



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

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No. NEPRA/Appeal/081/2021/ 523

June 06, 2024

- |   |   |
|---|---|
| 1. Muhammad Hanif,<br>S/o. Muhammad Yousaf,<br>Present Owner, connection in the name<br>of Malik Ishtiaq, Prop: Tube Well,<br>Chak No. 46/10-R, Garha Mohr Road,<br>Tehsil & District Khanewal<br>Cell No. 0300-7798145 | 2. Chief Executive Officer,<br>MEPCO Ltd,<br>MEPCO Complex, Khanewal Road,<br>Multan  |
| 3. Malik Muhammad Muzaffar Athangal,<br>Advocate High Court,<br>Seat No. 18-A, District Courts,<br>Multan<br>Cell No. 0300-6323224  | 4. Executive Engineer (Operation),<br>MEPCO Ltd,<br>Khanewal Division,<br>Khanewal<br>Cell No. 0302-8404063                                 |
| 5. Sub Divisional Officer (Operation),<br>MEPCO Ltd,<br>Civil Line Sub Division,<br>Khanewal<br>Phone No. 065-9200029   | 6. POI/Electric Inspector,<br>Multan Region,<br>Energy Department, Govt. of Punjab,<br>249-G, Shah Rukan-e-Alam Colony,<br>Phase-II, Multan |

**Subject: Appeal No.081/2021 (MEPCO Vs. Muhammad Hanif) Against the Decision Dated 31.03.2021 of the Provincial Office of Inspection to Government of the Punjab Multan Region, Multan**

Please find enclosed herewith the decision of the Appellate Board dated 06.06.2024 (08 pages), regarding the subject matter, for information and necessary action accordingly.

**Encl: As Above**

  
**(Ikram Shakeel)**  
**Deputy Director**  
**Appellate Board**

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.081/POI-2021

Multan Electric Power Company Limited

.....Appellant

Versus

Muhammad Hanif S/o. Muhammad Yousaf,  
Prop: Tubewell, Chak No,46/10-R. Garha Mohr Road  
Tehsil & District Khanewal

.....Respondent

## APPEAL UNDER SECTION 38(3) OF THE REGULATION OF GENERATION, TRANSMISSION, AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997

### For the Appellant:

Malik Muzaffar Athangal Advocate  
Mr. Tariq Mehmood Dar XEN

### For the Respondent:

Nemo

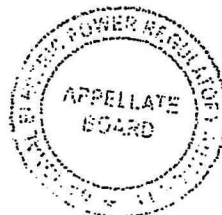
## DECISION

1. Briefly speaking, Mr. Muhammad Hanif (hereinafter referred to as the "Respondent") is an agricultural consumer of Multan Electric Power Company Limited (hereinafter referred to as the "Appellant") bearing Ref No.29-15913-0677500-R having a sanctioned load of 19 kW and the applicable tariff category is D-2(b). The Respondent approached the Provincial Office of Inspection, Multan Region, Multan (hereinafter referred to as the "POI") on 13.08.2020 and challenged the irregular bills for the period from February 2015 to September 2019 along with late payment surcharges (LPS) charged by the Appellant. Detail of impugned bills is given as under:

- i. Non-provision of credit of 1,000 units excessively charged in February 2015.
- ii. Excess average bills for May 2015 and June 2015 were charged during the execution of MCO for AMR.
- iii. The detection bill (the "first detection bill") of Rs.33,161/- for 2,998 units was charged in March 2016.
- iv. The detection bill (the "second detection bill") of Rs.81,808/- for 7,396 units was charged in May 2016.
- v. The detection bill (the "third detection bill") of Rs.202,147/- for 18,342 units for the period from February 2016 to April 2016 was charged in June 2016 on

Appeal No.081/POI-2021

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account of direct supply observed on 08.06.2016.

- vi. The detection bill (the "fourth detection bill") of Rs.73,755/- for 6,668 units was charged in May 2017 on the recommendation of AN 251 dated 05.06.2017.
  - vii. Higher average bills were charged from May 2017 to December 2017 due to a defective meter.
  - viii. The detection bill (the "fifth detection bill") of Rs.122,735/- against 11,096 units for two months i.e. October 2017 and November 2017 was charged to the Respondent in December 2017.
  - ix. The detection bill (the "sixth detection bill") of Rs.45,982/- for 4,157 units was charged in February 2018.
  - x. The detection bill (the "seventh detection bill") of Rs.31,987/- for 2,891 units was charged in March 2018 on the basis of the audit note.
  - xi. Detection bill (the "eighth detection bill") of Rs.109,433/- for 9,636 units was charged in October 2018 as the meter became dead stop.
  - xii. The detection bill (the "ninth detection bill") of Rs.147,181/- for 13,307 units for the period October 2018 to November 2018 was charged in December 2018.
  - xiii. Average bills charged from January 2019 to July 2019.
  - xiv. Detection bill (the "tenth detection bill") of Rs.122,936/- for 16,460 units charged during September 2019.
2. The complaint of the Respondent was disposed of by the POI vide the decision dated 31.03.2021 with the following conclusion:

*"Summing up all the above-narrated observations & conclusions this forum declares the charging of all the above-discussed average plus detection bills charged during the period 02/2015 to 09/2019 along with LPS since 02/2015 to date as Null, Void & without any legal effect. The Respondents are directed to withdraw the same and overhaul the consumer's account as per conclusions made vide Para No. (ii) to (xi) respectively and proportionately."*

3. Being dissatisfied, the Appellant has filed the instant appeal before NEPRA and assailed the decision dated 31.03.2021 of the POI (hereinafter referred to as the "impugned decision"). In its appeal, the Appellant opposed the maintainability of the impugned decision *inter alia*, on the following grounds that the documentary evidence proved that the bills for the period from February 2015 to September 2019 were rightly charged to the Respondent but the POI miserably failed to appreciate and accept the facts and declared the above-mentioned bills as null and void; that the impugned decision is illegal, unjustified, misconceived, self-contradictory, without application of judicial mind, ignoring the facts of the case; that the POI



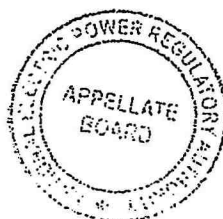
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has no jurisdiction to entertain the said matter according to Section 26(6) of Electricity Act 1910 and the Civil Court has exclusive jurisdiction to adjudicate the matter of direct supply, audit note and average charged; that the dispute of billing is time-barred the POI failed to consult the detailed checking reports and relevant record; and that the impugned decision is liable to be set aside.

4. Notice dated 04.10.2023 of the appeal was issued to the Respondent for filing reply/para-wise comment, which were filed on 10.11.2023. In the reply, the Respondent defended the impugned decision *inter alia*, on the following grounds that the Appellant though revised 1,000 units in February, 2015 but did not afford any credit for the said revision; that no pending units have been charged in May, 2015 as MCO for the AMR meter was fed in July 2015; that the excessive average bills were charged for May, 2015 and June, 2015 prior to the replacement of TOU meter with AMR meter in July 2015; that no record to the said refund could be produced by Appellants before the POI; that conversion of credit of LPS into 7,396 units on the basis of Audit observation proves illegal and violative of decisions of Honorable High Courts and the NEPRA; that in case of theft of electricity, the Appellant should have got lodged FIR against him and the cable involved in such practice must have also been handed over to the concerned Police Station along with evidence (video/snaps) and witnesses residing nearby vicinity as laid down in the Consumer Service Manual 2010 (the "CSM-2010"); that the detection bill for the period from February 2016 to April 2016 is wrong, unlawful; that another detection bill was charged for April 2016 on false allegations of direct supply; that the impugned meter was defective in April 2016, November, 2016 & December, 2016; that the detection bill charged on the basis of Audit Note No.251 dated 05-06-2017 proves baseless, illegal & unlawful also in the light of decisions of Lahore High Court and NEPRA; that the meter No.36652 of the Respondent became defective in April, 2017; that the Appellant charged the detection bill of 11,096-units for October 2017 & November 2017 on the basis of checking report dated 27-09-2017; that the detection bill can be charged for the previous period instead of future period; that the meter appears to become defective in October 2018 and it was replaced on 20-08-2019; that the charging of 122,936 units for the period from March 2016 to September 2019 reflects the wrong practice of the Appellant being carried out with the tube-well consumer; the impugned decision is logical, conventional, square, justifiable, legal, and based on minute analysis of consumption/billing data; that the POI has lawful jurisdiction to adjudicate the instant matter as per judgment of Supreme Court of Pakistan reported in PLD 2012 SC 371; and that the appeal be dismissed with cost.



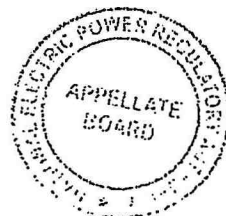
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### 5. Hearing:

- 5.1 Hearing of the appeal was conducted at NEPRA Regional Office Multan on 10.01.2024, wherein learned counsel appeared for the Appellant, whereas no one tendered appearance for the Respondent. Learned counsel for the Appellant repeated the same contention as given in memo of the appeal, defended the charging of the impugned bills, and prayed for setting aside the impugned decision. In this regard, the Appellant was directed to submit written arguments before the NEPRA within 10 days, which were subsequently submitted by them on 18.01.2024.
- 5.2 In the written arguments, the Appellant contended that in February 2015, the credit of wrong reading units could not be afforded to Respondent due to ban from Ministry but subsequently, the credit of Rs.48,087/- was afforded to Respondent in October 2016; that the high average bills were charged during the month's i.e. May 2015 and June 2015 and 4,025 units are refundable to Respondent; that the detection bill of Rs.33161/- for 2,998 units was charged in March 2016 and credit of Rs.32110/- was given in same month i.e. March 2016; that excess credit of LPS of Rs.148,778/- instead of Rs.67,030/- was given to the Respondent in August 2016 due to which the remaining amount of Rs.81808/- was charged to Respondent, which is correct; that the Respondent was involved in power theft and used direct supply due to which he was charged a detection bill of 18,342 units for three months for the period from February 2016 to April 2016, which does not fall under the jurisdiction of POI; that the detection bill of Rs.73755/- for the cost of 6,668 units was charged in May 2017; that in June 2016, wrongly credit of Rs.65751/- has been given to the Respondent, which was calculated and debited a detection bill of Rs.73755/- in which Rs.8,004/- is refundable to the Respondent; that 4,932 units for the period from June 2017 to December 2017 are refundable as per the impugned decision; that the detection bill of Rs.122,735/- for the cost of 11096-units charged in December 2017 is refundable to the Respondent; that the detection bill Rs.45982/- for the cost of 4,157 units was charged in February 2018 and the detection bill of Rs.31987/- for the cost of 2891 units was charged in March 2018; that the impugned decision regarding the bills for the disputed period from January 2019 to July 2019 is wrong as per NEPRA policy. As per CSM 4.3.1(b) of the CSM-2021, 100% of the consumption recorded in the same month of the previous year or the average of the last eleven months, whichever is higher should be adopted but the POI decided the disputed bills based on consumption of future months instead of the NEPRA policy, corresponding period or average consumption of eleven months of the previous year; that 2,060 units are refundable to the Respondent; and that the Respondent was correctly charged average/detection units as per running load.



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

6.1 While addressing the preliminary objection of the Appellant regarding the jurisdiction of the POI, it is clarified that the dispute of billing pertains to the metering equipment and the POI has exclusive jurisdiction to adjudicate the same under Section 38 of the NEPRA Act, 1997, and as per procedure laid down in Punjab (Establishment and Powers of Office of Inspection) Order, 2005. The above objection of the Appellant is not valid and, therefore overruled.

6.2 Following irregular bills will be addressed in the below paras:

6.3 Non-provision of credit of 1,000 units charged in excess for February 2015:

The Appellant contended that in February 2015, the credit of wrong reading units could not be afforded to Respondent due to ban from the Ministry but subsequently, the credit of Rs.48,087/- was afforded to Respondent in October 2016. In this regard, the billing statement of the Respondent was pursued, which confirmed that an amount of Rs.48,087/- was credited in the billing month of October 2016. Thus the grievance of the Respondent regarding non-provision of credit of 1,000 units is duly addressed by the Appellant.

6.4 Excess average bills for May 2015 and June 2015 were charged during the execution of MCO for AMR:

The Appellant admitted that excessive billing was done in May 2015 and June 2015 due to a defective meter and agreed to refund 4,025 units excessively charged during the above-mentioned months. It would be judicious to revise the bills for May 2015 and June 2015 as per consumption of the corresponding month of the previous year or average consumption of the last eleven months, whichever is higher due to defective meter as per Clause 4.4(e) of the CSM-2010.

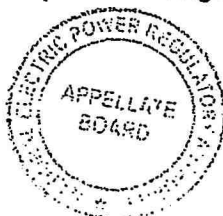
6.5 First detection bill of Rs.33,161/- for 2,998 units was charged in March 2016.

The Appellant claims that a credit of Rs.32,110/- was afforded to the Respondent in March 2016 against the first detection bill, which is confirmed through perusal of the billing statement. However, the Respondent may be afforded further credit of Rs.1,051/- against the first detection bill as per below calculation:

A. Detection amount (Rs.) already charged =	33,161/-
B. Amount (Rs.) refunded by the Appellant = (-)	32,110/-
C. Net refundable amount (Rs.)	= 1,051/-

6.6 Second detection bill of Rs.81,808/- for 7,396 units was charged in May 2016.

The Respondent claimed that the second detection bill of Rs.81,808/- was debited by the Appellant in May 2016, to ascertain the contention of the Respondent, the billing record of the premises was examined, which revealed that an adjustment credit of Rs.148,778/- in terms of LPS was afforded to the Respondent in August 2014 instead of Rs.67,030/- against



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which the Appellant debited Rs.81,808/- to the Respondent in May 2016 as adjustment bill in addition with current bill of 7,396 units. Hence the contention of the Respondent regarding the charging of the second detection bill is incorrect and the same is withdrawn.

**6.7 Third detection bill of Rs.202,147/- for 18,342 units for the period from February 2016 to April 2016 was charged on account of direct theft observed on 08.06.2016.**

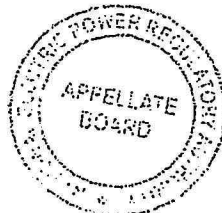
The Appellant debited third detection bill of Rs.202,147/- to the Respondent on account of direct theft of electricity as observed on 08.06.2016. The Appellant was required to proceed according to Clause 9.1(a) of the CSM-2010, however, in the instant case, the Appellant neither registered FIR against the Respondent nor the proof of theft of electricity handed over to the police for confirmation of the alleged direct theft of electricity. This shows that the Appellant failed to adhere to the procedure as laid down in Clause 9.1(a) of the CSM-2010 to establish direct theft of electricity, hence objection of the Appellant regarding the jurisdiction of the POI in such cases has no force and is rejected. To further check the allegation of the Appellant regarding the direct theft of electricity, the consumption data is analyzed in the below table:

Period before dispute		Disputed period		Period after dispute	
Month	Units	Month	Units	Month	Units
Feb-15	2704	Feb-16	0	Feb-17	5665
Mar-15	1609	Mar-16	2998	Mar-17	1988
Apr-15	827	Apr-16	7396	Apr-17	1256
Average	1713	Average	3465	Average	2970
Detection units/month= C/L (kW) x L.F x No. of Hrs. = 19 x 0.5 x 730 = 6,935 units					

The above consumption table shows that the Respondent was charged higher average consumption during the disputed period as compared to the average consumption of corresponding months of the preceding and succeeding years, which does not support the version of the Appellant regarding illegal abstraction of electricity through hook. In addition, the Appellant debited the third detection bill of Rs.202,147/- for 18,342 units for the period from February 2016 to April 2016 to the Respondent is unjustified, and the same is cancelled.

**6.8 Fourth detection bill of Rs.73,755/- for 6,668 units was charged in May 2017 on the recommendation of AN 251 dated 05.06.2017:**

The Appellant initially credited an amount of Rs.65,751/- in June 2016, however, the Appellant could not provide any details of the aforementioned credit. Subsequently, the Appellant debited an adjustment of Rs.73,755/- in May 2017 with the plea that excessive credit was given in June 2016. If the contention of the Respondent is considered true, then the Respondent may be afforded a credit of Rs.8,004/- as calculated in the below table:



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A. Adjustment bill (Rs.) debited	=	73,755/-
B. Amount (Rs.) refunded by the Appellant = (-)		65,751/-
C. Net refundable amount (Rs.)	=	8,004/-

6.9 Average bills charged from June 2017 to December 2017 due to a defective meter.

It is observed that the impugned meter of the Respondent became defective in June 2017 and the bills were charged on the basis of connected load, contrary to Clause 4.4(e) of the CSM-2010. It would be judicious to revise the bills for the period from June 2017 to December 2017 on the DEF-EST code as per the ibid clause of the CSM-2010.

6.10 Fifth detection bill of Rs.122,735/- against 11,096 units for two months i.e. October 2017 and November 2017 was charged to the Respondent in December 2017.

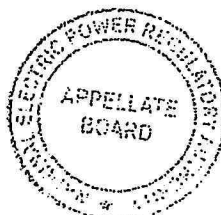
The Appellant through their written arguments admitted the wrong charging of the fifth detection bill and agreed to refund 11,096 units to the Respondent being charged without any justification. In view of their admittance, the Appellant is directed to withdraw the fifth detection bill of Rs.122,735/- against 11,096 units for two months i.e. October 2017 and November 2017, and afford credit of 11,096 units to the Respondent accordingly.

6.11 Sixth detection bill of Rs.45,982/- for 4,157 units charged in February 2018 and the seventh detection bill of Rs.31,987/- for 2,891 units charged in March 2018 on the basis of audit note:

Examination of the record shows that the billing meter of the Respondent became defective just after its installation on 18.12.2017, the Appellant was required to either replace the defective meter or feed the DEF-EST code for onward billing. However, in the instant case, the Appellant debited the sixth and seventh detection bills on the basis of some audit note. In this regard, it is clarified that the audit observation is an internal matter between the Appellant and the audit department and the Respondent cannot be held responsible for payment of any detection bill on the recommendation of the audit party, reliance in the regard is placed on the various judgments of superior courts reported as 2014 MLD 1253, 2008 YLR 308 and 1988 CLC 501. Hence, the sixth detection bill of Rs.45,982/- and the seventh detection bill of Rs.31,987/- debited to the Respondent are cancelled being unjustified. The Appellant is directed to revise the bills for the period from January 2018 to March 2018 as per consumption of corresponding months of the previous year or average consumption of the last eleven months, whichever is higher as per Clause 4.4(e) of the CSM-2010.

6.12 Eighth detection bill of Rs.109,433/- for 9,636 units for September 2018 was charged in October 2018. the ninth detection bill of Rs.147,181/- for 13,307 units for the period October 2018 to November 2018 was charged in December 2018 and the average bills charged from January 2019 to July 2019:

It is an admitted fact that the impugned billing meter of the Respondent was dead stop since



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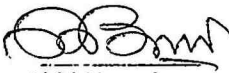
18.12.2017, in such cases, the bills be charged on DEF-EST code, however, in the instant case, both eighth and ninth detection bills were charged based on connected load, which are neither in line with the procedure laid down in Chapter 4 of the CSM-2010 nor supports the version of the Appellant. Hence the eighth and ninth detection bills amounting to Rs.109,433/- and Rs.147,181/- debited to the Respondent in October 2018 and December 2018 respectively are unjustified, contrary to the provisions of the CSM-2010, and the same are cancelled. Similarly, the average bills charged from January 2019 and onwards till the replacement of the impugned meter may be revised on the DEF-EST code due to the defective meter.


6.13 Tenth detection bill of Rs.122,936/- for 16,460 units charged for the period from December 2018 to August 2019:


During another checking dated 25.08.2019 of the Appellant, the impugned meter of the Respondent was found dead stop, instead of adhere the procedure as laid down in Chapter 4 of the CSM-2010, the Appellant debited the tenth detection bill of Rs.122,936/- from December 2018 to August 2019 to the Respondent based on 50% load factor of the connected load. The Appellant even did not produce the impugned meter before the POI for verification of alleged tampering. Under these circumstances, the tenth detection bill of Rs.122,936/- for 16,460 units for the period from December 2018 to August 2019 charged to the Respondent on the basis of 50% load factor of the connected load is declared null and void.

6.14 The billing account of the Respondent may be overhauled after making payments made against the above-referred impugned irregular bills.

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

  
Abid Hussain  
Member/Advisor (CAD)

  
Naweed Illahi Sheikh  
Convener/DG (CAD)

  
Muhammad Irfan-ul-Haq  
Member/ALA (Lic.)

Dated: 06-06-2024

