



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

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No. NEPRA/Appeal/074/2023/ 609

July 24, 2024

1. Ch. Muhammd Nawaz Chattha,  
S/o. Pir Muhammad Chattha,  
R/o. House No. 104, Street No. 04,  
Gunj Kalan, Bilal Gunj, 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  
Cell No. 0300-4350899
4. Sub Divisional Officer (Operation),  
LESCO Ltd,  
Sultan Pura Sub Division,  
Lahore
5. POI/Electric Inspector,  
Lahore Region, Energy Department,  
Govt. of Punjab, Block No. 1,  
Irrigation Complex, Canal Bank,  
Dharampura, Lahore  
Phone No. 042-99250191

Subject: **Appeal No.074/2023 (LESCO Vs. Ch. Muhammad Nawaz Chathha)**  
**Against the Decision Dated 19.06.2023 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 24.07.2024 (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.074/POI-2023

Lahore Electric Supply Company Limited

.....Appellant

Versus

Ch. Muhammad Nawaz Chattha S/o. Pir Muhammad Chattha,  
R/o. House No.104, Street No.04, Gunj Kalan Bilal Gunj, Lahore

.....Respondent

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

For the Appellant:

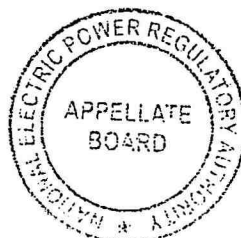
Mr. Saced Ahmed Bhatti Advocate

For the Respondent:

Nemo

### **DECISION**

1. As per the facts of the case, Ch. Muhammad Nawaz (hereinafter referred to as the "Respondent") is a commercial consumer of Lahore Electric Supply Company Limited (hereinafter referred to as the "Appellant") bearing Ref No.24-11155-0938107-U having sanctioned load of 35 kW and the applicable tariff category is A-2(c). During M&T checking dated 19.08.2019 of the Appellant, the blue phase of both billing and backup meters was found dead stop, therefore MF was raised from 20 to 30 w.e.f September 2019 and onwards. Notice dated 28.12.2019 was issued to the Respondent regarding the above discrepancy. Therefore, a detection bill amounting to Rs.1,623,894/- against 69,980 units + 157 kW MDI for thirteen (13) months i.e. August 2018 to August 2019 was debited to the Respondent on the basis of consumption for the period from August 2017 to August 2018 and added to the bill for March 2020.
2. Being aggrieved, the Respondent filed a complaint before the Provincial Office of Inspection, Lahore Region, Lahore (hereinafter referred to as the "POI") on 11.04.2022 and challenged the above detection bill. During joint checking of POI on 07.10.2022, the impugned



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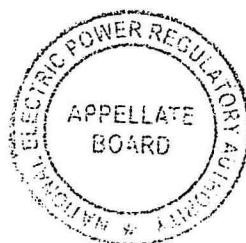
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billing was found running 33% slow due to one dead phase, joint checking report was signed by both parties without raising any objection. The complaint of the Respondent was disposed of by the POI vide decision dated 19.06.2023, wherein it was held that the detection bill of Rs.1,623,894/- against 69,980 units+157 kW MDI for thirteen (13) months i.e. August 2018 to August 2019 is void, unjustified and of no legal effect and the Appellant is allowed to charge revised bills w.e.f June 2019 and onwards till the replacement of the impugned meter after adding 33% slowness of the meter.

3. Being dissatisfied, the Appellant has filed the instant appeal before NEPRA and assailed the decision dated 19.06.2023 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 the impugned decision is against the law and facts of the case; that the POI misconceived and misconstrued the real facts of the case and erred in declaring the impugned detection bill as null and void; that Clause 4.3.3c(ii) of the CSM-2021 could not be made applicable in the instant case; that the POI miserably failed to analyze the consumption data in true perspective; that the POI has failed to appreciate that the complaint could not be entertained as no notice as required u/s 26(6) of Electricity Act 1910 was ever served upon the Appellants before filing the same and that the impugned decision is liable to be set aside.
4. Notice dated 25.09.2023 of the appeal was issued to the Respondent for filing reply/para-wise comment, which however were not filed.

### 5. Hearing

- 5.1 Hearing of the appeal was conducted at NEPRA Regional Office Lahore on 01.03.2024, wherein learned counsel appeared for the Appellant, whereas the Respondent did not tender appearance. Learned counsel for the Appellant contended that the blue phase of the billing meter of the Respondent was found defective on 19.08.2019, therefore a detection bill of Rs.1,623,894/- for thirteen (13) months was debited to the Respondent, and the MF was raised from 20 to 30 w.e.f September 2019 and onwards to account for 33% slowness of the meter. 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 and revised the bills w.e.f June 2019 and onward @ 33% slowness established in the joint checking of the lower forum. As per learned counsel for the Appellant, the honorable Supreme Court of Pakistan vide order dated 17.05.2023 in the C.P. No. 691/2020 remanded back the similar nature of the dispute to NEPRA for determination of the period of slowness/defectiveness afresh. According to learned counsel for the Appellant, the Appellate Tribunal (NEPRA) vide order dated



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12.12.2023 even remanded back the similar nature of disputes to NEPRA, which are to be decided after revisiting Clause 4.3.3c(ii) of the CSM-2021. Learned counsel for the Appellant prayed that the impugned decision is unjustified and liable to be struck down.

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

**6.1 Preliminary objection regarding the time limit for POI to decide the complaint:**

As per the record, the Respondent filed his complaint before the POI on 11.04.2022 under Section 38 of the NEPRA Act. POI pronounced its decision on 19.06.2023 after the expiry of 90 days from the date of receipt of the complaint. The Appellant has objected that the POI was bound to decide the matter within 90 days under Section 26(6) of the Electricity Act, 1910. In this regard, it is observed that the forum of POI has been established under Section 38 of the NEPRA Act which does not put a restriction of 90 days on POI to decide complaints. Section 38 of the NEPRA Act overrides provisions of the Electricity Act, 1910. Reliance in this regard is placed on the judgments of the honorable Lahore High Court Lahore reported in *PLJ 2017 Lahore 627* and *PLJ 2017 Lahore 309*. Keeping in view the overriding effect of the NEPRA Act being later in time, and the above-referred decisions of the honorable High Court, hence the objection of the Appellant is rejected.

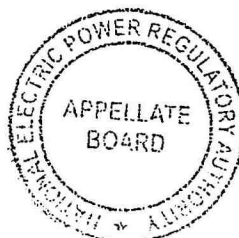
**6.2 Objection regarding prior notice before filing the complaint before the POI:**

As regards another objection of the Appellant for not issuing notice as per the Electricity Act, 1910 by the Respondent before filing a complaint to the POI, it is elucidated that the matter was adjudicated by the POI under Section 38 of the NEPRA Act, 1997 and as per procedure laid down in Punjab (Establishment and Powers of Office of Inspection) Order, 2005, which do not require for service of any notice before approaching the POI. The above objection of the Appellant is not valid and, therefore overruled.

**6.3 Detection bill of Rs.1,623,894/- against 69,980 units+157 kW MDI for thirteen (13) months i.e. August 2018 to August 2019:**

As per the available record, the blue phase of the billing meter of the Respondent was found defective during checking dated 19.08.2019, therefore, a detection bill amounting to Rs.1,623,894/- against 69,980 units+157 kW MDI for thirteen (13) months i.e. August 2018 to August 2019 was debited to the Respondent, which was assailed by him before the POI.

6.4 During the hearing, the Appellant pointed out that the honorable Supreme Court of Pakistan vide order dated 17.05.2023 remanded back the matter to NEPRA to revisit clause 4.4(e) of the CSM-2010 (existing clause 4.3.3 of the CSM-2021), hence the decision in the subject appeal be rendered after redetermination of the period of slowness by the Authority.



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6.5 It is clarified that after detailed deliberation with the stakeholders i.e. distribution companies and consumers, the Authority vide order dated 13.06.2024 retained the period of supplementary/detection bill for two billing cycles in case of the slowness of the metering equipment/defective CTs as mentioned in clause 4.4(e) of CSM- 2010 (existing clause 4.3.3 of CSM-2021), the operative portion of which is reproduced below:

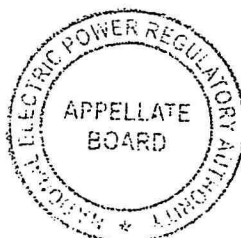
*"For the reasons stated above, we reject the proposal of the distribution companies and retain the period of the supplementary bills for two (02) billing cycles in the case of the slowness of the metering installation/defective CTs as mentioned in clause 4.4(e) of CSM-2010 (existing clause 4.3 of CSM-2021). In a vigilant system, slowness of the metering installation should be detected timely, hence the distribution companies must bring efficiency in their working and replace the slow meters/defective CTs within the stipulated period as provided in clause 4.3 of the CSM-2021 in true letter and spirit. The distribution companies should ensure the charging of supplementary bills maximum for two billing cycles. If in the cases where the slowness of the metering installation is not pointed out timely and the metering installation is not replaced within maximum period of two (02) billing cycles, the competent authority of the relevant distribution company shall take disciplinary action against the concerned officials and fix the responsibility for negligence in such cases."*

6.6 In light of the foregoing order of the Authority, we are of the considered view that the charging of the detection bill beyond two billing cycles is inconsistent with the foregoing clause of the CSM-2021. Therefore, the detection bill of Rs.1,623,894/- against 69,980 units +157 kW MDI for thirteen (13) months i.e. August 2018 to August 2019 charged to the Respondent is violative of Clause 4.3.3c(ii) of the CSM-2021 and the same is cancelled.

6.7 33% slowness in the impugned metering equipment of the Respondent was observed on 19.08.2019 and the same was established during the POI joint checking dated 07.10.2022, hence the bills for the two retrospective months i.e. June 2019 and July 2019 be compared below with corresponding consumption of the previous year prior allowing the supplementary bill:

period before dispute		disputed period	
Month	Units	Month	Units
Jun-18	1560	Jun-19	10500
Jul-18	20540	Jul-19	4440
<b>Total</b>	<b>22100</b>	<b>Total</b>	<b>14940</b>

The above table shows that less consumption was charged during the months i.e. June 2019 and July 2019, which indicates that the impugned meter remained 33% slow during these



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months. As such, the determination of the POI for revision of the bills w.e.f June 2019 and onwards till the replacement of the meter after adding 33% slowness of the meter is in accordance with Clause 4.3.3c(ii) of the CSM-2021.

7. Foregoing in view, the appeal is dismissed.

Abid Hussain  
Member/Advisor (CAD)

Dated: 24-07-2024

Naweed Illahi Sheikh  
Convener/DG (CAD)

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

