



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

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No. NEPRA/Appeal/014/2025/ *263*

March 27, 2025

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| 1. Tahir Saleem,
M/s. Rock Pharma,
Plot No. 134 & 135, Industrial Estate,
Risalpur, District Nowshera
Cell No. 0346-0210000 | 2. Chief Executive Officer
PESCO Ltd,
WAPDA House, Sakhi Chashma,
Shami Road, Peshawar |
| 3. Executive Engineer (Operation),
PESCO Ltd,
Nowshera City Division,
Office located at Nowshera Kalan,
Nowshera
Phone No. 0923-9220122
Cell No. 0370-1340220 | 4. Sub Divisional Officer (Operation),
PESCO Ltd,
Risalpur Sub Division,
Risalpur
Phone No. 0923-631005
Cell No. 0370-1340225 |
| 5. POI/Electric Inspector,
Nowshera Region,
Tehsil Road, Near Police Station,
Nowshera Kalan, Nowshera | |

Subject: **Appeal No.014/2025 (PESCO Vs. Tahir Saleem) Against the Decision Dated 08.11.2024 of the Provincial Office of Inspection to Government of the Khyber Pakhtunkhwa Nowshera Region, Nowshera**

Please find enclosed herewith the decision of the Appellate Board dated 27.03.2025 (04 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 of the Appellate Board on the NEPRA website



National Electric Power Regulatory Authority

Before The Appellate Board

In the matter of

Appeal No. 014/POI-2025

Peshawar Electric Supply Company Limited

.....Appellant

Versus

Tahir Saleem, M/s. Rock Pharma,

Plot#134 & 135, Industrial Estate, Risalpur District NowsheraRespondent

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

For the Appellant:

Mr. Saeed Khan Akhunzada Advocate

Mr. Muhammad Saleem SDO

For the Respondent:

Mr. Tahir Saleem Director

DECISION

1. As per the facts of the case, Tahir Saleem (hereinafter referred to as the "Respondent") is an industrial consumer of Peshawar Electric Supply Company Limited (hereinafter referred to as the "Appellant") bearing Ref No.30-26225-0163378 having sanctioned load of 320 kW under the B-2(b) tariff category. The Respondent approached the Appellant for regularization of load from 155 kW to 320 kW, which was accorded vide office order dated 23.09.2016 of the Appellant and the Respondent paid the demand notice for the enhancement of the load on 21.10.2021. Subsequently, metering equipment along with a 400 KVA distribution transformer and 800/5 Amp Current Transformers (CTs) were installed on the premises of the Respondent on 20.05.2021, however, the onward bills of the Respondent were raised by the Appellant with Multiplication Factor (MF)=40 instead of 160. Later on, the inspection team of the Appellant visited the premises of the Respondent on 31.10.2024 and vide report dated 07.11.2024 pointed out the wrong application of MF i.e. 40 instead of 160 for the period May 2021 to October 2024 (42 months).
2. Meanwhile, the Appellant approached the Provincial Office of Inspection, Nowshera Region, Khyber Pakhtunkhwa (the "POI") for vetting assessment of the MF of the Respondent. The POI vide decision dated 08.11.2024 (the "impugned decision") directed the Appellant to charge the Respondent as per Clause 7.5.3 of the CSM-2021. Thereafter, the Appellant issued

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a provisional bill of Rs.22,432,695/- for 525,360 (OP=467,400+P=57,960) units + 4,194 kW MDI to the Respondent on account of the wrong application of MF i.e. 40 instead of 160. In furtherance, the Appellant raised the MF from 40 to 160 for the billing of the Respondent w.e.f. November 2024 and onwards.

3. Being dissatisfied, the Appellant filed the instant appeal before the NEPRA against the POI decision dated 08.11.2024 (hereinafter referred to as the "impugned decision"). In its appeal, the Appellant opposed the impugned decision, *inter alia*, on the following grounds that the standing technical committee observed the wrong application of MF=40 instead of 160 due to which the Respondent was billed less; that the provisional bill of Rs.22,432,695/- for 525,360 (OP=467,400+P=57,960) units+4,194 kW MDI was charged to the Respondent based on the above anomalies under the law and rules; that the impugned decision is against the facts and law of the case; that the impugned decision is suffering from material irregularity and gross illegality as the POI has not applied its anxious mind to the facts that the Respondent was charged as per actual consumption; that the Respondent admitted the said anomaly and the paying the onward bills according to the updated MF; that the POI has not addressed the issue that the AMR meter is computerized equipment which continuously send the data to its server and stores the same, permanently; that Clause 7.5.3 of the CSM-2021 is defective clause for the reason that it is unable to tackle the issue of slowness/skipping of MF of the B-2 category load of AMR meter, hence the subject clause of the CSM-2021 may be redefined by this Tribunal in the best interest of justice; that the impugned decision is putting huge financial loss upon the Appellant and the same is liable to be set-aside.
4. Upon filing of the instant appeal, a Notice dated 28.01.2025 was sent to the Respondent for filing reply/para-wise comments to the appeal within ten (10) days, which however were not filed.
5. A hearing in the matter was fixed for 03.03.2025 at NEPRA Regional Office Peshawar on 03.03.2025 wherein both parties were in attendance. Learned counsel for the Appellant reiterated the same arguments as given in memo of the appeal and argued that the load of the Respondent was enhanced by the Appellant from 155 kW to 320 kW in May 2021, since then the bills were charged with MF=40 to the Respondent. Learned counsel for the Appellant contended that subsequently, the standing committee checked the metering equipment of the Respondent in October 2024, wherein 800/5 Amp CTs were found installed whereas the





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billing for the period May 2021 to October 2024 was done with the wrong MF i.e. 40 instead of 160. As per learned counsel for the Appellant, a detection bill of Rs.22,432,695/- for 525,360 (OP=467,400+P=57,960) units + 4,194 kW MDI was served to the Respondent to recover the revenue loss sustained by the Appellant. Learned counsel for the Appellant opposed the impugned decision for charging the Respondent as per Clause 7.5.3 of the CSM-2021 and prayed to allow the entire detection bill being justified and payable by the Respondent. On the other hand, the Respondent appearing in person rebutted the version of the Appellant and argued that the bills charged by the Appellant were paid regularly, hence raising the disputed bill at belated stage is not justified as the same is true for past and closed transactions. The Respondent finally prayed for the cancellation of the impugned detection bill and maintainability of the impugned decision.

6. Arguments were heard and the record was examined. Following are our observations:

- 6.1 The record presented before us shows that the load of the Respondent was regularized from 155 kW to 320 kW vide an office order dated 23.09.2016 of the Appellant. Thereafter, metering equipment along with a 400 KVA distribution transformer and 800/5 Amp CTs were installed at the premises of the Respondent on 20.05.2021. Later on, the inspection team of the Appellant visited the premises of the Respondent on 31.10.2024 and pointed out the wrong application of MF i.e. 40 instead of 160 for the period from May 2021 to October 2024. Accordingly, a provisional detection bill of Rs.22,432,695/- for 525,360 (OP=467,400 +P=57,960) units + 4,194 kW MDI was issued to the Respondent, which is under dispute.
- 6.2 The matter, therefore, needs to be examined in light of the applicable law to decide the fate of the detection bill of the Appellant. The services provided by the DISCOs to their Consumers are administered under the CSM-2021 approved by the NEPRA.
- 6.3 Facts as given above, the metering equipment along with 800/5 Amp CTs and 400 kVA distribution transformer was installed by the Appellant in May 2021 as per the extended load i.e. 320 kW and the MF was to be raised from 40 to 160 due to change of CT ratio from 200/5 to 800/5 w.e.f May 2021 and onwards. However, the Appellant failed to do so and debited the bills with the wrong MF=40 from May 2021 and onward till the alleged checking conducted on 31.10.2024. This shows extreme negligence and carelessness on the part of the concerned officials of the Appellant.
- 6.4 The Appellant is required to be vigilant and careful to ensure full recovery against the consumed energy by applying the correct application of the MF i.e.160. Such negligence





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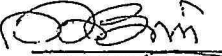
warrants immediate inquiries for fixing responsibility and taking strict disciplinary action against responsible officials of the Appellant. Notwithstanding the negligence of its relevant officers and their failure to charge the bills with actual MF=160, the Appellant issued a provisional detection bill of Rs.22,432,695/- for 525360 (OP=467,400 +P=57,960) units + 4,194 kW MDI to the Respondent.

6.5 Though MF=160 was applicable as per the 800/5 Amp CT ratio for the billing w.e.f May 2021 and onwards, however, the Appellant continued to send bills to the Respondent without raising the MF from 40 to 160. On his part, the Respondent kept on fulfilling his responsibility under the contract to pay the bill, issued by the Appellant on monthly basis. As such the Respondent never defaulted to fulfill his duty under the supply contract, therefore, he cannot be made liable to pay the so-called detection bill for recovery of loss, if any, which incurred merely due to negligence of the Appellant and its failure to fulfill its duty under the contract. In view of all the above facts and the applicable provisions of CSM, the provisional detection bill of Rs.22,432,695/- for 525,360 (OP=467,400 +P=57,960) units + 4,194 kW MDI issued to the Respondent is unjustified and illegal and the same is declared null and void.


6.6 In such cases, NEPRA has given clarification vide letter No. NEPRA/DG(CAD)/TCD-10/17187-13 dated 26.03.2021 that if due to any reason, the DISCO skipped application of correct MF, recovery of the same be made within one year of the discrepancy noticed and maximum for six billing cycles. As per said clarification, the Appellant is allowed to recover the bills with the correct MF=160 for six retrospective months from the date of the discrepancy noticed by them i.e. 31.10.2024.


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

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


Abid Hussain
Member/Advisor (CAD)

Dated: 27-03-2025


Naweed Illahi Sheikh
Convener/DG (CAD)


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

