



**Consumer Affairs
Department**

National Electric Power Regulatory Authority
ISLAMIC REPUBLIC OF PAKISTAN
Consumer Affairs Department, NEPRA TOWER
Attaturk Avenue (East) Sector G-5/1, Islamabad.
Ph:051-2013200, Fax: 051-2600021

TCD 01/ 275/2024
June 20, 2024

Chief Executive Officer
Tribal Electric Supply Company (TESCO)
WAPDA House, Sakhi Chashma Shami Road
Peshawar.

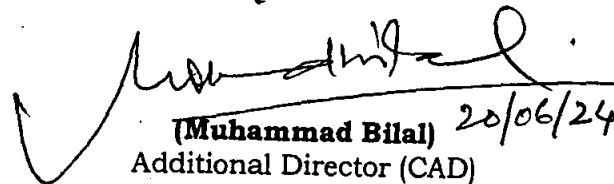
Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MR. MUFARIO SHAH
ADVOCATE ON BEHALF OF ALI MAN SHAH STEEL FURNACE, PRIME STEEL
INDUSTRY & SHAH STEEL INDUSTRY UNDER SECTION 39 OF THE
REGULATION OF GENERATION TRANSMISSION AND DISTRIBUTION OF
ELECTRIC POWER ACT, 1997 AGAINST TESCO REGARDING SHIFTING OF
BILLING FROM GRID STATION TO COMPLAINANTS' PREMISES (REF# 24-
59113-000449, 24-59113-0004458 & 24-59114-0191017)**
TESCO-06-10-2023

Please find enclosed herewith the decision of NEPRA Complaint Resolution Committee dated June 14, 2024 regarding the subject matter for necessary action and compliance with twenty (20) days.

Encl: As above

Copy to:

- 1) C.E/Customer Service Director
Tribal Electric Supply Company (TESCO)
WAPDA House, Sakhi Chashma Shami Road
Peshawar.
- 2) Director (Commercial)
Tribal Electric Supply Company (TESCO)
WAPDA House, Sakhi Chashma Shami Road
Peshawar.
- 3) Mr. Ali Man Shah
House No. 119, Street No. 54, G-10/3,
Islamabad.
0311-5992880


(Muhammad Bilal) 20/06/24
Additional Director (CAD)



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

Complaint No. TESCO-06-10-2023

M/s Ali Man Shah,
Tehsil Jamrud, District Khyber

..... Complainant

M/s Shah Steel Industry,
Tehsil Bara, District Khyber

..... Complainant

M/s Prime Steel Industry,
Tehsil Jamrud, District Khyber

..... Complainant

Versus

Tribal Electric Supply Company (TESCO)
WAPDA House, Sakhi Chashma Shami Road,
Peshawar

..... Respondent

Date of Hearing: January 24, 2024
March 6, 2024
March 26, 2024

**On behalf of:
Complainant:**

Mr. Tanveer Ahmed, Prime Steel Industry
Mr. Said Nawaz, Prime Steel Industry
Mr. Mufarik Shah, Advocate Ali Man Shah Steel Furnace
Mr. Sami ullah, Advocate Ali Man Shah Steel Furnace
Mr. Javed Khan, Complainant

Respondent:

Mr. Sajid Rais, DD (P&E) TESCO
Mr. Amir Nawaz, Deputy Director (Legal) TESCO
Mr. Sheraz Khan, XEN (Ops), TESCO
Mr. Tajam Hussain, Addl. Director, TESCO
Mr. Bilal Baig, SDO (Ops), TESCO

**Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. MUFARIQ SHAH
ADVOCATE ON BEHALF OF ALI MAN SHAH STEEL FURNACE, PRIME STEEL
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REGULATION OF GENERATION TRANSMISSION AND DISTRIBUTION OF
ELECTRIC POWER ACT, 1997 AGAINST TESCO REGARDING SHIFTING OF
BILLING METER FROM GRID STATION TO COMPLAINANTS' PREMISES (REF#
24-59113-000449, 24-59113-0004458 & 24-59114-0191017)**

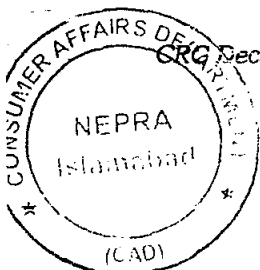
DECISION

This decision shall dispose of the complaint filed by Mr. Mufariq Shah Advocate on behalf of M/s Ali Man Shah Steel Furnace, M/s Prime Steel Industry and M/s Shah Steel Industry (hereinafter referred to as "the Complainants") against Tribal Electric Supply Company Limited (hereinafter referred to as the "Respondent" or "TESCO"), under section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act").

2. Brief facts of the case are that the Complainants in the complaint submitted that the meters of M/s Ali Man Shah Steel Furnace, M/s Prime Steel Industry & M/s Shah Steel

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CRG Decision - Ali Man Shah Steel Furnace & others VS. TESCO. (TESCO-06-10-2023)



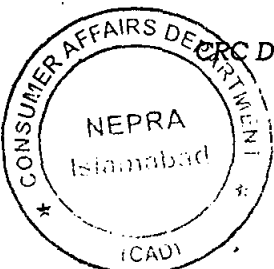
industry have been relocated/shifted by TESCO from factory premises to the grid station without providing any justification. Accordingly, M/s Shah Steel Industry filed a complaint against TESCO before Electric Inspector (EI)/Provincial Office of Inspection (POI) whereby Electric Inspector (EI)/POI directed TESCO to ensure billing of the petitioners according to actual meter reading as per meter of the consumer installed on his premises. However, TESCO did not comply with the decision of the Electric Inspector (EI)/Provincial Office of Inspection (POI), therefore, being aggrieved the Complainants approached NEPRA for redressal of the grievance.

3. Accordingly, the matter was taken up by NEPRA with TESCO for submission of report. In response TESCO vide report dated November 03, 2023 submitted that the area of the Complainants is under influence of military and is having serious law and order issues. Majority of owners of these connections are Maliks/Notables of the tribes and the premises cannot be approached specially at night/odd hours. FIA & NAB also conducted inquiries in the year 2010 and 2013 respectively and due to the said inquiries/references consumers were compelled to shift over proper metered supply from the year 2013 onwards. Moreover, due to worsening law and order situation, horrible incidents had been occurred causing huge loss in terms of human lives and assets. Consumers consent were also obtained prior to installation of the meters at grid premises. Resultantly, issue pertaining to tripping, theft of electricity, issuance of detection bills, courts cases as well as losses on these feeders has been decreased and revenue of TESCO and National exchequer has been significantly increased. The said report was forwarded to the Complainants who raised certain observations through a rejoinder.

4. In order to arrive at an informed decision; hearings were held at NEPRA Head Office, Islamabad which were attended by both the parties wherein the parties advanced their arguments. TESCO representatives submitted that if meters are installed at the premises, TESCO will sustain financial loss due to theft of electricity. Further installation of meters is the discretion of DISCO and not right of the consumer. According to TESCO the claim of the Complainants is time barred. TESCO representatives has further argued that the Electric Inspector (E.I)/POI decided case of M/s Gul Badshah against which TESCO filed appeal before NEPRA which is pending adjudication. The representative of the Complainants submitted that TESCO has installed meters of other industries at their premises but has adopted discriminatory behavior with steel industries and is carrying out billing at the Grid Station. The Complainants further submitted that at the time of energization of connections against reference No. 24-59113-0004449 and 24-59113-0004458; TESCO installed energy meters at Grid Station, however, meter against reference No. 24-59114-0191017 was installed at premises at the time of connection. The billing of the said connection was shifted/being carried out by TESCO to the Grid Station w.e.f. January 01, 2019, therefore, TESCO be directed to start billing on the basis of consumption recorded on the meters installed at the premises.

5. The case has been analyzed in light of arguments advanced by the parties, documents placed on record and applicable law. Following has been concluded:

- (i) The instant complaint is lodged on behalf of three industrial consumers
i) M/s Aliman Shah Steel Furnace (Ref. No. 24-59113-0004449) with sanctioned load 4600 kW having connection date September 02, 2019; M/S Prime Steel Industry (Ref. No. 24-59113-0004458) with sanction load 4600 kW having connection date November 06, 2021; and M/s Shah Steel Industry (Ref. No. 24-59114-0191017) with sanctioned load 46 kW having connection date June 27, 2013.
- (ii) Being aggrieved from shifting of billing from premises to the Grid Station; M/s Shah Steel Industry (Ref. No. 24-59114-0191017) filed a complaint against TESCO before Provincial Office of Inspection/Electric Inspector (E.I), Peshawar. Provincial Office of Inspection/Electric Inspector (E.I), Peshawar vide order dated September 14, 2021 directed TESCO to ensure billing of the Complainant on the premises, however, TESCO did not shift billing at the



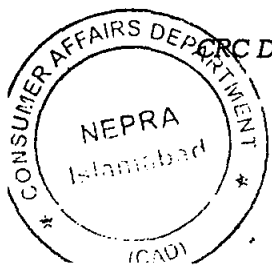
premises. TESCO filed an appeal before NEPRA, however, the said appeal was returned to TESCO being incomplete. Thereafter, TESCO neither filed appeal again before NEPRA nor implemented the decision of Provincial Office of Inspection/ Electric Inspector (E.I). The point of view of TESCO was that the case is pending before NEPRA for adjudication is incorrect. Moreover, the decision of Electric Inspector (E.I) was passed to the extent of M/s Shah Steel Industry.

- (iii) TESCO is of the view that the complaint is time barred and cannot be processed by NEPRA at this belated stage. There is no force in arguments of TESCO because still TESCO is carrying out billing on the basis of meters installed at the Grid Station(s) and the Complainants are aggrieved with the said action of TESCO to date.
- (iv) The Complainants alongwith other consumers of steel furnaces filed a writ petition before Peshawar High Court, Peshawar bearing No. 2926/2022 whereby the petitioners prayed for payment of quarterly tariff adjustment and fuel price adjustment in sixty installments and installation of electricity meters at the premises. The court vide order dated September 19, 2022 disposed of the petition with directions to the petitioners to pay the amount in twenty equal installments. The petitioners filed a review petition No. 159/2022 which was dismissed by the court vide order dated April 27, 2023. Operating part of the said decision is as follows:

"We observe that the applicants have failed to pay installments as per agreed terms and just want to prolog the matter either on one or other pretext. So far as demand of the applicants for affixation of meters on their premises is concerned, we are of the view that all domestic/commercial electricity meters have been installed on electric poles to avoid electricity theft by tampering with the meters.

In view, the instant review petition does not fulfill the above mentioned conditions, calling for interference. Consequently, this review petition being bereft of any merit is hereby dismissed in limine".

- (v) In the light of above judgment of Honourable Court, TESCO is of the view that as per the orders of court meters should have been installed at poles and not at premises. This interpretation of TESCO is not correct as court neither held that meters cannot be installed at premises nor directed for installation of meters/carrying out billing at the grid station. Moreover, line losses of industrial connections are built in tariff. If meters are installed at grid stations there would be duplication in charging of line losses.
- (vi) It is noteworthy that writs filed before the High Court were focused on matters related to the installments of payments of Quarter Tariff Adjustments and Fuel Price Adjustments and the issue pertaining to meter installation remains unaddressed within the judicial proceedings.
- (vii) Furthermore, according to Clause-4.2.1 of Consumer Service Manual (CSM) "Metering installation of all categories of consumers shall be fixed at any convenient/proper place outside the premises of the consumer. It shall be the responsibility of the consumer to provide a safe and accessible location to DISCO for setting up of the metering installation at his/her premises. In such cases, safe custody of the metering installation is the responsibility of the consumer. In case, DISCO fixes the metering installation at its pole/structure then safe custody of the metering installation is the responsibility of DISCO". Therefore, TESCO is required to carry out billing on the basis of meters installed at the consumers' premises instead of billing at Grid Station.



- (vii) As per Regulation-8 of NEPRA Consumer Eligibility Criteria (Distribution Licensees) Regulations, 2022; Dedicated Distribution System of the consumers shall be operated and maintained by the licensee up to the metering installation of the consumer. The cost incurred for replacement of any equipment including switchgear, transformer, high and low tension lines in the Dedicated Distribution System shall be borne by the consumer: Provided that the cost for maintenance and replacement of service wire, from connecting point up to the metering installation, arising due to any reasons not attributable to the consumer shall be responsibility of the distribution licensee. This Regulation transpires that the meters are to be installed at the premises and maintenance of the distribution line shall be responsibility of Licensee. In this case, if theft of electricity occurs on the feeders it is responsibility of TESCO to control theft of electricity.
- (ix) According to MR-5 of Distribution Code, metering facility shall be provided at the connection points between Users and Licensee to record energy and active power (KW) delivered or consumed for the purpose of billing. Further MR-6 of Distribution Code provides that the Licensee shall install the revenue meter at the connection location.
- (x) Moreover, according to National Electric Power Regulatory Authority Consumer Eligibility Criteria (Distribution Licensees) Regulations (2022), distribution companies shall ensure that all applicants and consumers are treated in non-discriminatory, fair, transparent and just manner, therefore, TESCO should treat all the consumers equally regarding location/position of billing meters.

6. Foregoing in view, TESCO is directed as under:

- (i) To carryout billing of the connections bearing reference No. 24-59113-0004458 and reference No. 24-59113-0004449 on the basis of consumption recorded on the meters installed at consumers' premises instead of the meters installed at Grid Station. The line losses be verified through the meters installed at the Grid Station and at the consumers' premises and the line losses beyond the permissible limits shall be borne by the Complainants.

OR

- (ii) Billing of all the connections is required to be carried out at the premises as such the line losses under permissible limit are to be borne by DISCO, however, in case billing at the Complainants' premises is not possible due to law and order situation as highlighted by TESCO, then in such a case the line losses of 11 KV feeder (from Grid Station to the premises) which are being charged to the Complainant additionally shall be adjusted by TESCO upto the permissible limits.

7. Compliance report be submitted within twenty (20) days.

Note: This decision should not be taken as precedent and is applicable in the instant case only. Other similar complaints if received at NEPRA will be decided on case to case basis.

(Lashkar Khan Qambrani)

Member, Complaints Resolution Committee/
Director (CAD)

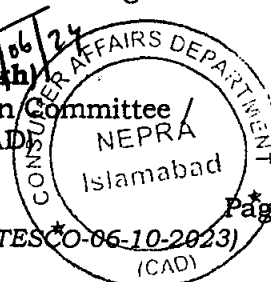
(Moqem-ul-Hassan)

Member, Complaints Resolution Committee/
Assistant Legal Advisor (CAD)

(Naweed Illahi Shaikh)

Convener, Complaints Resolution Committee/
Director General (CAD)

Islamabad, June 14, 2024.



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