



National Electric Power Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN
NEPRA Head Office Attaturk Avenue (East),
Sector G-5/1, Islamabad.
Ph:051-2013200, Fax: 051-2600021

**Consumer Affairs
Department**

TCD. 7/ 5149 -2024
November 21, 2024

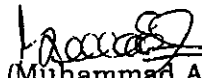
Chief Executive Officer,
Islamabad Electric Supply Company (IESCO),
Street No 40, G-7/4, Islamabad.

**SUBJECT: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. SALMAN ASHRAF
KHAN, CEO, HANIF RAJPUT CATERING SERVICES UNDER SECTION 39 OF
THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF
ELECTRIC POWER ACT, 1997 AGAINST IESCO REGARDING DETECTION BILL
OF 391,039**

Complaint No. IESCO-NHQ-36789-04-24

Please find enclosed herewith the decision of NEPRA Complaints Resolution Committee, dated November 21, 2024 and submit compliance report be submitted within thirty (30) days.

Encl: As above


(Muhammad Abid)
Assistant Director (CAD)

Copy to:

1. C.E/Customer Services Director,
Islamabad Electric Supply Company (IESCO),
Street No 40, G-7/4, Islamabad.
2. Executive Engineer(Operation),
IESCO Islamabad-II Division, Street 17, Warask Road,
Near Sui Gas Chowk, Sector I-9 Markaz, Islamabad.
3. Mr. Salman Ashraf Khan,
Hanif Rajput Catering Service,
Office-1, Block-19, G-8 Markaz,
Islamabad # 051-2850600



BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No. IESCO-NHQ-36789-03-24

Mr. Salman Ashraf Khan **Complainant**
Chief Executive Officer,
Hanif Rajput Catering Services,
Offi-1, Block-19, G-8 Markaz,
Islamabad.

VERSUS

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

Date(s) of Hearing: August 22, 2024 & October 22, 2024.

Complainant: Mr. Salman Ashraf Khan, CEO, Hanif Rajput Catering Services.
Mr. Ammar Sehri, Advocate,

Respondent: Mr. Nauman, XEN (Opt.) IESCO
Mr. M. Imran, Commercial Assistant.

SUBJECT: **COMPLAINT FILED BY MR. SALMAN ASHRAF KHAN, CEO, HANIF RAJPUT CATERING SERVICES UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST IESCO REGARDING DETECTION BILL OF 391,039**

DECISION

Through this decision, the complaint filed by Mr. Salman Ashraf Khan, Chief Executive Officer, (CEO), Hanif Rajput Catering Services (hereinafter referred to as the "Complainant") against Islamabad Electric Supply Company (hereinafter referred to as "IESCO") under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the "NEPRA Act") is being disposed of.

2. Brief facts of the case are that the Complainant is an industrial consumer of IESCO bearing Ref No.28-14125-1542100-U having sanctioned load of 65 kW and the applicable tariff category is B-2(b). Old meter of the Complainant was replaced with a new meter by IESCO in December 2019, thereafter, the Complainant was being charged the monthly bills with Multiplication Factor ("MF")=1, which were paid by him, regularly. Subsequently, the M&T team of IESCO checked the metering equipments of the Complainant on 20.02.2024, wherein reportedly, 100/5 Amp CT was found installed, which revealed that the Complainant was billed with the wrong application of MF=1 instead of 20. Notice dated 22.02.2024 thereof was served to the Complainant regarding the above discrepancy and a detection bill of Rs.16,468,159/- against 391,039 units for fifty (50) months i.e. for the period from December 2019 to January 2024 was charged by IESCO, which was challenged by the Complainant before the NEPRA vide complaint dated 23.04.2024.

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3. The matter was taken up with IESCO for submission of comments along with valid documents in support of the instant case. In response, IESCO vide letter dated 21.05.2024 stated that the Complainant was billed with the wrong application of MF=1 instead of 20 since December 2019 and onwards due to punching mistake, which resulted in huge revenue loss due to 391,039 pending units. Therefore, to cover revenue loss, a detection bill of Rs.16,468,159/- against 391,039 units for fifty (50) months i.e. for the period from December 2019 to January 2024 units was charged to the Complainant.

4. Hearings were held on 22.08.2024 and 22.10.2024, wherein both the parties tendered appearance. During the hearing, IESCO justified the issuance of the impugned detection bill by asserting that the electricity had been consumed at the site over an extended period. They argued that the detection bill was a legitimate charge based on the actual usage of electricity by the Complainant. On the contrary, the Complainant submitted that he was paying electricity bills regularly without knowing any technicalities with respect to the application of MF until IESCO raised the aforesaid detection bill with malafide intentions as he was never involved in the misuse of electricity. As per the Complainant, if the IESCO was not vigilant enough to charge the correct bill, therefore, he cannot be held responsible for the wrong charging of MF in the bills due to punching mistake on the part of the IESCO. He further clarified that before signing the lease/rent agreement in September 2020, there was no use of electricity at the site due to vacant premises.

5. The matter has been examined in detail in light of the record made available by both parties, arguments advanced during the hearing, and applicable law. The following have been observed:

- i. Old meter of the Complainant was replaced with a new meter by the IESCO in December 2019, thereafter, the Complainant was being charged the monthly bills with MF=1 by the IESCO, which were paid regularly. Subsequently, the M&T team checked the metering equipment of the Complainant on 20.02.2024, wherein reportedly, 100/5 Amp CT was found installed at the site, which revealed that the Complainant was billed with the wrong application of Multiplication Factor ("MF") i.e.1 instead of 20 due to punching mistake of IESCO. Thereafter, a detection bill of Rs.16,468,159/- against 391,039 units for fifty (50) months i.e. for the period from December 2019 to January 2024 was charged by the IESCO.
- ii. Clause-6.1 of CSM-2021 provides clear mechanism of meter reading and Clause-6.2 envisages the procedure of percentage checking to ensure the accuracy of meter reading. Recording of correct meter readings is the responsibility of IESCO. Clause 6.1.4 of CSM-2021 provides that meter readers are responsible for checking irregularities/discrepancies in the metering system at the time of reading meters and report the same in the reading book/discrepancy book or through any other appropriate method as per the practice. The concerned officer/official has to take corrective action to rectify these discrepancies, however, the officials of the IESCO failed to point out any such discrepancy or take appropriate action timely.
- iii. It has been observed in this case that despite a lapse of more than four (04) years, the concerned officials of the IESCO have not taken the necessary steps. This reveals a lack of diligence or attention to regulatory requirements. Thus, the Complainant cannot be held responsible for the payment of such illegal unjustified detection bill due to erroneous billing done by the IESCO for a longer period. IESCO was required to update the actual MF i.e. 20 at the time of installation of the 100/5 Amp CT to ensure proper billing cycles.

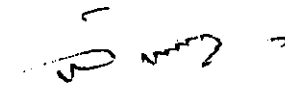
- iv. In such cases, NEPRA has clarified vide letter No. NEPRA/DG (CAD)/ TCD-10/17187-13 dated 26.03.2021 that recovery of wrong application of MF be made within one year of the discrepancy noticed and maximum for six billing cycles. As per said clarification, the Complainant may be charged the revised detection bills with actual MF=20 for six retrospective months from the date of the discrepancy noticed by the IESCO. Calculation in this regard is done below:


Period: August 2023 to January 2024


- A. Total units already charged (MF=1) = $830+832+579+488+484+597= 3,810$ units
- B. Total units to be charged = total units already charged x actual MF
= $3,810 \times 20 = 76,200$ units
- C. Net chargeable units = $B - A = 76,200 - 3,810 = 72,390$ units

6. In view of the above, we are of the considered view that the detection bill of Rs.16,468,159/- against 391,039 units for fifty (50) months i.e. for the period from December 2019 to January 2024 is illegal, contrary to the provisions of the CSM-2021 and the same is cancelled. The Complainant be charged a revised bill of net 72,390 units. The billing account of the Complainant be overhauled after the adjustment of payments made against the above detection bill.

7. A compliance report in this regard be submitted within thirty (30) days.


(Ubed Ullah Memon)
Member Consumer Resolution Committee/
Director (CAD)


(Moqees ul Hassan)
Member Consumer Resolution Committee/
Assistant Legal Advisor (CAD)


(Naweed Illahi Shaikh)
Convener, Consumer Resolution Committee/
Director General (CAD)

Islamabad, November 21, 2024