



National Electric Power Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN

NEPRA Head Office

Attaturk Avenue (East) Sector G-5/1, Islamabad.

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**Consumer Affairs
Department**

TCD.05/ 4215-2024
September 24, 2024

Chief Executive Officer,
Lahore Electric Supply Company (LESCO),
22-A, Queens Road, Lahore.

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MR. M. A. RAOOF
THROUGH SAIF UR REHMAN JASRA ADVOCATE HIGH COURT UNDER
SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND
DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST LESCO
REGARDING ARREARS IN THE BILL (REF# 24 11221 9001039 U)
LESCO-LHR-33433-01-24**

Please find enclosed herewith the Decision of NEPRA Complaints Resolution Committee dated September 24, 2024, regarding the subject matter for further necessary action.

Encl: As above


(Muhammad Abid)
Assistant Director (CAD)

Copy to:

1. Chief Engineer/Customer Services Director,
LESCO, 22-A, Queen's Road Lahore.
2. Assistant Director, NEPRA Regional Office,
54-B, Link Arcade, GECH Society, Phase-3,
Link Road, Model Town, Lahore.
3. Rana Rizwan Sibghat Ullah, Manager/Incharge
Central Complaint Cell LESCO, (Focal Person, NEPRA)
LESCO, 22-A, Queens Road, Lahore.
4. Mr. M A Raoof Through Saif Ur Rehman Jasra
R/O Jasra Law Associates, 5- Galaxy Law Chamber,
1-Turner Road, Lahore
Cell#0312-6600619



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No. LESCO-LHR-33433-01-24

M A Raoof through Saif Ur Rehman Jasra,
R/U Jasra Law Associates, 5- Galaxy Law Chamber,
1-Turner Road, Lahore
Cell#0312-6600619

..... **Complainant**

VERSUS

Lahore Electric Supply Company
22 A, Queens Road Lahore.

..... **Respondent**

Date of Hearing(s): April 17, 2024
March 14, 2024
February 15, 2024

**On behalf of
Complainant:**

1) Mr. Saif ur Rehman (Legal advisor, University of Lahore)

Respondent:

1) Mr. M Gohar Nawaz , Legal counsel , LESCO
2) Mr. M Azam , SDO , Jatti Umrah , LESCO
3) Mr. Shahid Majeed , C/C LESCO

**Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. M A RAOOF
THROUGH SAIF UR REHMAN JASRA ADVOCATE ON BEHALF
M/S UNIVERSITY OF LAHORE UNDER SECTION 39 OF THE REGULATION OF
GENERATION TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER
ACT, 1997 AGAINST LESCO REGARDING ARREARS IN THE BILL IREF# 24
11221 9001039 U)**

Decision

This decision shall dispose of the complaint filed by Mr. M A Raoof through Mr. Saif Ur Rehman Jasra on behalf of M/s University of Lahore (hereinafter referred to as "the Complainant") against Lahore Electric Supply Company Limited (hereinafter referred to as the "Respondent" or "LESCO"), under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act").

2. The Complainant in the complaint submitted that LESCO charged arrears amounting to Rs. 4,68,39,376/- in electricity bill issued for the month of January, 2021 without serving any notice and changed tariff from A-1b(03) to A3(66). The Complainant probe into the matter and found that LESCO charged this amount on the basis of difference of tariff for the period from April, 2018 to October, 2020 in the light of notification No. SRO 378(I)/2018 dated March 22, 2018 issued by Ministry of Energy regarding change of tariff. The Complainant filed a civil suit before civil court while challenging the impugned amount whereby a restraining order was issued to LESCO from disconnecting the electricity supply but during the restraining order, LESCO disconnected the electricity supply and directed that if 50% of impugned amount is paid the electricity supply shall be restored. The review committee after hearing, shall exclude this 50% amount under settled law and NEPRA Rules. After depositing the 50% amount of the disputed bill under protest, the Complainant appeared before the review committee and apprised the committee that the impugned arrears have been charged in violation of NEPRA Rules, however, the review committee

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CRC Decision in the matter of Complaint No. LESCO-LHR-33433-01-24

refused to withdraw the said impugned amount vide order dated December 07, 2023. Being aggrieved, the Complainant approached NEPRA and requested to set-aside the impugned amount. The Complainant further submitted that according to Clause 7.5.1 of Consumer Service Manual (CSM) in case change of tariff LESCO was not entitled to charge difference of tariff for more than six (6) months retrospective thus LESCO should have only charged bill for six (6) months within period of one year and after lapse of one year LESCO is not entitled for charging of any arrears on the basis of change of tariff in the light of Clause-7.5.1 and 7.6 of CSM whereas LESCO has charged the impugned amount after lapse of three years from the date of issuance of alleged notification i.e. 22.03.2018. In view of the said the Complainant requested to direct LESCO to correct the bill after withdrawal of impugned amount i.e. Rs. 4,68,42,998/-.

3. The matter was taken up with LESCO. In response LESCO submitted that Ministry of Energy (Power Division) vide notification/SRO No. 378(I)/2018 introduced General Services (A3) tariff category for educational institutions. Subsequently, Consumer Services Director (CSD), LESCO directed for conversion of all eligible connection to A3 tariff w.e.f. billing cycle July, 2018. Accordingly, the Complainant was intimated regarding change of tariff and thereafter the difference of amount Rs. 4,68,39,376/- alongwith current bill was charged to the Complainant during the billing month of December, 2020 issued on 8th January, 2021. The Complainant challenged the same before civil court whereby the court granted stay on January 21, 2021 regarding non-disconnection of electricity bill and payment of current bill only. However, the said stay order was vacated by the court vide order dated May 25, 2023. The Complainant approached Appellate Court whereby the Additional Session Judge, Lahore suspended the order of civil court dated May 25, 2023 vide order dated May 26, 2023 without hearing LESCO. Therefore, LESCO approached Lahore High Court Lahore against the decision of Session Court, Lahore issued on May 26, 2023. After hearing both the parties, Lahore High Court, Lahore suspended the order of the session court dated May 26, 2023. Resultantly, the Complainant requested for settlement of dispute and paid an amount of Rs. 20 Million.

4. In order to arrive at an informed decision, a hearing was held on April 17, 2024 at NEPRA Head office, Islamabad which was attended by both the parties (LESCO and the Complainant). During the hearing the Complainant submitted that due date of impugned bill was January 21, 2021 whereas revised Consumer Service Manual (CSM) was issued on January 13, 2021, therefore, provisions of revised CSM are applicable in the instant case.

5. The case has been examined in detail in the light of written/verbal arguments advanced by both the parties, documents placed on record and applicable law. The following has been concluded.

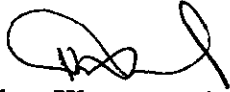
- (i) The Complainant is a consumer of LESCO under reference No. 24 11221 9001039 U in the name of M/s University of Lahore having initial tariff category A-1b(03) at the time of installation of connection i.e. February, 2006. However, LESCO changed the tariff category to general services [A-3(66)] and charged arrears amounting to Rs. 46,842,998/- in the bill for the month of December, 2020 on the basis of correction of wrong tariff category in the light of SRO-378(I)/2018 issued by Ministry of Energy (Power Division) on 22nd March, 2018. The record provided by LESCO revealed that LESCO served a notice on 29th December, 2020 to the Complainant regarding change of tariff from A-1b(03) to A3(66) and financial impact thereto, however; the Complainant denied receipt of any such kind of notice.
- (ii) The Complainant approached civil court(s) whereby civil court granted stay order against the amount, however, Lahore High Court, Lahore suspended the order of lower courts. Resultantly, the Complainant requested LESCO for settlement of the issue and paid Rs. 20/- Million during the month of June 2023.
- (iii) According to Clause-7.5.1 of Consumer Service Manual (CSM), if the Authority modifies the terms and conditions of tariff at any time, the DISCO shall

immediately change the tariff accordingly however, charging of difference of tariff shall not be more than six (6) months, retrospectively. Further, these charges may be raised within one year of such notification and after one year no claim shall be legal.

- (iv) Furthermore, according to clarifications issued by NEPRA vide letter dated March 26, 2021 if due to any reason the charges i.e. multiplying factor, tariff differential, power factor penalty, application of correct tariff category etc., have been skipped by DISCO; the difference of these charges can be raised within one year for maximum period of 06 months, retrospectively.
- (v) The issue date of bill for the month of December, 2020 was January 8, 2021 reflecting arrears of Rs. 46,84,2998.43/, however, the revised Consumer Service Manual (CSM) was issued on January 13, 2021 after the issuance of bill. Consequently, these charges were rightfully applicable to the consumer, as the six-month time bar provision was not in field at the time of issuance of the impugned bill i.e. January 08, 2021 regardless of the due date of the bill as argued by the Complainant. Therefore, the argument regarding six-month payment limitation was not applicable as per complainant request. Moreover, the Complainant also approached civil courts and after rejection of plea from Lahore High Court Lahore; the Complainant paid the disputed amount (arrears) partially.
- (vi) It is worth mentioning that if the Authority revises the terms and conditions of the tariff at any time, the DISCOs are obligated to implement the changes immediately, however, in the light of notification issued by Ministry of Energy (Power Division); LESCO failed to change the tariff of the Complainant immediately. Moreover, the CSM provides that the retrospective application of the tariff difference shall not exceed six (6) months and that such charges must be raised within one year of such notification; any claim beyond this period shall be deemed invalid. In this particular case, the modification in tariff category was occurred w.e.f. July, 2018 and DISCO (LESCO) charged arrears on January 08, 2021 whereas amendments in CSM regarding charging of tariff difference upto maximum period six (06) months were made vide NEPRA's letter dated January 13, 2021 after the issuance of bill i.e. on January 08, 2021. Therefore, the bill charged to the complainant on account of difference of applicable tariff is justified and payable by the Complainant.


6. Foregoing in view, bill amounting to Rs. 4,68,42,998/- charged by LESCO during the billing month of December, 2020 on account of difference of tariff is justified and payable by the Complainant. Further proceedings in the matter are being closed in above terms.

6. مندرجہ بالا حقائق کے پیش نظر شکایت کنندہ کو لیسکو کی جانب سے ماہ دسمبر 2020 میں ٹیرف کے فرق کی بنیاد پر جاری کیا گیا 46842998 روپے کا بل درست ہے اور شکایت کنندہ پر واجب الادا ہے۔ اوپر بیان کردہ وجوہات کی بناء پر کیس پر مزید کارروائی بند کی جاتی ہے۔



(Lashkar Khan Qambrani)

Member Complaints Resolution Committee/
Director (CAD)



(Moqeem Ul Hassan)

Member Complaints Resolution Committee
/Assistant Legal Advisor (CAD)



(Naweed Illahi Shaikh)

Convener Complaints Resolution Committee/
Director General (CAD)

Islamabad, September 24, 2024