



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

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No. NEPRA/Appeal/002/POI/2022/ 12/6

November 01, 2022

- | | |
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| 1. Ejaz Ahmed,
C/o. Muhammad Rahim Malik,
House No. BV-304, Muslim Town,
Rawalpindi | 2. Chief Executive Officer
IESCO Ltd,
Head Office, St. No. 40,
Sector G-7/4, Islamabad |
| 3. Sub Divisional Officer (E),
IESCO Ltd,
Muslim Town Sub Division,
Service Road, Near Khanna Pul West,
Rawalpindi | 4. POI/Electric Inspector,
Islamabad Region,
XEN Office, Irrigation & Power Department,
Rawal Dam Colony, Park Road,
Islamabad |

Subject: **Appeal Titled IESCO Vs. Ejaz Ahmed Against the Decision Dated 31.08.2021 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 31.10.2022, 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. Additional Director (IT) –for uploading the decision on NEPRA website



National Electric Power Regulatory Authority

Before Appellate Board

In the matter of

Appeal No.002/POI-2022

Islamabad Electric Supply Company Limited

.....Appellant

Versus

Ejaz Ahmed C/o Muhammad Rahim Malik,
House No.BV-304, Muslim Town, Rawalpindi

.....Respondent

APPEAL U/S 38(3) OF THE REGULATION OF GENERATION, TRANSMISSION, AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997

For the Appellant:

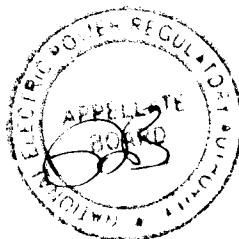
Mr. Muhammad Asim SDO

For the Respondent:

Nemo

DECISION

1. Briefly speaking, Mr. Muhammad Rahim Malik (hereinafter referred to as the “Respondent”) is a domestic consumer of Islamabad Electric Supply Company Limited (hereinafter referred to as the “Appellant”) bearing Ref No.07-14134-1115900 with a sanctioned load of 1 k W and the applicable Tariff category is A-1(a). As per the Site Inspection Report dated 21.08.2020 of the Appellant, the Respondent was found stealing electricity directly for which notice dated 21.08.2020 was issued to the Respondent regarding the above discrepancy. The Appellant wrote a letter No.1063/MT





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dated 21.08.2020 to the police for registration of FIR against the Respondent involved in the direct theft of electricity. Thereafter, a detection bill of Rs.59,217/- for 2,200 units for three months from May 2020 to July 2020 was charged to the Respondent on the basis of connected load i.e.4 kW, and added to the bill for April 2017.

2. Being aggrieved, the Respondent filed a complaint before the Provincial Office of Inspection, Islamabad Region, Islamabad (hereinafter referred to as the "POI") and challenged the above detection bill. The complaint was decided by the POI vide the decision dated 31.08.2021 in which the detection bill of Rs.59,217/- for 2,200 units for three months from May 2020 to July 2020 was cancelled and the Appellant was directed to debit the revised bill of 876 units to the Respondent.
3. Subject appeal has been filed against the afore-referred decision dated 31.08.2021 of the POI (hereinafter referred to as the "impugned decision") by the Appellant before the NEPRA, wherein it is contended that the Respondent was found stealing electricity directly through bypassing the meter during the checking dated 21.08.2020, therefore notice was served to the Respondent and an application was sent to SHO Sadiqabad, Rawalpindi for lodging FIR against the Respondent. The Appellant further contended that the detection bill of Rs.59,217/- for 2,200 units for three months from May 2020 to July 2020 was charged to the Respondent. As per the Appellant, the consumption data clearly shows that the Respondent was stealing electricity directly, therefore, the above said detection bill was charged as per Clauses 9.1.1, 9.1.2, and 9.1.3 of the





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Consumer Service Manual (the “CSM”). According to the Appellant, the impugned decision suffers from serious technical, factual, and legal infirmities and calls for interference by this Authority. The Appellant submitted that the opinion of the POI is scanty and without valid basis, which is reflection of wheeling and dealing as it is passed without taking into account the real aspects of the case. The Appellant further submitted that the impugned decision is against the provisions of the procedure laid down in the NEPRA Act, the CPC, and the Electricity Act 1910. The Appellant finally prayed that the impugned decision is liable to be set aside.

4. Proceedings by the Appellate Board

Upon filing of the instant appeal, a Notice dated 12.01.2022 was sent to the Respondent for filing reply/para-wise comments to the appeal within ten (10) days. However, the Respondent did not submit a reply to the appeal.

5. Hearing

5.1. Hearing in the matter of the subject Appeal was fixed for 03.06.2022 at Islamabad and accordingly, the notices dated 26.05.2022 were sent to the parties (i.e. the Appellant and the Respondent) to attend the hearing. As per schedule, a hearing of the appeal was conducted at the NEPRA Head Office Islamabad on 03.06.2022 in which no one appeared for both parties. In order to provide an opportunity of hearing to both parties, the hearing was adjourned till the next date.



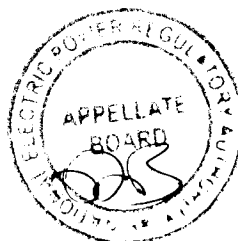


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5.2. After issuing notices dated 26.08.2022, the appeal was again heard at NEPRA Head Office Islamabad on 02.09.2022, which was attended by the representative for the Appellant, and no one appeared for the Respondent. Since the Respondent did not appear despite repeated notices, therefore the hearing of the Appellate Board proceeded in the absence of the Respondent. The representative for the Appellant reiterated the same version as contained in memo of the appeal and contended that the Respondent was found stealing electricity directly through PVC wire during checking dated 21.08.2020. The said discrepancy was removed and a letter was written to the Police for registration of FIR against the Respondent. The representative for the Appellant further contended that the detection bill of Rs.59,217/- for 2,200 units for three months from May 2020 to July 2020 was debited based on connected load i.e. 4 kW, which was revised by the POI for only 876 units based on the sanctioned load of 2 kW. As per the representative for the Appellant, the revision of the detection bill from 2,200 units to 876 units by the POI supports our version that the actual consumption was not recorded during the disputed period due to the direct theft of electricity committed by the Respondent. The Appellant defended the charging of the impugned detection bill and prayed that the same be declared as justified and payable by the Respondent.

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

6.1 Since the dispute regarding the billing pertains to the year 2020, hence the case will





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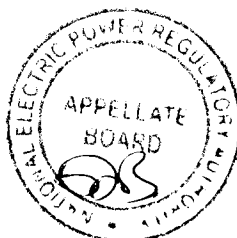
be dealt with under the then applicable Consumer Service Manual 2010 (the “CSM-2010”). Clause 9.1(a) of the CSM-2010 specifies the instances of direct theft of electricity by registered/un-registered consumers as well as the procedure to be adopted by the concerned distribution company to deal with such cases; the same is reproduced below for the sake of convenience:

*“9.1 (a) DIRECT THEFT OF ELECTRICITY BY REGISTERED/
UNREGISTERED CONSUMERS OF IESCO.*

If a premises/person is found to be hooked directly with the IESCO's supply line by bypassing the metering equipment or if the consumer is using electricity direct from the IESCO supply line and/or the person living on the premises is not a consumer of the IESCO; then the IESCO shall inert alia, process the case of THEFT of electricity. For all such cases, the IESCO shall register FIR with the Police. The FIR is to be registered by a responsible officer of the IESCO, not below the rank of Sub Divisional Officer.

All theft cases of direct hooking would be dealt by IESCO strictly in accordance with relevant clauses of the Electricity Act 1910. The disconnection of electricity shall be carried out immediately under the supervision of the Sub Divisional Officer of the area or any other authorized Officer of the IESCO. The removed material shall be preserved as a proof of theft and the same shall be handed over to the police authorities while reporting to the Police.

The IESCO shall be authorized to recover its loss by raising a detection bill as per its own procedure.”





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6.2 In the instant case, the Appellant claimed that the electricity was being used directly by the Respondent. Therefore, having found the alleged theft by the Respondent, the Appellant was required to take the following actions in accordance with Clause 9.1(a) of CSM-2010:

- i. Register FIR against the Respondent by an officer not below the rank of SDO.
- ii. Disconnection of electricity under the supervision of the SDO of the area.
- iii. Preserve the removed material as proof of theft and hand it over to Police while reporting the crime to Police.
- iv. Raise the detection bill to recover the loss.

6.3 The above procedure specifies the manner to prove the Appellant's claim of direct theft of electricity and is to be followed mandatorily to take punitive action against the person involved in theft and recovery of loss thereof. Accordingly, upon knowing of the alleged theft of electricity by the Respondent, the Appellant was required to get the FIR registered against the Respondent while providing the proof of theft of electricity to Police. In the instant case, however, the Appellant raised detection bill against the Respondent without following the procedure specified in Clause 9.1(a) to prove the charge of theft before raising a detection bill. Thus due to the procedural infirmities, the Appellant's claim that the Respondent was involved in the direct theft of electricity is not proven and cannot become the basis for raising the detection bill against the Respondent.





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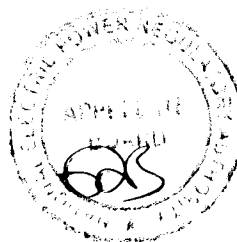
6.4 As far as the fate of the detection bill of Rs.59,217/- for 2,200 units for three months from May 2020 to July 2020 is concerned, it is observed that the impugned detection bill was debited on the basis of connected load i.e. 4 kW. However, the alleged connected load was neither verified by the POI nor by the Appellant could regularize the same. Therefore, we are of the firm view that the detection bill of Rs.59,217/- for 2,200 units for three months from May 2020 to July 2020 charged by the Appellant to the Respondent is illegal and unjustified and the same is liable to be declared null and void.

6.5 It is observed that the electricity of the Respondent was not disconnected, however, the recorded consumption of the Respondent during the disputed period from May 2020 to July 2020 was nil as per the available record. Therefore, it is clear that the meter was not recording consumption during the said period. Therefore while the detection bill raised by the Appellant on account of alleged theft cannot be allowed, the Appellant may be allowed to charge the revised bills to the Respondent to recover energy loss during the above three months. In order to determine the quantum of loss, the formula given in Annex-VIII of the CSM-2010 may be used as below:

Period: May 2020 to July 2020

$$\begin{aligned}\text{Total units to be charged} &= \text{Sanctioned Load} \times \text{LF} \times \text{No. of Hrs.} \times \text{No. of Months} \\ &= 2 \times 0.2 \times 730 \times 3 = \mathbf{876 \text{ units}}\end{aligned}$$

6.6 It is clarified that the above formula is only used to determine the quantum of energy loss and is without prejudice to our observations regarding illegal abstraction of





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electricity at para 6.3 above. Accordingly, the Respondent may be charged the revised bill of total 876 units for the period May 2020 to July 2020 as calculated in the above table on the basis of 20% load factor of the sanctioned load i.e. 2 kW.

6.7 The billing account of the Respondent may be overhauled after adjusting payments made against the disputed detection bill.

7 In view of above, the impugned decision is maintained and the appeal is dismissed.

Syed Zawar Haider
Member

Abid Hussain
Convener

Muhammad Irfan-ul-Haq
Member

Dated: 31/10/2022

