



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

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No. NEPRA/Appeal/119/2023/577


July 11, 2024

- | | |
|---|--|
| 1. Chaudhary Foundation,
C/o. Ilyas Muhammad Chaudhary,
Head Office Situated at 135-Ferozepur Road,
Lahore | 2. Chief Executive Officer,
LESCO Ltd,
22-A, Queens Road,
Lahore |
| 3. Rao Riaz Ahmad,
Advocate High Court,
Office No. 16, 3 rd Floor,
Nizami Plaza, 13-Fane Road,
Lahore
Cell No. 0300-4990042 | 4. Wahid Hameed,
Advocate High Court,
Syed Law Chambers, 4-Mozang Road,
Lahore
Cell No. 0314-7171000 |
| 5. Assistant Manager (Operation),
LESCO Ltd,
Ichhra Sub Division,
Lahore | 6. POI/Electric Inspector,
Lahore Region-II,
Energy Department, Govt. of Punjab,
342-B, Near Allah Hoo Chowk,
Johar Town, Lahore
Phone No. 042-99333968 |

Subject: Appeal No.119/2023 (LESCO Vs. Chaudhary Foundation) Against the Decision Dated 23.10.2023 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 11.07.2024 (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.119/POI-2023

Lahore Electric Supply Company Limited

.....Appellant

Versus

Chaudhary Foundation, C/o. Ilyas Muhammad Chaudhary,
Head Office situated at 135-Ferozpur Road, Lahore

.....Respondent

APPEAL U/S 38(3) OF REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997

For the Appellant:

Rao Riaz Ahmed Advocate

For the Respondent:

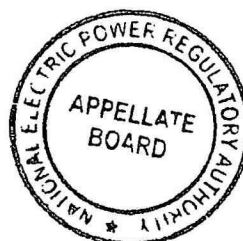
Wahid Hameed Advocate

DECISION

1. Through this decision, the appeal filed by the Lahore Electric Supply Company Limited (hereinafter referred to as the "Appellant") against the decision dated 23.10.2023 of the Provincial Office of Inspection, Lahore Region, Lahore (hereinafter referred to as the "POI") is being disposed of.
2. Brief facts of the case are that Chaudhary Foundation (hereinafter referred to as the "Respondent") is a commercial consumer of the Appellant bearing Ref No.24-11251-9007200-U with a sanctioned load of 340 kW and the applicable Tariff category is A-2(C). The metering equipment of the Respondent was checked by the Appellant on 05.10.2020 and reportedly, a difference of 50,224 units was found between the billing and backup meters. Therefore, a detection bill of Rs.2,021,123/- against 50,224 units for the period from 16.07.2010 to 05.10.2020 was debited to the Respondent due to the difference in readings between the billing and backup meters and added to the bill for November 2020.

Appeal No.119/POI-2023

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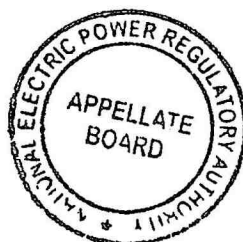




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3. Being aggrieved, the Respondent filed a complaint before the POI and challenged the above detection bill. During joint checking dated 29.08.2023 of the POI, both billing and main backup meters of the Respondent were found working within BSS limits, joint checking report was signed by both parties without raising any objection. The complaint of the Respondent was disposed of by the POI vide the decision dated 23.10.2023, wherein the detection bill of Rs.2,021,123/- against 50,224 units for the period from 16.07.2010 to 05.10.2020 debited to the Respondent was cancelled.
4. Subject appeal was filed by the Appellant before the NEPRA against the above-referred decision of the POI. In its appeals, the Appellant objected to the maintainability of the impugned decision, *inter alia*, on the main grounds that the detection bill of Rs.2,021,123/- against 50,224 units for the period from 16.07.2010 to 05.10.2020 was debited to the Respondent; that the impugned decision is against the law and facts of the case; that the joint checking of the POI is self-contradictory as the POI considered backup meter bearing Serial No.200192 as billing meter instead of billing meter bearing Serial No.00255; that the POI did not apply his independent and judicious mind while passing the impugned decision; that the POI misconstrued/misconceived the real facts of the case, which has not been seen and read in true perspective; and that the impugned decision is liable to be set aside.
5. **Proceedings by the Appellate Board**
Upon the filing of the instant appeal, a notice dated 11.04.2022 was sent to the Respondent for filing reply/para-wise comments to the appeal within ten (10) days, which were filed on 27.12.2022. In the reply, the Respondent rebutted the version of the Appellant regarding charging the impugned detection bill of Rs.2,021,123/- against 50,224 units for the period from 16.07.2010 to 05.10.2020, defended the impugned decision and prayed for dismissal of the appeal.
6. **Hearing**
6.1 Hearing was conducted at NEPRA Regional Office Lahore on 07.06.2024, which was attended by the counsels for both the Appellant and the Respondent. Learned counsel for the Appellant contended that the electricity connection of the Respondent was initially checked on 16.07.2010, wherein both the billing and backup meters were found within permissible limits. Learned counsel for the Appellant further contended that during subsequent checking dated 05.10.2020, there is a difference of 50,224 units was observed

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between the billing and backup meters, therefore, a detection bill of Rs.2,021,123/- against 50,224 units for the period from 16.07.2010 to 05.10.2020 was debited to the Respondent in November 2020 to recover the revenue loss sustained by the Appellant. As per learned counsel for the Appellant, the above detection bill was cancelled by the POI without perusing the documentary evidence. According to the learned counsel for the Appellant, the POI afforded relief beyond the prayer of the Respondent, as such the impugned decision is liable to be set aside.

6.2 On the contrary, learned counsel for the Respondent repudiated the version of the Appellant and argued that the entire proceedings including checking were carried out by the Appellant unilaterally and the detection bill of Rs.2,021,123/- against 50,224 units for the period from 16.07.2010 to 05.10.2020 was debited to the Respondent without any justification. Learned counsel for the Respondent further contended that if presumed that the impugned billing meters had not recorded actual consumption as to why the Appellant failed to point out the discrepancy in time. Learned counsel for the Respondent finally that the appeal is liable to be dismissed with cost.

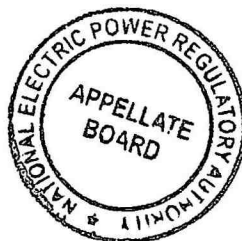
7. Arguments heard and the record perused. Following are our observations:

7.1 Detection bill of Rs.2,021,123/- against 50,224 units for the period from 16.07.2010 to 05.10.2020 debited to the Respondent due to the difference of readings between the billing and backup meters:

The Appellant initially checked the electricity connection of the Respondent on 16.07.2010, wherein both the billing and backup meters were found within permissible limits. Subsequently, the metering equipment of the Respondent was checked by the Appellant on 05.10.2020 and reportedly, 50,224 units were found uncharged due to the difference between the billing and backup meters. Therefore, a detection bill of Rs.2,021,123/- against 50,224 units for the period from 16.07.2010 to 05.10.2020 was debited to the Respondent due to the difference of readings between the billing and backup meters and added to the bill for November 2020, which was challenged before the POI.

Detection bill	A	B	C=A-B	D	F=CxD
Checking	05.10.2020	16.07.2010	difference	MF	Units
Backup meter	644984	330746	314238	8	2513904
Billing meter	22891	7493	15398	160	2463680
Difference					50224

7.2 During joint checking dated 29.08.2023 of the POI, both billing and main backup meters of the Respondent were found working within BSS limits, joint checking report was signed by





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both parties without raising any objection.

7.3 According to clause 6.1(b) of the CSM-2010, the meter reading above 20 kW load is to be recorded by the senior officers of the distribution companies, and the said officers will check the irregularities/discrepancies in the metering system and report the same discrepancy, according to clause 6.1(d) of the CSM-2010. In the instant case, the connection under dispute is sanctioned for 340 kW load and the meter reading is being taken by the senior officer of the Appellant but the Appellant did not point out any irregularity in the billing as well as the discrepancy in the metering equipment of the Respondent since the date of first checking i.e. 16.07.2010 to subsequent checking dated 05.10.2020.

7.4 The Appellant debited the impugned detection bill for the period from 16.07.2010 to 05.10.2020 (123 months) based on the reading of the billing and backup meters, which is unwarranted, and inconsistent with the provision of the CSM-2010. Under these circumstances, we are of the considered view that the detection bill of Rs.2,021,123/- against 50,224 units for the period from 16.07.2010 to 05.10.2020 debited by the Appellant to the Respondent in November 2020 is unjustified and the same is liable to be declared null and void.

7.5 In such cases, NEPRA has given clarification vide letter No. NEPRA/DG(CAD)/TCD-10/17187-13 dated 26.03.2021 that recovery of the bills be made within one year of the discrepancy noticed and maximum for six billing cycles if missed by the distribution companies. As per said clarification, the Appellant is allowed to recover the bills for six months before checking dated 05.10.2020, calculation in this regard is done below:

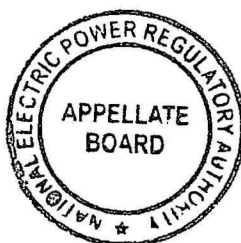
Period: April 2020 to September 2020

$$\begin{aligned} \text{A. Units to be charged} &= \frac{\text{Total difference units} \times \text{No. of allowed months}}{\text{Total No. of months}} \\ &= \frac{50,224 \times 06}{123} = 2,450 \text{ units} \end{aligned}$$

The Respondent is liable to be charged net 2,450 units as detection bill. The impugned decision is liable to be modified to this extent.

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

8.1 The detection bill of Rs.2,021,123/- against 50,224 units for the period from 16.07.2010 to 05.10.2020 debited by the Appellant to the Respondent in November 2020 is unjustified and the same is cancelled.



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8.2 The Respondent may be charged the revised detection bill for net 2,450 units, according to Clause 12 of the above-referred Clarification.

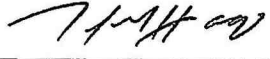
8.3 The billing account of the Respondent be overhauled, accordingly.

9. Impugned decision is modified in the above terms.

On leave
Abid Hussain
Member/Advisor (CAD)

Dated: 11-07-2024


Naweed Illahi Sheikh
Convener/DG (CAD)


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

