



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

NEPRA Office , Ata Turk Avenue (East), G5/1, Islamabad  
Tel. No. +92 051 2013200 Fax No. +92 051 2600030  
Website: [www.nepra.org.pk](http://www.nepra.org.pk) E-mail: [office@nepra.org.pk](mailto:office@nepra.org.pk)

No. NEPRA/Appeal/241/POI/2019/ 228

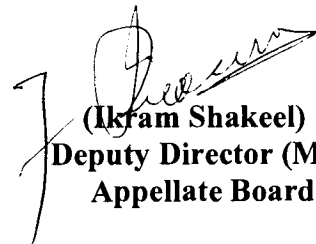
March 19, 2021

- |  |   |
|--|---|
| 1. Muhammad Ilyas<br>Through Nasir Javed,<br>Having office at Plot No. 314,<br>Industrial Area, I-9/2,<br>Islamabad  | 2. Chief Executive Officer<br>IESCO Ltd,<br>Head Office, St. No. 40,<br>Sector G-7/4, Islamabad   |
| 3. Faisal Bin Khurshid,<br>Advocate Supreme Court,<br>Al Rushd Advocates,<br>32-Haroon-Ur-Rasheed Block,<br>Near Post Office, Johar Road,<br>F-8 Markaz, Islamabad | 4. Muhammad Shoaib<br>Advocate High Court,<br>Chamber No. 3/4, Mohammadan Block,<br>District Courts, Rawalpindi                               |
| 5. Sub Divisional Officer<br>IESCO Ltd,<br>I-9 Sub Division,<br>Sector I-8/1, Islamabad  | 6. POI/Electric Inspector,<br>Islamabad Region,<br>XEN Office, Irrigation & Power<br>Department,<br>Rawal Dam Colony, Park Road,<br>Islamabad |

Subject: **Appeal Titled IESCO Vs. Muhammad Ilyas Against the Decision Dated 04.04.2019 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 12.03.2021, 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



# National Electric Power Regulatory Authority

## Before Appellate Board

In the matter of

## Appeal No.241/POI-2019

Islamabad Electric Supply Company Limited .....Appellant

Versus

Muhammad Ilyas Through Nasir Javed Having  
Office at Plot No.314, Industrial Area, I-9/2, Islamabad .....Respondent

### For the appellant:

Mr. Faisal Bin Khurshid Advocate  
Mr. Ghulam Hussain SDO

### For the respondent:

Mr. Muhammad Shoaib Advocate

## DECISION

1. Through this decision, an appeal filed by Islamabad Electric Supply Company Limited (hereinafter referred to as IESCO) against the decision dated 04.04.2019 of the Provincial Office of Inspection Islamabad Region, Islamabad (hereinafter referred to as POI) under Section 38(3) of the NEPRA Act 1997 is being disposed of.
2. Brief facts giving rise to the instant appeal are that the respondent is an industrial consumer of IESCO bearing Ref No.27-14124-1771900 with sanctioned load of 200 kW under the B-2(b) tariff. The billing meter of the respondent was checked by Metering and Testing (M&T) IESCO on 11.02.2015 and reportedly it was found defective with upset date and time. The defective meter of the respondent was replaced with a new meter by IESCO vide meter change order (MCO) dated 11.02.2015.



## National Electric Power Regulatory Authority

Subsequently, the Audit Department vide Audit Note No.176 dated 09.12.2015 endorsed to charge the bills for the period November 2014 to January 2015 (3 months) to the respondent on the basis of the average consumption of the last eleven months. IESCO issued notice dated 14.12.2015 to the respondent and debited a detection bill amounting to Rs.518,937/- for 32,376 units for the period November 2014 to February 2015 (3 months) to the respondent based on Audit Note No.176 dated 09.12.2015 and added in the bill for July 2018.

3. The respondent being aggrieved with the above detection bill filed an application before POI, who disposed of the matter vide decision dated 04.04.2019 (hereinafter referred to as the impugned decision) wherein the detection bill of Rs.518,937/- for 32,376 units charged as per Audit Note No.176 dated 09.12.2015 was declared as null and void.
4. Through the instant appeal, IESCO challenged the POI decision dated 04.04.2019 (hereinafter referred to as the impugned decision) before the NEPRA in which it is contended that the meter of the respondent was found defective during checking dated 11.02.2015 and it was replaced with a new meter vide MCO dated 11.02.2015. IESCO further contended that the Audit Department vide Audit Note No.176 dated 09.12.2015 pointed out less charging of units during the period November 2014 to February 2015 and recommended to charge the detection bill of Rs.518,937/- for 32,376 units for the period November 2014 to February 2015 to the respondent on the basis of the average consumption of last eleven months. As per IESCO, the impugned decision suffers from

11



## National Electric Power Regulatory Authority

technical, factual, and legal infirmities, which is unlawful, malafide, arbitrary, and calls for interference by this Authority. IESCO supported the Audit Report and stated that it has legal length, which was flouted by POI while passing the impugned decision. According to IESCO, the opinion of POI is scanty, without a valid basis and reflection of wheeling and dealing as it is passed without taking into account the expert opinion based on technical testing which shows the real aspects of the case. IESCO finally prayed for setting aside the impugned decision.

5. Notice for filing reply/para-wise comments to the appeal was issued to the respondent, which however were not filed.
6. Hearing of the appeal was conducted in NEPRA Head Office, Islamabad on 09.03.2021, which was attended by learned counsel along with SDO IESCO for the appellant and a counsel appeared for the respondent. Learned counsel for IESCO argued that the Audit Department vide Audit Note No.176 dated 09.12.2015 pointed out the less charging of units during the period November 2014 to February 2015. Learned counsel submitted that IESCO charged the detection bill of Rs.518,937/- for 32,376 units for the period November 2014 to February 2015 to the respondent as per Audit Para, which is justified and payable by the respondent. Further, he opposed the determination of POI for cancellation of the above detection bill on a single count and prayed for setting aside the impugned decision. On the contrary, learned counsel for the respondent repudiated the stance of learned counsel for IESCO and averred that neither



## National Electric Power Regulatory Authority

prior notice was served nor the respondent was associated during the audit proceedings. Learned counsel for the respondent informed that a dip in consumption was due to the windup of business and closure of the factory. Learned counsel for the respondent supported the impugned decision and prayed for its maintainability.

7. Arguments heard and the record perused. Following are our observations:

- i. The billing meter of the respondent was found defective with disturbed date and time during IESCO checking dated 11.02.2015, hence it was replaced with a new meter vide MCO dated 11.02.2015. Audit Department vide Audit Note No.176 dated 09.12.2015 recommended to charge the detection bill of 32,376 units for the period November 2014 to February 2015 to the respondent on the basis of the average consumption of the last eleven months. Consequently, IESCO charged the detection bill of Rs.518,937/- for 32,376 units for the period November 2014 to February 2015 to the respondent and added in the bill for July 2018, which was disputed by him before POI.
- ii. Audit para is an internal matter between IESCO and the Audit Department and the respondent cannot be held responsible for payment of any detection bill on the recommendation of the Audit Department. In this regard, reliance is placed on the cases reported in 2014 MLD 1253 titled M/s. Mehmood Textile Mills v/s MEPCO and 2008 YLR 308 titled WAPDA v/s Fazal Karim. Besides, the respondent was neither associated during the M&T checking dated 11.02.2015 nor the disputed



## National Electric Power Regulatory Authority

billing meter was produced before the POI for checking. Moreover, the above detection bill was charged for a period of three months i.e. November 2014 to February 2015 by IESCO on account of a defective meter, which is violative of clause 4.4(e) of the Consumer Service Manual (CSM). In view of the above discussion, we hold that the recommendation of the Audit Department vide Audit Note No.176 dated 09.12.2015 for recovery of the detection bill amounting to Rs.518,937/- for 32,376 units for the period November 2014 to February 2015 (3 months) from the respondent on the basis of the average consumption of last eleven months is unjustified, illegal, incorrect and the same is liable to be withdrawn, which is also the determination of POI.

- iii. Learned counsel for the respondent was of the plea that the dip in consumption of the premises was noticed due to the windup of business, however, no evidence for the closure of the factory was provided by him in support of his contention. As the billing meter of the respondent was found defective on 11.02.2015 and replaced vide MCO dated 11.02.2015, hence the respondent is liable to be charged the detection bill for two months only i.e. December 2014 and January 2015 and the mode of charging the bills be assessed based on clause 4.4(e) of CSM, which prescribes that the bills be charged @ 100% consumption of the corresponding month of the previous year or average consumption of last eleven months, whichever is higher. Following comparison of the consumption data is done:



## National Electric Power Regulatory Authority

Period	Units/month
Disputed month: December 2014 to January 2015	4,840
Corresponding month of previous year: December 2013 to January 2014	13,800
Last eleven undisputed months: January 2014 to November 2014	15,455

The above comparison of consumption data transpires that the normal units charged during the disputed period are much lesser than the corresponding consumption of the previous year or the average consumption of the last eleven undisputed months. Hence, it would be judicious to charge the bills @ 15,455 units per month for the disputed period December 2014 and January 2015 as per average consumption of the last eleven undisputed months i.e. January 2014 to November 2014 being higher in pursuance of clause 4.4(e) of CSM. The impugned decision is liable to be modified to this extent.

8. Summing up the foregoing discussion, it is concluded that the detection bill of Rs.518,937/- for 32,376 units for the period November 2014 to February 2015 charged to the respondent on the basis of Audit Note No.176 dated 09.12.2015 by IESCO is unjustified and the same should be withdrawn. The respondent should be charged the bills @ 15,455 units per month for the disputed period December 2014 to January 2015 as per average consumption of the last eleven months i.e. January 2014 to November 2014, however, the units already charged during the period December 2014 to January 2015 should be adjusted in the revised bill. The billing account of the respondent may



## National Electric Power Regulatory Authority

be overhauled after making adjustment of payment made (if any) against the above detection bill.

9. The impugned decision is modified in the above terms.

Muhammad Qamar-uz-Zaman  
Member

Nadir Ali Khoso  
Convener

Dated: 12.03.2021