



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

1191

NEPRA Tower, Attaturk Avenue, G-5/1, Islamabad
Phone: 051-2013200, Ext.905, Fax: 2600026
Website: www.nepra.org.pk, Email: info@nepra.org.pk

OFFICE OF THE
REGISTRAR

No. NEPRA/R/TCD-05/ 773-75

21-1-2014

Chief Executive Officer
Lahore Electric Supply Company Ltd.
22-A, Queens Road,
Lahore

Subject: Decision in the Matter of Complaint Filed By M/s Faster Consultants on behalf of Mian Zahid Rasool/Sheikh Mansoor Zafar under Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 Against LESCO Regarding Detection Bill *AC # 24013559 0010006)
Complaint # LESCO-93/2013

Please find enclosed herewith decision of Member (Consumer Affairs) in the subject matter for necessary action and compliance within 30 days of the receipt of this letter.

Encl: As Above

— sd —

(Iftikhar Ali Khan)
Deputy Registrar

Copy to:

1. C.E/Customer Services Director, Lahore Electric Supply Company Ltd. 22-A, Queens Road, Lahore
2. M/s Faster Consultants, 22, F/2, Ichhra Shopping Centre, Lahore.

No. NEPRA/R/TCD-05/ 776

Forwarded for information and necessary action, please.

21-1-2014
Deputy Registrar

1. Director (CAD)
2. Master File [w.r.t. M (CA) D#140 dated 16.01.2014]

CC:

1. Vice Chairman / Member (Tariff)
2. Member (M&E)
3. Member (C.A)



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No: LESCO-93-2013

M/s Faster Consultants Complainant
22, F/2, Ichhra Shopping Centre,
Lahore.

Versus

Lahore Electric Supply Company (LESCO) Respondent
22-A, Queen's Road, Lahore.

Date of Hearing September 4, 2013

Date of Decision: January 20, 2014

On behalf of:

Complainant 1) Mr. Mehboob Ellahi, Consultant

Respondent: 1) Mr. Ghazanfar Rizvi (Additional S.E. LESCO)
 2) Mr. Muhammad Ali Raza (SDO LESCO)

Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY M/S FASTER CONSULTANTS ON BEHALF OF MIAN ZAHID RASOOL/SHEIKH MANSOOR ZAFAR UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST LESCO REGARDING DETECTION BILL.

DECISION

1. This decision shall dispose of the complaint dated nil filed under section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 by M/s Faster Consultants on behalf of Mian Zahid Rasool / Sheikh Mansoor Zafar (hereinafter referred to as the "Complainant") against Lahore Electric Supply Company (hereinafter referred to as the "Respondent" or "LESCO").
2. The Complainant in the complaint stated that LESCO team checked their meter on October 30, 2009 and they were charged Rs 6,125,987/- as detection bill. Their meter was

(117)

also checked by the M&T Team on March 13, 2008 wherein it was informed that there was no discrepancy or stealing of energy of any kind i.e. bonds tampering was not found. As per report of M&T team, one phase of meter was declared slow. A detection bill was prepared on ground of changing of multiplying factor as 231.21 instead of 160. The Complainant further stated that on September 26, 2008, a loaded truck struck with their meter due to which the meter got burnt and its information was given to the concerned SDO on the same date i.e. September 26, 2008. On request of the SDO, M & T checking team opened the meter box and CT was found burnt and then the backup meter was replaced. The Complainant prayed to withdraw the detection bill as original meter was found correct and there was no involvement in theft.

3. The matter was taken up with LESCO for submission of para-wise comments. In response, LESCO vide its letter dated August 15, 2013, reported that the metering equipment was checked by the standing committee on October 30, 2009 in the presence of consumer's representative and found remote control devices installed/inserted inside the case of backup meter to control the output of C.Ts in such a configuration to connect and disconnect using the inserted relays through a remote control signal device. On this basis, a detection bill of 884317 units amounting to Rs.10,285,518/- for the period from 09/2007 to 10/2009 (26 months) was charged to the consumer. The Complainant got stay order from the Civil Court against sales tax amount included in the detection bill amounting to Rs.1,159,531/- and subsequently in pursuance of Federal Board of Revenue, the Complainant was allowed to make payment of sales tax in installments. Moreover, three equal installments of detection bill amounting to Rs.6,125,987/- were also allowed to the Complainant, out of which the Complainant has paid two installments and an amount of Rs.2,011,996/- is still outstanding against the Complainant.
4. To probe further into the matter, a hearing was held on September 04, 2013 at Consumer Affairs Division NEPRA Islamabad. The hearing was attended by both the parties and the parties argued the case on the basis of their earlier versions. LESCO representatives were asked during the hearing regarding any complaint against the Complainant with respect to stealing of electricity prior to October 30, 2009. LESCO representatives denied the same and informed that there was no such complaint/report earlier. LESCO representatives were further asked that the backup meter was replaced on September 26, 2008 then why a detection bill of 26 months was charged on the basis of relay system in the backup meter which was installed about 14 months back. In response, LESCO representatives failed to submit any proper response in this regard.
5. LESCO was also directed through hearing notice dated August 23, 2013 to provide some information/documents with respect to checking by standing committee, rationale of detection bill, rules for charging detection bills for a period of 26 months, updated billing

history, copies of notices, served upon the Complainant, FIR (if any) and MCO, etc which was provided by LESCO accordingly. The case was further taken up with LESCO vide letter dated October 10, 2013 and LESCO was asked to justify charging of detection bill for 26 months against a meter which remained installed at site for 14 months. LESCO was also asked to provide justification by quoting relevant law, regarding charging of detection bill for 26 months. In response thereto, LESCO vide its letter dated October 24, 2013 submitted its response which was not satisfactory.

6. Before deciding the matter, LESCO was again provided an opportunity vide this office letter dated November 29, 2013 to submit concrete evidence to justify charging of detection bill for 26 months on a meter which was installed 14 months back. In response, LESCO vide its letter dated December 17, 2013 submitted its report and reiterated its earlier version and could not justify charging of detection bill for 26 months on a meter which was installed 14 months back.
7. The case has been analyzed in detail in light of available record and arguments advanced during the hearing. Details are as under:
 - i) As per the report of LESCO, its standing committee checked the site on October 30, 2009 and the ATB (Anti Theft Box) was found re-welded, postal orders were found reposted on the meter & back up meter and on the ATB, the seals of the back up meter were found bogus. Moreover, the backup meter was opened in the presence of the consumer's representative and remote control device was found inserted inside the meter and recording mechanism of both the 'TOU' and back up meter was being interrupted by the consumer for stealing electricity. However, the Complainant has denied the charge of being involved in illegal abstraction of electricity. FIR was lodged by LESCO against the Complainant on October 30, 2009 under section 39A of the Electricity Act, 1910.
 - ii) LESCO charged detection bill to the Complainant for the period from September 2007 to October 2009 i.e. 26 months on the basis of average MDI of 123 kW recorded during 2009 at 30% load factor. LESCO assessed the consumption of the premises as 2408562 units for the period from September 2007 to October 2009 (26 months) and after deducting 1524245 units already charged, the remaining $2408562 - 1524245 = 884317$ units amounting to Rs.10,285,518/- were charged as detection bill.
 - iii) The detection bill included sales tax amounting to Rs.4,159,531 which was paid in installments and out of the remaining amount i.e. Rs.6,125,987/- (detection bill) two installments have also been paid by the Complainant.



- iv) As per commercial procedure, meter reading of consumers (40 kW to 500 kW) is the responsibility of concerned Sub Divisional Officer. The discrepancy, if any should have been pointed out in the beginning.
- v) As per the provisions of Consumer Service Manual, in such cases, LESCO can charge detection bill up to six months maximum, however, the instant issue pertains to the period prior to approval of Consumer Service Manual thus Consumer Service Manual is not applicable in this case.
- vi) The impugned backup meter which was checked by LESCO on October 30, 2009 was installed at the consumer's premises on September 26, 2008. It means, the impugned backup meter remained intact for about 14 months at consumer's premises. Upon inquiry, LESCO failed to justify charging of detection bill on a meter which was installed for about 14 months. Also, LESCO could not justify charging of detection bill for 26 months. Therefore, charging of detection bill for 26 months on a meter which remained at site for about 14 months is unjustified. LESCO should have charged detection bill maximum for the period the backup meter remained intact i.e. up to 14 months.
- vii) Site of the Complainant was checked by standing committee of LESCO on March 13, 2008 and yellow phase was found dead therefore multiplying factor was enhanced from 160 to 231.21. However, no other deficiency i.e. stealing of electricity was reported. The Complainant continued to pay bills on revised multiplying factor. Upon complaint of the Complainant, LESCO officials visited the site on September 26, 2008. As per report of LESCO, one C.T was replaced and the multiplying factor was reverted back to its original position i.e. 160. Also, backup meter was replaced with new meter however, no other deficiency i.e. stealing of electricity was reported.
- viii) While checking on October 30, 2009, LESCO team detected relay system in the backup meter and on the basis of this mechanism, the Complainant was charged detection bill for 26 months. Can LESCO charge a detection bill for the period from September 2007 to October 2009 (26 months) on the basis of relay in the backup meter which was installed on September 26, 2008 when no deficiency i.e. stealing of electricity was reported by LESCO against the Complainant prior to October 30, 2009 i.e. while checking on March 13, 2008 and September 26, 2008.
- ix) The Regional Review Committee of LESCO in its meeting held on September 24, 2011 recommended that the detection bill of the Complainant be revised on the basis of post-MCO healthy consumption. However, recommendations of the

Islamabad, January 20, 2014

[Handwritten signature]
Member (Consumer Affairs)
(Mr) (R) Haroon Rashid
20/1

9. Compliance report with respect to para-8 (i) be submitted within 30 days.

not being vigilant

LLSCO may take action against the delinquent(s), as per its own rules, for (Officer. The concerned officer(s) have failed to fulfill their duties, therefore, Billing of such consumers is the responsibility of concerned Sub-Divisional

ii)

$$= \frac{881317 \times 14}{26} = 476171 \text{ units}$$

$$\text{Units to be charged} = \frac{\text{Detection units already charged} \times 14}{26}$$

formula:

i) Revise the detection bill from 26 months to 14 months as per the following

8. Forgoing in view, LLSCO is hereby directed to:

recommendations of the regional review committee (if implemented).

c. Post-MCO consumption (1901280) - Pre-MCO consumption (1521245) = 377035 units. Detection bill would have been 377035 units as per

2011 (26 months) is 1901280 units.

b. As per the record provided by LLSCO, post-MCO consumption after replacement of meter on October 30, 2009 from November 2009 to December

October 2009 (26 months) is 1521245 units.

a. As per the record provided by LLSCO, consumption of the complainant prior to MCO i.e. October 30, 2009 between the period from September 2007 to

of 26 months, the detection bill would be as under.

Further, the recommendations were not finalized due to unknown reasons. If the case is analyzed in light of recommendations of the Review Committee on the basis Review Committee are silent with respect to period of revision of detection bill

