



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

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No. NEPRA/Appeal/062/2023/ 672

November 20, 2023

1. Niaz ud Din,
C/o. Khalid Feroz,
House No. 609, Main Double Road,
National Police Foundation,
Sector E-11/4, Islamabad

2 Chief Executive Officer,
IESCO Ltd,
Head Office, St. No. 40,
Sector G-7/4, Islamabad

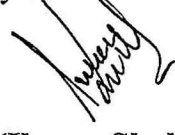
3. Sub Divisional Officer,
IESCO Ltd,
F-11 Sub Division,
Plot No. 05, St. No. 50,
G-10/3, Islamabad

4 POI/Electric Inspector, Islamabad Region,
XEN Office, Irrigation & Power Department,
Rawal Dam Colony, Park Road,
Islamabad

Subject: **Appeal Titled Niaz ud Din Vs. IESCO Against the Decision Dated 27.03.2023 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 20.11.2023 (04 pages), regarding the subject matter, for information and necessary action accordingly.

Encl: **As Above**


(Ikram Shakeel)
Deputy Director (AB)

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.062/POI-2023

Niaz ud Din c/o Khalid Feroz, House No. 609,
NPF, Sector E-11/4, Islamabad

.....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:

Mr. Muhammad Bilal Advocate

For the Respondent:

Mr. Muhammad Bilal MRS

DECISION

1. Brief facts leading to the filing of instant appeal are that Mr. Niaz ud Din (hereinafter referred to as the "Appellant") is a consumer of Islamabad Electric Supply Company Limited (hereinafter referred to as the "Respondent") having the following connections under dispute:

S.No.	Connection Type	Ref No.	Tariff	S/L (kW)
1	Domestic	05-14127-1023900	A-1b	05
2	Domestic	05-14127-1024000	A-1b	06
3	Domestic	05-14127-1024100	A-1b	07

The premises of the Appellant was inspected by the Respondent in February 2022 and reportedly the Appellant was found using the electricity of the abovementioned connections for commercial purpose (running hostels). Notice dated 11.02.2022 was served to the Appellant by the Respondent regarding the misuse of tariff. Subsequently, demand notices dated 16.09.2022 were issued to the Appellant by the Respondent for the change of tariff category i.e. from A-I to A-2C, which were paid by him. Thereafter, the Respondent changed the tariff category of the Appellant in September 2022 as per detail

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given below:

S.No.	Connection Type	Ref No.	Tariff	S/L (kW)
1	Commercial	24-14127-2444311	A-2C	6
2	Commercial	24-14127-2444312	A-2C	7
3	Commercial	24-14127-2444313	A-2C	10

2. Subsequently, the Appellant filed an application before the Provincial Office of Inspection, Islamabad Region, Islamabad (hereinafter referred to as the "POI") and challenged the bill of October 2022, which included the adjustment bill of Rs.380,924/-. The complaint of the Respondent was disposed of by the POI vide the decision dated 27.03.2023, the operative portion of which is reproduced below:

"Summing up all the above observations/discussion and keeping in view all the aspects of the case. I have thoroughly examined the consumption pattern and reply of the respondents & I am of the opinion that the plea of the respondents is justified and as per law and charging of billing charged by the IESCO is correct & justified. 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. Subject appeal has been filed against the afore-referred decision dated 27.03.2023 of the POI by the Appellant before the NEPRA. In its appeal, the Appellant opposed the impugned decision *inter alia*, on the following grounds that the premises was taken on rent from Mr. Khalid Feroz Khan for boys hostel through the rent agreement dated 01.09.2022; that the disputed bill of Rs.380,924/- was added as an adjustment in October 2022, which was challenged before the POI; that the POI ignored the facts as well as material evidence and concerning laws applicable in such particular situation; that the impugned connections of the premises were not used for commercial activities before September 2022; that the Appellant neither conducted inquiry nor summoned him for taking plea; and that the impugned decision is liable to be set aside and the adjustment bill of Rs.380,924/- be reverse back.

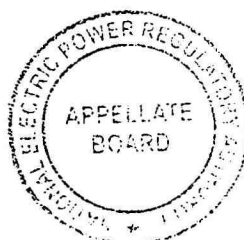
4. Proceedings by the Appellate Board

- 4.1 Upon filing of the instant appeal, a notice dated 20.07.2023 was sent to the Respondent for filing reply/para-wise comments to the appeal within ten (10) days, which however were not filed.

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5. Hearing:

5.1 Hearing was held at NEPRA Head Office Islamabad on 31.08.2023, which was attended by both parties. Learned counsel for the Appellant contended that the premises was taken on rent for running boys hostel w.e.f 01.09.2022 and onwards, however, the Respondent debited an adjustment bill of Rs.380,924/- in the month of October 2022 on account of misuse of tariff. As per learned counsel for the Appellant, the Respondent issued demand notices for updation of the security deposit and change of tariff category of the impugned connections i.e. from A-I to A-2C, which were duly paid by the Appellant. According to the learned counsel for the Appellant, there is no justification to debit the adjustment bill of Rs.380,924/- in October 2022 without conducting an inquiry and verification of material evidence. Learned counsel for the Appellant opposed the maintainability of the impugned decision and prayed for setting aside the same.

5.2 The representative for the Respondent rebutted the version of the Appellant and averred that the Appellant was using the electricity of the domestic connections of the premises for commercial purposes for which notice dated 11.02.2022 was issued to the Appellant. The representative for the Respondent stated that the demand notices dated 16.09.2022 were issued to the Appellant for the change of tariff category from A-I to A-2C, which were duly paid by the Appellant. As per Respondent, the payment of demand notices confirms that the Appellant was using the impugned connections of the premises for commercial purpose. He prayed for upholding the impugned decision.

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

6.1 It is observed that the discrepancy of misuse of the tariff i.e. commercial instead of domestic was noticed by the Respondent in February 2022 for which notice dated 11.02.2022 was issued to the Appellant. Thereafter, demand notices dated 16.09.2022 were issued to the Appellant by the Respondent for the change of tariff category i.e. from A-I to A-2C, which were paid by him. Accordingly, the status of connections of the Appellant was changed from A-I to A-2C in September 2022. Later on, the Appellant received a bill in October 2022 which included the adjustment bill of Rs.380,924/-, which was challenged before the POI.

6.2 This whole scenario indicates that the Appellant was using the domestic connections of the premises for the commercial activity (running boy's hostel). Though the Respondent served a notice dated 11.02.2022 for misuse of the tariff as required under Clause 7.5.2 of



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the Consumer Service Manual 2021 (the "CSM-2021") the Respondent took almost 7 months for change of tariff category i.e. A-I to A-2C. Further, the Respondent did not provide any justification of the adjustment bill of Rs.380,924/- included in October 2022. Under these circumstances, we are of the considered view that the impugned adjustment bill of Rs.380,924/- added in October 2022 is unjustified and the same is liable to be cancelled.

6.3 It is an admitted fact that the impugned connections were being used by the Appellant for commercial activity for which notice dated 11.02.2022 was served to the Respondent. Subsequently, the tariff category of the impugned connections was changed from A-I to A-2C in September 2022. In such cases, NEPRA has clarified vide letter No. NEPRA/DG(CAD)/TCD-10/17187-13 dated 26.03.2021 that the recovery of difference of tariff be made within one year of the discrepancy noticed and maximum for six billing cycles. Hence the Appellant is liable to be charged the difference bill of the previous six months i.e. March 2022 to August 2022 as per the above-said clarification of NEPRA revised CSM-2021. The impugned decision is liable to be modified to this extent.

7. Summing the foregoing discussion, we concluded that:

7.1 The adjustment bill of Rs.380,924/- added in October 2022 is illegal and unjustified and the same is cancelled.

7.2 The Respondent may be debited the difference of tariff i.e. A-2C instead of A-I for six retrospective months i.e. March 2022 to August 2022 in pursuance of clarification given vide letter No. NEPRA/DG(CAD)/ TCD10/17187-13 dated 26.03.2021.

7.3 The billing account of the Appellant may be overhauled after the adjustment of payments made against the above detection bill.

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

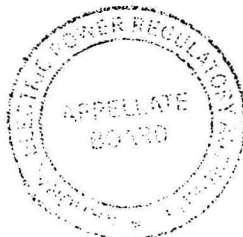
Abid Hussain
Member

Muhammad Irfan-ul-Haq
Member

Naweed Illahi Sheikh
Convener

Dated: 20-11-2023

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