



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

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No. NEPRA/AB/Appeal/168/2018/ *185-690*

March 29, 2019

1. Rizwan Mehmood  
S/o. Mahmood Ahmad,  
R/o. House No. W-95,  
Defence Housing Authority,  
Lahore Cantt
2. Chief Executive Officer  
LESCO Ltd,  
22-A, Queens Road,  
Lahore
3. Mehar Shahid Mehmood  
Advocate High Court,  
Office No .25, Third Floor,  
Ali Plaza, 3-Mozang Road,  
Lahore
4. Muhammd Younas Chaudhary  
Advocate High Court,  
Chaudhary Law Associates,  
4-Begum Road, Lahore
5. Sub Divisional Officer (Operation)  
LESCO Ltd,  
Walton 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 LESCO Vs. Rizwan Mehmood Against the Decision Dated 25.05.2018 of the Provincial Office of Inspection to Government of the Punjab Lahore Region, Lahore

Please find enclosed herewith the decision of the Appellate Board dated 28.03.2019, regarding the subject matter, for information and necessary action accordingly.

Encl: As Above

No. NEPRA/AB/Appeal/168/2018/ *691*  
Forwarded for information please.

(Ikram Shakeel)

March 29, 2019

*(Signature)*  
Assistant Director  
Appellate Board

✓  
Registrar



# National Electric Power Regulatory Authority

## Before Appellate Board

In the matter of

### Appeal No.168/2018

Lahore Electric Supply Company Limited .....Appellant

Versus

Rizwan Mahmood S/o Mahmood Ahmed R/o House No. W-95,  
Defense Housing Authority, Lahore Cantt .....Respondent

**APPEAL UNDER SECTION 38(3) OF REGULATION OF GENERATION,  
TRANSMISSION, AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997  
AGAINST THE DECISION DATED 25.05.2018 PASSED BY PROVINCIAL  
OFFICE OF INSPECTION LAHORE REGION, LAHORE**

For the appellant:

Mr. Ashfaq Ahmed Khan Assistant Manager

Mr. Muhammad Waleed

For the respondent:

Mr. Muhammad Yunous Chuhdary Advocate

Mr. Rizwan Mahmood

## DECISION

1. Brief facts leading to the filing of instant appeal are that the respondent is an industrial consumer of Lahore Electric Supply Company Limited (hereinafter referred to as LESCO) bearing Ref No.24-11521-9400200-U with a sanctioned load of 63.3 kW under the B-2(a) tariff. The respondent filed an application before the Provincial Office of Inspection (POI) on 21.09.2017 and challenged the detection bill of Rs.1,010,400/- for the cost of 56,700 units for the period January 2014 to May 2017 charged by LESCO in August 2017. As per respondent, LESCO issued the



## National Electric Power Regulatory Authority

electricity bills from the date of installation till the year 2013 as per actual meter reading with five digits but thereafter started electricity bills with fictitious reading with six digits and he made payment of said bills in good faith till May 2017. The respondent further submitted that the premises was closed and there was no use of electricity since March 2017 but LESCO issued the above detection bill with malafide intention and disconnected the electric supply on 31.08.2017 due to non-payment of above bill. POI visited the premises of the respondent on 07.05.2018 and the MDI meter under dispute was found accurate. The complaint of the respondent was disposed of by POI vide its decision dated 25.05.2018 with the following conclusion:

*“Summing up the foregoing discussion, it is held;*

- I. That the impugned billing meter No.B009225, make Syed Bhais having KWh reading 9521 index, Needle Reading 59601 index x 10 is working accurately within BSS limits of accuracy.*
- II. That the monthly bills from 01/2014 to 05/2017 charged and recovered and Rs.1,010,400/- excessively charged in the bill for the month of 08/2017 are void, unjustified and of no legal effect; therefore the petitioner is not liable to pay the same. However, the respondents are allowed to charge revised monthly bills for the above period as per actual needle reading (i.e.  $59601 \times 10 = 596,010$  units) recorded at the billing meter up-to 07/2017 and refund the cost of excess charged 89,991 units to the petitioner.*
- III. The respondents are directed to over-haul the account of the petitioner accordingly and any excess amount recovered be adjusted in future bills.”*



## National Electric Power Regulatory Authority

2. LESCO has filed the instant appeal against the above-mentioned decision (hereinafter referred to as the impugned decision) before NEPRA. In its appeal, LESCO stated that the old MDI meter completed one round of 99,999 and its reading merged from 5 digits to 6 digits; that this meter completed rounds three to four times and on every round paper MCO was done by SDO LESCO; that the bill of Rs.957,279/- as per old MDI meter is legal and justified. LESCO opposed the impugned decision and contended that POI passed the impugned decision on the basis of illegal assumptions and presumptions; that the impugned decision pronounced by POI after expiry of stipulated period of 90 days is invalid as envisaged in Section 26(6) of Electricity Act, 1910; and that the same is liable to be set aside.
3. Notice of the appeal was issued to the respondent for filing reply/para-wise comments, which were filed on 11.12.2018. In his reply, the respondent supported the impugned decision and submitted that POI provided full opportunity of hearing to both the parties and after scrutiny of record rendered the impugned decision, which is well-reasoned, self-contained, and comprehensive and needs no interference as the same was passed after considering the consumption data and applicable laws. As per respondent, meter under dispute was jointly checked by POI and found working within BSS limits with reading at 95291 index and needle reading at 59601 indexes and the said report was signed by LESCO without raising any objection. According to the respondent, POI rightly declared the detection bill of Rs.1,010,400/- for the period



## National Electric Power Regulatory Authority

of January 2014 to May 2017 as null and void. The respondent finally prayed for dismissal of the appeal with cost.

4. Notice was issued and hearing of the appeal was conducted at Lahore on 08.03.2019, which was attended by both the parties. Assistant Manager LESCO reiterated the same arguments as given in the memo of the appeal and contended that the detection bill of Rs.1,010,400/- for 56,700 units for the period January 2014 to May 2017 is justified and payable by the respondent and the determination of POI based on needle reading is incorrect. On the contrary, the respondent appearing in person supported the impugned decision and prayed for upholding the same.
5. Arguments heard and the record examined. Following are our observations:
  - i. As regards the preliminary objection of LESCO regarding failure of POI in deciding the matter within 90 days as envisaged in Section 26 (6) of Electricity Act, 1910, it may be explained that the period of 90 days is provided in the Electricity Act, 1910 which is not relevant for the POI established under Section 38 of the NEPRA Act, 1997. NEPRA is the appellate authority against the decisions of POI and not that of Electric Inspectors. Honorable Lahore High Court in the recent judgment dated 10.12.2018 in the W.P.No.8019/2017 held that impugned order is passed by POI under Section 38 of NEPRA Act, 1997 and not by Electric Inspector under Electricity Act, 1910 therefore, the outer time limit of 90 days is inapplicable. The objection of LESCO in this regard is devoid of force. therefore rejected.



## National Electric Power Regulatory Authority

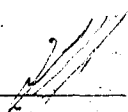
- ii. LESCO charged the detection bill of Rs.1,010,400/- for 56,700 units for the period January 2014 to May 2017 to the respondent in August 2017, which was assailed before POI. Perusal of record as provided by LESCO revealed that the MDI meter of the respondent was checked by metering and testing (M&T) LESCO on 21.11.2014 and 23.11.2015 and on both the occasions, it was found in worst condition (its lower portion opened due to rusty body) and its KVARH component was not functioning but LESCO did not replace the MDI meter of the respondent despite the recommendation of standing committee LESCO. Therefore the said meter could not be based for the determination of billing recoverable from the respondent. Moreover, LESCO did not provide any detection proforma to justify its claim for charging the detection bill of Rs.1,010,400/- for the cost of 56,700 units for the period January 2014 to May 2017. Foregoing in view, the above detection bill is liable to be canceled as already decided by POI.
- iii. Similarly, POI relied his determination upon the impugned MDI meter and directed LESCO to refund 89,991 units to the respondent. Different readings/consumption recorded by needle and digital index revealed that the MDI meter was defective. The respondent only challenged the detection bill of Rs.1,010,400/- before POI and admitted that the monthly bills charged by LESCO are correct and he made payment of the same willingly. Hence the decision of

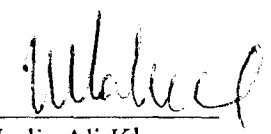


## National Electric Power Regulatory Authority

POI for the refund of 89,991 units to the respondent is unjustified and liable to be withdrawn to this extent.

6. The upshot of the above discussion is that the detection bill of Rs.1,010,400/- for 56,700 units for the period of January 2014 to May 2017 is null and void as already determined in the impugned decision. However, the findings of POI to refund 89,991 units to the respondent is incorrect and void, hence set aside.
7. The appeal is disposed of in the above terms.

  
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Muhammad Shafique  
Member

  
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Nadir Ali Khoso  
Convener

Dated: 28.03.2019