



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

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No. NEPRA/Appeal/052/2024/ //6

February 06, 2025

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| 1. Shahid Mehmood Chaudhary,<br>S/o. Chaudhary Ghulam Nabi,<br>R/o. House No. 5, Street No. 13,<br>Data Nagar, Badami Bagh, Lahore<br>Cell No. 0300-9463863 | 2. Chief Executive Officer,<br>LESCO Ltd,<br>22-A, Queens Road,<br>Lahore                                      |
| 3. Muhammad Shahid Rana,<br>Advocate High Court,<br>Suit No. 4, 5 <sup>th</sup> Floor, Imtiaz Plaza,<br>85-The Mall, Lahore<br>Cell No. 0300-9480366        | 4. Assistant Manager (Operation),<br>LESCO Ltd,<br>Data Nagar Sub Division,<br>Lahore<br>Cell No. 0370-4991151 |
| 5. 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.052/2024 (Shahid Mehmood Chaudhary) Against the Decision Dated 28.02.2024 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 06.02.2025 (04 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.052/POI-2024

Shahid Mehmood Chaudhary S/o. Chaudhary Ghulam Nabi,  
R/o. House No.5, Street No.13, Data Nagar, Badami Bagh, Lahore.....Appellant

Versus

Lahore Electric Supply Company Limited .....Respondent

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

For the Appellant:

Mr. Muhammad Shahid Rana Advocate

For the Respondent:

Mr. Muhammad Mazhar Javaid SDO

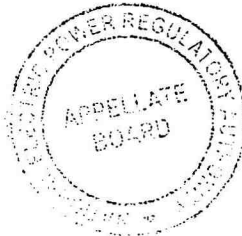
### DECISION

1. Brief facts leading to the filing of instant appeal are that Shahid Mehmood Chaudhary (hereinafter referred to as the "Appellant") is a general supply consumer of Lahore Electric Supply Company Limited (hereinafter referred to as the "Respondent") bearing Ref. No.09-11151-0838900-U with a sanctioned load of 2 kW and the applicable Tariff category is A-3. Audit Department vide Audit Note No.41 dated 16.03.2020 pointed out that the Respondent was not billed with the correct application of tariff i.e.A-3 during the period from July 2018 to December 2018 and recommended to charge a bill of Rs.16,598/-. Therefore, the Appellant was charged a detection bill of Rs.16,598/- by the Respondent in May 2020 as per Audit Note No.41 dated 16.03.2020.
2. Being aggrieved, the Appellant initially filed a civil suit before the Court of Senior Civil Judge Lahore on 03.06.2020 and challenged the above detection bill. Subsequently, the honorable Senior Civil Judge Lahore vide order dated 24.05.2022 dismissed the civil suit. Thereafter, the Appellant approached the Provincial Office of Inspection, Lahore Region, Lahore (hereinafter referred to as the "POI") on 31.05.2022 and assailed the above bill.

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The POI vide decision dated 28.02.2024 dismissed the complaint of the Appellant with the following conclusion:

*“In view of above Para No. 6 & 7 of the decision dated 23.05.2022 by Mst. Sidra Gull Civil Judge 1st Class Lahore, the plaint has been dismissed with finding in the above Paras of the decision dated 23.05.2022. The instant petition is dismissed in the above terms. However, the petitioner is at liberty to reach the competent court of law accordingly.”*

3. Subject appeal has been filed against the afore-referred decision dated 28.02.2024 of the POI (hereinafter referred to as the “impugned decision”) by the Appellant before the NEPRA, wherein it is contended that the Respondent debited the bill of Rs.16,598/- in May 2020 based on audit observation, which is illegal, unlawful and in violation of the judgment of the honorable High Court reported in 2015 MLD 1487. The Appellant further contended that the above bill was challenged before the Honorable Senior Civil Judge Lahore, which was dismissed by the said court due to lack of jurisdiction. The Appellant finally prayed for setting aside the impugned decision.

4. **Proceedings by the Appellate Board**

Upon filing of the instant appeal, a Notice dated 04.07.2024 was sent to the Respondent for filing reply/para-wise comments to the appeal within ten (10) days, which however were not filed.

5. **Hearing**

5.1 The hearing was fixed for 13.09.2024 at NEPRA Regional Office Lahore, wherein both parties were in attendance. Learned counsel for the Appellant reiterated the same version as contained in the memo of the appeal and contended that the detection bill of Rs.16,598/- charged in May 2020 based on audit observation has no legal and valid basis and the same is liable to be withdrawn. Learned counsel for the Appellant further contended that the above detection bill was disputed before the Civil Court, which was subsequently dismissed by the honorable Civil Court due to lack of jurisdiction. As per learned counsel for the Appellant, the POI even did not consider the real aspects of the case and relied on the judgment of the Civil Court. Learned counsel for the Appellant finally prayed that the impugned decision is liable to be struck down.

5.2 On the contrary, the official for the Respondent defended the charging of the impugned detection bill, supported the impugned decision, and prayed for upholding the same.

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6. Arguments were heard and the record was perused. Following are our observations:
- 6.1 It is observed that the Respondent debited a detection bill of Rs.16,598/- to the Appellant based on audit observation and added to the bill for May 2020, which was initially assailed before the Court of Senior Civil Judge Lahore on 03.06.2020. Subsequently, the honorable Senior Civil Judge Lahore vide order dated 24.05.2022 dismissed the civil suit due to lack of jurisdiction. Thereafter, the Appellant filed a complaint before the POI on 31.05.2022 and assailed the above detection bill, which was dismissed by the said forum vide the impugned decision.
- 6.2 This whole scenario shows that the complaint of the Appellant pertains to the billing dispute, as such the POI has exclusive jurisdiction to adjudicate the said complaint under Section 38 of the NEPRA Act, which he failed to do so. Now this forum has to decide the validity of the impugned detection bill.
- 6.3 It is further observed that the Government of Pakistan vide SRO No.378(1)/2018 dated 22.03.2018 notified the new tariff category i.e. A-3 (general supply), whereas the Audit Department vide Audit Note No.16.03.2020 recommended to recover the bill amounting to Rs.16,598/- for the period from July 2018 to December 2018 from the Respondent after a lapse of two years of abovesaid notification. In such cases, NEPRA has clarified vide letter No.NEPRA/DG(CAD)/TCD-10/17187-13 dated 26.03.2021 that if due to any reason the charges i.e. MDI, fixed charges, multiplication factor, power factor penalty, tariff category, etc. have been skipped by the DISCO, the difference of these charges can be raised within one year of the discrepancy noticed and maximum for six billing cycles retrospectively. Thus the recovery of the impugned detection bill after a lapse of two years is contradictory to the abovementioned clarification of the revised CSM-2021.
- 6.4 Even the impugned detection bill of Rs.16,598/- raised on the basis of Audit observation is not tenable in the eyes of the law. The Audit observation is an internal matter between the DISCO and the Audit Department and the Consumer cannot be held responsible for the payment of any detection bill based on the Audit Para. The honorable Lahore High Court in its judgment in the “Water and Power Development Authority, etc v. Umaid Khan” (1988 CLC 501) held that *no amount could be recovered from the consumer on the basis of the audit report as the audit affair is between the WAPDA and its audit department and no audit report could in any manner make consumer liable for any amount and the same could not bring about any agreement between the WAPDA and the consumer making*





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*consumer liable on the basis of so-called audit report.* The courts in similar cases relied on the same principle in cases reported cited as 2014 MLD 1253 and 2008 YLR 308.

6.5 In view of the foregoing discussion, we are of the considered view that the detection bill of Rs.16,598/- charged to the Respondent based on audit observation is unjustified being contrary to the clarification dated 26.03.2021 of the CSM-2021 as explained at para 6.3 above and the same is cancelled.

7. Foregoing in view, the appeal is accepted and the impugned decision is set aside.

Abid Hussain  
Member/Advisor (CAD)

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

Naweed Illahi Sheikh  
Convener/DG (CAD)

Dated: 06-02-2025

