



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

NEPRA Office , Ataturk Avenue (East), G5/1, Islamabad
Tel. No.+92 051 2013200 Fax No. +92 051 2600030
Website: www.nepra.org.pk E-mail: ikramshakeel@nepra.org.pk

No. NEPRA/Appeal/088/2024/ 633

July 02, 2025

- | | |
|--|--|
| 1. Fakhar Islam,
S/o. Chaudhry Akbar Ali,
Post Office Batapur, Lakhoder,
Tehsil Lahore Cantt, District 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. Mian Muzaffar Hussain,
Advocate High Court,
9-Shah Chiragh Chambers,
The Mall, Lahore
Cell No. 0321-8849233
0313-4784942 |
| 5. Assistant Manager (Operation),
LESCO Ltd,
Bilal Colony 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.088/2024 (LESCO vs. Fakhar Islam) Against the Decision Dated 18.07.2024 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 02.07.2025 (05 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.088/POI-2024

Lahore Electric Supply Company Limited

.....Appellant

Versus

Fakhar Islam S/o. Chaudhry Akbar Ali, Post Office
Batapur, Lakhoder, Tehsil Lahore Cantt, Lahore

.....Respondent

APPEAL UNDER SECTION 38(3) OF THE REGULATION OF GENERATION, TRANSMISSION, AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997

For the Appellant:

Mr. Saeed Ahmed Bhatti, Advocate

For the Respondent:

Mr. Fakhar Islam

DECISION

1. As per the facts of the case, Fakhar Islam (hereinafter referred to as the "Respondent") is a general supply consumer of Lahore Electric Supply Company Limited (hereinafter referred to as the "Appellant") bearing Ref No.24-11313-9006200 having sanctioned load of 46 kW and the applicable tariff category is A-3. During M&T checking dated 13.10.2020 of the Appellant, the billing meter was found 33% slow due to the phase being dead and 43,900 units were found uncharged due to the difference in billing and backup meter readings, therefore, a detection bill of 43,900 units for the period from 28.12.2015 to 13.10.2020 was charged to the Respondent due to the difference of readings between the billing and backup meters and added to the bill for November 2020.
2. Being aggrieved, the Respondent filed a complaint before the Provincial Office of Inspection, Lahore Region, Lahore (hereinafter referred to as the "POI") on 22.02.2022 and challenged the above detection bill. The complaint of the Respondent was disposed of by the POI vide decision dated 18.07.2024, wherein the detection bill of 43,900 units charged in November 2020 was cancelled and the Appellant was allowed to charge (i) the revised bills w.e.f August 2020 and onwards till the replacement of the impugned meter on DEF-EST code, pursuant to Clause 4.3.3c(ii) of the CSM-2021.



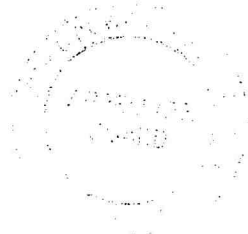
N. Bhatti



National Electric Power Regulatory Authority

3. Being dissatisfied, the Appellant has filed the instant appeal before NEPRA and assailed the decision dated 18.07.2024 of the POI (hereinafter referred to as the “impugned decision”). In its appeal, the Appellant opposed the maintainability of the impugned decision, *inter-alia*, on the following grounds that the impugned decision is against the law and facts of the case; that the POI misconceived and misconstrued the real facts of the case and erred in declaring the detection bill of 43,900 units as null and void and revision of the bills w.e.f August 2020 and onwards on DEF-EST code; that Clause 4.3.3c(ii) of the CSM-2021 cannot be made applicable in the instant case; that the POI miserably failed to analyze the consumption data in true perspective; that the POI has failed to decide the matter within 90 days, which is violation of Section 26(6) of Electricity Act 1910 and that the impugned decision is liable to be set aside.
4. Notice dated 16.09.2024 of the appeal was issued to the Respondent for filing reply/para-wise comment, which were subsequently filed on 24.04.2025. In the reply, the Respondent rebutted the version of the Appellant regarding charging the detection bill of 43,900 units, supported the impugned decision for cancellation of the same, and prayed for dismissal of the appeal.
5. Hearing of the appeal was conducted at NEPRA Regional Office Lahore on 25.04.2025, wherein learned counsel appeared for the Appellant and the Respondent tendered appearance in person. Learned counsel for the Appellant contended that one phase of the billing meter of the Respondent was found defective on 13.10.2020 and a difference of 43,900 units was found between the billing and backup meters, therefore, the detection bill of 43,900 units for the period from 28.12.2015 to 13.10.2020 was charged to the Respondent to account for revenue loss sustained due to defective meter. Learned counsel for the Appellant argued that the POI did not consider the real aspects of the case and erroneously declared the above detection bill as null and void and revised the bills w.e.f August 2020 and onwards on DEF-EST code. Learned counsel for the Appellant prayed that the impugned decision is unjustified and liable to be struck down. On the other hand, the Respondent repudiated the stance of the Appellant and averred that the impugned meter was functioning correctly, as such there is no justification to charge any detection bill. He prayed for the dismissal of the appeal with cost.
6. Having heard the arguments and record perused. Following are our observations:
 - 6.1 Objection regarding the time limit for POI to decide the complaint:

As per the record, the Respondent filed his complaint before the POI on 22.02.2022 under Section 38 of the NEPRA Act. POI pronounced its decision on 18.07.2024 i.e. after 90 days of receipt of the complaint. The Appellant has objected that the POI was bound to decide the





National Electric Power Regulatory Authority

matter within 90 days under Section 26(6) of the NEPRA 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, of 1910. Reliance in this regard is placed on the judgments of the honorable Lahore High Court 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 the petitioner rather only the difference of charges between the 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 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 the Appellant is dismissed.

6.2 Detection bill of 43,900 units for the period from 28.12.2015 to 13.10.2020:

As per the available record, the metering equipment of the Respondent was checked by the Appellant on 13.10.2020, wherein one phase of the billing meter was found dead, the date and time of both meters were found defective, cables of yellow and blue phases of backup meter were found burnt out, therefore, a detection bill of 43,900 units for the period from 28.12.2015 to 13.10.2020 was debited to the Respondent, detail of which is given below:



National Electric Power Regulatory Authority

	(A)	(B)	C=B-A	(D)	E=CxD	(V)=E-K
Backup Meter	checking dated 28.12.2015	checking dated 13.10.2020	Difference	MF	Total units to be charged	Net units to be charged
Reading	11577	67311	55734	20	1114680	

	(F)	(G)	H=F-G	(J)	K=HxJ	
Billing Meter	checking dated 28.12.2015	checking dated 13.10.2020	Difference	MF	Total units already charged	43900
Reading	1.44	53540	53539	20	1070780	

As evident from the above table, the billing meter recorded much less consumption as compared to the backup meter during the period i.e., from 28.12.2015 to 13.10.2020 (58 months). This shows gross negligence on the part of the Appellant as they failed to point out any discrepancy in the impugned billing meter during the monthly readings. Even otherwise, the Appellant failed to justify the charging of the impugned detection bill as the basis of the aforesaid detection bill was made due to the difference of readings between the billing and backup meters despite the fact that one phase of the billing meter was found defective with upset date and time, whereas two phases of the backup meter were found burnt with upset date and time. The Appellant did not even provide the monthly reading record of both the billing and backup meters. Under these circumstances, the detection bill of 43,900 units for the period from 28.12.2015 to 13.10.2020 debited by the Appellant to the Respondent on account of the difference of readings between the billing and backup meters is unjustified and the same is liable to be declared as null and void.

6.3 Clause 4.3.3c(ii) of the CSM-2021 restricts the Appellant to debit the detection bill maximum for two months in case of a slow meter. The honorable NEPRA Authority vide order dated 13.06.2024 also retained the period of supplementary/detection bill for two billing cycles in case of the slowness of the metering equipment/defective CTs as mentioned in Clause 4.4(e) of CSM- 2010 (existing Clause 4.3.3 of CSM-2021), the operative portion of which is reproduced below:

"For the reasons stated above, we reject the proposal of the distribution companies and retain the period of the supplementary bills for two (02) billing cycles in the case of the slowness of the metering installation/defective CTs as mentioned in clause 4.4(e) of CSM-2010 (existing clause 4.3 of CSM-2021). In a vigilant system, slowness of the metering installation should be detected timely, hence the





National Electric Power Regulatory Authority

distribution companies must bring efficiency in their working and replace the slow meters/defective CTs within the stipulated period as provided in clause 4.3 of the CSM-2021 in true letter and spirit. The distribution companies should ensure the charging of supplementary bills maximum for two billing cycles. If in the cases where the slowness of the metering installation is not pointed out timely and the metering installation is not replaced within maximum period of two (02) billing cycles, the competent authority of the relevant distribution company shall take disciplinary action against the concerned officials and fix the responsibility for negligence in such cases."

6.4 In light of the foregoing order of the Authority, we are of the considered view that the Respondent may be charged the detection bill for two billing cycles retrospectively before checking dated 13.10.2020 after adding 33% slowness of the impugned meter, pursuant to Clause 4.3.3c(ii) of the CSM-2021 and the bills w.e.f checking dated 13.10.2020 and onwards till the replacement of the impugned meter by raising MF due to 33% slowness of the meter, pursuant to Clause 4.3.3c(i) of the CSM-2021. The impugned decision is liable to be modified to this extent.

7. In view of what has been stated above, we reached the conclusion that:

7.1 The detection bill of 43,900 units for the period from 28.12.2015 to 13.10.2020 is unjustified being inconsistent with Clause 4.3.3c(ii) of the CSM-2021 and the same is cancelled as already determined by the POI.

7.2 The Respondent may be charged the revised detection bill for two months before checking dated 13.10.2020 of the Appellant @ 33% slowness of the impugned meter as per Clause 4.3.3c(ii) of the CSM-2021 and the bills w.e.f checking dated 13.10.2020 and onwards till the replacement of the impugned meter by enhancing MF due to 33% slowness of the meter as per Clause 4.3.3c(i) of the CSM-2021.

7.3 The billing account of the Respondent may be overhauled after adjustment of payments made against the impugned detection bills.

8. The impugned decision is modified in the above terms.

Abid Hussain
Member/Advisor (CAD)

Naweed Illahi Sheikh
Convener/DG (CAD)

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

Dated: 02-07-2025