



# National Electric Power Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN

Consumer Affairs Department, NEPRA TOWER  
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Consumer Affairs  
Department

TCD.04/1169-2025  
March 20, 2025

Chief Executive Officer,  
Faisalabad Electric Supply Company (FESCO),  
Abdullah Pur, Canal Bank Road, Faisalabad.

Subject: DECISION OF THE AUTHORITY IN PURSUANCE OF THE JUDGEMENT OF APPELLATE TRIBUNAL (NEPRA) IN APPEAL NO. 02/NT/2023 FILED BY M/S. KHADIM STEEL INDUSTRIES THROUGH MR. MUHAMMAD ZAMAN MALIK UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST DECISION OF NEPRA DATED DECEMBER 08, 2022.  
Complaint No. FESCO-FSD-5663-06-21

Please find enclosed herewith the decision of the NEPRA Complaints Resolution Committee (CRC), dated March 20, 2025 regarding the subject matter for necessary action.

Encl: As above

Copy to:

1. Chief Engineer/Customer Services Director  
FESCO, Abdullah Pur, Canal Bank Road, Faisalabad.
2. Director Commercial  
FESCO, Abdullah Pur, Canal Bank Road, Faisalabad.
3. Assistant Director,  
NEPRA Regional Office, 1st floor, Plaza No. C-6B,  
Opposite National Bank, College (Hockey Stadium) Road,  
Kohinoor City, Faisalabad
4. Mr. Muhammad Zaman Malik S/o Allah Baksh  
Samundri Road, House No. P-81-A,  
Muhalla Chenab Garden, Tehsil & District Faisalabad.  
Cell # 0321-7837488.

(Muhammad Abid)  
Assistant Director (CAD)  
NEPRA  
Islamabad  
(CAD)



**BEFORE THE  
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY  
(NEPRA)**

**Complaint No. FSD-5663-21**

**M/s Khadim Steel Industries,** ..... **Complainant/Appellant**  
Through Mr. Muhammad Zaman Malik S/o Allah Baksh  
Samundri Road, House No. P-81-A,  
Muhalla Chenab Garden, Tehsil & District Faisalabad.  
Cell # 0321-7837488,

**VERSUS**

**Faisalabad Electric Supply Company (FESCO)** ..... **Respondent**  
Abdullah Pur, Canal Bank Road, Faisalabad.

**Date of Hearing:** November 16, 2023  
December 12, 2023  
April 16, 2024  
August 20, 2024

**On behalf of**

**Complainant:**

- 1) Mr. Muhammad Zaman Malik
- 2) Mr. Aamir Qayyum
- 3) Mr. Khalid Zaman Advocate

**Respondent:**

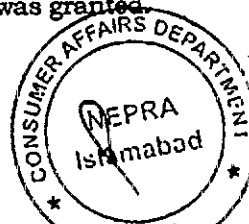
- 1) Mr. Nacem Javed, XEN (Operation), FESCO
- 2) Mr. Adeel Yasin, SDO (Operation), FESCO
- 3) Rana Naveed, Revenue Officer, FESCO

**SUBJECT: DECISION OF THE AUTHORITY IN PURSUANCE OF THE JUDGEMENT OF  
APPELLATE TRIBUNAL (NEPRA) IN APPEAL NO. 02/NT/2023 FILED BY M/S  
KHADIM STEEL INDUSTRIES THROUGH MR. MUHAMMAD ZAMAN MALIK  
AGAINST DECISION OF NEPRA DATED DECEMBER 08, 2022**

**DECISION**

In compliance with the judgment of Appellate Tribunal (NEPRA) in the Appeal No. 02/ NT/2023 filed by M/s Khadim Steel Industries Limited through Mr. Muhammad Zaman Malik (hereinafter referred to as the "Appellant" or "Complainant"), this decision shall dispose of complaint filed by the Appellant against Faisalabad Electric Supply Company (hereinafter referred to as the "FESCO").

2. Brief facts of the case are that NEPRA received a complaint from Mr. Muhammad Zaman Malik wherein the Complainant submitted that FESCO energized the connection in April, 2013 having sanctioned load of 20 MW under tariff B-4. At the time of energization, two ToU meters were installed on the each 132 KV circuit for calculating kWh units (i.e. peak & off-peak). FESCO also installed a third meter at incoming 11 KV panel as a backup meter, for recording kVArh units (peak & off-peak) and MDI (peak and off-peak). The Complainant further submitted that a kWh meter has been installed on his own on 11 KV panel for recording total kWh units, kVArh and MDI to compare with FESCO reading. During the month of December, 2018, ToU meter installed against Ref No. (28-13152-5200538) got disturbed and no proper reading was recorded. FESCO officials charged lump sum unit in peak hours from December, 2018 to May, 2019 without taking into account reading of the backup meter. The Complainant approached FESCO officials and the fault in the metering system was rectified on May 09, 2019 after a period of five months. The Complainant further apprised that he requested FESCO for refund on account of units mostly charged during peak-hours, however, no relief was granted.



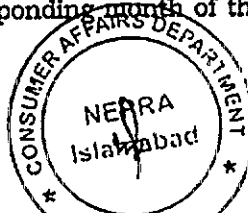
3. The matter was taken up with FESCO for submission of report. In response, FESCO submitted that the consumer has category B-4 connection. Consumer's meter was checked by M&T Department on December 26, 2018 whereby it was observed that the time of ToU meter was disturbed whereas accuracy of the meter installed against Ref No. 28-13152-5200538 was observed within permissible limits. A technical committee was constituted for replacement/set right of HT ToU meter, which was set right on May 09, 2019. During the reading period from December, 2018 to May, 2019 most of the units were recorded in peak hours which were abnormal, therefore, peak hours units were charged on average basis according to total units for the said period. Further, after set righting the time in the meter, peak hours units remained high from June, 2019 to onwards. Moreover, no backup meter was installed as mentioned by the Complainant. The report submitted by FESCO was shared with the Complainant. In response, the Complainant raised certain observations on the said report.

4. In order to arrive at an informed decision, a hearing was held at NEPRA Regional Office, Faisalabad wherein both the parties (FESCO official & the Complainant) participated wherein the case was discussed in detail and it was revealed that accuracy of the meter was within the permissible limits. After detail deliberations both the parties agreed to revise all the disputed bills on the basis of peak & off-peak formula, therefore, FESCO was directed vide this office letter dated December 15, 2021 to revise all the disputed bills of the Complainant for the period from December, 2018 to May, 2019 on the basis of four (04) hours peak and twenty (20) hours off-peak formula. However, after issuance of the said directions, the Complainant again approached NEPRA to review the said directions and requested to proceed in the matter according to Clause 4.3.1(b) of Consumer Service Manual (CSM) which provides that DISCO may charge bills on average basis i.e. 100% of the consumption recorded in same months of previous year or average of the last eleven months whichever is higher for a maximum period of two months.

5. In order to proceed further, hearings were conducted at NEPRA Regional Office, Faisalabad and NEPRA Head Office, Islamabad which were attended by both the parties. Certain record was obtained from FESCO pertaining to the billing statements. During the hearings, the case was again discussed in detail.

6. The case was examined in detail in light of record made so available by the parties, arguments advanced during the hearing and applicable law. Following was concluded:

- (i) The Complainant i.e. a consumer of FESCO having sanctioned load of 20 MW under tariff B-4 bearing reference Nos. (28-13152-5200538) and (28-13152-5200539) being fed through 132 kV dedicated grid station. The premises has two way supply; one Ref. No. (28-13152-5200538) is being fed from Liberty Power Plant whereas supply of connection under Ref. No. (28-13152-5200539) is being provided from FESCO's 132 kV Millat Road Grid Station. In December, 2018, date & time of the TOU meter installed against (28-13152-5200538) was found disturbed, however, the accuracy of the same meter was within permissible limits upon which the Complainant requested FESCO to rectify the fault.
- (ii) A Technical Committee was constituted by FESCO on January 03, 2019 who rectified the fault on May 09, 2019 after a period of five months. During the period i.e. December, 2018 to May, 2019 the Complainant was charged lump sum units in peak and off peak timings, however, the total units charged were as per consumption recorded on the meter. FESCO should have downloaded event wise data of the impugned meter for charging of actual consumption; however, no data was retrieved. During the hearing FESCO officials submitted that it is not possible to download event wise data at a belated stage.
- (iii) The Complainant was of the view that FESCO should have charged bills in accordance with the clause 4.3.1 (b) of CSM which provides that DISCO may charge bills on average basis i.e. 100 % of the consumption recorded in the same months of previous year or average of the last eleven months whichever is higher for maximum period of two months. The request of the Complainant to proceed according to Clause 4.3.1(b) of CSM for charging of units on average of last eleven (11) months or corresponding month of the previous year was



not acceded to because the said clause deals with defective meters whereas in this case consumption of the disputed period had been recorded by the meter correctly. The accuracy of the impugned meter was also found within limits of accuracy. The impugned meter had recorded total units consumed but due to time disturbance, the quantum of peak & off-peak consumption was not properly recorded.

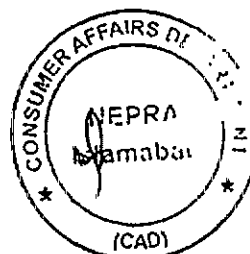
- (iv) According to clause 6.1.2 of CSM, concerned XEN (Operation)/DM (O) has to conduct meter reading of all connections having load above 500 KW. In the instant case, sanctioned load is 20 MW and the concerned XEN (Operation) was responsible to take the meter readings. Furthermore, clause 6.1.4 of CSM provides that meters readers are responsible to report irregularities if found in the metering system during the meter reading.
- (v) In order to increase vigilance and accuracy of the meter reading process, Superintending Engineer/Manager (Operation) has to physically check at site at least 15% of the meter readings of consumers having sanctioned load over 500 kW in accordance with clause 6.2.5 of CSM. In the instant case, SOPs for recording of meter reading was not properly followed by FESCO. Moreover, delay in rectification of fault could have been avoided if senior FESCO officials performed their duty vigilantly. The Technical Committee was constituted on January 03, 2019 for rectification of fault within four (4) days, however, it took five months to FESCO to rectify meter fault which is against professionalism.
- (vi) In order to analyze the case in detail, No. of units charged during peak & off peak hours during the disputed period and the corresponding months of post disputed period is given as under:

**Units charged by FESCO on lump sum basis-Disputed Period:**

Month	Off-Peak Units	Peak Units	Total Units	%age of Off-Peak Units	%age of Peak Units
Dec-18	3,707,600	55,000	3,762,600	98.54	1.46
Jan-19	4,105,910	75,360	4,181,270	98.20	1.80
Feb-19	3,218,530	80,000	3,298,530	97.57	2.43
Mar-19	3,227,000	100,000	3,327,000	96.99	3.01
Apr-19	4,726,600	160,000	4,886,600	96.73	3.27
May-19	5,003,000	160,000	5,163,000	96.90	3.10
<b>Total</b>	<b>23,988,640</b>	<b>630,360</b>	<b>24,619,000</b>	<b>97.44</b>	<b>2.56</b>

**Actual consumption when fault was rectified (2020)-Post Disputed Period:**

Month	Off-Peak Units	Peak Units	Total Units	%age of Off-Peak Units	%age of Peak Units
Dec-19	3,845,400	441,600	4,287,000	89.70	10.30
Jan-20	3,656,500	512,400	4,168,900	87.71	12.29
Feb-20	3,940,400	528,300	4,468,700	88.18	11.82
Mar-20	3,208,200	414,100	3,622,300	88.57	11.43
Apr-20	1,961,300	168,500	2,129,800	92.09	7.91
May-20	3,394,900	207,700	3,602,600	94.23	5.77
<b>Total</b>	<b>20,006,700</b>	<b>2,272,600</b>	<b>22,279,300</b>	<b>89.80</b>	<b>10.20</b>



The above data clearly shows that peak-hours consumption of the Complainant during disputed period i.e. December, 2018 to May, 2019 was 2.56% of the total consumption, however, after rectification of fault (correction of date and time), average consumption during peak-hours increased manifold i.e. 10.20% of the total consumption for the corresponding months of following year. Hence, it is evident from the data that during the disputed period from December, 2018 to May, 2019, the Complainant was charged less number of units in the peak hours.

- (vii) Since there was no data downloading record available to ascertain the actual consumption of peak & off-peak hours and accuracy of the meter was within the permissible limits; it was appropriate to utilize peak and off-peak hours criteria for the fair revision of bill. According to the tariff terms and conditions approved by the Authority, four (04) hours for peak and twenty (20) hours for off-peak are taken for the application of Time of Use (ToU) tariff, therefore, the bill of the Complainant was to be revised on the basis of the four (04) peak & twenty (20) hours off-peak criteria for the disputed period.

7. Foregoing in view, FESCO was directed for the following:

- (i) To revise the bill of the Complainant for the period from December, 2018 to May, 2019 on the basis of four (04) hours peak & twenty (20) hours off-peak consumption and amount already paid (if any) be adjusted.
- (ii) In the instant case, the discrepancy was to be removed within four (04) days; however, FESCO officials took five (05) months to resolve the issue, therefore, disciplinary action be taken against all such delinquent employees who failed to identify and resolve the issue timely.
- (iii) All field formations be directed to resolve such discrepancies immediately as and when pointed out and to comply with the provisions of Consumer Service Manual (CSM) regarding meter reading process to avoid such negligence in future.

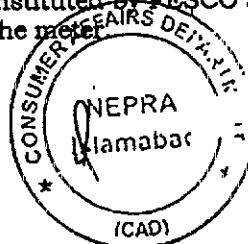
8. Being aggrieved, the Complainant approached the Appellate Tribunal (NEPRA) vide Appeal No. 02/NT/2023 whereby the Appellate Tribunal vide judgment dated September 20, 2023 remanded the complaint to NEPRA for re-hearing and re-deciding the case afresh. The operative part of judgement is as under:

*"11. In view of our findings on above issues the appeal is allowed and impugned decision is set aside and the case is remanded to NEPRA with the direction that complaint of the Appellant will be deemed pending before Consumer Complaints Tribunal of NEPRA, Islamabad, who will decide the same afresh....."*

9. In compliance of the above, subsequent hearings were held at NEPRA Head Office, Islamabad whereby the matter was again deliberated at length. The record made available by both the parties has been perused afresh in light of the direction of Appellate Tribunal (NEPRA) and following has been concluded via a manner of point by point response pertaining to issues framed by Appellate Tribunal along with the additional inferences.

- (i) **Issue-I: Why FESCO took five months in rectifying peak/off-peak hours recording problem in the TOU meter and can Appellant be held responsible for this delay? O.P.R**

The defective metering infrastructure was installed at an independent 132 kV grid station under B-4 tariff category also having in-out arrangement of 132 kV line directly from an IPP, thus, provides allowance to FESCO to assumingly investigate the matter comprehensively. The same ensued the inclusion of professional from National Transmission and Despatch Company (NTDC) in standing committee constituted by FESCO also forming the part of inadvertent delay in checking of the meter.



However, it is of note that delay in replacement/checking of meter and adjustment in billing cannot be claimed as bona fide practice rather the rationale behind any such delay is primed on force majeure events faced by DISCOs. NEPRA has already pointed out the delay in the impugned decision and directed FESCO to take action against the delinquent officials. FESCO is required to be vigilant in future, however, the decision cannot absolve the Complainant from payment of bills as decided by NEPRA.

(ii) **Issue-II: Why data of Backup meter already provided in the consumer panel for resolving metering discrepancy was not considered by NEPRA? O.P.R**

Perusal of the documentary evidence submitted by FESCO reveals that the Complainant was duly asked by FESCO during the year 2013 to install a dedicated metering infrastructure rendering the existing one only as a backup. However, it is on the record that the same was not complied by the Complainant ensuing none backup metering record with FESCO while complicating instant matter. In furtherance to the above, the meter installed on the 11 kV panel was being only used by FESCO for MDI and kVarh reading without any realistic and reliable record of kWh readings which is not disputed. It is again pertinent to mention here that the same segregation in recording the various billing aspects on 132 kV panel and 11 kV panel stem from the fact that the impugned meter was installed on the 132 kV in-out line directly connected with an IPP forcing FESCO to record kWh readings on former and MDI readings on latter without any specialized backup meter.

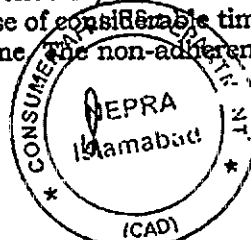
(iii) **Issue-III: Whether the Impugned Decision of Consumer Complaints Tribunal is not in line with the relevant Provisions of CSM already approved by NEPRA? O.P.A.**

Prior to addressing applicability of CSM, it is pertinent to explain relevance of decision with CSM, paraphrased by the Appellate Tribunal. Contrastingly, the operative part of impugned decision is culminated onto the tariff terms and conditions, approved by the Authority from time to time and the same does not form any part of the approved CSM revised or otherwise and by which extension it is suffice to consider that the impugned part of the decision quoted by the Appellate Tribunal is not relevant to any clause of CSM. It is worth to mention that clause 4.3, CSM allows the charging of average bills i.e. 100% of the consumption recorded in the same months of previous year or average of the last eleven months whichever is higher for a maximum period of two months in case of meter defectiveness, whereas, the accuracy of the impugned meter was ok. Therefore, the said clause cannot be applied here as argued by the Complainant.

10. During an hearing held at NEPRA Head Office, Islamabad the Complainant submitted that a smart meter is installed at the 132 KV Grid Station under USAID programme, therefore, FESCO officials were directed for submission of record of the said (USAID) meter with respect to peak and off-peak record of consumption for the disputed period. However, FESCO vide letter dated May 03, 2024 reported that no smart/USAID meter is installed at the said 132 KV Grid Station.

11. Moreover, it is an established fact that FESCO remained unable to provide the data retrieval report of impugned meter, however, reported that accuracy of meter is in the permissible limits with time disturbance. Analysis of which divulge that the total number of units charged to the Complainant was accurate as the meter was found in permissible limits while the time could potentially be found also disturbed in event of successful data retrieval. As above, even if the data was retrieved by FESCO, the same would prove to be futile due to similar time disturbances as found on meter display since December, 2018.

12. The record also reflects that the Complainant was also advised by FESCO during the year 2017 to arrange the auxiliary DC supply for billing meters in order to ensure the time and date accuracy in case of any force majeure event and/or loss of supply which was also not arranged by the Complainant despite the lapse of considerable time period assumingly instigating the instant issue of disturbance of time. The non-adherence of advices floated



to the Complainant by FESCO i.e. installation of dedicated metering infrastructure & the arrangement of auxiliary supply, significantly low percentage of peak units charged during the disputed period in comparison with the following corresponding periods, absence of backup meter readings record does require the fair revision of bills charged during the disputed period. Moreover, future billing history of the Complainant when discrepancy was removed witnessed the disturbed time and date during the disputed period. Further, the percentage of peak hours units post removal of discrepancy is less as compared to 4-hours peak consumption provided in tariff terms and conditions. Therefore, it is appropriate that FESCO to revise the bill of the Complainant in accordance with percentage of peak and off peak units recorded in the future billing i.e. corresponding months of next year (December, 2019 to May, 2020); however, the total no. of units shall remain the same as recorded in the meter during December 2018 to May 2019 as accuracy of the meter was accurate.

13. The documentary evidences submitted by both the parties and directions of the Appellate Tribunal have been reviewed and analyzed in detail. It is concluded that the impugned decision of NEPRA dated December 08, 2022 is required to be modified and FESCO is directed for the following:

- (i) To revise the bill of the Complainant w.r.t. percentage of peak and off peak hour units for the period from December, 2018 to May, 2019 on the basis future billing history i.e. equal to corresponding percentage of peak and off peak units recorded in the future billing i.e. corresponding months of next year (December, 2019 to May, 2020); however, the total no. of units shall remain the same as recorded in the meter during December 2018 to May 2019 as accuracy of the meter was accurate.
- (ii) In the instant case, the discrepancy was to be removed within four (04) days, however, FESCO officials took five (05) months to resolve the issue, therefore, disciplinary action be taken against all such delinquent employees who failed to identify and resolve the issue timely.
- (iii) All field formations be directed to resolve such discrepancies immediately as and when pointed out and to comply with the provisions of Consumer Service Manual (CSM) regarding meter reading process to avoid such negligence in future.

14. The Complaint is disposed of in above terms.

(Lashkar Khan Qambrani)  
Member, Complaints Resolution Committee/  
Director (CAD)

(Muhammad Irfan-ul-Haq)  
Member, Complaints Resolution Committee/  
Assistant Legal Advisor

(Naweed Hani Shafiq)  
Convener, Complaints Resolution Committee/  
Director General (CAD)

Islamabad, March 20, 2025

