



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

NEPRA Office, Ata Turk Avenue (East), G5/1, Islamabad
Tel. No. +92 051 2013200 Fax No. +92 051 2600030
Website: www.nepra.org.pk E-mail: office@nepra.org.pk

No. NEPRA/Appeal/158/2021/ *107*

February 17, 2023

- | | |
|---|---|
| 1. Amer Shoaib,
AM Power Plants LTR S/PTCL,
Telephone Exchange, Gulshan-e-Ravi,
Lahore | 2. Chief Executive Officer,
LESCO Ltd,
22-A, Queens Road,
Lahore |
| 3. Saeed Ahmed Bhatti,
Advocate High Court,
66-Khyber Block, Allama Iqbal Town,
Lahore | 4. Sub Divisional Officer (Operation),
LESCO Ltd,
Samanabad Sub Division, 5-B,
Samanabad, Lahore |
| 5. POI/Electric Inspector,
Lahore Region, Energy Department,
Govt. of Punjab, Block No. 1,
Irrigation Complex, Canal Bank,
Dharampura, Lahore | |

Subject: **Appeal Titled PTCL VS. LESCO 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 14.02.2023, 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 The Appellate Board

In the matter of

Appeal No. 158/POI-2021

Pakistan Telecommunication Company Limited
Through Amar Shoaib AM Power Plants LTRS/PTCL,
Telephone Exchange, Gulshan-e-Ravi, Lahore

.....Appellant

Versus

Lahore Electric Supply Company Limited

.....Respondent

APPEAL UNDER SECTION 38(3) OF THE REGULATION OF GENERATION, TRANSMISSION, AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997

For the Appellant

Syed Sharafat Hussain Power Consultant
Mr. Amar Shoaib Assistant Manager

For the Respondent:

Mr. Saeed Ahmed Bhatti Advocate
Mr. Fayaz Hussain XEN
Mr. Kamil Hussain SDO

DECISION

1. Through this decision, an appeal filed by M/s Pakistan Telecommunication Company Limited (hereinafter referred to as the "Appellant") 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 facts of the case, Lahore Electric Supply Company Limited (hereinafter





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referred to as the “Respondent”) is a licensee of the National Electric Power Regulatory Authority (hereinafter referred to as the “NEPRA”) for the distribution of electricity in the territory and as per terms and conditions specified in the license. The Appellant is its commercial consumer bearing Ref No.24-11243-8000101-U with a sanctioned load of 450 kW under the Tariff category A-2(C). The metering equipment of the Appellant was initially checked by the Metering and Testing (M&T) team of the Respondent on 07.02.2018, wherein both the TOU billing and backup meters were found working within specified limits. During another checking dated 02.04.2020 conducted by the Respondent, the billing meter of the Appellant was found recording less consumption due to make and break phenomenon, whereas the backup meter was found working within prescribed limits. Therefore, notice dated 10.04.2020 was served to the Appellant regarding the above discrepancy and a detection bill amounting to Rs.5,269,914/- for the cost of 209,840 units for twenty-five months for the period from 07.02.2018 to 02.04.2020 was debited to the Appellant based on the difference of readings between the TOU billing and backup meters and added to the bill for May 2020.

3. Being dissatisfied with the above actions of the Respondent, the Appellant filed a complaint before the POI on 23.06.2020 and disputed the above detection bill. The metering equipment of the Appellant was checked by the POI on 19.03.2021 in presence of both parties, wherein both the billing and backup meters were found working within BSS limits, however, the billing meter showed make and break





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problem. The checking report dated 19.03.2021 was signed by both the Appellant and the Respondent without showing any concern. The complaint of the Appellant was disposed of vide the POI decision dated 14.09.2021, wherein the detection bill of Rs.5,269,914/- for the cost of 209,840 units was declared as justified and the Appellant was directed to pay the same in four (04) equal installments.

4. Subject appeal has been filed by the Appellant against the afore-mentioned decision of the POI (hereinafter referred to as the “impugned decision”) before the NEPRA. In its appeal, the Appellant objected to the maintainability of the impugned decision, *inter alia*, on the following grounds, (1) the disputed meter was installed in November 2017 and since then no checking of metering equipment was carried out by the Respondent; (2) the alleged checking was carried out by meter inspector instead of SE (M&T) or XEN/SDO of the Respondent; (3) accuracy of the impugned billing meter was not checked by the Respondent and the detection bill was debited for twenty four months on assumption and presumption; (4) the impugned billing and backup meters were found working within BSS limits during the POI joint checking dated 19.03.2021, the Appellant is not liable to pay the previous bills as the impugned billing meter remained accurate till last billing cycles as per Clause 4.3 of the CSM-2021; (5) the entire actions of the Respondent were carried out in sheer violation of NEPRA (Amendment) Act 2018; (6) the billing should be revised as per reading of the impugned meter.





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5. Proceedings by the Appellate Board

Upon filing of the instant appeal, a notice dated 04.01.2021 was sent to the Respondent for filing reply/para-wise comments to the appeal within ten (10) days. However, no reply was received from the Respondent.

6. Hearing

- 6.1 Hearings in the matter of the subject Appeal were conducted on 16.06.2022, 23.08.2022, and 29.09.2022, which however were adjourned on the request of either the Appellant or the Respondent. Lastly, hearing of the appeal was conducted at the NEPRA Regional Office, Lahore on 24.11.2022, which was attended by both parties.
- 6.2 The representatives for the Appellant reiterated the same arguments as contained in memo of the Appeal and argued that neither any notice was served nor alleged checking was carried out by the authorized officials of the Respondent; therefore there is no justification to charge the detection bill of Rs.5,269,914/- for the cost of 209,840 units debited based on the difference of readings between the billing and backup meters are illegal and unjustified. Learned counsel for the Appellant contended that the above bill was challenged before the POI, who conducted the joint checking of the metering equipment on 19.03.2021 in which both the billing and backup meters were found working within permissible limits. Learned counsel for the Appellant opposed the charging of the above detection bill on account of the difference in readings between the billing and backup meters and pleaded that the Respondent failed to adhere to the





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procedure as laid down in Chapter 4 of the CSM-2010 to establish a difference in readings. Learned counsel for the Appellant prayed for setting aside the impugned decision.

6.3 Learned counsel for the Respondent rebutted the version of the Appellant and argued that the impugned billing and backup meters were initially checked on 07.02.2018 and found within BSS limits, however during subsequent checking of the M&T team on 02.04.2020, the impugned billing meter was found recording less consumption, whereas the backup meter was found working within BSS limits. Learned counsel for the Respondent averred that the discrepancy of make and break problem in the impugned billing meter was witnessed during the joint checking of POI, hence the impugned decision for allowing the recovery of the above detection bill is correct and should be maintained.

7. Arguments were heard and the record placed before us was perused. Following are our observations:

7.1 **Detection bill of Rs.5,269,914/- for the cost of 209,840 units for the period from 07.02.2018 to 02.04.2020 was debited on account of the difference in readings between the billing and backup meters**

The metering equipment of the Appellant was initially checked by the M&T team of the Respondent on 07.02.2018, wherein both the TOU billing and backup meters were found working within BSS limits. The readings noted on the billing and backup meters of the Appellant are as under:





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M&T checking dated 07.02.2018				
Meter Type	Meter No.	Reading	MF	Units recorded
Billing	27487	894	160	143040
Backup	T005702	641413	8	5131304

7.2 During another checking dated 02.04.2020 of the M&T team of the Appellant, the TOU billing meter was found recording less consumption due to make and break problems, whereas the backup meter was found working within BSS limits. The readings noted on the billing and backup meters of the Appellant are as under:

M&T's second checking dated 02.04.2020				
Meter Type	Meter No.	Reading	MF	Units recorded
Billing	27487	8275	160	1324000
Backup	T005702	815263	8	6522104

Notice thereof dated 10.04.2020 was served to the Appellant and a detection bill of Rs.5,269,914/- for the cost of 209,840 units for twenty-five months for the period from 07.02.2018 to 02.04.2020 was debited by the Respondent to the Appellant on account of difference of readings between the TOU billing and backup meters and added to the bill for May 2020, detail of which is given below:

Detection bill						
Meter		A	B	C=B-A	D	E=CXD
Type	No.	Reading noted on 07.02.2018	Reading noted on 02.04.2020	Difference	MF	Units recorded
Backup	T005702	641413	815263	173850	8	1390800
Billing	27487	894	8275	7381	160	1180960
Difference						209,840

7.3 The above detection bill was challenged by the Appellant before the POI. During the joint checking dated 19.03.2021 of the POI, both the TOU billing and backup meters





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were found within BSS limits, however, the make-and-break problem was noticed in the TOU billing meter. The checking report was signed by both parties without raising any objections. It is observed that the TOU billing meter recorded 65,768 less units as compared to the backup meter of the Appellant during the period from the second checking dated 02.04.2020 till POI joint checking dated 19.03.2021 as per the detail given below:

Meter		A	B	C=B-A	D	E=CXD
Type	No.	Reading noted on 02.04.2020	Reading noted by POI on 19.03.2021	Difference	MF	Units recorded
Backup	T005702	815263	875404	60141	8	481128
Billing	27487	8275	10871	2596	160	415360
Difference						65,768

7.4 Thus, it is an established fact that the TOU billing meter could not record actual consumption due to erratic behavior i.e. make and break problem, which could not be witnessed by the Respondent through bare eyes during monthly readings. No controversy has been raised regarding the readings and accuracy of the metering equipment by the Appellant. As such, the Appellant is liable to pay the consumption of 209,840 units pursuant to clause 6.2(b) of CSM, which is reproduced below:

“In cases where accumulated readings are recorded, segregate bills shall be prepared keeping in view the number of months for which the readings have been accumulated to give relief to the consumer.”

7.5 However, the accumulated 209,864 units chargeable from the Appellant need to be segregated amongst twenty-five months as per the below calculation and the Appellant needs to be charged as per the approved and applicable tariff during the disputed





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period i.e. February 2018 to March 2020.

$$\text{Units per month recoverable} = \frac{\text{Total units chargeable}}{\text{No. of disputed months}} = \frac{209,864}{25} = 8395 \text{ units}$$

8. Forgoing in preceding paragraphs, it is concluded that

8.1 The detection bill of Rs.5,269,914/- for the cost of 209,840 units for twenty-five months for the period from 07.02.2018 to 02.04.2020 was debited by the Respondent to the Appellant on account of the difference of readings between the TOU billing and backup meters and added to the bill for May 2020.

8.2 The Respondent may recover the bills @ 8,395 units/month for twenty-five months along with current bills and the said bills be calculated as per applicable tariff in the relevant period.

8.3 The billing account of the Appellant be overhauled accordingly.

9. The impugned decision is modified in the above terms.

Muhammad Irfan-ul-Haq
Member

Abid Hussain
Convener

Dated: 14/02/2023.



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