



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

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No. NEPRA/Appeal/089/2023/ 440

May 10, 2024

- |  |   |
|--|---|
| 1. Tahir Iqbal,<br>S/o. Habib Ahmed,<br>Prop: Doubling Machine/Power Looms,<br>Rasheed Colony, Near General Bus<br>Stand & Railway Crossing, Multan<br>Cell No. 0300-6379699 | 2. Chief Executive Officer,<br>MEPCO Ltd,<br>MEPCO Complex, Khanewal Road,<br>Multan  |
| 3. Malik Muhammad Muzaffar Athangal,<br>Advocate High Court,<br>Seat No. 18-A, District Courts,<br>Multan<br>Cell No. 0300-6323224   | 4. Executive Engineer (Operation),<br>MEPCO Ltd,<br>Shah Rukan-e-Alam Division,<br>Multan   |
| 5. Sub Divisional Officer (Op),<br>MEPCO Ltd,<br>Gulberg Sub Division,<br>Multan   | 6. POI/Electric Inspector,<br>Multan Region,<br>Energy Department, Govt. of Punjab,<br>249-G, Shah Rukan-e-Alam Colony,<br>Phase-II, Multan |

Subject: **Appeal No.089/2023 (LESCO Vs. Tahir Iqbal) Against the Decision Dated 07.07.2023 of the Provincial Office of Inspection to Government of the Punjab Multan Region, Multan**

Please find enclosed herewith the decision of the Appellate Board dated 10.05.2024 (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 on NEPRA website



# National Electric Power Regulatory Authority

## Before The Appellate Board

In the matter of

Appeal No.089/POI-2023

Multan Electric Power Company Limited

.....Appellant

Versus

Tahir Iqbal S/o. Habib Ahmad,  
Prop: Doubling Machine/Power Looms,  
Railway Crossing, Multan

.....Respondent

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

For the Appellant:

Malik Muzaffar Athangal Advocate

For the Respondent:

Mr. Tahir Iqbal

### **DECISION**

1. Briefly speaking, Mr. Tahir Iqbal (hereinafter referred to as the “Respondent”) is an industrial consumer of Multan Electric Power Company Limited (hereinafter referred to as the “Appellant”) bearing Ref No.28-15194-1144101-U having a sanctioned load of 24 kW and the applicable tariff category is B-1(b). Reportedly, the impugned billing meter of the Respondent became defective in September 2021, hence it was replaced with a new meter by the Appellant vide meter change order (the “MCO”) dated 17.09.2021 and the Respondent was billed 02 units for September 2021. Subsequently, the impugned meter was checked by the M&T team of the Appellant on 26.11.2021 and reportedly, it was found defective (burnt). Later on, the Audit Department vide Audit Note No.157 dated 05.10.2022 pointed out less charging of units in September 2021 due to a defective meter and recommended to debit the revised bill for September 2021 against 7,852 units as recorded during the corresponding month of the year 2022. Resultantly, a detection bill amounting to Rs.213,538/- for 7,852 units for September 2021 was charged to the Respondent and added to the bill for January 2023.
2. Being aggrieved with the above actions of the Appellant, the Respondent filed an application before the Provincial Office of Inspection, Multan Region, Multan (hereinafter referred to as the “POI”) and challenged the above detection bill. The complaint of the Respondent was

Appeal No.089/POI-2023

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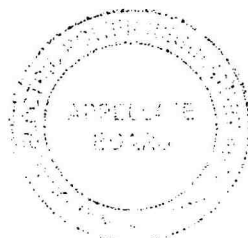
disposed of by the POI vide decision dated 07.07.2023, wherein, the detection bill of Rs.213,538/- for 7,852 units for September 2021 was declared void, unjustified, and of no legal effect. The Appellant was directed to charge the revised bill for 3,972 units for September 2021 as per the average consumption of September 2020 and October 2020.

3. Being dissatisfied, the Appellant has filed the instant appeal before NEPRA and assailed the decision dated 07.07.2023 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 POI has failed to observe the case in letter and spirit and the policy formulated in the Consumer Service Manual (the "CSM") and passed the impugned decision on surmises and conjectures; that the impugned meter was changed with a new meter vide MCO dated 17.09.2021 and sent to M&T lab from where it was declared defective (body burnt); that the POI has no lawful jurisdiction to adjudicate the instant matter as per various judgments of Supreme Court of Pakistan; that the POI did not apply judicious mind while deciding the matter; and that the impugned decision is liable to be set aside.
4. Notice dated 04.10.2023 of the appeal was issued to the Respondent for filing reply/para-wise comment, which were filed on 10.11.2023. In the reply, the Respondent defended the impugned decision *inter alia*, on the following grounds that neither prior notice was served to the Respondent nor the consumption of succeeding period be made basis for charging the bill as per CSM-2021; that the POI has lawful jurisdiction to adjudicate the instant matter as per judgment of Supreme Court of Pakistan reported in *PLD 2012 SC 371*; that the Appellant violated the judgments of High Courts, NEPRA's decisions and the instructions contained in the CSM-2021; that the detection bill of Rs.213,538/- for 7,852 units for September 2021 was debited on the basis of audit observation, whereas the audit observation is internal matter between the DISCO and the Audit Department and the consumer cannot be held responsible for payment of any detection bill as per various judgments of Courts reported as *2008 YLR 308*, *2014 MLD 1253* and *1988 CLC 501*; and that the impugned detection bill of Rs.213,538/- for 7,852 units for September 2021 be declared null and void.

5. **Hearing:**

- 5.1 Hearing of the appeal was conducted at NEPRA Regional Office Multan on 10.01.2024, wherein learned counsel appeared for the Appellant, whereas the Respondent appeared in person. Learned counsel for the Appellant contended that the billing meter of the Respondent was found defective and the same was replaced with a new meter in September 2021. Learned counsel for the Appellant further contended that only 2 units were debited in September 2021,

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therefore a detection bill of Rs.213,538/- for 7,852 units for September 2021 was debited to the Respondent based on Audit Note dated 05.10.2022 to recover the revenue loss sustained due to defective 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. Learned counsel for the Appellant prayed that the impugned decision is unjustified and liable to be struck down.

5.2 On the contrary, the Respondent repudiated the version of the Appellant regarding charging the impugned detection bill, supported the impugned decision, and prayed for upholding the same.

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

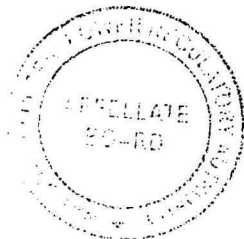
6.1 While addressing the preliminary objection of the Appellant regarding the jurisdiction of the POI, it is clarified that the dispute of billing pertains to the metering equipment and the POI has exclusive jurisdiction to adjudicate the same under Section 38 of the NEPRA Act, 1997, and as per procedure laid down in Punjab (Establishment and Powers of Office of Inspection) Order, 2005. The above objection of the Appellant is not valid and, therefore overruled.

6.2 As per the available record, the billing meter of the Respondent became defective in September 2021 and it was replaced with a new meter on 17.09.2021. Subsequently, the Audit Department vide Audit Note No.157 dated 05.10.2022 pointed out less charging of units in September 2021 due to the defective meter and recommended to debit the revised bill for September 2021 against 7,852 units as recorded in September 2022. Resultantly, a detection bill amounting to Rs.213,538/- for 7,852 units for September 2021 was charged to the Respondent and added to the bill for January 2023, which was challenged before the POI.

6.3 It is an admitted fact that only 02 units were debited by the Appellant to the Respondent in September 2021, however, the Appellant debited the revised bill of September 2021 as per consumption of September 2022, which is violative of Clause 4.3.1(b) of the CSM-2021.

6.4 Said clause of the CSM-2021 prescribes that the consumer may be charged the revised bill on DEF-EST code in case of defective meter. Even otherwise, 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 vs. Umaid Khan" (1988 CLC 501) held that *no amount could be recovered from the consumer based on 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*

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*could not bring about any agreement between the WAPDA and the consumer making consumer liable on the basis of the 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.213,538/- for 7,852 units for September 2021 was charged to the Respondent in violation of Clause 4.3.1(b) of the CSM-2021 and contrary to the above-cited judgments of the Superior courts and the same is liable to be cancelled as already determined by the POI.

6.6 The bill for September 2021 was charged against 2 units, which is neither compatible with the sanctioned load of the Respondent nor such low consumption recorded in the billing history of the Respondent. Therefore, it would be judicious to charge the revised bill of September 2021 as per consumption of September 2020 or the average consumption of the last eleven months i.e. October 2020 to August 2021, whichever is higher as per Clause 4.3.1(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, we concluded that:

7.1 The detection bill amounting to Rs.213,538/- for 7,852 units debited to the Respondent for September 2021 is unjustified being contrary to the Clause 4.3.1(b) of the CSM-2021 and the same is cancelled.

7.2 The Respondent may be charged the revised bill of September 2021 as per consumption of September 2020 or average consumption of the last eleven months i.e. October 2020 to August 2021, whichever is higher as per Clause 4.3.1(b) of the CSM-2021.

7.3 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)

Dated: 10-05-2024

Naweed Illahi Sheikh  
Convener/DG (CAD)



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