



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

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No. NEPRA/AB/Appeal/149/POI/2021/ 365

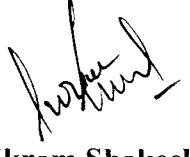
April 07, 2022

1. Haji Nazir Ahmad,
S/o. Khushi Muhammad,
M/s. Ittefaq Cold Storage,
10 KM, Kasur Road, Tehsil Depalpur,
District Okara
2. Chief Executive Officer
LESCO Ltd,
22-A, Queens Road,
Lahore
3. Khan Rustam Khan Parhiar,
Advocate High Court,
Office No. 2, Second Floor,
Fazal Mansion, 3-Fane Road,
Lahore
4. Assistant Manager (Operation),
LESCO Ltd,
Hujra City Sub Division,
Hujra, Tehsil Depalpur, District Okara
5. POI/Electric Inspector
Lahore Region, Energy Department,
Govt. of Punjab, Block No. 1,
Irrigation Complex, Canal Bank,
Dharampura, Lahore

Subject: **Appeal Titled LESCO Vs. Haji Nazir Ahmed Against the Decision Dated 14.09.2021 of the Provincial Office of Inspection to Government of the Punjab Lahore Region, Lahore**

Please find enclosed herewith the decision of the Appellate Board dated 01.04.2022, regarding the subject matter, for information and necessary action accordingly.

Encl: **As Above**


(Ikram Shakeel)
Deputy Director (M&E)/
Appellate Board

Forwarded for information please.

1. Additional Director (IT) –for uploading the decision on NEPRA website



National Electric Power Regulatory Authority

Before Appellate Board

In the matter of

Appeal No. 149/POI-2021

Lahore Electric Supply Company Limited

.....Appellant

Versus

Haji Nazir Ahmad S/o Khushi Muhammad,
M/s. Ittefaq Cold Storage, 10 KM, Kasur Road,
Tehsil Depalpur, District Okara

.....Respondent

APPEAL UNDER SECTION 38(3) OF REGULATION OF GENERATION, TRANSMISSION, AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST THE DECISION DATED 14.09.2021 PASSED BY THE PROVINCIAL OFFICE OF INSPECTION LAHORE REGION, LAHORE

For the Appellant:

Mr. Khan Rustam Khan Parhiar Advocate

For the Respondent:

Mr. Nazir Ahmed

DECISION

1. Through this decision, an appeal filed by the Lahore Electric Supply Company Limited (hereinafter referred to as the 'LESCO') against the decision dated 14.09.2021 of the Provincial Office of Inspection, Lahore Region, Lahore (hereinafter referred to as the 'POI') is being disposed of.
2. As per the stated facts of the case, LESCO is a licensee of the National Electric Power Regulatory Authority (hereinafter referred to as the 'NEPRA') for the



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distribution of electricity in the territory and as per terms and conditions specified in the license and the Respondent is its industrial consumer bearing Ref No. 24-11466-0324500 with a sanctioned load of 177 kW under the B-2(b) Tariff category. Reportedly, the billing meter of the Respondent was checked by the Standing Committee LESCO on 01.03.2021 and it was found 33% slow due to the one dead phase. Notice dated 05.03.2021 was issued to the Respondent and the bill of February 2021 with enhanced Multiplication Factor (MF)=120 was debited to the Respondent due to 33% slowness of the billing meter. Later on, a detection bill of Rs.2,040,967/- for 81,524 units+391 kW MDI for the period March 2020 to January 2021 i.e. eleven (11) months was charged to the Respondent by the LESCO @ 33% slowness of the meter and added in the bill for April 2021. The Respondent paid an amount of Rs.500,000/- against the above detection bill.

3. Being dissatisfied, the Respondent filed an application before the POI and disputed the above detection bill. During the joint inspection of the POI dated 21.05.2021, the impugned billing meter was found working within permissible limits. The checking report of the POI was signed by both the parties, however, LESCO officials raised some observations on the said checking report. The complaint of the Respondent was disposed of vide the POI decision dated 14.09.2021, wherein the detection bill of Rs.2,040,967/- for 81,524 units+391 kW MDI for the period March 2020 to January 2021 i.e. eleven (11) months and the onward bills with enhanced MF=120 were declared as null and void.
4. Subject appeal has been filed by the LESCO against the afore-mentioned decision



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(hereinafter referred to as 'the impugned decision') before the NEPRA. In its appeal, the LESCO objected to the maintainability of the impugned decision *inter alia* on the following grounds, (1) the billing meter of the Respondent was found 33% slow due to one dead phase during the Metering and Testing (M&T) LESCO checking dated 01.03.2021; (2) the notice dated 05.03.2021 was served to the Respondent regarding 33% slowness of the meter and the MF was raised from 80 to 120 w.e.f February 2021 and onwards; (3) the detection bill of Rs.2,040,967/- for 81,524 units+391 kW MDI for the period March 2020 to January 2021 i.e. eleven (11) months was debited to the Respondent; (4) the analysis of the consumption data indicates that there is a significant dip in the units/MDI (kW) from March 2020 and onwards as compared to the corresponding consumption of the year 2019; (5) the Respondent admitted the slowness of the billing meter and paid an amount of Rs.500,000/- against the above detection bill; (6) the LESCO officials raised the objections in writing on the joint checking report dated 21.05.2021 of the POI; (7) the impugned decision is illegal, unjustified, and not sustainable in the eye of law being contrary to the evidence available on the record; (8) the evidence of theft was produced by LESCO on the POI checking report dated 21.05.2021 but the same was not appreciated while passing the impugned decision; (9) the cable was replaced by the Respondent after committing theft of electricity and he did not inform the concerned LESCO officials for installation of the new cable. LESCO finally prayed that the impugned decision be set aside.

5. The Respondent was issued notice for filing reply/para-wise comments, which



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were filed on 25.01.2022. In the reply, the Respondent explained the facts that in February 2021, M&T LESCO officials informed that the billing meter was running slow for which LESCO was requested for checking the disputed billing meter through XEN and SDO M&T LESCO; that the LESCO issued a detection bill of Rs.1,900,000/- and threatened to disconnect the electricity of the premises in case of non-payment of the above bill; that an amount of Rs.500,000/- was paid against the above detection bill on the assurance of Superintending Engineer LESCO that his complaint will be attended; that the above-referred detection bill was challenged before the POI, who checked the billing meter twice and found okay; that the impugned decision given by the POI in his favor should be maintained and that the appeal of LESCO be dismissed with a refund of payment deposited against the above detection bill.

6. Hearing of the appeal was conducted at the NEPRA Regional Office Lahore on 10.03.2021, wherein learned counsel appeared for the LESCO and the Respondent was present in person. Learned counsel for the LESCO reiterated the same contentions as given in memo of the appeal and stated that the detection bill of Rs.2,040,967/- for 81,524 units+391 kW MDI for the period March 2020 to January 2021 i.e. eleven (11) months was debited to the Respondent since the billing meter of the Respondent was found 33% slow on 01.03.2021. Learned counsel for the LESCO argued that the slowness in the meter was not established during the POI joint checking dated 21.05.2021 as the billing meter was rectified by the Respondent before the said checking. As per learned counsel for the LESCO,



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the cable replacement was done by the Respondent un-authorized without any intimation to LESCO with malafide intention. According to learned counsel for LESCO, the Respondent manipulated things in his favor which however was not noticed by the POI. Learned counsel for the LESCO defended the charging of the above detection bill and stated that the decline in consumption of the disputed period as compared to the consumption of the previous year confirms that the billing meter remained slow. Conversely, the Respondent rebutted the contentions of LESCO and averred that the blinking of the meter light was caused due to dim light and the M&T LESCO officials were not competent to determine the slowness of the meter. The Respondent averred that less consumption was recorded during the disputed period due to the COVID-19 situation and less storage material in the cold storage. As per Respondent, a payment of Rs.500,000/- was made against the above detection bill on the assurance of Superintending Engineer LESCO, Okara Circle that his grievance will be redressed. As per Respondent, the LESCO debited the bill with enhanced MF=120 up to May 2021, thereafter MF was reduced from 120 to 80. The Respondent objected that the above detection bill is not justified as the billing meter was not slow. Learned counsel for the LESCO opposed the stance of the Respondent and stated that the Respondent did not mention any communication with the SE LESCO in his complaint before the POI, hence his version is invalid.

7. Arguments were heard and the record was examined. Our observations are as under:



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- i. The billing meter of the Respondent was checked by the Standing Committee along with M&T LESCO on 01.03.2021 and it was found 33% slow. Therefore, the onwards bills with enhanced MF=120 were charged to the Respondent. Subsequently, a detection bill of Rs.2,040,967/- for 81,524 units+391 kW MDI for the period March 2020 to January 2021 i.e. eleven (11) months was charged to the Respondent by the LESCO along with the bill of April 2021 with enhanced MF=120 due to 33% slowness of the billing meter. The Respondent approached the POI against the above bills.
- ii. Though the impugned meter was checked by the POI on 21.05.2021 and found within permissible limits but the LESCO official raised their observations in writing on the said checking report of the POI. Hence, the joint checking report of the POI cannot be based for the determination of the fate of the disputed bills. Similarly, the allegation of LESCO for theft of electricity against the Respondent has no force as LESCO did not follow the procedure for theft of electricity as laid down in the Consumer Service Manual (CSM).
- iii. According to Clause 4.4 of the CSM, a consumer can be charged the detection bill maximum for two (2) months in case of a slow meter. In the instant case, LESCO has violated the ibid Clause of the CSM by charging the detection bill for i.e. eleven (11) months due to the slowness of the meter. Therefore, we are of the view that the detection bill of Rs.2,040,967/- for 81,524 units+391 kW MDI for the period March 2020 to January 2021 i.e. eleven (11) months



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charged by the LESCO is unjustified and the same is declared null and void, which concurs the determination of the POI.

iv. Since 33% slowness in the disputed meter of the Respondent was observed on 01.03.2021, therefore the Respondent is liable to be charged the detection bill for two (2) retrospective months i.e. January 2021 and February 2021 as per Clause 4.4 of the CSM and the onwards bills with enhanced MF=120 till the replacement of the 33% slow meter. The impugned decision is liable to be modified to this extent.

8. In view of what has been stated above, it is concluded that the impugned decision for cancellation of the detection bill of Rs.2,040,967/- for 81,524 units+391 kW MDI for the period March 2020 to January 2021 i.e. eleven (11) months is correct and maintained to this extent. The Respondent should be charged the detection bill for two (2) months i.e. January 2021 and February 2021 as per Clause 4.4 of the CSM and the onwards bills with enhanced MF=120 till May 2021. The billing account of the Respondent be overhauled after adjusting payments made against the disputed bills.

9. The appeal is disposed of in the above terms.

Abid Hussain
Member/Advisor (CAD)

Nadir Ali Khoso
Convener/Senior Advisor (CAD)

Date: 01.04.2022