



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

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No. NEPRA/Appeals/047/2025/ & 064/2025/035

October 28, 2025

- | | |
|--|---|
| 1. Irfan Shabbir,
S/o. Shabbir Hussain,
R/o. House No. 68, Firdous Colony,
Gulshan Ravi, Lahore
(Proprietor Al-Ghazi Plastic,
Abubakar Siddique Colony,
Bund Road, Lahore) | 2. Chief Executive Officer,
LESCO Ltd,
22-A, Queens Road,
Lahore |
| 3. Saeed Ahmed Bhatti,
Advocate High Court,
66-Khyber Block, Allama Iqbal Town,
Lahore
Cell No. 0300-4350899 | 4. Ch. Muhammad Shahzad Saeed,
Advocate High Court,
33-Riwaz Garden, Lahore
Cell No. 0321-4363248 |
| 5. Assistant Manager (Operation),
LESCO Ltd,
Bund Road Sub Division,
Lahore | 6. POI/Electric Inspector,
Lahore Region-I, Energy Department,
Govt. of Punjab, Block No. 1,
Irrigation Complex, Canal Bank,
Dharampura, Lahore |

Subject: Appeal No.047/2025 (Irfan Shabbir vs. LESCO) and appeal No.064/2025 (LESCO vs. Irfan Shabbir) Against the Decision Dated 28.01.2025 of the Provincial Office of Inspection to Government of the Punjab Lahore Region-I, Lahore

Please find enclosed herewith the decision of the Appellate Board dated 28.10.2025 (11 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 of the Appellate Board on the NEPRA website



National Electric Power Regulatory Authority

Before The Appellate Board

In the matter of

Appeal No.047/POI-2025

Irfan Shabbir S/o. Shabbir Hussain,
R/o. House 68, Firdous Colony, Gulshan-e-Reavi, Lahore Appellant

Versus

Lahore Electric Supply Company Limited Respondent

&

Appeal No.064/POI-2025

Lahore Electric Supply Company Limited Appellant

Versus

Irfan Shabbir S/o. Shabbir Hussain,
R/o. House 68, Firdous Colony, Gulshan-e-Reavi, Lahore Respondent

APPEAL U/S 38(3) OF THE REGULATION OF GENERATION, TRANSMISSION, AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997

For LESCO:

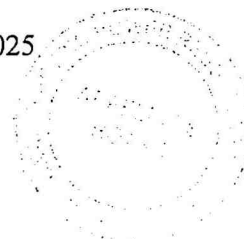
Mr. Saeed Ahmed Bhatti Advocate
Mr. Umer Naseer SDO

For the Consumer:

Malik Usama Advocate

DECISION

1. Brief facts leading to the filing of the instant appeal are that Irfan Shabbir is an industrial consumer (hereinafter referred to as the "Consumer") of the Lahore Electric Supply Company Limited (hereinafter referred to as the "LESCO") bearing Ref No.24-11114-1365500-U with a sanctioned load of 33 kW, and the applicable Tariff category is B-2(b). Metering equipment of the Consumer was checked by the Metering and Testing (M&T) team of the LESCO along with FIA on 15.03.2024, wherein the billing meter was



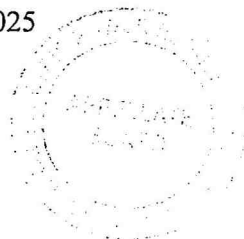


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found tampered for dishonest abstraction of electricity and the connected load was noted as 63.75 kW. Therefore, FIR No.09/2024 dated 15.03.2024 was registered against the Consumer and a detection bill of Rs.10,367,661/- for 187,126 units + 84 kW MDI for the period from March 2023 to February 2024 (12 months) was charged to the Consumer in March 2024.

2. Being aggrieved, the Consumer approached the Provincial Office of Inspection, Lahore Region-I, Lahore (the "POI") against the above detection bill. The POI vide decision dated 28.01.2025 (hereinafter referred to as the "impugned decision") cancelled the detection bill of Rs.10,367,661/- for 187,126 units+84 kW MDI for the period from March 2023 to February 2024 (12 months) and LESCO was directed to charge the revised detection bill of net 96,469 units on the basis of 50% load factor of connected load=64 kW.
3. Being dissatisfied with the above-referred decision of POI (hereinafter referred to as the "impugned decision"), both parties filed cross-appeals before the NEPRA. As the facts and subject matter of the appeals are the same, both Appeals, i.e., Appeal No.047/POI-2025 and Appeal No.064/POI-2025, have been clubbed and are being disposed of through a single/consolidated decision.
4. In its appeal No.047/POI-2025, the Consumer opposed the impugned decision *inter alia*, on the main grounds that the impugned decision is against the law and facts of the case; that the POI did not apply his independent and judicious mind while passing the impugned decision; that the POI pass the impugned decision on illegal assumptions and presumptions and failed to comply three basic provisions of law; that the lower forum itself observed that that the impugned meer was destroyed by LESCO which was only source of actual consumption of electricity; that LESCO is bound to prove their allegation for theft of electricity; that the impugned decision is against the natural principle of justice and that the same is liable to be set aside.
5. In its appeal No.064/POI-2025, In its appeal, LESCO contended that the billing meter of the Respondent was found tampered during the M&T checking dated 15.03.2024 for the dishonest abstraction of electricity; therefore, FIR was registered against the Respondent and a detection bill of Rs.10,367,661/- for 187,126 units+84 kW MDI for the period from March 2023 to February 2024 was charged to the Respondent based on the connected load. As per LESCO, the POI misconceived the real facts of the case as the above detection bill was debited to the Respondent on account of dishonest abstraction of energy under Section

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26-A of the Electricity Act, 1910, reliance in this regard was placed on the various judgments of the honorable Supreme Court of Pakistan reported in *PLD 2012 SC 371*, *PLD 2006 SC 328* and *2004 SCMR Page 1679*. According to LESCO, the POI failed to consider the consumption data and did not peruse the documentary evidence in the true spirit. LESCO submitted that the POI failed to decide the matter within 90 days, which is violative of Section 26(6) of the Electricity Act 1910. LESCO further submitted that the POI has not taken into consideration that the complaint could not be entertained as no notice as required under Section 26(6) of the Electricity Act 1910 was served upon the Appellants before filing the same. LESCO prayed that the impugned decision is not sustainable in law and the same is liable to be set aside.

6. Notices were sent to both parties to file reply/para-wise comment to the counter appeals; however, both parties did not submit their replies against the counter appeals.
7. Hearing in the matter of the subject Appeals was fixed for 16.08.2025 at NEPRA Regional Office Lahore and accordingly, the notices dated 08.08.2025 were sent to the parties (i.e., LESCO and the Consumer) to attend the hearing. During the hearing, both parties were present. Learned counsel for LESCO repeated the same contentions as given in memo of the Appeal No.064/2025 and argued that the impugned billing meter of the Consumer was checked by LESCO on 15.03.2024 and it was found tampered for dishonest abstraction of electricity. Learned counsel for LESCO further contended that FIR No.09/2024 dated 15.03.2024 was registered against the Consumer, and a detection bill of Rs.10,367,661/- for 187,126 units+84 kW MDI for the period from March 2023 to February 2024 (12 months) was debited to the Consumer. Learned counsel for the LESCO averred that the data of the impugned meter of the Consumer confirmed that the Consumer was involved in illegal abstraction of electricity for a long time, which resulted in huge financial loss to LESCO. In support of their contention, LESCO officials submitted the M&T report, detection assessment, FIR, and consumption data of the Consumer. LESCO officials finally pleaded to allow the whole detection bill for recovery; otherwise, LESCO will face huge financial loss.
8. Learned counsel for the Consumer rebutted the version of LESCO and averred that the impugned billing meter was functioning correctly before the alleged checking dated 15.03.2024. As per learned counsel for the Consumer, if presumed that the impugned meter was bypassed, then why did LESCO not point out the said discrepancy during the monthly

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readings before the alleged checking? Learned counsel for the Consumer submitted that the impugned decision for recovery of the detection bill net 96,469 is not based on merits, as theft of electricity was not established before the POI. Learned counsel for the Consumer submitted that neither any checking was carried out in the presence of the Consumer nor any report of alleged checking was produced before the POI for verification of the bypassing of the meter. As per learned counsel for the Consumer, LESCO failed to follow the procedure as laid down in CSM-2021 and charged the illegal detection bill. Learned counsel for the Consumer opposed the impugned decision and prayed for setting aside the same in the best interest of justice.

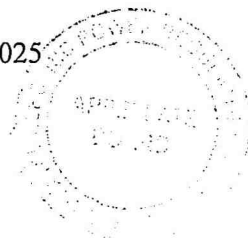
9. Arguments heard and the record perused. Following are our observations:

i **Preliminary objection of the Appellant regarding the jurisdiction of the POI:**

At first, the preliminary objection of the Appellant regarding the jurisdiction of the POI needs to be addressed. In the instant appeal, the learned counsel for LESCO challenged the jurisdiction of the Provincial Office of Inspection to adjudicate the complaint of the Respondent (Consumer) under Section 38 of the NEPRA Act regarding dishonest abstraction of energy. The Appellant contends that in the cases of detection bills, the Electric Inspector of the Government of Punjab, Lahore Region, Lahore is the competent forum to deal with such cases u/s 26(6) of the Electricity Act, 1910.

ii In order to come up with an opinion on the above-said proposition of law, it is necessary to analyze the relevant laws. Section 26(6) of the Electricity Act, 1910, deals with the disputes between consumers and a licensee over electricity meters and grants power to the Electric Inspector to resolve the same. The said provision reads as under:

“(6) Where any difference or dispute arises between a licensee and a consumer as to whether any meter, maximum demand indicator or other measuring apparatus is or is not correct the matter shall be decided, upon the application of either party, by an Electric Inspector, within a period of ninety days from the date of receipt of such application, after affording the parties an opportunity of being heard, and where the meter, maximum demand indicator or other measuring apparatus has, in the opinion of an Electric Inspector, ceased to be correct, the Electric Inspector shall estimate the amount of energy supplied to the consumer or the electrical quantity contained in the supply, during such time as the meter, indicator or apparatus has not, in the opinion of the Electric Inspector, been correct; and where the Electric Inspector, fails to decide the matter of difference or dispute within the said period or where either the licensee or the consumer





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decline to accept the decision of the Electric Inspector, the matter shall be referred to the Provincial Government whose decision shall be final:

Provided that, before either a licensee or a consumer applies to the Electric Inspector under this subsection, he shall give to the other party not less than seven days' notice of his intention so to do."

- iii Section 3 (2) (a) of the Punjab (Establishment and Powers of Office of Inspection) Order, 2005 empowers the POI to deal with the complaints in respect of metering, billing, and collection of tariff and other connected matters and pass necessary orders. According to Section 10 of the above-said order:

"An aggrieved person may file an appeal against the final order made by the Office of Inspection before the Government or if the Government by general or special order, so directs, to the advisory board constituted under section 35 of the Electricity Act, 1910, within 30 days, and the decision of the Government or the advisory board, as the case may be, shall be final in this regard."

- iv Section 38 of the NEPRA Act also provides a mechanism for the determination of disputes between the consumers and the distribution licensee. The said provision reads as under:

"38. Provincial offices of inspection.-(1) Each Provincial Government shall-
(a) Establish offices of inspection that shall be empowered to

(i) Enforce compliance with distribution companies' instructions respecting metering, billing, electricity consumption charges and decisions of cases of theft of energy; and

(ii) make determination in respect of disputes over metering, billing and collection of tariff and such powers may be conferred on the Electric Inspectors appointed by the Provincial Government under section 36 of the Electricity Act, 1910 (Act IX of 1910), exercisable, in addition to their duties under the said Act.

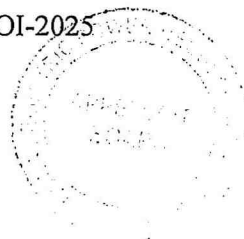
(b) Establish procedures whereby distribution companies and consumers may bring violations of the instructions in respect of metering, billing, and collection of tariff and other connected matters before the office of inspection; and

(c) Enforce penalties determined by the Provincial Government for any such violation.

(2) The Provincial Governments may, upon request by the Authority, submit to the Authority—

(a) (b) ...

(3) Any person aggrieved by any decision or order of the Provincial Office of Inspection may, within thirty days of the receipt of the order, prefer an appeal

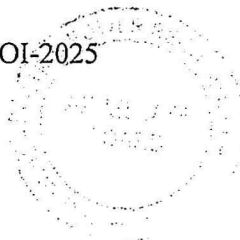




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to the Authority in the prescribed manner and the Authority shall decide such appeal within sixty days.”

- v Here question arises whether disputes related to Section 26(6) of the Electricity Act, 1910 can be heard and decided by the POI, and thereafter appeal lies before the Advisory Board or NEPRA. Both enactments are special laws and provide a mechanism for the determination of disputes between consumers and licensees. Under section 38(1)(a)(ii) of the NEPRA Act, the Provincial Office of Inspection (POI) is empowered to make the determination in respect of disputes over metering, billing, and collection of tariff and such powers are conferred on the Electric Inspectors appointed by the Provincial Government under section 36 of the Electricity Act, 1910 (IX of 1910), exercisable, in addition to their duties under the said Act. Through the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2011 (XVIII of 2011), subsection (3) to section 38 of the NEPRA Act was inserted on 29.09.2011, whereby an appeal before NEPRA against the decision of POI regarding metering, billing, and collection of the tariff was provided. It is observed that the Provincial Office of Inspection is no different person rather Electric Inspector is conferred with the powers of the Provincial Office of Inspection for deciding disputes between the consumers and the licensees over metering, billing, and collection of tariffs.
- vi In this regard, we take strength from Section 45 of the NEPRA Act, which describes the relationship of the NEPRA Act with other laws. It provides that the provisions of the Act, rules, and regulations made and licenses issued thereunder shall have the effect notwithstanding anything to the contrary contained and any other law. Rules and regulations for the time being in force shall, to the extent of any inconsistency, cease to have effect from the date this Act comes into force.
- vii Furthermore, the CSM was made pursuant to section 21 of the NEPRA Act, meaning thereby it has the statutory backing and since the NEPRA Act was promulgated later in time, therefore, the provisions of the NEPRA Act shall prevail over the provisions of the Electricity Act 1910. The honorable Lahore High Court, in its reported Judgement 2018 PLD 399, decided that an appeal against the decision of the Provincial Office of Inspection (POI)/Electric Inspector lies with the Authority. Salient points of the judgment are as under:
 - (i) Section 26(6) of the Electricity Act, 1910, confines the ambit and scope of dispute only to the electricity meters/other measuring apparatuses, while the scope of Section



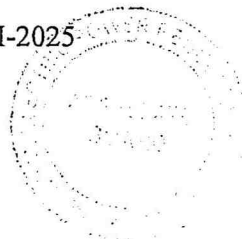


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38 of the NEPRA Act is much wider in comparison. Section 38 of the NEPRA Act empowers the Provincial Office of Inspection not only to enforce compliance with the instructions of the distribution companies regarding metering, billing, electricity consumption charges, and decisions in cases of theft of energy but also requires it to make determinations in respect of disputes over metering, billing, and the collection of tariff.

- (ii) The reading of the NEPRA Act quite clearly demonstrates that the dispute resolution mechanism provided in the Electricity Act, 1910, has now been replaced by the NEPRA Act, which law is later and is also much wider in its scope as it encompasses disputes over metering, billing, and collection of tariff.
- (iii) Electricity being the Federal subject exclusively, any dispute in regard thereto between distribution companies and their consumers will necessarily have to be adjudicated upon by the Provincial Office of Inspection as per the dictates of the NEPRA Act.
- (iv) Prior to the passing of the Eighteenth Amendment to the Constitution, electricity was placed in the concurrent list. With the introduction of the Eighteenth Amendment through the Constitution (Eighteenth Amendment) Act, 2010, the concurrent list was abolished, and electricity was placed at Entry 4 of Part II of the Fourth Schedule, where it became exclusively a Federal subject.
- (v) The two enactments, i.e. Electricity Act of 1910 and the NEPRA Act, continue to exist side by side providing two different appellate fora to hear appeals against the orders of the Electric Inspector and the Provincial Office of Inspection. Both enactments are special laws. In a similar situation, the honorable High Court, while rendering judgment in Writ Petition No. 6940 of 2013 titled "S.M. Food Makers and others v. Sui Northern Gas Pipelines, etc," held as follows:
"It is now well settled that the general rule to be followed in case of conflict between two statutes is that the later abrogates the earlier one".
- (vi) The honorable Lahore High Court, in the above circumstances, declared that the decision rendered on a complaint filed before the Electric Inspectors shall be treated to have been given by the Provincial Office of Inspection and that the appeal against the decision of the Electric Inspector / Provincial Office of Inspection after the enactment of subsection (3) of Section 38 of the NEPRA Act shall lie before the

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Authority as defined in NEPRA Act.

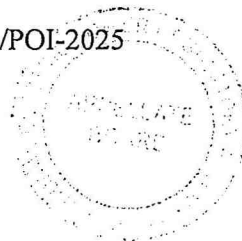
- viii Further, the observations of the honorable Lahore High Court were also endorsed by the honorable Supreme Court of Pakistan vide its Judgement dated 08-03-2022 in *Civil Petition 1244 of 2018 titled "GEPCO etc. v/s PTV & another"* whereby it was held that a comparative reading of section 10 of Punjab (Establishment and Powers of Office of Inspection) Order, 2005 as well as section 38(3) of the NEPRA Act makes it abundantly clear that provisions of section 10 of the 2005 Order and section 38(3) are clearly in conflict. In view of the fact that the Ordinance is a Federal statute and admittedly the subject of electricity falls within the Federal Legislative List, it would prevail over the 2005 Order.
- ix In view of the above-quoted provisions of laws and Judgments, we are of the considered view that the disputes under section 26(6) of the Electricity Act and 38(1)(a)(ii) are to be adjudicated by the Provincial Office of Inspection, and NEPRA is the competent forum to decide the appeals. In view of the foregoing, the objection of the Appellant is dismissed.
- x **Another objection of the Appellant regarding the time limit for POI:**

While addressing the objection of the Appellant regarding the jurisdiction of the POI, the Respondent filed his complaint before the POI on 29.10.2024 under Section 38 of the NEPRA Act. POI pronounced its decision on 28.01.2025, i.e. after ninety (90) days of receipt of the complaint. The Appellant has objected that the POI was bound to decide the matter within 90 days under Section 26(6) of the Electricity Act, 1910. In this regard, it is observed that the forum of POI has been established under Section 38 of the NEPRA Act which does not put a restriction of 90 days on POI to decide complaints. Section 38 of the NEPRA Act overrides provisions of the Electricity Act, 1910. Reliance in this regard is placed on the judgments of the honorable Lahore High Court, Lahore, reported in *PLJ 2017-Lahore-627* and *PLJ-2017-Lahore-309*. The relevant excerpt of the above judgments is reproduced below:

"PLJ 2017-Lahore-627:

Regulation of Generation Transmission and Distribution of Electric Power Act, 1997--838(3)--Electricity Act, 1910, S. 26(6)--Constitution of Pakistan, 1973. Art. 199--Constitutional petition--Consumer of LESCO.. The sanctioned load was differed with the connected load--Determine the difference of charges of the previous period of misuse to be recovered from the consumer--Validity--No disconnection or penal action was taken against petitioner rather only difference of charges between sanctioned load and load actually used by petitioner was charged, hence Clause 7.5 of Consumer Service Manual has not been violated-Issuance of detection bill itself

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amounts to notice and petitioner had also availed remedy before POI against determination--Order passed by POI was beyond 90 days--Order was not passed by the respondent under Section 26(6) of the Act as Electric Inspector rather the order was passed by him in the capacity of POI under Section 38(3) of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (NEPRA Act), therefore, the argument has no substance.

PLJ-2017-Lahore-309:

The learned counsel for the petitioner submitted that there was an outer time limit of 90 days for a decision by the Electric Inspector which has not been observed and which rendered the decision of the Electric Inspector a nullity. This submission of the learned counsel has been dealt with by the Appellate Board and, in any case, is fallacious. The short and simple answer rendered by the Appellate Board was that the decision was made under Section 38 of the Act, 1997, and not in terms of Section 26 of the Electricity Act, 1910. Therefore, the outer time limit of 90 days was inapplicable."

Keeping in view the overriding effect of the NEPRA Act on the Electricity Act, 1910, and the above-referred decisions of the honorable High Court, the objection of LESCO is dismissed.

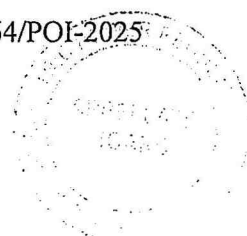
xi **Detection bill of Rs.10,367,661/- for 187,126 units+84 kW MDI for the period from March 2023 to February 2024 (12 months) :**

The impugned meter of Consumer was checked by the M&T team of LESCO along with FIA on 15.03.2024, and it was found tampered for theft of electricity. Therefore, FIR No. 09/2024 dated 15.03.2024 was registered against the Consumer due to theft of electricity. Thereafter, a detection bill of Rs.10,367,661/- for 187,126 units+84 kW MDI for the period from March 2023 to February 2024 (12 months) was charged by LESCO to the Consumer @ 50% load factor of the connected load i.e.64 kW, and added to the bill for March 2024, which is under dispute.

xii It is observed that LESCO did not point out any discrepancy during monthly readings prior alleged checking dated 15.03.2024, which is a violation of Clause 6.1.4 of the CSM-2021.

The said clause is reproduced below:

"Meter Readers shall also check the irregularities/discrepancies in the metering system at the time of reading meters / taking snapshots, and report the same in the reading book/ discrepancy book or through any other appropriate method as per the practice. The concerned officer/official will take corrective action to rectify these discrepancies."





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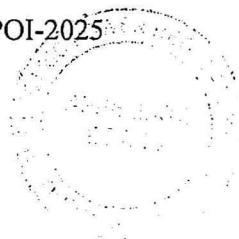
- xiii LESCO neither adhered to the procedure to establish theft of electricity as laid down in Chapter 9 of the CSM 2021, nor did the impugned meter check by the POI for verification of alleged tampering.
- xiv To further check the authenticity of the impugned detection bill, the consumption data of the Consumer as provided by LESCO is compared below with the consumption of the period before the dispute:

Month	Units	Month	Units	Month	Units	Month	Units
Mar-21	7732	Mar-22	23015	Mar-23	11842	Mar-24	0
Apr-21	7241	Apr-22	24066	Apr-23	2297	Apr-24	0
May-21	7027	May-22	1369	May-23	8099	May-24	8690
Jun-21	4837	Jun-22	10175	Jun-23	6728	Jun-24	8552
Jul-21	4298	Jul-22	12926	Jul-23	8536	Jul-24	9618
Aug-21	19433	Aug-22	20028	Aug-23	11946	Aug-24	10369
Sep-21	752	Sep-22	8769	Sep-23	10238	Sep-24	11543
Oct-21	2713	Oct-22	13205	Oct-23	9671	Oct-24	10517
Nov-21	8319	Nov-22	5378	Nov-23	6126	Nov-24	9083
Dec-21	8024	Dec-22	7841	Dec-23	8928	Dec-24	8863
Jan-22	23505	Jan-23	7562	Jan-24	6205	Jan-25	9724
Feb-22	16747	Feb-23	8925	Feb-24	1828	Feb-25	8794
Average	9219	Average	11938	Average	7704	Average	9575
detection bill @ 23360 units/month							

The above table shows that the normal consumption charged during the disputed period is much less than the normal consumption of the periods before and after the dispute. This indicates that the actual consumption was not recorded by the impugned meter during the disputed period. However, LESCO charged the detection bill @ 23,360 units per month, which is much higher than the sanctioned load of the Consumer as well as the normal average consumption of the Consumer.

- xv In view of the foregoing discussion, we are of the considered view that the detection bill of Rs.10,367,661/- for 187,126 units+84 kW MDI for the period from March 2023 to February 2024 (12 months) is unjustified, and the same is cancelled as already decided by POI.

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xvi It is an admitted fact that actual consumption could not be charged to the Consumer during the disputed period; therefore, the determination of POI for revision of the detection bill for six months on the basis of 50% load factor of the connected load i.e. 64 kW, is consistent with Clause 9.1.3b(i) of the CSM-2021 and the same is liable to be maintained to this extent.

10. In view of what has been stated above, it is concluded that the detection bill of Rs.10,367,661/- for 187,126 units+84 kW MDI for the period from March 2023 to February 2024 (12 months) charged to the Consumer is unjustified, being inconsistent with Clause 9.2.3 of the CSM-2021, and the same is modified for six months based on 50% load factor of the connected load i.e. 64 kW, however the units already charged during this period be adjusted accordingly.

11. Forgoing in view, both the appeals are dismissed.

Abid Hussain
Member/Advisor (CAD)

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

Naweed Illahi Sheikh
Convener/DG (CAD)

Dated: 28-10-2025

