

**Consumer Affairs  
Department**

178  
TCD 11/ / 2023  
January 12, 2023

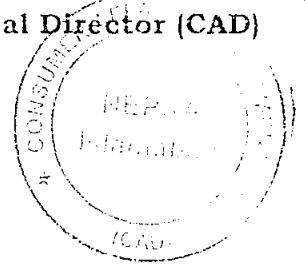
Chief Executive Officer,  
Islamabad Electric Supply Company (IESCO),  
Street No 40, G-7/4, Islamabad.

**Subject: DECISION IN THE MATTER COMPLAINT FILED BY MR. NOOR ILLAHI  
UNDER SECTION 32 OF THE REGULATION OF GENERATION,  
TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997  
AGAINST IESCO REGARDING WRONG TARIFF (AC # 28 14357 6445900)  
Complaint# IESCO NHQ-10795 02-22**

Please find enclosed herewith the decision of the NEPRA Consumer Complaints Tribunal dated January 12, 2023 regarding the subject matter for necessary action and compliance within thirty (30) days, positively.

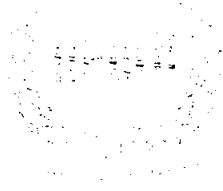
Encl: As above

  
**Additional Director (CAD)**



**Copy to:**

- 1) C E/Customer Services Director,  
Islamabad Electric Supply Company (IESCO),  
Street No 40, G-7/4, Islamabad.
- 2) Mr. Noor Illahi S/o Ali Haider,  
R/o Shaheen Abad, Syedan, Rawalpindi  
Cell: 0333 5177477



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

**Complaint No. IESCO-NHQ-10795-02-22**

**Mr. Noor Illahi S/o Ali Haider**  
Shaheen Abad, Syedan, Rawalpindi.

..... **Complainant**

**VERSUS**

**Islamabad Electric Supply Company (IESCO)**  
Street No 40, G-7/4, Islamabad.

..... **Respondent**

**Date(s) of Hearing:** June 15, 2022

**Complainant:** Mr. Noor Illahi S/o Ali Haider

**Respondent:** Mr. Muhammad Farooq (RO), IESCO

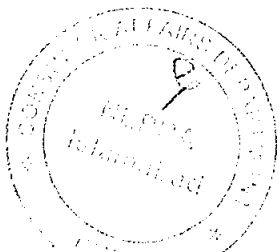
**SUBJECT: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. NOOR ILLAHI S/O ALI HAIDER UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST IESCO REGARDING WRONG APPLICATION OF TARIFF (AC # 28 14357 6445900)**

**DECISION**

This decision shall dispose of the complaint filed by Mr. Noor Illahi S/o Ali Haider (hereinafter referred to as the "Complainant" or "Consumer") against Islamabad Electric Supply Company (hereinafter referred to as "Respondent" or "IESCO"), under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric power Act, 1997 (hereinafter referred to as the "NEPRA Act").

2. NEPRA received a complaint from Mr. Noor Illahi S/o Ali Haider dated February 11, 2022 wherein it was submitted that the Complainant was charged B1 electricity tariff up-to the year 2007. However, the said tariff was changed by IESCO into B-2 tariff category during the month of February 2010 without serving any notice or prior information. The Complainant also informed that surprisingly tariff was once again changed by IESCO into A3-(a) category in April, 2018, thereafter, he has been issued a notice dated 31, January 2022 for irregular arrears of bill during the past period despite of the fact that all electricity bills were being paid regularly. The Complainant submitted that change of tariff from A3-a(66) to A2-c(06) was recommended by the local Auditor of IESCO vide report No. 433 dated 24 March, 2021 wherein it was stated that the connection of the Complainant is being used for commercial purposes and IESCO has been charging a wrong Tariff. Being aggrieved with the change of the electricity tariff repeatedly, the Complainant requested to reject the report of IESCO and cancel all the arrears which are due on the Complainant.

3. In relation to the grievance of the Complainant, IESCO was directed to submit its comments. In response, IESCO vide reports dated 01 April, 2022 and dated 14 June, 2022 submitted that the Complainant was being charged wrong tariff A-3(a) as the same is only applicable upon the Government, Semi-Government, Agricultural tube wells and Religious & Educational entities, etc. Conversely, the Complainant is involved in the water supply business and is using connection for the commercial purposes. Therefore, Tariff A2(c) is



applicable on the Complainant's connection and accordingly IESCO served a notice to the Complainant on 31 January 2022 for payment/charging of a bill on account of change of tariff i.e. from A-3(a) to A-2(c) amounting to Rs.529,239/-. Bill was issued to the Complainant for the past three years, from January, 2018 to February, 2021. The report submitted by IESCO was forwarded to the Complainant for its comments. The Complainant raised a number of objections on the report of IESCO and submitted that the report of IESCO is unjustified.

4. In order to further probe into the matter, a hearing was held at NEPRA Head Office Islamabad on June 15, 2022 wherein both the parties participated and advanced their arguments. During the hearing, the Complainant informed that electricity tariff of the impugned connection has been changed numerous times without any intimation and argued that the Complainant should not be held responsible for any negligence of IESCO Official(s) with regards to wrong application of tariff in the past. The Complainant has further requested that the arrears charged by IESCO i.e. (Rs.529,239/-) should be withdrawn immediately and an applicable tariff should be charged in future. The representative of IESCO apprised that initially the connection of the Complainant was installed/sanctioned under B-1 tariff category for 25 kW load on December 31, 2001 which was later extended upto 28 kW, accordingly tariff was changed into B-2 category. Subsequently, B2 tariff was once again changed into A3-a(66) in April, 2018 due to revision of Tariff category and amendments in tariff Terms and Conditions. IESCO further informed that the local Audit party of IESCO during the routine work vide report No. 433 dated 24 March 2021, pointed out that the Complainant is using electricity for commercial purposes (i.e. filling of water supply tankers), therefore the Complainant should be charged tariff A2-c(06) instead of A3-a(66). Consequently, the Complainant vide adjustment note No. 214 dated 22, February 2022 was debited the difference of tariff Rs.529,239/- as arrears for the past period and the same is objected by the Complainant.

5. The case has been examined in light of the record made so available by both the parties, arguments advanced during the hearings and applicable law. Following has been concluded:

- (i) The Complainant was initially granted the electricity connection under B-1 (industrial) tariff for 25 kW load by IESCO which was later extended upto 28 kW under B-2 tariff category. The said tariff was further changed into A3-a(66) in April, 2018 and then converted into A2-C(06) tariff category in March, 2022 based on the recommendation of local Auditor vide note No. 433 dated 24 March 2021. As per the tariff Terms and Conditions of IESCO, notified in the Official Gazette on 22 March 2018, "the consumers under General Services (A-3) shall be billed on single part kWh rate i.e. A-3 (a) tariff. (For water Supply schemes including water pumps and tube wells operating on three phase 400 volts other than those meant for the irrigation or reclamation of Agriculture land". Further, the Authority vide its letter no. NEPRA/DG(CAD)/TCD-08/14926-28 dated 18 March 2021 has also provided a clarification on the request of the CEO QESCO wherein it was clarified that the "Tariff Category A-3 may be applicable to Water pumps/Tube wells which perform Commercial Activities ...". *Copy of the letter is enclosed herewith.*
- (ii) The Complainant received a notice dated 31, January 2022 from IESCO regarding change of tariff under A-3a(66) wherein he has also been informed to pay the arrears amounting to Rs.529,239/- for the past (three years) period i.e. from January, 2018 to February, 2021 on account of difference of A2C (Commercial) tariff category. The tariff of Complainant's connection has been changed multiple times by IESCO since the date of connection i.e. dated 31, December 2001 without serving any notice despite of the facts that, the complainant is paying all the electricity bills regularly. It is also evident that IESCO failed to serve any notice before change of tariff category except a notice dated 31 January, 2022 which was served to the complainant after lapse of one year since recommendation of the local Auditor, which is violation of the CSM.
- (iii) Moreover, as per Clause 7.6 of the CSM, application of a correct tariff is the responsibility of DISCO at the time of sanction of connection. In case of application of wrong tariff, which is lower than the applicable tariff, no differential



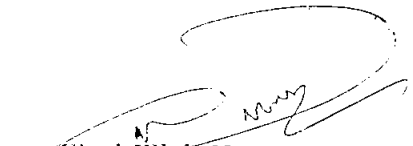
bill will be debited against the consumer account. However, in case where higher tariff has been charged to the consumer than adjustment/credit for six (6) months be allowed retrospectively, from the date of pointing out of such discrepancy. Even if it is assumed that Complainant has been charged wrong Tariff in the past, in that cases also HESCO cannot charge Complainant for negligence/incompetency of its own officials.


- (iv) The local Auditor of HESCO vide aforesaid note No. 433, dated March 24, 2021 pointed out the wrong application of tariff category without any valid policy and recommended for change of ongoing A3 tariff category of the Complainant's connection along with difference of tariff bill for the past three years period i.e. from January, 2018 to February, 2021 based on A2C tariff Category, which is not applicable and is not in line with the prevailing tariff Terms & Conditions along with other applicable Rules and Regulations.
- (v) The matter was referred to NEPRA tariff department for feedback on the application of tariff in the instant matter. Tariff department has committed that all water supply schemes other than those meant for irrigation or reclamation of agriculture land are to be billed under A3 Tariff.


6. In consideration of the above, it has been concluded that the Complainant was paying his electricity bills regularly without any default until a disputed bill of Rs.529,239/- issued by HESCO on account of change of tariff i.e. (from A3 to A2C). In addition, as the Authority vide a letter no. NEPRA/DG(CAD)/TCD 08/14926 28 dated 21<sup>st</sup> March 2021 clarification that the A3 tariff category may be applicable to Water pumps/Tube Wells which perform Commercial Activities.

7. Forgoing in view, HESCO is directed to withdraw the disputed bill of Rs.529,239/- issued to the Complainant on account of wrong application of tariff and the Complainant be charged Tariff i.e. A3 accordingly.

8. The Compliance report be submitted in this regard within thirty (30) days.

  
**Ubaid Ullah Memon**  
Member Consumer Complaints Tribunal/  
Director (CAD)

  
**Moqees Ul Hassan**  
Member Consumer Complaints Tribunal/  
Assistant Legal Advisor (CAD)

  
**Naveed Illahi Shaikh**  
Convener of Consumer Complaints Tribunal/  
Director General (CAD)

Islamabad, January 1, 2023

