



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

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No. NEPRA/Appeal/035/2026/ 72/

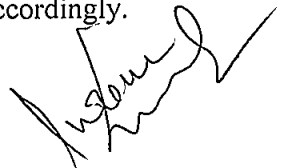
September 29, 2026

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| 1. Muhammad Bilal,
House No. 132, Block 132,
Block A-1, Mohallah Gujjarpura,
Lahore
Cell No. 0323-8815472 | 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,
0333-4350899 | 4. Assistant Manager (Operation),
LESCO Ltd,
Baghbanpura Sub Division,
Lahore |
| 5. POI/Electric Inspector
Lahore Region-I, Energy Department,
Govt. of Punjab, Block No. 1,
Irrigation Complex, Canal Bank,
Dharampura, Lahore | |

Subject: Appeal No.035/2026 (LESCO vs. Muhammad Bilal) Against the Decision Dated 16.12.2025 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 29.09.2026 (09 pages), regarding the subject matter, for information and necessary action, accordingly.

Encl: As Above


(Ikram Shakeel)
Additional 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.035/POI-2026

Lahore Electric Supply Company Limited

.....Appellant

Versus

Muhammad Bilal, House No. 132, Block A-1,
Mohallah Gujjarpura, Lahore

.....Respondent

APPEAL U/S 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. Muhammad Bilal

DECISION

1. Through this decision, the appeal filed by Lahore Electric Supply Company Limited (hereinafter referred to as the "Appellant") against the decision dated 16.12.2025 of the Provincial Office of Inspection, Lahore Region-I, Lahore (hereinafter referred to as the "POI") is being disposed of.
2. Brief facts of the case are that Mr. Muhammad Bilal (hereinafter referred to as the "Respondent") is an industrial consumer of the Appellant bearing Ref No.24-11354-9004635-U with a sanctioned load of 37 kW, and the applicable tariff category is B-2(b). The Standing Committee of the Appellant along with FIA visited the premises of the Respondent on 18.09.2023 and allegedly, the Respondent was found involved in theft of electricity through tampering with the meter (impugned meter was reprogrammed). Therefore, FIR No.57/2023 dated 18.09.2023 was registered against the Respondent and a detection bill of Rs.9,924,135/- for 217,757 units for the period from July 2022 to 19.09.2023 (13 months & 19 days) was charged to the Respondent on the basis of average 53 kW MDI and added to the bill for October 2023.
3. Being aggrieved with the above actions of the Appellant, the Respondent initially filed a civil suit before the Civil Court and challenged the above detection bill. Pursuant to the direction of the Honorable Civil Court, the Respondent deposited Rs.500,000/- against the





National Electric Power Regulatory Authority

above detection bill. After litigation before different forums, the Respondent finally approached the POI for redressal of his grievance against the Appellant. The POI vide decision dated 16.12.2025 declared the detection bill of Rs.9,924,135/- for 217,757 units for the period from July 2022 to 19.09.2023 as void, unjustified and of no legal effect. As per POI decision, the Appellant was allowed to charge revised detection bill for the period from April 2023 to 19.09.2023 against 108,977 units ($730 \times 53 \times 0.5 \times 5 + 730 \times 53 \times 0.5 \times 30/19$) after excluding already charged units during the said period.

4. Being dissatisfied, the Appellant filed the instant appeal before NEPRA against the afore-referred decision of the POI (hereinafter referred to as the "impugned decision"), which was registered as Appeal No.035/POI-2026. In its appeal, the Appellant contended that the billing meter of the Respondent was found tampered during the checking dated 18.09.2023 for the dishonest abstraction of electricity through tampered meter (meter reprogrammed); therefore, FIR was registered against the Respondent and a detection bill of Rs.9,924,135/- for 217,757 units for the period from July 2022 to 19.09.2023 was charged to the Respondent. As per the Appellant, the POI ignored the real facts of the case and authentic documents placed on record, and the law applicable to the subject, and without applying its judicious mind, accepted the application of the Respondent and cancelled the above detection bill. The Appellant submitted that the above detection bill was debited to the Respondent on account of dishonest abstraction of energy under Section 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 the Appellant, the POI has got no jurisdiction to entertain and adjudicate upon the complaint of the Respondent, that the detection bill is legal, valid and justified and the Respondent is liable to pay the same; that the impugned decision is liable to be set aside.
5. Notice dated 11.03.2026 was sent to the Respondent for filing reply/para-wise comments to the appeal within ten (10) days, which however were not filed.
6. Hearing was conducted at the NEPRA Regional Office Lahore on 20.08.2026, which was attended by both parties. During the hearing, learned counsel for the Appellant reiterated the same version as contained in memo of the appeal and contended that the billing meter of the Respondent was checked by the Appellant along with FIA on 18.09.2023, wherein it was declared tampered for dishonest abstraction of electricity, therefore, FIR was





National Electric Power Regulatory Authority

registered against the Respondent and a detection bill amounting to Rs.9,924,135/- for 217,757 units for the period from July 2022 to 19.09.2023 was debited to the Respondent. As per learned counsel for the Appellant, the POI vide impugned decision cancelled the above detection bill, which is contrary to the provisions of the CSM-2021. Learned counsel for the Appellant defended the charging of the above detection bill and prayed that the same be declared as justified and payable by the Respondent. On the other hand, the Respondent opposed the charging of impugned detection bill, supported the impugned decision and prayed for upholding the same.

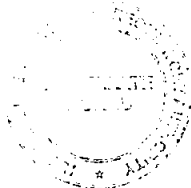
7. Arguments were heard and the record was perused. Following are our observations:

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 the appellant (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 the 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 power, 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





National Electric Power Regulatory Authority

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 supplied 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) ...



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National Electric Power Regulatory Authority

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

- v. Here, the question arises whether disputes related to Section 26(6) of the Electricity Act, 1910, can be heard and decided by the POI, and thereafter, an 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, the 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 in 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, the provisions of the NEPRA Act shall prevail over the provisions of the Electricity Act 1910. The honorable Lahore High Court, in its reported Judgment 2018 PLD 399, decided that an appeal against the decision of the Provincial Office of Inspection





National Electric Power Regulatory Authority

(POI)/Electric Inspector lies with the Authority. Salient points of the judgment are as follows:

- (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 38 of the NEPRA Act is much wider in comparison. Section 38 of the NEPRA Act supplies 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 after it became a Federal subject exclusively.
- (v) The two enactments, i.e., the 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."





National Electric Power Regulatory Authority

- (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 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 Judgment 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. **Detection bill of Rs.9,924,135/- for 217,757 units for the period from July 2022 to 19.09.2023:**
In the instant case, the Appellant claimed that Standing Committee on 18.09.2023 detected that the impugned meter of the Respondent was intentionally tampered (reprogrammed) for dishonest abstraction of electricity. The Appellant debited a detection bill of Rs.9,924,135/- for 217,757 units for the period from July 2022 to 19.09.2023, to the Respondent on the basis of 50% load factor of average MDI=53 kW, which was challenged by the Respondent before the POI.
- xi. Having found the above discrepancies, the Appellant was required to follow the procedure stipulated in Clause 9.2 of the CSM-2021 to confirm the illegal abstraction of electricity by the Respondent and thereafter charge the Respondent accordingly. However, in the instant case, the Appellant has not followed the procedure as stipulated under the ibid clause of the CSM-2021. From the submissions of the Appellant, it appears that the billing meter of the Respondent was checked and removed by the Appellant in the absence of the Respondent.



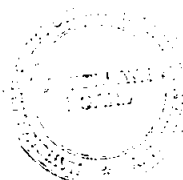


National Electric Power Regulatory Authority

- xii. As per the judgment of the Supreme Court of Pakistan reported in *PLD 2012 SC 371*, the POI is the competent forum to check the metering equipment, wherein theft of electricity was committed through tampering with the meter and decide the fate of the disputed bill, accordingly. However, in the instant case, the Appellant did not produce the impugned meter before the POI for verification of the allegation regarding tampering.
- xiii. To further check the contention of the Appellant regarding charging the impugned detection bill, the consumption data is analyzed in the table below:

Month	Units	Month	Units
Jan-21	340	Jul-22	1640
Feb-21	220	Aug-22	5580
Mar-21	280	Sep-22	7220
Apr-21	260	Oct-22	4600
May-21	260	Nov-22	13100
Jun-21	900	Dec-22	5140
Jul-21	0	Jan-23	2280
Aug-21	0	Feb-23	1900
Sep-21	0	Mar-23	2860
Oct-21	80	Apr-23	500
Nov-21	260	May-23	40
Dec-21	260	Jun-23	20
Jan-22	120	Jul-23	40
Feb-22	140	Aug-23	1060
Mar-22	280		
Apr-22	200		
May-22	120		
Jun-22	160		
Average	259	Average	3284
detection bill charged @ 19,345 units/month			

The above table shows that the normal consumption charged during the disputed period is much higher than the consumption of the period before the dispute. This indicates that actual consumption could not be charged by the Appellant for a long period. However, this does not entitle the Appellant to debit the detection bill for more than thirteen months, which is contrary to Clause 9.2.3(c)(ii) of the CSM-2021.





National Electric Power Regulatory Authority

8. In view of the foregoing discussion, we are of the considered view that:

- i. The detection bill of Rs.9,924,135/- for 217,757 units for the period from July 2022 to 19.09.2023 charged by the Appellant to the Respondent, is unjustified being contrary to Clause 9.2.3(c)(ii) of the CSM-2021 and the same is cancelled as already determined by the POI.
- ii. The discrepancy of tampering in the impugned meter of the Respondent was observed by the Appellant on 18.09.2023, which is also confirmed through analysis of consumption data. Under these circumstances, it would be fair and appropriate to debit the revised detection bill for six months to the Respondent @ 50% load factor of the average MDI=53 kW, pursuant to Clause 9.2.3(c)(ii) of the CSM-2021.
- iii. Billing account of the Respondent may be overhauled accordingly.

9. Impugned decision is modified in the above terms.

Abid Hussain
Member/Advisor (CAD)

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

Naweed Illahi Sheikh
Convener/DG (CAD)

Dated: 29-09-2026