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

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No. NEPRA/Appeal/164/2025/ 655

September 07, 2026

1. Haji Gulzar Ahmad,
   S/o. Haji Muhammad Ramzan,
   Prop: Roshan Lubricants,
   Situated at Bait Allah Abad,
   Gardezi Morh, Bahawalpur Road,
   Tehsil & District Multan
   Cell No. 0333-6101828
   0300-8855786

2. Chief Executive Officer,
   MEPCO Ltd,
   MEPCO Complex, Khanewal Road,
   Multan

3. Malik Muhammad Muzaffar Athangal,
   Advocate High Court,
   18-Block 'A', District Courts,
   Multan.
   Cell No. 0300-6323224

4. Executive Engineer (Operation),
   MEPCO Ltd,
   Mumtazabad Division,
   Qasim Pur Colony, Multan

5. Sub Divisional Officer (Op),
   MEPCO Ltd,
   Mumtazabad Sub Division,
   Qasim Pur Colony, Multan
   Cell No. 0319-9758753

6. POI/Electric Inspector,
   Multan Region,
   Energy Department, Govt. of Punjab,
   249-G, Shah Rukan-e-Alam Colony,
   Phase-II, Multan

Subject: **Appeal No.164/2025 (MEPCO Vs. Haji Gulzar Ahmad) Against the Decision Dated 15.09.2025 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 07.09.2026 (06 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

Before the Appellate Board

In the matter of

Appeal No.164/POI-2025

Multan Electric Power Company Limited ....Appellant

Versus

Haji Gulzar Ahmad, S/o. Haji Muhammad Ramzan,
Prop: Roshan Lubricants, Situated at Bait Allah Abad,
Gardezi Morh, Bahawalpur Road, Tehsil & District Multan ....Respondent

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

For the Appellant:
Malik Muhammad Muzaffar Athangal Advocate
Mr. M. Salman Saeed Addl. XEN

For the Respondent:
Haji Gulazar Ahmad
Mr. Faisal Madni

DECISION

1. Through this decision, the appeal filed by Multan Electric Power Company Limited (hereinafter referred to as the "Appellant") against the decision dated 15.09.2025 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 Haji Gulzar Ahmad (hereinafter referred to as the "Respondent") is an industrial consumer of the Appellant bearing Ref No.27-15121-0433001 having a sanctioned load of 155 kW, and the applicable tariff category is B-2(b). Metering equipment of the Respondent was initially checked on 16-03-2017 by the M&T team of the Appellant and reportedly, both meters were found showing "Erratic Behavior". M&T team of the Appellant again checked the metering equipment on 13-02-2018 and 27-12-2018 and reported the same erratic behavior of metering equipment. Finally, a check meter was installed by the M&T team of the Appellant on 08.03.2019 and subsequently the readings of check meter were compared with the impugned meters including the AMR billing meter on 22.03.2019, which confirmed 17.8% slowness of the AMR billing meter.

Resultantly, a detection bill (the "first detection bill") for the cost of 61,931 units for the period from 16.03.2017 to 22.03.2019 was served to the Respondent due to 17.8% slowness of the meter. Billing of the Respondent was shifted on the check meter by the Appellant on 22.03.2019, which was subsequently re-shifted on the impugned meter of the Respondent on 06.05.2021. During another checking dated 26.09.2022 of the Appellant, impugned billing meter of the Respondent was found 31.15% slow. Subsequently, Audit Party vide audit note No.171 dated 25.01.2023 pointed out that wrong MF was charged to the Respondent and recommended to charge the difference from May 2021 to September 2022 to account for 31.15% slowness of the meter. Resultantly, another detection bill (the "second detection bill") of Rs.405,033/- for 10,515 units for the period from May 2021 to September 2022 was charged to the Respondent on the basis of audit recommendation and added to the bill for February 2023.

3. Being aggrieved with the above actions of the Appellant, the Respondent filed a complaint before the POI and challenged both of the above detection bills and fixed charges added in February 2024. The POI vide decision dated 15.09.2025 cancelled the first detection bill of 61,931 units for the period from 16.03.2017 to 22.03.2019 charged @ 17.8% slowness of the meter and the second detection bill of Rs.405,033/- for 10,515 units charged on the basis of audit recommendation and directed the Appellant to debit the revised first detection bill of 4,921 units (off-peak=4451 +peak=470) and the second detection bill of 1047 units for August 2019 and September 2019 @ 31.15% slowness of the meter. As per POI decision, the Appellant was further directed to charge the bill of Rs.49,271/- debited on account fixed charges in February 2024 is declared justified.

4. Being dissatisfied, the Appellant has filed the instant appeal before NEPRA and assailed the decision dated 15.09.2025 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 POI has failed to observe the case in letter and spirit and the policy formulated in the Consumer Service Manual (the "CSM") and passed the impugned decision on surmises and conjectures; that the impugned meter was found 17.8% slow from 16.03.2017 to 22.03.2019 as compared with check meter, therefore first detection bill of 61,931 units was charged to the Respondent; that the second detection bill of Rs.405,033/- for 10,515 units was charged to the Respondent on account of wrong application of MF as recommended by the audit; that the POI has no lawful jurisdiction to adjudicate the instant matter as per various judgments of Supreme Court of Pakistan; that the POI did not apply judicious mind while deciding the matter; and that the

impugned decision is liable to be set aside.

5. Notice dated 01.12.2025 of the appeal was issued to the Respondent for filing reply/para-wise comment, which were filed on 24.12.2025. In the reply, the Respondent defended the impugned decision *inter alia,* on the main grounds that the POI has exclusive jurisdiction to adjudicate the instant matter, pursuant to the judgment of Honorable Supreme Court of Pakistan reported as *PLD 2012 SC 371;* that the POI has rightly revised the detection bills for two months as per Clause 4.3.3c(ii) of the CSM-2021; that the impugned decision is liable to be maintained.

6. Hearing of the appeal was conducted at NEPRA Regional Office Multan on 23.06.2026, wherein learned counsel along with an official appeared for the Appellant, whereas the Respondent appeared in person. Learned counsel for the Appellant contended that the billing meter of the Respondent was found 17.8% slow during first checking dated 22.03.2019 and % slow during second checking in the year 2022; therefore two detection bills i.e. first detection bill of 61,931 units and the second detection bill of Rs.405,033/- for 10,515 units were charged to the Respondent. Learned counsel for the Appellant argued that the POI did not consider the real aspects of the case and erroneously declared the above detection bills as null and void. Learned counsel for the Appellant prayed that the impugned decision is unjustified and liable to be struck down. On the contrary, the Respondent repudiated the version of the Appellant regarding charging the impugned detection bills, supported the impugned decision for revision of the same for two months, pursuant to Clause 4.3.3 of the CSM-2021 and prayed for upholding the same.

7. Having heard the arguments and record perused. 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, the Respondent's metering equipment was inspected by the Appellant's M&T team on 16.03.2017, 13.02.2018, and 27.12.2018, and on each occasion the billing meter was reported to be exhibiting erratic behavior. A check meter was installed by the Appellant on 08.03.2019, and its comparison with the impugned AMR billing meter on 22.03.2019 revealed 17.8% slowness. Consequently, the Appellant issued the first detection bill for 61,931 units covering the period from 16.03.2017 to 22.03.2019. Thereafter, billing was shifted to the check meter on 22.03.2019 and subsequently restored to the impugned meter on 06.05.2021.

iii. During subsequent inspection on 26.09.2022, the impugned billing meter was again found to be % slow. Audit Department vide Audit Note No. 171 dated 25.01.2023 pointed out the application of an incorrect Multiplication Factor (MF), therefore, the Appellant raised the second detection bill amounting to Rs.405,033/- for 10,515 units pertaining to the period from May 2021 to September 2022, and the same was debited to the Respondent's electricity bill for February 2023. Through the instant appeal, the Appellant disputed the impugned decision to the extent of first and second detection bill before the NEPRA.

iv. As regards the charging of first detection bill, the billing meter of the Respondent was found defective with erratic behavior on 16.03.2017, 13.02.2018 and 27.12.2018. However, the Appellant failed to replace the impugned meter. As per provisions of CSM-2010, the Appellants are under obligation to replace the defective meter within two billing cycles. Subsequently, the Appellants installed check meter in series with impugned meter of the Respondent on 08.03.2019 and impugned meter was found 17.8% slow during comparison on 22.03.2019. On the said date, billing was shifted on the check meter by the Appellant. This whole scenario indicates that the Appellant took twenty-four (24) months to replace the impugned meter with a healthy meter, which is violative of Clause 4.4 of the CSM-2010. The Appellant failed to provide any document i.e. checking reports, MCO, detection proforma and billing statement to substantiate their stance. Thus, the Respondent cannot be held responsible for payment of first detection bill of against 61,931 units due to negligence and in ordinate delay in replacement of the impugned meter on the part of the Appellant.

v. Therefore the first detection bill of Rs.1,045,518/- against 61,931 units for the period from 16.03.2017 to 22.03.2019 charged to the Respondent @ 17.8% slowness of the impugned meter is unjustified being violative of Clause 4.4(e) of the CSM-2010 (Clause 4.3.3c(ii) of the CSM-2021) and the same is liable to be cancelled.

vi. The Appellant may charge the revised first detection bill for two months prior to installation of a check meter i.e. 08.03.2019 and the bills with enhanced MF w.e.f date of installation of impugned meter and onwards till MCO dated 22.03.2019 @ 17.8% slowness as per Clause 4.4 of the CSM-2010 (Clause 4.3.3c of the CSM-2021). Impugned decision is liable to be modified to this extent.

vii. As regards the charging of second detection bill of Rs.405,033/-, it is observed that the Appellant again shifted the billing to the impugned meter on 06.05.2021. During subsequent inspection on

26.09.2022, the impugned billing meter was again found to be % slow. However the Appellant neither charged the detection bill nor enhanced MF. Later on, the Audit Department vide Audit Note No. 171 dated 25.01.2023 pointed out the application of wrong application of MF, therefore, the Appellant raised the second detection bill amounting to Rs.405,033/- for 10,515 units pertaining to the period from May 2021 to September 2022 to the Respondent's electricity bill for February 2023.

viii. It is an admitted fact that the impugned meter was initially 17.8% slow as to why the Appellant shifted the billing to the impugned meter, which raised the dispute between the parties. It is further observed that the Appellant debited the detection bill for seventeen months on account of 31.15% slowness of the impugned meter, which is violative of Clause 4.3.3c(ii) 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.

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.405,033/- for 10,515 units pertaining to the period from May 2021 to September 2022 charged to the Respondent is unjustified being inconsistent with Clause 4.3.3c(ii) of the CSM-2021 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. 31.15% slowness was observed in the impugned meter of the Respondent during checking dated 26.09.2022, therefore, it would be judicious to charge the revised second detection bill for six months retrospectively prior to the date of checking i.e. 26.09.2022, pursuant to Clause 12 of the clarification dated 26.03.2021 rendered in the revised CSM-2021 and the bills with enhanced MF w.e.f. date of checking i.e., 26.09.2022 and onwards till replacement of the impugned meter, pursuant to Clause 4.3.3c(ii) of the CSM-2021. The impugned decision is liable to be modified to this extent.

8. In view of what has been stated above, we conclude that:

i. First detection bill of Rs.1045518/- for 61,931 units for the period from 16.03.2017 to 22.03.2019 charged @ 17.8% slowness of the impugned meter and the second detection bill of Rs.405,033/- for 10,515 units pertaining to the period from May 2021 to September 2022 charged @ 31.15% slowness are unjustified being violative of Clause 4.4(e) of the CSM-2010 (Clause 4.3.3c(ii) of the CSM-2021) and the same are cancelled, which is also the determination of POI.

ii. The Respondent may be charged as under:

- First detection bill for two months prior to installation of check meter i.e. 08.03.2019 and the bills with enhanced MF w.e.f date of installation of impugned meter and onwards till MCO @ 17.8% slowness, pursuant to Clause 4.4 of the CSM-2010 (Clause 4.3.3c of the CSM-2021).
- Second detection bill for six months retrospectively prior to the date of checking i.e. 26.09.2022, pursuant to Clause 12 of the clarification dated 26.03.2021 rendered in the revised CSM-2021 and the bills with enhanced MF w.e.f. date of checking i.e., 26.09.2022 and onwards till replacement of the impugned meter @ 31.15% slowness, pursuant to Clause 4.4 of the CSM-2010 (Clause 4.3.3c of the CSM-2021).

iii. The billing account of the Respondent may be overhauled, accordingly.

9. 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: 07-09-2026