second detection bill





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of Rs.475,432/- for 22,430 units for the period September 2018 and October 2018 and enhanced MF from 30 to 58.8 for onward bills. As per the Appellant, the demand notice was paid on 05.03.2019 for the replacement of 4 CTs of 200/5 Amp but the IESCO replaced only one CT of 100/5 Amp on 08.05.2019. According to the Appellant, the entire bills charged due to the 66% slowness of the disputed meter are unjustified and liable to be withdrawn as no such checking was carried out by IESCO. The representatives for the Appellant finally prayed for setting aside the impugned decision. On the contrary, learned counsel appearing for the IESCO raised the preliminary objection regarding authorization and argued that the representatives appearing on behalf of the Appellant were not authorized to plead the case before the Appellate Board. On merits, learned counsel for the IESCO averred that 33% slowness observed in the disputed meter of the Appellant during the M&T checking dated 16.04.2018, resultantly the MF was raised from 20 to 30 w.e.f May 2018 and onwards and the first detection bill of 47,555 units for the period December 2017 to April 2018 was charged to the Appellant. Learned counsel for the IESCO stated that 66% slowness in the disputed meter was observed by the M&T IESCO on 12.11.2018, hence, the second detection bill of 22,430 units for the period September 2018 and October 2018 was debited to the Appellant in November 2018 and the bills were charged with the wrong application of MF=45 instead of 58.8 w.e.f November 2018 and onwards till the date of replacement of the two defective CTs of the disputed meter i.e. 08.05.2019. As per learned counsel





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for the IESCO, the detection bill for 38,137 units for the period, December 2019 to February 2020 and further bills were debited with enhanced MF=30 due to 33% slowness of the disputed meter as observed on 02.03.2020. According to learned counsel for IESCO, the old 100/5 Amp CTs of the disputed meter were replaced with new CTs of 200/5 Amp by IESCO on 22.06.2020. He finally prayed for upholding the impugned decision.

6. Arguments heard, the record perused and our observations are as under:

- i. With regard to the preliminary objection of the learned counsel for IESCO regarding the authorization, it may be noted that a letter has been placed before us wherein Mr. Tahir Mehmood Manager PTCL the Appellant has authorized Syed Sharafat Hussain Power Consultant to plead the instant case before this forum. Hence, the objection of IESCO in this regard is devoid of force and rejected.
- ii. The disputed meter of the Appellant was found 33% slow during the M&T IESCO checking dated 16.04.2018, therefore, the IESCO charged the first detection bill of Rs.995,133/- for 47,555 units for the period December 2017 to April 2018 five (5) months and further bills with enhanced MF=30 due to 33% slowness of the disputed meter w.e.f May 2018 and onwards. The disputed meter of the Appellant was again checked by the M&T IESCO on 12.11.2018 and reportedly it was found 66% slow due to two CTs being dead.





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The second detection bill amounting to Rs.475,432/- for the cost of 22,430 units for the period September 2018 and October 2018 was debited to the Appellant by the IESCO in November 2018. Subsequently, the IESCO charged the third detection bill of Rs.523,559/- for 20,602 units for the period November 2018 to January 2019 three (3) months to the Appellant and added in the bill for February 2019 on the plea that the bills were charged with the wrong application of MF i.e. 45 instead of 58.8. IESCO charged further bills with enhanced MF=58.8 till the date of replacement of the two defective CTs of the disputed meter i.e. 08.05.2019. Thereafter, the billing of the Appellant was continued with actual MF=20 by the IESCO. The disputed meter of the Appellant was subsequently checked by the M&T IESCO on 03.02.2020 and reportedly it was again found 33% slow due to damaged CT of the red phase. The IESCO charged the fourth detection bill of Rs.1,129,336/- for 38,137 units for the period December 2019 to February 2020 three (3) months and further bills were debited with enhanced MF=30 due to 33% slowness of the disputed meter. Later on, M&T IESCO replaced old CTs of the disputed meter with new CTs of 200/5 Amp on 02.06.2020. The Appellant filed an application before the POI and assailed the above-mentioned detection bills.

- iii. The above whole scenario indicates that the 100/5 Amp CTs of the disputed meter of the Appellant became defective time and again for which the Appellant paid demand notice on 05.03.2019 but the IESCO officials paid no





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attention to replace the CTs of appropriate rating to avoid the similar discrepancy and consequently irregular billing was done. In addition, IESCO failed to apply the right MF for the billing purpose due to the alleged 66% slowness of the disputed meter. This shows the gross negligence and poor performance on the part of IESCO and the concerned IESCO officials should be held accountable to linger on the replacement of CTs of appropriate rating and wrong application of the MF, which resulted in such billing dispute between the parties.

- iv. To further substantiate, entire disputed bills are addressed separately in the below-mentioned paragraphs;

First detection bill of Rs.995,133/-:

IESCO charged the first detection bill of Rs.995,133/- for five (5) months due to 33% slowness of the meter as observed on 16.04.2018. Pursuant to Clause 4.4 of the CSM, a consumer can be charged the detection bill for two (2) months in case of a slow meter. In the instant case, IESCO has violated the foregoing Clause of CSM by charging the first detection bill beyond two (2) months. We are of the view that the first detection bill of Rs.995,133/- for 47,555 units for the period December 2017 to April 2018 five (5) months charged by the IESCO is unjustified and liable to be declared as null and void. Since one CT of the disputed meter was found defective on 16.04.2018, therefore, the Appellant is liable to charge the detection bill for two (2) months



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i.e. February 2018 and March 2018 and the bill of April 2018 with enhanced MF=30 due to 33% slowness of the disputed meter. However, the bills already charged with enhanced MF=30 by the IESCO for the period May 2018 to October 2018 are justified and payable by the Respondent.

Second detection bill of Rs.475,432/-:

66% slowness of the disputed meter was observed during the M&T IESCO checking dated 12.11.2018, therefore IESCO charged the second detection bill of 22,430 units for the period September 2018 and October 2018 to the Appellant, which is analyzed in the below table:

Table-A

<u>Period: September 2018 and October 2018 two (2) months</u>	
A. Total units already charged at the rate of 33% slowness	= 26,238+19295 = 45,533 units
B. Total units to be charged with 66% slowness	= <u>Units already charged with 33% slowness</u> (1- 0.33) = <u>45,533</u> 0.67 = 67,960 units
C. Net chargeable units	= B-A = 67,960- 45,533 = 22,427 units

From the above analysis, it is revealed that the second detection bill of Rs.475,432/- for 22,427 units+38 kW MDI for the period September 2018 and October 2018 two (2) months charged by the IESCO at the rate of 66% slowness of the disputed meter is justified and the Appellant is liable to pay





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the same.

Third detection bill of Rs.523,559/-:

IESCO charged the third detection bill of Rs.523,559/- for 20,602 units for the period November 2018 to January 2019 three (3) months to the Appellant and added in the bill for February 2019 on the plea that the bills in the said months were charged with the wrong application of MF i.e. 45 instead of 58.8. To verify the version of IESCO, the billing statement for the disputed months as provided by the IESCO is tabulated below:

Table-B

Reading	A	B	C=B-A	D	E=C x D
	Oct-18	Jan-19	Dif.	MF	Units
Off-peak	17149.68	18389.07	1239.39	45	55772.55
Peak	3686.29	3939.87	253.58	45	11411.1
Total			1493	-	67183.65

From the above table, it is evident that the Appellant was charged the bills with MF=45 instead of 58.8 for the period November 2018 to January 2019. Hence, the chargeable units for the period November 2018 to January 2019 due to 66% slowness of the disputed meter are worked out in the below table:

Table-C

<u>Period: November 2018 to January 2019 three (3) months</u>	
A. Total Units to be charged = total reading already charged x enhanced MF	
= 1,493 x 58.8	= 87,785 units
B. Total units already charged = Refer Table-C	= 67,183 units
C. Net chargeable units as detection bill= A- B=87,786 – 67,183=	20,602 units



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The above calculation of chargeable units proves that the third detection bill of Rs.523,559/- for 20,602 units for the period November 2018 to January 2019 three (3) months charged to the Appellant in February 2019 is justified and the Appellant is liable to pay the same.

Fourth detection bill of Rs.1,129,336/-:

The Appellant paid demand notice dated 20.02.2019 for the cost of four (4) x 200/5 Amp CTs on 05.03.2019 but IESCO replaced two defective CTs of the disputed meter of the Appellant with 100/5 Amp CTs on 08.05.2019 and the billing of the Appellant was continued with MF=20 for the period October 2019 to February 2020 by the IESCO. The disputed meter of the Appellant was subsequently checked by the M&T IESCO on 03.02.2020 and reportedly it was again found 33% slow due to damaged 100/5 Amp CT of the red phase. Resultantly, the IESCO charged the fourth detection bill of Rs.1,129,336/- for 38,137 units for the period December 2019 to February 2020, three (3) months and further bills were debited with enhanced MF=30 due to 33% slowness of the disputed meter. Later on, the IESCO replaced old 100/5 Amp CTs of the disputed meter with new CTs of 200/5 Amp on 02.06.2020.

Once, the Appellant made payment of demand notice of Rs.17,280/- on 03.05.2019 for the replacement of 4 x 200/5 Amp CTs as to why IESCO installed under rated CTs, which could not burden the loading of the premises.





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The Appellant cannot be further burdened due to the negligence on the part of IESCO as the concerned IESCO officials failed to rectify the problem of defective CTs of the disputed meter for more than two years i.e. 16.04.2018 (date of reported 33% slowness) to 02.06.2020 (date of replacement of defective 100 Amp CTs). Moreover, no such discrepancy of defective CT of the disputed meter was reported by the IESCO meter reader during the monthly reading before 03.02.2020. Hence, we hold that the fourth detection bill of Rs.1,129,336/- for 38,137 units for the period December 2019 to February 2020 three (3) months charged to the Appellant by IESCO due to 33% slowness is unjustified and liable to be withdrawn.

Since, red CT of the disputed meter of the Appellant was found defective on 03.02.2020, as such the Appellant is liable to be debited the bills with enhanced MF=30 due to 33% slowness of the disputed meter w.e.f February 2020 and onwards till the installation of 200/5 Amp CTs by IESCO on 02.06.2020.

7. In view of what has been stated above, we have concluded that:

- i. Following detection bills charged by the IESCO to the Appellant are unjustified and the same should be withdrawn along with late payment surcharges.
 - First detection bill of Rs.995,133/- for 47,555 units for the period December 2017 to April 2018 debited at the rate of 33% slowness.
 - Fourth detection bill of Rs.1,129,336/- for 38,137 units for the period December 2019 to February 2020 three (3) months charged due to 33%





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slowness of the disputed meter.

ii. IESCO may recover the following bills from the Appellant:

- Detection bill of two (2) months i.e. February 2018 and March 2018 and the bills with enhanced MF=30 for the period April 2018 to October 2018 due to 33% slowness of the meter.
- The second detection bill of 22,430 units for the period September 2018 and October 2018 debited at the rate of 66% slowness of the meter.
- Bills with enhanced MF=45 for the period November 2018 to January 2019.
- Third detection bill of Rs.523,559/- for 20,602 units for the period November 2018 to January 2019 three (3) months debited to cover the difference between the applicable MF=58.8 and MF=45 already debited.
- Bills with enhanced MF=30 due to 33% slowness of the disputed meter w.e.f February 2020 and onwards till the installation of 200/5 Amp CTs by the IESCO on 02.06.2020

iii. The billing account of the Appellant should be overhauled after making adjustments of payments made against the above-disputed period.

9. The appeal is disposed of in the above terms.

Abid Hussain
Member/Advisor (CAD)

Nadir Ali Khoso
Convener/Senior Advisor (CAD)

Dated: 08.12.2021

