



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

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No. NEPRA/AB/Appeal-087/POI-2017/ 1148-1153

August 09, 2017

1. M/s Munir Steel Castings & Foundry Services,
Office: 1101, Ravi Block,
Allam Iqbal Town, Lahore
2. Chief Executive Officer
LESCO Ltd,
22-A, Queens Road,
Lahore
3. Syed Ali Rizvi,
Advocate High Court,
2-Haji Chambers, 4-Mozang Road,
Lahore
4. A. D. Bhatti,
Advocate High Court,
Office No. 4, Rehmat towers,
13-Fane Road, Lahore
5. Assistant Manager (Operation),
LESCO Ltd,
Baghbanpura Sub Division,
Lahore
6. Electric Inspector
Lahore Region, Energy Department,
Govt. of Punjab, Block No. 1,
Irrigation Complex, Canal Bank,
Dharampura, Lahore

Subject: **Appeal Titled Muhammad Munir Vs. LESCO Against the Decision Dated 09.05.2017 of the Electric Inspector/POI to Government of the Punjab Lahore Region, Lahore**

Please find enclosed herewith the Decision of the Appellate Board dated 08.08.2017, regarding the subject matter, for information and necessary action accordingly.

Encl: **As Above**

No. NEPRA/AB/Appeal-087/POI-2017/ 1154

Forwarded for information please.

(Ikram Shakeel)

August 09, 2017


Assistant Director
Appellate Board

✓ Registrar

CC:

1. Member (CA)



National Electric Power Regulatory Authority

Before Appellate Board

In the matter of

Appeal No. NEPRA/Appeal-087/POI-2017

Muhammad Munir C/o Munir Steel Casting Ammar Co.
Street Mehmood Booti, Bund Road, Lahore

.....Appellant

Versus

Lahore Electric Supply Company Limited

.....Respondent

For the appellant:

Mr. A.D Bhatti advocate

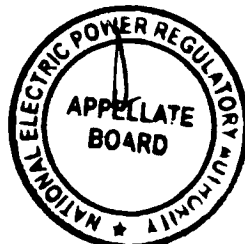
For the respondent:

Syed Ali Raza Rizvi Advocate

Muhammad Junaid Iqbal SDO

DECISION

1. Through this decision, an appeal filed by Muhammad Munir against the decision dated 09.05.2017 of the Provincial Office of Inspection/Electric Inspector Lahore Region, Lahore (hereinafter referred to as POI) is being disposed of.
2. Lahore Electric Supply Company Limited (hereinafter referred to as LESCO) is a licensee of National Electric Power Regulatory Authority (hereinafter referred to as NEPRA) for distribution of electricity in the territory specified as per terms and conditions of the license and the appellant is an industrial consumer of LESCO bearing Ref No.24-11354-9001300 with a sanctioned load of 220kW under B-2b tariff.



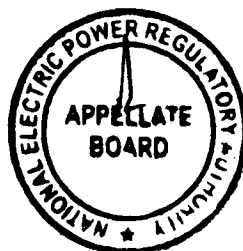


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3. As per fact of the case, metering equipment of the appellant was checked by LESCO on 07.04.2016 and reportedly TOU billing meter was found 33% slowness due to one phase dead stop. After issuing notice dated 20.04.2016 to the appellant, a detection bill amounting to Rs.2,042,700/- for 295,880 units for the period June 2015 to March 2016 (10 months) and for 813 kW MDI for the period July 2015 to March 2016 (9 months) charged by LESCO in April 2016 due to 33% slowness of the meter. Multiplication Factor (MF) was raised from 80 to 120 (to account for 33 % slowness) by LESCO w.e.f May 2016 and onwards.

4. Being aggrieved, the appellant filed an application before POI on 18.05.2016 and challenged the aforesaid detection bill. Metering equipment of the appellant was jointly checked by POI on 28.07.2014 and TOU billing meter was found 33% slow whereas backup meter was functioning correct. The matter was disposed of by POI vide its decision dated 09.05.2017, the operative portion of which is reproduced below:

"Summing up the foregoing discussion, it is held, (I) That the impugned meter is slow by 33% as already declared by the respondents. (II) That the impugned detection bill of Rs.2,042,700/- as cost of 97,640 units/813 KW MDI for the period from 06/2015 to 03/2016 for MDI added in the bill for the month of 04/2016 and onward charging of the monthly bills on enhanced MF as 120 is justified and legal and the petitioner is liable to pay the same. (III). The Respondents are directed to overhaul the account of the petitioner accordingly and any excess amount recovered be adjusted in future bills. They are also directed to install an accurate TOU meter at site for future billing to avoid any future litigation. The petition is disposed off in above terms."

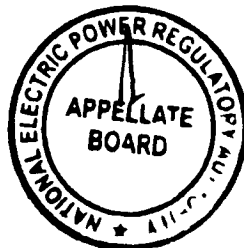




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5. Being dissatisfied with the decision of POI dated 09.05.2017 (hereinafter referred to as the impugned decision), the appellant has filed the instant appeal before NEPRA under section 38 (3) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997 (hereinafter referred to as the NEPRA Act 1997). The appellant inter alia contended that the detection bill of Rs.2,042,700/- for 295,880 units for the period June 2015 to March 2016 (10 months) and for 813 kW MDI for the period July 2015 to March 2016 (9 months) charged by LESCO in April 2016 due to 33% slowness of the meter was challenged by him before POI vide the application dated 18.05.2016. The appellant informed that 50% payment against the aforesaid detection bill was made in pursuance of the direction of POI. The appellant asserted that total consumption recorded during the disputed period i.e. June 2015 to March 2016 is compatible with the total consumption of corresponding undisputed period before dispute i.e. June 2014 to March 2015, which establishes that the meter was working correctly during the disputed period. The appellant pleaded that the aforesaid detection bill charged by LESCO is violative of clause 4.4(e) of Consumer Service Manual (CSM) and not payable. The appellant prayed for setting aside the impugned decision being illegal, void, and without justification.

6. A notice of the appeal was issued to LESCO for filing reply/parawise comments, which were filed on 01.07.2017. In its reply, LESCO inter alia contended that the detection bill of Rs.2,042,700/- for 295,880 units for the period June 2015 to March 2016 (10 months) and for 813 kW MDI for the period July 2015 to March 2016 (9 months) charged in April 2016 due to 33% slowness of the meter was

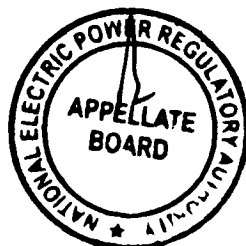




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justified and the appellant is liable to pay the same as already determined in the impugned decision. LESCO defended the impugned decision and pleaded for dismissal of the appeal with special cost.

7. Notice was issued to both the parties and the appeal was heard at Lahore on 24.07.2017, wherein Mr. A.D Bhatti advocate appeared for the appellant and Syed Ali Raza Rizwi advocate represented the respondent LESCO. Learned counsel for the appellant repeated the same arguments as mentioned in memo of the appeal and averred that the detection bill of Rs.2,042,700/- for 295,880 units for the period June 2015 to March 2016 (10 months) and for 813 kW MDI for the period July 2015 to March 2016 (9 months) charged by LESCO in April 2016 was not justified and the appellant is not liable to pay the same. As per learned counsel for the appellant, neither any prior notice was issued to the appellant nor he was associated by LESCO during checking dated 07.04.2016. Learned counsel for the appellant contended that the charging of the aforesaid detection bill for 10 months is inconsistent with clause 4.4(e) of CSM, which allows charging the detection bill due to slow/defective meter maximum for two billing cycles. Learned counsel for the appellant prayed for cancellation of the aforesaid detection bill being excessive and unjustified. Conversely the learned counsel for LESCO rebutted the stance of the appellant and contended that 33% slowness of TOU billing meter of the appellant was observed by standing committee LESCO on 07.04.2016 and confirmed by POI during joint checking on 28.07.2016. According to LESCO, POI has rightly analyzed that the appellant is liable to pay the aforesaid detection bill on the basis of decline in the

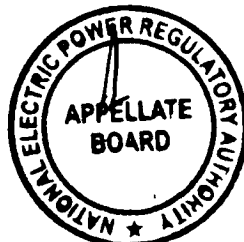




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consumption of the appellant, therefore the impugned decision for charging the detection bill of Rs.2,042,700/- for 295,880 units for the period June 2015 to March 2016(10 months) and for 813 kW MDI for the period July 2015 to March 2016 (9 months) in April 2016 due to 33% slowness of the meter is justified and payable by the appellant.


8. We have heard the arguments of both the parties and perused the record placed before us. It is observed as under:
 - i. 33% slowness of TOU billing meter of the appellant was observed by LESCO on 07.04.2016, which was also confirmed by POI on 28.7.2016. Only the period of slowness needs to be ascertained. Pursuant to clause 4.4(e) of CSM, in case of a defective/slow meter, the consumer is liable to be charged for maximum two billing cycles. Therefore we are inclined to agree with the contention of the appellant that the detection bill of Rs.2,042,700/- for 295,880 units for the period June 2015 to March 2016 (10 months) and for 813 kW MDI for the period July 2015 to March 2016 (9 months) charged by LESCO in April 2016 due to 33% slowness of the meter is illegal, violative of CSM and liable to be declared null and void.
 - ii. Since 33% slowness was noticed by LESCO in April 2016, therefore the respondent is liable to be charged the detection bill for two months only i.e. February 2016 and March 2016 only @ 33% slowness of the meter pursuant to CSM.






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9. In view of the forgoing discussion, we have concluded as under:
- i. Detection bill of Rs.2,042,700/- for 295,880 units for the period June 2015 to March 2016 (10 months) and for 813 kW MDI for the period July 2015 to March 2016 (9 months) charged by LESCO in April 2016 due to 33% slowness of the meter is declared null, void and the appellant is not liable to pay the same.
 - ii. The appellant should be charged the detection bill @ 33% slowness of the meter for February 2016 and March 2016. The consumer account of the respondent should be overhauled accordingly and the payments already made be adjusted.
10. The impugned decision is modified in above terms.



Muhammad Qamar-uz-Zaman
Member



Nadir Ali Khoso
Convener

Date: 08.08.2017

