



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

NEPRA Office , Ataturk Avenue (East), G5/1, Islamabad

Tel. No.+92 051 2013200 Fax No. +92 051 2600030

Website: www.nepra.org.pk E-mail: ikramshakeel@nepra.org.pk

No. NEPRA/Appeal/019/2025/ 660

July 11, 2025

- | | |
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| 1. Asim Khan,
S/o. Bashir Masih,
R/o. House No. 164-B,
Muhallah Railway Colony,
Garhi Shaho, Lahore | 2. Chief Executive Officer,
LESCO Ltd,
22-A, Queens Road,
Lahore |
| 3. Ch. Aamir Shahzad,
Advocate High Court,
Saleh Building, Behind Punjab Bar Council,
9-Fane Road, Lahore
Cell No. 0300-4466457 | 4. Muhammad Hanif,
Advocate High Court,
4-Mozang Road, Lahore
Cell No. 0320-4646046 |
| 5. Assistant Manager (Operation),
LESCO Ltd,
G.O.R 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.019/2025 (LESCO vs. Asim Khan) Against the Decision Dated 16.04.2024 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 11.07.2025 (09 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 No.019/POI-2025

Lahore Electric Supply Company LimitedAppellant

Versus

Asim Khan S/o. Bashir Masih, R/o. House #164-B,
Mohallah Railway Colony, Garhi Shaho, LahoreRespondent

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

For the Appellant:

Ch. Aamir Shahzad Advocate

For the Respondent:

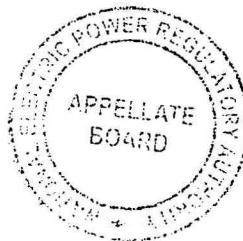
Ch. Muhammad Hanif Advocate

DECISION

1. Brief facts leading to the filing of instant appeal are that Asim Khan (hereinafter referred to as the "Respondent") is a domestic consumer of Lahore Electric Supply Company Limited (hereinafter referred to as the "Appellant") bearing Ref. No.02-11252-0145101-U with a sanctioned load of 05 kW and the applicable Tariff category is A-1(b). Metering and Testing (M&T) team of the Appellant checked the meter of the Respondent on 12.09.2023 and reportedly, the Respondent was found stealing electricity through tampering with the meter. FIR No.1613/2023 dated 13.09.2023 was registered against the Respondent due to the theft of electricity. Resultantly, the following two detection bills were charged by the Appellant to the Respondent in September 2023 and October 2023:
 - First detection bill of Rs.1,374,056/- against 25,771 units due to the difference of units already charged till August 2023 and the final reading of the impugned meter
 - Second detection bill of Rs.312,267/- for 6,377 units for the period from June 2023 to August 2023.
2. Being aggrieved, the Respondent filed a complaint before the Provincial Office of

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Inspection, Lahore Region-II, Lahore (hereinafter referred to as the "POI") on 02.11.2023 and challenged the above detection bills. The matter was disposed of by the POI vide the decision dated 16.04.2024, wherein both the detection bills [first detection bill of Rs.1,374,056/- against 25,771 units due to the difference of units already charged till August 2023 and the final reading of the impugned meter and the second detection bill of Rs.312,267/- for 6,377 units for the period from June 2023 to August 2023] were cancelled and the Appellant was directed to revise the bills w.e.f June 2023 and onwards till the replacement of the impugned meter on DEF-EST code.

3. Subject appeal has been filed against the afore-referred decision dated 16.04.2024 of the POI (hereinafter referred to as the "impugned decision") by the Appellant before the NEPRA, wherein it is contended that the billing meter of the Respondent was found tampered during the M&T checking dated 12.09.2023 for the dishonest abstraction of electricity through the installation of a shunt in the meter, therefore FIR No.1613/2023 dated 13.09.2023 was registered against the Respondent. The Appellant further contended that two detection bills i.e. first detection bill of Rs.1,374,056/- against 25,771 units due to the difference of units already charged till August 2023 and the final reading of the impugned meter and the second detection bill of Rs.312,267/- for 6,377 units for the period from June 2023 to August 2023 were charged to the Respondent in September 2023 and October 2023. As per the Appellant, the impugned decision is against the law and facts of the case as the POI did not apply an independent judicious mind and passed the impugned decision based on illegal assumptions and presumptions. According to the Appellant, the POI did not exercise the jurisdiction vested to him and passed the impugned decision based on surmises and conjectures. The Appellant prayed that the impugned decision is liable to be set aside.

4. **Proceedings by the Appellate Board**

Notice dated 14.02.2025 was sent to the Respondent for filing reply/para-wise comments to the appeal within ten (10) days, which were not filed.

5. Hearing was fixed for 25.04.2025 at NEPRA Regional Office Lahore, wherein learned counsels tendered appearance for both the Appellant and the Respondent. During the hearing, learned counsel for the Appellant reiterated the same version as contained in memo of the appeal and contended that the billing meter of the Respondent was checked

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by the M&T team on 12.09.2023, wherein it was declared tampered, therefore FIR No.1613/2023 dated 13.09.2023 was lodged against the Respondent and two detection bills i.e. first detection bill of Rs.1,374,056/- against 25,771 units due to the difference of units already charged till August 2023 and the final reading of the impugned meter and the second detection bill of Rs.312,267/- for 6,377 units for the period from June 2023 to August 2023 were debited to the Respondent. As per learned counsel for the Appellant, the POI neither checked the disputed meter nor perused the consumption data and cancelled the above detection bills. Learned counsel for the Appellant defended the charging of the impugned detection bills and prayed that the same be declared as justified and payable by the Respondent. On the contrary, learned counsel for the Respondent refuted the allegation of theft of electricity leveled by the Appellant and argued that entire proceedings including checking of the impugned metering equipment are unilateral, as such the Respondent cannot be held responsible for payment of any detection bill due to the negligence on the part of the Appellant. Learned counsel for the Respondent supported the impugned decision and prayed for dismissal of the appeal with cost.

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

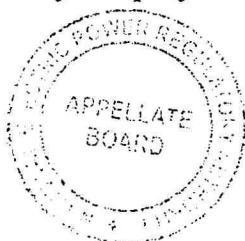
6.1 **Preliminary objection of the Appellant regarding jurisdiction of the POI:**

At first, the preliminary objection of the Appellant regarding the jurisdiction of the POI needs to be addressed. In the instant appeal, the learned counsel for the appellant (LESCO) challenged the jurisdiction of the Provincial Office of Inspection to adjudicate the complaint of the Respondent (Consumer) under Section 38 of the NEPRA Act regarding dishonest abstraction of energy. The Appellant contends that in the cases of detection bills, the Electric Inspector of the Government of Punjab Lahore Region Lahore is the competent forum to deal with such cases u/s 26(6) of the Electricity Act, 1910.

6.2 In order to come up with an opinion on the above-said proposition of law, it is necessary to analyze the relevant laws. Section 26(6) of the Electricity Act, 1910 deals with the disputes between consumers and a licensee over electricity meters and grants power to the Electric Inspector to resolve the same. The said provision reads as under:

“(6) Where any difference or dispute arises between a licensee and a consumer as to whether any meter, maximum demand indicator or other measuring apparatus is or is not correct the matter shall be decided, upon the application of either party, by an Electric Inspector, within a period of ninety days from the date of receipt of such application, after affording the

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parties an opportunity of being heard, and where the meter, maximum demand indicator or other measuring apparatus has, in the opinion of an Electric Inspector, ceased to be correct, the Electric Inspector shall estimate the amount of energy supplied to the consumer or the electrical quantity contained in the supply, during such time as the meter, indicator or apparatus has not, in the opinion of the Electric Inspector, been correct; and where the Electric Inspector, fails to decide the matter of difference or dispute within the said period or where either the licensee of the consumer decline to accept the decision of the Electric Inspector, the matter shall be referred to the Provincial Government whose decision shall be final:

Provided that, before either a licensee or a consumer applies to the Electric Inspector under this subsection, he shall give to the other party not less than seven days' notice of his intention so to do."

- 6.3. Section 3 (2) (a) of Punjab ((Establishment and Powers of Office of Inspection) Order, 2005 empowers the POI to deal with the complaints in respect of metering, billing, and collection of tariff and other connected matters and pass necessary orders. According to Section 10 of the above-said order:

"An aggrieved person may file an appeal against the final order made by the Office of Inspection before the Government or if the Government by general or special order, so directs, to the advisory board constituted under section 35 of the Electricity Act, 1910, within 30 days, and the decision of the Government or the advisory board, as the case may be, shall be final in this regard."

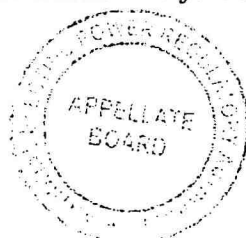
- 6.4. Section 38 of the NEPRA Act also provides a mechanism for the determination of disputes between the consumers and the distribution licensee. The said provision reads as under:

"38. Provincial offices of inspection.-(1) Each Provincial Government shall-
(a) Establish offices of inspection that shall be empowered to

(i) Enforce compliance with distribution companies' instructions respecting metering, billing, electricity consumption charges and decisions of cases of theft of energy; and

(ii) make determination in respect of disputes over metering, billing and collection of tariff and such powers may be conferred on the Electric Inspectors appointed by the Provincial Government under section 36 of the Electricity Act, 1910 (Act LX of 1910), exercisable, in addition to their duties under the said Act.

(b) Establish procedures whereby distribution companies and consumers may bring violations of the instructions in respect of metering, billing, and collection of tariff and other connected matters before the office of inspection; and





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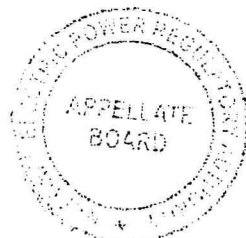
(c) Enforce penalties determined, by the Provincial Government for any such violation.

(2) The Provincial Governments may, upon request by the Authority, submit to the Authority—

(a) (b) ...

(3) Any person aggrieved by any decision or order of the Provincial Office of Inspection may, within thirty days of the receipt of the order, prefer an appeal to the Authority in the prescribed manner and the Authority shall decide such appeal within sixty days.”

- 6.5. Here question arises whether disputes related to Section 26(6) of the Electricity Act, 1910 can be heard and decided by the POI, and thereafter appeal lies before the Advisory Board or NEPRA. Both enactments are special laws and provide a mechanism for the determination of disputes between consumers and licensees. Under section 38(1)(a)(ii) of the NEPRA Act, the Provincial Office of Inspection (POI) is empowered to make the determination in respect of disputes over metering, billing, and collection of tariff and such powers are conferred on the Electric Inspectors appointed by the Provincial Government under section 36 of the Electricity Act, 1910 (IX of 1910), exercisable, in addition to their duties under the said Act. Through the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2011 (XVIII of 2011), subsection (3) to section 38 of the NEPRA Act was inserted on 29.09.2011 whereby an appeal before NEPRA against the decision of POI regarding metering, billing, and collection of the tariff was provided. It is observed that the Provincial Office of Inspection is no different person rather Electric Inspector conferred with the powers of the Provincial Office of Inspection for deciding disputes between the consumers and the licensees over metering, billing, and collection of tariffs.
- 6.6. In this regard, we take strength from section 45 of the NEPRA Act which describes the relationship of the NEPRA Act with other laws. It provides that the provisions of the Act, rules, and regulations made and licenses issued thereunder shall have the effect notwithstanding anything to the contrary contained and any other law. Rules and regulations for the time being in force shall to the extent of any inconsistency, cease to have effect from the date this Act comes into force.
- 6.7. Furthermore, the CSM was made pursuant to section 21 of the NEPRA Act; meaning thereby it has the statutory backing and since NEPRA Act was promulgated later in time,



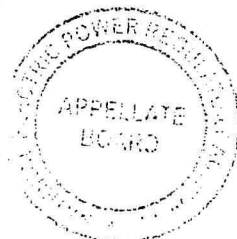


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therefore, the provisions of the NEPRA Act shall prevail over the provisions of the Electricity Act 1910. The honorable Lahore High Court in its reported Judgement 2018 PLD 399 decided that an appeal against the decision of the Provincial Office of Inspection (POI)/Electric Inspector lies with the Authority. Salient points of the judgment are as under:

- (i) Section 26(6) of the Electricity Act, 1910 the ambit and scope of dispute is confined only to the electricity meters/other measuring apparatuses while the scope of Section 38 of the NEPRA Act is much wider in comparison. Section 38 of the NEPRA Act empowers the Provincial Office of Inspection not only to enforce compliance with the instructions of the distribution companies regarding metering, billing, electricity consumption charges, and decisions in cases of theft of energy but also requires it to make determinations in respect of disputes over metering, billing, and collection of tariff.
- (ii) The reading of the NEPRA Act quite clearly demonstrates that the dispute resolution mechanism provided in the Electricity Act, 1910 has now been replaced by the NEPRA Act, which law is later and is also much wider in its scope as it encompasses disputes over metering, billing, and collection of tariff.
- (iii) Electricity being the Federal subject exclusively, any dispute in regard thereto between distribution companies and their consumers will necessarily have to be adjudicated upon by the Provincial Office of Inspection as per the dictate of the NEPRA Act.
- (iv) Prior to the passing of the Eighteenth Amendment in the Constitution, electricity was placed in the concurrent list. With the introduction of the Eighteenth Amendment through the Constitution (Eighteen Amendment) Act, 2010 the concurrent list was abolished, and electricity was placed at Entry 4 of Part II of the Fourth Schedule where after it became exclusively a Federal subject.
- (v) The two enactments i.e. Electricity Act, of 1910 and the NEPRA Act continue to exist side by side providing two different appellate fora to hear appeals against the orders of the Electric Inspector and the Provincial Office of Inspection. Both enactments are special laws. In a similar situation, the honorable High Court while rendering judgment in Writ Petition No. 6940 of 2013 titled "S.M. Food Makers and others v. Sui Northern Gas Pipelines, etc" held as follows:

"It is now well settled that the general rule to be followed in case of conflict



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between two statutes is that the later abrogates the earlier one".

(vi) Lahore High Court, in the above circumstances, declared that the decision rendered on a complaint filed before the Electric Inspectors shall be treated to have been given by the Provincial Office of Inspection and that the appeal against the decision of the Electric Inspector / Provincial Office of Inspection after the enactment of subsection (3) of Section 38 of the NEPRA Act shall lie before the Authority as defined in NEPRA Act.

- 6.8. Further, the observations of the Lahore High Court were also endorsed by the honorable Supreme Court of Pakistan vide its Judgement dated 08-03-2022 in Civil Petition 1244 of 2018 titled "GEPCO etc. v/s PTV & another" whereby it was held that a comparative reading of section 10 of Punjab (Establishment and Powers of Office of Inspection) Order, 2005 as well as section 38(3) of the NEPRA Act makes it abundantly clear that provisions of section 10 of the 2005 Order and section 38(3) are clearly in conflict. In view of the fact that the Ordinance is a Federal statute and admittedly, the subject of electricity falls within the Federal Legislative List, it would prevail over the 2005 Order.
- 6.9. In view of the above-quoted provisions of laws and Judgments, we are of the considered view that the disputes under section 26(6) of the Electricity Act and 38(1)(a)(ii) are to be adjudicated by the Provincial Office of Inspection and NEPRA is the competent forum to decide the appeals. In view of the foregoing, the objection of the Appellant is dismissed.
- 6.10. In the instant case, the Appellant claimed that M&T on 12.09.2023 detected that the impugned meter of the Respondent was intentionally tampered and lodged an FIR against the Respondent. Thereafter, the Appellant debited two detection bills i.e. first detection bill of Rs.1,374,056/- against 25,771 units due to the difference of units already charged till August 2023 and the final reading of the impugned meter and the second detection bill of Rs.312,267/- for 6,377 units for the period from June 2023 to August 2023 to the Respondent.
- 6.11. It is observed that the Appellant debited 25,771 units on account pending units to the Respondent on the basis of checking dated 12.09.2023. In furtherance, 6,377 units were also charged on the basis of connected load due to theft of electricity through tampering with the meter as observed in the aforementioned checking. In such cases, the POI is the competent forum for verification of tampering with the meter as per the judgment of the Supreme Court of Pakistan reported in *PLD 2012 SC 371*. However, in the instant case, the





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Appellant failed to produce the impugned meter before the POI for verification of the alleged tampering and pending units.

6.12. To further check the contention of the Appellant regarding charging the first detection bill of 25,771 units and the second detection bill of 6,377 units, the consumption data is analyzed in the below table with the units assessed as per Annex V of the CSM-2021:

Total Units already charged						Total Units assessed as per CSM-2021
Month	Units	Month	Units	Month	Units	
Jan-21	528	Jan-22	172	Jan-23	177	$= S/L \text{ (kW)} \times LF \times \text{No. of Hrs.} \times \text{No. Of Months}$ $= 5 \times 0.25 \times 730 \times 33$
Feb-21	204	Feb-22	220	Feb-23	159	
Mar-21	170	Mar-22	166	Mar-23	183	
Apr-21	290	Apr-22	222	Apr-23	173	
May-21	360	May-22	342	May-23	158	
Jun-21	259	Jun-22	380	Jun-23	262	
Jul-21	327	Jul-22	257	Jul-23	294	
Aug-21	524	Aug-22	280	Aug-23	274	
Sep-21	331	Sep-22	634	Sep-23	25771	
Oct-21	1160	Oct-22	144	Oct-23	6377	
Nov-21	0	Nov-22	170	Nov-23	1168	
Dec-21	181	Dec-22	212			
Grand Total			42529	Total		30112

The above table shows that total 42,529 units were charged to the Respondent from January 2021 to November 2023, which are much higher than the units assessed as per Annex V of the CSM-2021. The Appellant even failed to justify with regard to charging the first detection bill of 25,771 units and the second detection bill of 6,377 units to the Respondent. Neither the impugned meter was produced before the POI for verification of tampering and pending units nor was the connected load of the premises confirmed by the POI during joint checking.

6.13. Under these circumstances, we are of the considered view, that both detection bills [first detection bill of Rs.1,374,056/- against 25,771 units due to the difference of units already charged till August 2023 and the final reading of the impugned meter and the second detection bill of Rs.312,267/- for 6,377 units for the period from June 2023 to August 2023] are unjustified and the same are cancelled. The impugned decision is liable to be maintained to this extent.

6.14. If presumed the Respondent was involved in the theft of electricity through tampering with the meter and FIR No.1613/2023 dated 13.09.2023 was also lodged against the Respondent.



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In furtherance, Mr. Adnan Hameed Meter Reader was dismissed from service by the Appellant vide office order No.70 dated 23.10.2023 due to negligence and maladministration. In this situation, the Appellant may charge the detection bill maximum for three months to the Respondent being a general supply consumer on the basis of sanctioned load i.e. 5 kW as per Clause 9.1.3(b) of the CSM-2021. The 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 first detection bill of 25,771 units and the second detection bill of 6,377 units charged to the Respondent in September 2023 and October 2023 respectively are unjustified being inconsistent with provisions of the CSM-2021 and the same are cancelled.

7.2 The Appellant may charge the revised detection bill for three months prior checking dated 12.09.2023 to the Respondent on the basis of sanctioned load i.e. 5 kW.

7.3 In furtherance, the bills w.ef checking dated 12.09.2023 and onwards till the replacement of the impugned meter be revised on the basis of sanctioned load i.e. 5 kW.

7.4 The billing account of the Respondent may be overhauled accordingly.

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


Abid Hussain
Member/Advisor (CAD)


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


Naweed Illahi Sheikh
Convener/DG (CAD)

Dated: 11-07-2025

