



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

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No. NEPRA/Appeal/108/2023/442


May 10, 2024

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| 1. M/s. Manakin Textiles Mills (Pvt.) Ltd, Through Syed Asim Raza, General Manager, R/o. Kamahan Road, Attari Saroba, Lahore | 2. Chief Executive Officer, LESCO Ltd, 22-A, Queens Road, Lahore |
| 3. Ch. Muhammad Azeem, Advocate High Court, Second Floor, Zahoor Chambers, 1-Mozang Road, Lahore Cell No. 0333-4402579 0308-4008130 | 4. A. D. Bhatti, Advocate High Court, Office No. 4, First Floor, Rehmat Tower, 13-Fane Road, Lahore Cell No. 0300-9431653 |
| 5. Assistant Manager (Operation), LESCO Ltd, Nishtar Colony Sub Division, Lahore | 6. POI/Electric Inspector Lahore Region-II, Energy Department, Govt. of Punjab, Block No. 1, Irrigation Complex, Canal Bank, Dharampura, Lahore |

Subject: **Appeal No.108/2023 (LESCO Vs. M/s. Manakin Textile Mills (Pvt.) Ltd.)**
Against the Decision Dated 28.09.2023 of the Provincial Office of Inspection
to Government of the Punjab Lahore Region-II, Lahore

Please find enclosed herewith the decision of the Appellate Board dated 10.05.2024 (05 pages), regarding the subject matter, for information and necessary action accordingly.

Encl: **As Above**


(Ikram Shakeel)
Deputy Director
Appellate Board

Forwarded for information please.

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



National Electric Power Regulatory Authority

Before The Appellate Board

In the matter of

Appeal No.108/POI-2023

Lahore Electric Supply Company Limited

.....Appellant

Versus

M/s. Manakin Textile Mills (Pvt.) Ltd,
Through Syed Asim Raza General Manager,
R/o. Kamahan Road, Attari Saroba, Lahore

.....Respondent

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

For the Appellant:

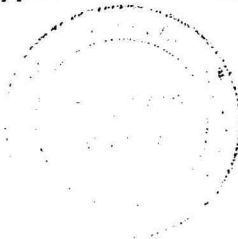
Ch. Muhammad Azeem Advocate

For the Respondent:

Mr. A.D Bhatti Advocate

DECISION

1. Brief facts of the case are that M/s. Manakin Textile Mills (pvt) Ltd. (hereinafter referred to as the "Respondent") is an industrial consumer of Lahore Electric Supply Company Limited (hereinafter referred to as the "Appellant") bearing Ref No.24-11533-1000060-U having sanctioned load of 350 kW and the applicable tariff category is B-2(b). Metering equipment of the Respondent was initially checked by the M&T team of the Appellant on 10.01.2020 and reportedly, the accuracy of both billing and backup meter was found within permissible limits. During subsequent checking dated 08.05.2023 of the Appellant, the impugned billing meter was found 33% slow due to blue dead phase, whereas the backup meter was found working within BSS limits. Resultantly, a detection bill of Rs.10,413,722/- for 255,840 units + 725 kW MDI for the period from 10.01.2020 to 08.05.2023 was debited to the Respondent due to the difference of readings between the billing and backup meters and added to the bill for May 2023. MF of the Respondent was raised from 160 to 240 w.e.f July 2023 and onwards by the Appellant due to 33% slowness of the meter. Subsequently, the Appellant debited the bill of August 2023 with enhanced





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MF=400 by adding 66% slowness of the meter. Thereafter, the impugned meter was replaced with a new meter by the Appellant in September 2023.

2. Being aggrieved with the above-mentioned actions of the Appellant, the Respondent filed a complaint before the Provincial Office of Inspection, Lahore Region-II, Lahore (hereinafter referred to as the "POI") and challenged the above detection bill. During joint checking dated 15.08.2023, discrepancy of 66% slowness in the impugned meter was observed due to two dead phase, whereas the backup meter was found defective with opened display, the checking report of POI was signed by both parties without raising any objection. The matter was decided by POI vide decision dated 28.09.2023, wherein the detection bill of Rs.10,413,722/- for 255,840 units + 725 kW MDI for the period from 10.01.2020 to 08.05.2023 was declared null and void and the Appellant was allowed to charge the revise bill for March 2023 and onwards till the replacement of the impugned meter as per consumption of corresponding month of previous year or average consumption of last eleven months, whichever is higher.
3. Being dissatisfied, the Appellant has filed the instant appeal before NEPRA and assailed the decision dated 28.09.2023 of the POI (hereinafter referred to as the "impugned decision"). In its appeal, the Appellant opposed the maintainability of the impugned decision, *inter-alia*, on the following grounds that during checking dated 08.05.2023, one phase of the billing meter was found dead due to defective CT, whereas the backup meter was found working within BSS limits; that the detection bill of Rs.10,413,722/- for 255,840 units + 725 kW MDI for the period from 10.01.2020 to 08.05.2023 was debited to the Respondent due to difference of readings between the billing and backup meters; that 66% slowness was observed during the POI joint checking dated 15.08.2023; that the above detection bill was charged on the basis of difference of readings between the billing and backup meters; that the POI did not apply judicious mind while passing the impugned decision; that the accumulative units were charged to the Respondent as per consumption record; that the impugned decision is against the facts and law and the same is liable to be set aside.
4. Notice dated 08.11.2023 of the appeal was issued to the Respondent for filing reply/para-wise comment, which were filed on 11.12.2023. In the reply, the Respondent submitted that 33% slowness in the impugned billing meter was observed during checking dated 08.05.2023, therefore the onward bills were charged with enhanced MF=240 to account





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for 33% slowness of the meter and a detection bill of Rs.10,413,722/- for 255,840 units + 725 kW MDI for the period from 10.01.2020 to 08.05.2023 was debited due to the difference of readings between the billing and backup meters. The Respondent further submitted that the Appellant debited the bill of August 2023 with enhanced MF=400 due to 66% slowness of the meter, which was confirmed during the POI joint checking dated 15.08.2023. The Respondent defended the impugned decision and prayed for upholding the same.

5. Hearing

5.1 Hearing of the appeal was conducted at NEPRA Regional Office Lahore on 20.01.2024, wherein learned counsels appeared for both the Appellant and the Respondent. Learned counsel for the Appellant contended that the billing meter of the Respondent was found 33% slow due to blue phase being dead during M&T checking dated 08.05.2023, therefore a detection bill of Rs.10,413,722/- for 255,840 units+725 kW MDI for the period from 10.01.2020 to 08.05.2023 was debited to the Respondent due to the difference of the readings between the billing and backup meters. Learned counsel for the Appellant argued that the POI did not consider the real aspects of the case and erroneously declared the above detection bill as null and void. Learned counsel for the Appellant prayed that the impugned decision is unjustified and the same is liable to be struck down.

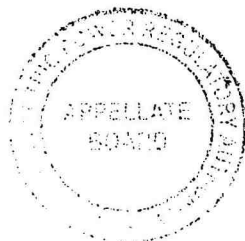
5.2 On the contrary, learned counsel for the Respondent repudiated the version of the Appellant, supported the impugned decision for cancellation of the above-said detection bill and prayed for upholding the same.

6. Having heard the arguments and record perused. Following are our observations:

6.1 As per the record, metering equipment of the Respondent was initially checked by the M&T team of the Appellant on 10.01.2020 and both the billing and backup meters were found within permissible limits. During subsequent checking dated 08.05.2023 of the Appellant, the impugned billing meter was found 33% slow due to blue dead phase, whereas the backup meter was found working within BSS limits. Hence, a detection bill amounting to Rs.10,413,722/- for 255,840 units + 725 kW MDI for the period from 10.01.2020 to 08.05.2023 was debited to the Respondent due to the difference of readings between the billing and backup meters, which was challenged by him before the POI.

6.2 During the joint checking dated 15.08.2023 of the POI, 66% slowness in the impugned billing meter was confirmed, whereas, the backup meter was found defective with opened display.

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In case of slowness of the meter, Clause 4.3.3c(ii) of the CSM-2021 empowers the Appellant to recover the detection bill maximum for two retrospective months, whereas the Appellant debited the detection bill of Rs.10,413,722/- for 255,840 units + 725 kW MDI for the period from 10.01.2020 to 08.05.2023 to the Respondent contrary to the foregoing clause of the CSM-2021. It is further observed that the above detection bill was assessed on the basis of readings difference between the billing and backup meters, whereas the billing meter was found 66% slow and the backup meter was found defective with opened LCD during joint checking dated 15.08.2023, under these circumstances, the readings of the backup meter cannot be made basis for the determination of the fate of the detection bill to recover the revenue loss.

6.3 In view of foregoing discussion, we are of the firm view that the detection bill of Rs.10,413,722/- for 255,840 units+725 kW MDI for the period from 10.01.2020 to 08.05.2023 charged to the Respondent is unjustified and the same is cancelled, which is also the determination of the POI.

6.4 According to Clause 4.3.3c(ii) of the CSM-2021, the Respondent is liable to be charged the bills for two billing cycles due to 33% slowness of the meter prior to checking dated 08.05.2023.

6.5 Moreover, the bills already charged with enhanced MF=240 for the period from May 2023 to July 2023 and the bill with enhanced MF=400 for August 2023 charged to the Respondent due to 33% and 66% slowness of the meter respectively are justified being in line with Clause 4.3.3c(i) of the CSM-2021 and the Respondent is liable to pay the same. Impugned decision is liable to be modified to this extent.

7. In view of what has been stated above, it is concluded that:

7.1 the detection bill of Rs.10,413,722/- for 255,840 units + 725 kW MDI for the period from 10.01.2020 to 08.05.2023 debited to the Respondent is unjustified and the same is cancelled.

7.2 The Respondent may be charged the revised bill for two billing cycles due to 33% slowness of the meter prior to checking dated 08.05.2023 as per Clause 4.3.3c(ii) of the CSM-2021.

7.3 Moreover, the bills already charged with enhanced MF=240 for the period from May 2023 to July 2023 and the bill with enhanced MF=400 for August 2023 to the Respondent due to 33% and 66% slowness of the meter respectively are justified being in line with Clause 4.3.3c(i) of the CSM-2021 and payable by the Respondent.





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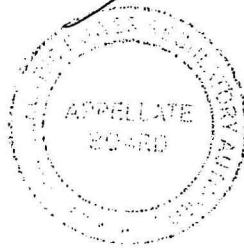
7.4 The billing account of the Respondent be overhauled after making the adjustment of payments made against the impugned detection bill.

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

Abid Hussain
Member/Advisor (CAD)

Dated: 10-05-2024

Naweed Illahi Sheikh
Convener/DG (CAD)



Muhammad Irfan-ul-Haq
Member/ALA (Lic.)