



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

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No. NEPRA/Appeal/057/2024/ 10/8

December 03, 2024

- |  |  |
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| 1. Muhammad Sajid Hussain,<br>S/o. Muhammad Yaqoob,<br>R/o. House No. 13-Bara Dari Road,<br>Shahdara, Lahore             | 2. Chief Executive Officer,<br>LESCO Ltd,<br>22-A, Queens Road,<br>Lahore  |
| 3. Saeed Ahmed Bhatti,<br>Advocate High Court,<br>66-Khyber Block, Allama Iqbal Town,<br>Lahore<br>Cell No. 0300-4350899 | 4. Wahid Hameed,<br>Advocate High Court,<br>Syed Law Chamber, 4-Mozang Road,<br>Lahore<br>Cell No. 0314-7171000  |
| 5. Assistant Manager (Operation),<br>LESCO Ltd,<br>Jia Musa Sub Division,<br>Lahore                                      | 6. POI/Electric Inspector<br>Lahore Region-I, Energy Department,<br>Govt. of Punjab, Block No. 1,<br>Irrigation Complex, Canal Bank,<br>Dharampura, Lahore |

Subject: **Appeal No.057/2024 (LESCO Vs. Muhammad Sajid Hussain) Against the Decision Dated 02.04.2024 of the Provincial Office of Inspection to Government of the Punjab Lahore Region-I, Lahore**

Please find enclosed herewith the decision of the Appellate Board dated 03.12.2024 (06 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 of the Appellate Board on the NEPRA website



# National Electric Power Regulatory Authority

## Before The Appellate Board

In the matter of

### Appeal Nos.057/POI-2024

Lahore Electric Supply Company Limited

.....Appellant

Versus

Muhammad Sajid Hussain S/o. Muhammad Yaqoob,  
R/o. House No.13-Bara Dari Road, Shahdara, Lahore

.....Respondent

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

For the Appellant:

Mr. Saeed Ahmed Bhatti Advocate

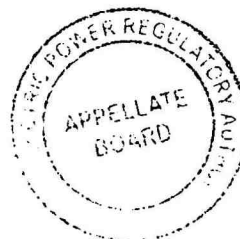
For the Respondent:

Mr. 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 02.04.2024 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 Muhammad Sajid Hussain (hereinafter referred to as the "Respondent") is an industrial consumer of the Appellant bearing Ref No.24-11132-2400640 with a sanctioned load of 180 kW and the applicable Tariff category is B-2(b). The metering equipment of the Respondent was initially checked by the M&T team of the Appellant on 24.02.2021 and the billing meter was found working ok, whereas one phase of the backup meter was found defective. During another checking dated 14.07.2023 of the Appellant, both the billing and backup meters were found 33% slow due to the red phase being dead stop. Therefore, a detection bill of Rs.14,072,938/- against 260,385 units for the period from 24.02.2021 to 14.07.2023 was debited to the Respondent in July 2023.

Appeal Nos.057/POI-2024

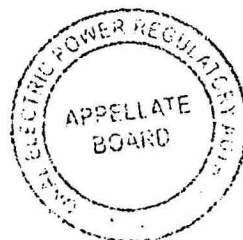


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3. Being aggrieved, the Respondent filed a complaint before the POI on 17.08.2023 and challenged the above detection bill. During joint checking dated 11.12.2023 of the POI, both billing and backup meters of the Respondent were found 33% slow, joint 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 02.04.2024, wherein the detection bill of Rs.14,072,938/- against 260,385 units for the period from 24.02.2021 to 14.07.2023 was cancelled. As per the POI decision, the Appellant was directed to charge the revised bills w.e.f May 2023 to July 2023 on DEF-EST code.
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.14,072,938/- against 260,385 units for the period from 24.02.2021 to 14.07.2023 was debited to the Respondent due to 33% slowness of the meter as observed on 14.07.2023; that the impugned decision is against the law and facts of the case; that the POI misconstrued the real facts of the case and erred in declaring the detection bill of Rs.14,072,938/- as null and void; that the aforesaid detection bill was fully proved through authentic documents and consumption data; that the POI decided the matter after expiry of 90 days, which is violative of Section 26(6) of the Electricity Act, 1910; that the POI failed to appreciate that the complaint could not be entertained as no notice as required under Section 26(6) of the Electricity Act, 1910 was ever served upon the Appellant before filing the same; 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 12.07.2024 was sent to the Respondent for filing reply/para-wise comments to the appeal within ten (10) days, which were not filed.
6. **Hearing**  
6.1 Hearing was conducted at NEPRA Regional Office Lahore on 01.11.2023, which was attended by counsels for both parties. Learned counsel for the Appellant contended that both the billing and billing meters were found 33% slow due to the red phase being dead, which was confirmed by the POI during the joint checking dated 11.12.2023, as such the detection bill of Rs.14,072,938/- against 260,385 units for the period from 24.02.2021 to 14.07.2023 debited to the Respondent is justified and payable by the Respondent. As per learned





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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 impugned meter was declared 33% slow by the POI, how the said forum erroneously directly the Appellant to revise the bills for May 2023 to July 2023 on DEF-EST code, which is contrary to the facts of the case. Learned counsel for the Appellant finally prayed that 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.14,072,938/- against 260,385 units for the period from 24.02.2021 to 14.07.2023 was debited to the Respondent without any justification. Learned counsel for the Respondent further contended, if presumed that the impugned billing meter had not recorded actual consumption due to 33% slowness during the disputed period as to why the Appellant failed to replace the same within two billing cycles. Learned counsel for the Respondent finally that the appeal is liable to be dismissed with cost.

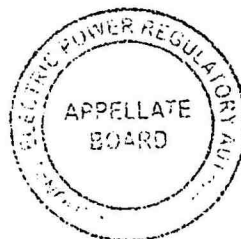
7. Arguments were heard and the record was perused. Following are our observations:

7.1 Objection regarding the time limit for POI to decide the complaint:

As per the record, the Respondent filed his complaint before the POI on 17.08.2023 under Section 38 of the NEPRA Act. POI pronounced its decision on 02.04.2024 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, of 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*. The relevant excerpt of the above judgments is reproduced below:

"PLJ 2017-Lahore-627:

*Regulation of Generation Transmission and Distribution of Electric Power Act, 1997--838(3)--Electricity Act, 1910, S. 26(6)--Constitution of Pakistan, 1973. Art. 199--Constitutional petition--Consumer of LESCO.. The sanctioned load was differed with the connected load--Determine the difference of charges of the previous period of misuse to be recovered from the consumer--Validity--No disconnection or penal action was taken against the petitioner rather only the difference of charges between the sanctioned load and load actually used by petitioner was charged, hence Clause 7.5 of*





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*Consumer Service Manual has not been violated-Issuance of detection bill itself amounts to notice and petitioner had also availed remedy before POI against determination--Order passed by POI was beyond 90 days--Order was not passed by the respondent under Section 26(6) of the Act as Electric Inspector rather the order was passed by him in the capacity of POI under Section 38(3) of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (NEPRA Act), therefore, the argument has no substance.*

PLJ-2017-Lahore-309:

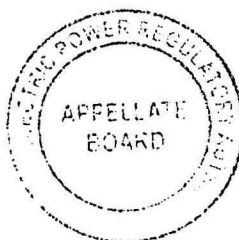
*The learned counsel for the petitioner submitted that there was an outer time limit of 90 days for a decision by the Electric Inspector which has not been observed and which rendered the decision of the Electric Inspector a nullity. This submission of the learned counsel has been dealt with by the Appellate Board and in any case, is fallacious- The short and simple answer rendered by the Appellate Board was that the decision was made under Section 38 of the Act, 1997 and not in terms of Section 26 of the Electricity Act, 1910. Therefore, the outer time limit of 90 days was inapplicable.”*

Keeping in view the overriding effect of the NEPRA Act on the Electricity Act, 1910, and the above-referred decisions of the honorable High Court, the objection of the Appellant is dismissed.

7.2 Detection bill of Rs.14,072,938/- against 260,385 units for the period from 24.02.2021 to 14.07.2023 debited to the Respondent @ 33% slowness of the meter

The metering equipment of the Respondent was checked by the Appellant on 14.07.2023 and reportedly, 260,385 units were found uncharged due to 33% slowness of the impugned billing and backup meters. Therefore, a detection bill of Rs.14,072,938/- against 260,385 units for the period from 24.02.2021 to 14.07.2023 was debited to the Respondent, which was challenged before the POI. During joint checking dated 11.12.2023 of the POI, both billing and main backup meters of the Respondent were found 33% slow due to one phase being dead. The joint checking report was signed by both parties without raising any objection.

7.3 According to clause 6.1.2 of the CSM-2021, the meter reading above 40 kW load is recorded by the SDO/AM (O) 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 6.1.4 of the CSM-2021. In the instant case, the connection under dispute is sanctioned for 180 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 during the monthly readings





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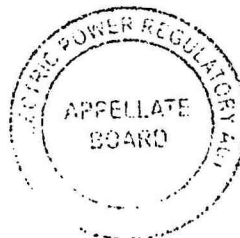
except the unilateral checking dated 14.07.2023. The Appellant claims that the impugned billing meter has been running 33% slow since 24.02.2021 as to why the Appellant did not replace the impugned meter within two billing cycles according to Clause 4.3.3c(i) of the CSM-2021. The Appellant debited the impugned detection for twenty-five months i.e. 24.02.2021 to 14.07.2023 due to the slowness of the impugned meter, which is contrary to Clause 4.3.3c(ii) of the CSM-2021.

7.4 Under these circumstances, we are of the considered view that the impugned detection bill of Rs.14,072,938/- against 260,385 units for the period from 24.02.2021 to 14.07.2023 debited to the Respondent in July 2023 is unwarranted, inconsistent with the provision of the CSM-2021, and the same is declared null and void as already determined by the POI.

7.5 As regards the determination of the POI for revision of the bills for the period from May 2023 to July 2023 on DEF-EST code, it is observed that the impugned meter was found 33% slow during checking dated 14.07.2023 as to why the POI allowed the recovery of bills on DEF-EST code. To verify the determination of the POI, consumption data is analyzed in the table below:

Corresponding months		Disputed months		Last eleven months	
Month	Units	Month	Units	Month	Units
May-22	53840	May-23	80160	Jun-22	6640
Jun-22	6640	Jun-23	28480	Jul-22	24960
Jul-22	24960	Jul-23	31520	Aug-22	14800
				Sep-22	31120
				Oct-22	29600
				Nov-22	45360
				Dec-22	5170
				Jan-23	31280
				Feb-23	55360
				Mar-23	52560
				Apr-23	16480
Average	28480	Average	46720	Average	28485

As evident from the above table, the average consumption charged during the disputed months is considerably higher than the average consumption of corresponding months of the previous year as well as the average consumption of the last eleven months. This indicates that the impugned meter was functioning correctly till checking dated 14.07.2023. We are convinced with the arguments of learned counsel for the Appellant that the determination of the POI for the revision of the bills for the period from May 2023 to July 2023 on the DEF-EST code is not consistent with the facts of the case as it will further





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increase the revenue loss of the Appellant. Therefore the impugned decision is liable to be withdrawn to this extent.

8. Summing the foregoing discussion, it is concluded as under:


8.1 The detection bill of Rs.14,072,938/- against 260,385 units for the period from 24.02.2021 to 14.07.2023 debited to the Respondent in July 2023 is inconsistent with the provision of the CSM-2021 and the same is declared null and void.


8.2 The billing done from May 2023 to July 2023 is actual and already on the higher side. In case, it is revised, it will not be fair and will increase revenue loss to the Appellant. Therefore, the billing already done from May 2023 to July 2023 is final.

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

On leave  
Abid Hussain  
Member/Advisor (CAD)

Dated: 03-12-2024

  
Naweed Illahi Sheikh  
Convener/DG (CAD)

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