



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/071/2023/ 708

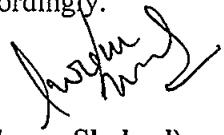
September 22, 2026

- | | |
|---|---|
| 1. M/s. Deodar (Pvt.) Limited,
Through Muhammad Iqbal,
Prop: Expert Logistics Energization,
Deodar (Pvt.) Ltd, for Mobilink
Communication Tower, Located at Head
Talai, Fazilpur, Tehsil & District Rajanpur | 2. Chief Executive Officer,
MEPCO Ltd,
MEPCO Complex, Khanewal Road,
Multan |
| 3. Malik Mureed Hussain Makwal,
Advocate High Court,
15-New Block, District Courts,
Multan.
Cell No. 0301-7510406 | 4. Muhammad Tahir Islam,
Advocate High Court,
3-Lyllpur Law Chamber,
District Courts, Faisalabad
Cell No. 03001-7141305 |
| 5. Executive Engineer (Operation),
MEPCO Ltd,
Rajanpur Division,
Rajanpur | 6. Sub Divisional Officer (Operation),
MEPCO Ltd,
Fazil Pur Sub Division,
Fazil Pur |
| 7. POI/Electric Inspector,
Multan Region,
Energy Department, Govt. of Punjab,
249-G, Shah Rukan-e-Alam Colony,
Phase-II, Multan | |

Subject: **Appeal No.071/2023 (MEPCO Vs. M/s. Deodar (Pvt.) Ltd.) Against the Decision Dated 27.02.2023 of the Provincial Office of Inspection to Government of the Punjab Multan Region, Multan**

Please find enclosed herewith the decision of the Appellate Board dated 22.09.2026 (07 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 Appellate Board

In the matter of

Appeal No.071/POI-2023

Multan Electric Power Company Limited

.....Appellant

Versus

M/s. Deodar (Pvt.) Limited, Through Muhammad Iqbal,
Prop: Expert Logistics Energization, Deodar (Pvt.) Ltd,
For Mobilink Communication Tower, Located at Head Talai,
Fazilpur, Tehsil & District Rajanpur

.....Respondent

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

For the Appellant:

Malik Mureed Hussain Makwal Advocate

For the Respondent:

Mr. Muhammad Tahir Islam Advocate through Zoom

DECISION

1. Through this decision, the appeal filed by Multan Electric Power Company Limited (hereinafter referred to as the "Appellant") against the decision dated 27.02.2023 of the Provincial Office of Inspection, Multan Region, Multan (hereinafter referred to as the "POI") is being disposed of.
2. Brief facts of the case are that M/s. Deodar (Pvt.) Ltd. (hereinafter referred to as the "Respondent") is a commercial consumer of the Appellant bearing Ref No.28-15244-9529701 having a sanctioned load of 13 kW, and the applicable tariff category is A-2c. M&T team of the Appellant checked the metering equipment of the Respondent on 01.07.2020 and reportedly, the display of the billing meter No.43433 (the "first meter") was found static, therefore, a detection bill (the "first detection bill") of Rs.377,974/- against 14,200 units for the period from April 2020 to June 2020 was charged to the Respondent @ 50% load factor of the connected load and added to the bill for July 2020. Audit Department vide audit note No.527 dated 15.01.2021 pointed out less charging of units during the period from May 2018 to December 2020 and recommended for recovery of less charged 22,092 units. Accordingly, the Appellant debited another detection bill (the "second detection bill")



National Electric Power Regulatory Authority

of Rs.3,681,191/- for net 22,092 units for the period from May 2018 to December 2020 to the Respondent on the basis of audit observation and added to the bill for January 2021. During another checking dated 20.01.2021 of the Appellant, the first meter was found 66% slow due to defective red and blue phases.

3. Being aggrieved with the above actions of the Appellant, the Respondent filed a complaint before POI on 26.01.2021 and challenged both of the above detection bills along-with the bill for January 2021. Meanwhile, a check meter bearing No.426603 was installed in series with the first meter of the Respondent by the Appellant on 03.02.2021. Metering equipment of the Respondent was inspected by the POI on 09.02.2021 in the presence of both parties, the first meter was found running 38.35% slow as compared to the check meter, joint checking report was signed by both parties without raising any objection. Subsequently, the billing was shifted on the check meter (the "second meter") by the Appellant. During joint checking of POI on 09.06.2022, the display of the second meter of the Respondent was found washed out, whereas the first meter of the Respondent was found 66% slow due to two phases being dead. Joint checking report was signed by both parties without raising any objection. The complaint of the Respondent was disposed of by POI vide the decision dated 27.02.2023 wherein first detection bill of Rs.377,974/- against 14,200 units for the period from April 2020 to June 2020 charged @ 50% load factor of the connected load, second detection bill of Rs.3,681,191/- for 22,092 units for the period from May 2018 to December 2020 charged @ 66% slowness of the meter and the bills for the period from May 2020 to March 2021 and the bills from February 2022 to June 2022 were declared null and void. As per POI decision, the Appellant may charge the revised bills from May 2020 to February 2021 till final reading on the basis of 38.35% slowness, the bill for March 2021 may be charged with previous readings and the bills from February 2022 to June 2022 be charged @ DEF-EST code.
4. Being dissatisfied with the impugned decision of POI, the Appellant filed instant appeal before NEPRA under Section 38(3) of the NEPRA Act along with application for the condonation of delay. In its appeal, the Appellant 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 miserably failed to appreciate the real aspects of the case and erred in giving the observations; that the POI has not appreciated that the second detection bill of Rs.3,681,191/- for 22,092 units was charged for the period from April 2018 to December 2020 due to less charging of units and the Respondent was duty bound to pay the same; that the POI while deciding the application of the Respondent failed to see the case in true perspective which resulted in miscarriage of justice rendering the impugned





National Electric Power Regulatory Authority

decision as *void, ab-initio, and is of no legal consequences*; that the POI has not given cogent reasons and passed the impugned decision without applying the conscientious mind in illegal manner; and that the impugned decision is liable to be set aside.

5. Upon the filing of the instant appeal, a notice dated 18.08.2023 was sent to the Respondent for filing reply/para-wise comments to the appeal within ten (10) days, which were filed on 20.10.2023. In the reply, the Respondent prayed for dismissal of the appeal *inter alia*, on the main grounds that the appeal is 141 days' time-barred; that the Appellant has to cross the barrier of limitation with the plausible reason which is equally applied to the government functionaries; that the appeal has been filed on baseless grounds, which has no value in the eyes of law; that the Appellant has failed to point out any legal and factual grounds in appeal as no irregularity has been committed by the POI; that the Appellant charged the detection bill blindly on the basis of audit note instead of charging the same for three months as per SOP; that relief cannot be claimed as the matter of legal right or any grounds whatsoever.
6. Hearing was conducted at NEPRA Regional Office Multan on 14.09.2024 via Zoom wherein both parties tendered appearance. Learned counsel for the Respondent raised the preliminary objection regarding limitation and argued that the appeal is filed before NEPRA after a lapse of 121 days from the date of the impugned decision. He prayed that the point of limitation needs to be decided before proceeding to the merits of the case. On the other hand, learned counsel for the Appellant rebutted the version of the counsel for the Respondent and averred that the Appeal was filed before the NEPRA within 30 days from the date of receipt of the impugned decision. This forum vide order dated 08.10.2024 rejected the objection of the Respondent, the operative portion of which is reproduced below:

"In view of the above, the objection of the Respondent regarding limitation is not valid and, therefore dismissed. The appeal to come up for the hearing on merits on the next date and is to be intimated through notice."

7. Against the above-said order of this forum, the Respondent filed review petition, which was heard on 28.10.2025. The Appellate Board vide order dated rejected the request of the Respondent to review the point of limitation with the following conclusion:

"It is therefore concluded that the request of the Respondent to review the order dated 08.10.2024 of this forum with regard to limitation has no force and is therefore dismissed. The case will be heard on merit, for which notices of hearing will be issued accordingly."

8. Finally hearing was conducted at NEPRA Regional Office Multan on 24.06.2026, which was





National Electric Power Regulatory Authority

attended by both parties. Learned counsel for the Appellant defended the charging of first detection bill of Rs.377,974/- and second detection bill of Rs.3,681,191/- for net 22,092 units and argued that the above bills were charged on account of revenue loss sustained by the Appellant due to 66% slowness of the impugned meter. Learned counsel for the Appellant further contended that the POI on one hand declared the impugned meter 66% slow due to two phase dead, whereas on the other hand directed the Appellant to charge 38% slowness by comparing the consumption recorded by the check meter. As per learned counsel for the Appellant, the POI has afforded the relief to the Respondent beyond his prayer, hence the impugned decision is liable to be set aside and the bills for the period from April 2018 to June 2022 along with detection bills be allowed for recovery being justified. On the contrary, learned counsel for the Respondent rebutted the version of the Appellant and argued that both the above detection bills were charged in contrary to the provisions of CSM. Learned counsel for the Respondent averred that the superior courts have passed various reported judgments, wherein it was held that the audit observation is internal matter between DISCO and audit department and the consumer cannot be held accountable for payment of any detection bill on the basis of audit observation. He opposed the charging of irregular billing done during the year 2022 and prayed for upholding the impugned decision.

9. We have heard arguments and perused the record placed before us. Following are our observations:
 - i. While addressing the preliminary objection of the Appellant regarding the jurisdiction of the POI, it is clarified that the dispute of billing pertains to the slowness of the metering equipment and the POI has exclusive jurisdiction to adjudicate the same under Section 38 of the NEPRA Act, 1997, and as per procedure laid down in Punjab (Establishment and Powers of Office of Inspection) Order, 2005. The above objection of the Appellant is not valid and, therefore, overruled.
 - ii. As per the available record, on 01.07.2020, the Appellant's M&T team inspected the Respondent's first billing meter and discovered a static display. Consequently, the Appellant issued first detection bill of Rs. 377,974/- for 14,200 units for the period from April 2020 to June 2020 @ 50% load factor of the connected load and added to the bill for July 2020. Later, on 15.01.2021, the Audit Department vide note No. 527, pointing out less charging of 22,092 units from May 2018 to December 2020. Based on this audit note, the Appellant issued second detection bill of Rs. 3,681,191/- for 22,092 units for the period from May 2018 to December 2020, which was added to the January 2021 bill. Shortly after, on 20.01.2021, the Appellant re-checked the first meter and found it running 66% slow due to defective red and blue phases. On 03.02.2021, the Appellant installed a check meter (the "second meter") in series with the first meter of the Respondent and during joint inspection by the





National Electric Power Regulatory Authority

POI on 09.02.2021, the first meter was found to be 38.35% slower than the check meter. Both parties signed the joint report without objection, and the Appellant shifted the billing to the second meter. However, during a subsequent joint POI inspection on 09.06.2022, the second meter's display was found washed out, while the first meter remained 66% slow due to two dead phases. Once again, both parties signed the joint checking report without objection.

- iii. It is observed that first detection bill of Rs. 377,974/- for 14,200 units for the period from April 2020 to June 2020 was charged on the basis of 50% load factor of the connected load, which is contrary to Clause 4.3.1(b) of the CSM-2020. As per said clause of the CSM, the Respondent may be charged the detection bill maximum for two months in case of defective meter. It is an admitted fact that the first meter was found 38.35% slow during second checking dated 09.02.2021.
- iv. Therefore we are of the considered view that the first detection bill of Rs. 377,974/- for 14,200 units for the period from April 2020 to June 2020 charged to the Respondent @ 50% load factor of the connected load is unjustified being inconsistent with the provisions of the CSM and the same is cancelled.
- v. The Appellant may charge the revised first detection bill for two months retrospectively prior to first checking dated 01.07.2020 and the bills with enhanced MF w.e.f first checking dated 01.07.2020 to second checking dated 03.02.2021 @ 38.35% slowness of the first meter, pursuant to Clause 4.3.3c of the CSM-2020. Impugned decision is liable to be modified to this extent.
- vi. Similarly, the second meter of the Respondent also became defective bills w.e.f date of installation of second meter i.e. 03.02.2021 and onwards be revised as per reading recorded by the second meter.
- vii. As regards the charging of second detection bill of Rs. 3,681,191/- for 22,092 units for the period from May 2018 to December 2020 on the basis of consumption of the years 2016 and 2017 as recommended by the Audit Department vide Audit Note No. 527 dated 15.01.2021.
- viii. It is an admitted fact that the first meter was initially found defective with static display reading on 01.07.2020, prior that the Appellant did not point out any defect in the impugned meter during the monthly readings. It is further observed that the first meter was found 38.35% slow as compared to the second meter, for which the said slowness is allowed in the above paras. Even otherwise, the Appellant debited the second detection bill for thirty two (32) months to the Respondent on the basis of consumption of the previous years 2016 and 2017, which is violative of Clause 4.3.2(b) of the CSM-2021. Said clause of the CSM-2021 prescribes that the consumer may be charged the detection bill maximum for two months in case of slow meter.

11 62





National Electric Power Regulatory Authority

- ix. Even otherwise, the Audit observation is an internal matter between the DISCO and the Audit Department and the consumer cannot be held responsible for the payment of any detection bill based on the Audit Para. The honorable Lahore High Court in its judgment in the “Water and Power Development Authority, etc. vs. Umaid Khan” (1988 CLC 501) held that *no amount could be recovered from the consumer based on the audit report as the audit affair is between the WAPDA and its audit department and no audit report could in any manner make consumer liable for any amount and the same could not bring about any agreement between the WAPDA and the consumer making consumer liable on the basis of the so-called audit report*. The courts in similar cases relied on the same principle in cases reported cited as 2014 MLD 1253 and 2008 YLR 308.
- x. In view of the foregoing discussion, we are of the considered view that second detection bill amounting to Rs. 3,681,191/- for 22,092 units for the period from May 2018 to December 2020 charged to the Respondent is unjustified being inconsistent with Clause 4.3.2(b) of the CSM-2020 and contrary to the above-cited judgments of the Superior Courts and the same is liable to be cancelled as already determined by the POI.
- xi. Since, second meter was found defective with vanished display during the POI checking dated 09.06.2022, therefore the Respondent is liable to be charged the detection bill for two months retrospectively prior to POI checking dated 09.06.2022 and the bills w.e.f POI checking dated 09.06.2022 and onwards till the replacement of the second meter on DEF-EST code, pursuant to Clause 4.3.2(b) of the CSM-2021. The impugned decision is liable to be modified to this extent.
10. In view of what has been stated above, we conclude that:
- i. First detection bill amounting to Rs.377,974/- for 14,200 units for the period from April 2020 to June 2020 and the second detection bill amounting to Rs. 3,681,191/- for 22,092 units for the period from May 2018 to December 2020 are unjustified being violative of Clause 4.3.2(b) of the CSM-2020 and the same are cancelled as already decided by the POI.
- ii. During first joint checking dated 09.02.2021 of POI, the first meter was found 38.35%, as such the Respondent may be charged the first detection bill for two months prior to date of first checking i.e. 01.07.2020 and the bills with enhanced MF w.e.f date of first checking i.e. 01.07.2020 and onwards till shifting of billing on second meter i.e. 09.02.2021 @ 38.35% slowness of the first meter.
- iii. Similarly, the bills w.e.f date of shifting of billing i.e. 09.02.2021 and onwards charged as per the reading of the second meter are justified and payable by the Respondent.



National Electric Power Regulatory Authority

- iv. Regarding the defectiveness observed in the second meter during second joint checking dated 09.06.2022 of POI, the Respondent may be charged the bills on DFE-EST code for two months retrospectively prior to POI checking dated 09.06.2022 and the bills w.e.f POI checking dated 09.06.2022 and onwards till the replacement of the second meter be revised on DEF-EST code, pursuant to Clause 4.3.2(b) of the CSM-2021.
- v. The billing account of the Respondent may be overhauled, accordingly.
11. The 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: 22-09-2026