



**National Electric Power Regulatory Authority**  
**Islamic Republic of Pakistan**

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**OFFICE OF THE  
REGISTRAR**

No. NEPRA/R/D(CAD)/TCD.09/ 562-63

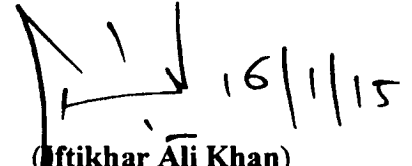
January 16, 2015

Chief Executive Officer  
K-Electric Limited  
KE House No. 39-B,  
Sunset Boulevard, Phase-II,  
DHA Karachi

**Subject: DECISION IN THE MATTER OF COMPLIANT FILED BY DIRECTOR,  
DREAMWORLD RESORT, HOTEL & GOLF COURSE UNDER SECTION 39  
OF THE REGULATION OF GENERATION, TRANSMISSION AND  
DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST K-ELECTRIC  
LIMITED REGARDING DELAY IN PROVISION OF CONNECTION  
Complaint # KE-371/2014**

Please find enclosed the decision of NEPRA in the subject matter for necessary action and compliance within thirty (30) days of receipt of this letter.

**Encl:/As above**

  
**(Jftikhar Ali Khan)**  
Deputy Registrar

Copy to:

Director,  
Dreamworld Resort, Hotel & Golf Course  
Head Office: Dreamworld Tower, 65-A.M. Strachen Road,  
Opp: Arts Council, Behind Sindh Assembly, Karachi



**BEFORE THE**  
**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY**  
**(NEPRA)**

Complaint No: KE-371/2014

**Director,** ..... **Complainant**  
Dreamworld Resort, Hotel & Golf Course,  
Head Office: Dreamworld Tower, 65-A.M. Strachen Road,  
Opp: Arts Council, Behind Sindh Assembly,  
Karachi.

**Versus**

**K-Electric Limited,** ..... **Respondent**  
(Formerly Karachi Electric Supply Company, KESC)  
KE House No.39-B,  
Sunset Boulevard Phase-II,  
Defense Housing Authority, Karachi.

**Date of Hearing:** September 5, 2014

**Date of Decision:** January 14, 2015

**On behalf of:**

**Complainant:** Syed Ali Mohiuddin, Company Secretary

**Respondent:** 1) Mr. M Aamir Ghaziani, Director  
2) Mr. Rafique Ahmed Sheikh, General Manager (Regulations)

**Subject:** **DECISION IN THE MATTER OF COMPLAINT FILED BY DIRECTOR, DREAMWORLD RESORT, HOTEL & GOLF COURSE UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST K-ELECTRIC LIMITED REGARDING DELAY IN PROVISION OF CONNECTION**

**DECISION**

1. This decision shall dispose of the complaint dated June 4, 2014 filed by Director, Dreamworld Resort, Hotel & Golf Course (hereinafter referred to as the "Complainant") under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (NEPRA Act) against K-Electric Limited (hereinafter referred to as the "Respondent" or "KE").

2. The Complainant in his complaint stated that they have been generating electricity for their use but due to increase in demand and continuous shortage of natural gas, they applied for new electricity connection of 200 kW load to KE in July 2012 which has still not been provided. The Complainant added that KE responded to them in June 2013 that their application cannot be implemented at this stage due to ongoing system augmentation and rehabilitation work. The Complainant prayed to resolve the issue at the earliest as it is difficult for them to run their business smoothly in current circumstances.
3. The matter was taken up with KE for submission of para-wise comments. In response, KE vide letter dated July 4, 2014 reported that the consumer conveyed to KE that 4 gas generators of 450 kVA, 2 diesel generators of 500 kVA & 320 kVA are installed for self generation and it only requires 200 kW load from KE system. KE further reported that currently it is unable to process any such application for new connections as the matter is currently subjudice and legal proceedings are ongoing in the Honorable Supreme Court and the Honorable High Court regarding Captive Power Producers. Moreover, KE requested that the subject complaint may be kept in abeyance until a definitive judicial pronouncement is made by the Honorable Supreme Court and Honorable High Court.
4. The matter was again taken up with KE vide letter dated July 18, 2014 and KE was informed that there is no order of the court which has restrained KE from providing connections to the consumers/captive power producers. KE was also directed to provide a copy of court order (if any) in this regard. In response, KE vide its letter dated August 04, 2014 submitted that under section 39 of the NEPRA Act, only an interested person may file a complaint with NEPRA. Since Dreamworld started its commercial operations around 10 years ago and has never been a consumer of KE, therefore, it lacks sufficient capacity to be treated as an interested person. The current complaint relates to Dreamworld's current requirement of an extra 200 kW from KE to supplement their existing power generation of more than 1 MW. In this regard from the existing legal cases pending at the Honourable Sindh High Court and the Honourable Supreme Court of Pakistan, KE has been pursuing a policy of only allowing connections/power to captive power producers who are willing to provide undertaking/indemnities that KE power will purely be used for primary use and not a secondary or standby use. Dreamworld's total requirement is 1.4 MW and the 200 kW being sought from KE is not sufficiently above the minimum 50% threshold so as to come within KE parameters which was set in line with the judgments of the Honourable Sindh High Court dated April 17, 2012 and September 5, 2012. KE supply would be used as standby and secondary source for fulfillment of energy requirements, and self generation would be used as the primary source.
5. To probe further into the matter, a hearing was held on September 05, 2014 at Karachi which was attended by both the parties. During the hearing, the Complainant stated that they require electricity connection for 200 kW load which will not be kept as standby rather

the same will be utilized on priority for their resort. Whereas KE representatives submitted that the Complainant will keep KE's connection as standby and such cases of captive power producer are subjudice before Sindh High Court. KE emphasized that the Complainant has to apply for full load as per their requirements and no partial load can be given to the Complainant. During the hearing, the parties requested that they may be given time for settlement of the issue amicably. Subsequent to the hearing, the Complainant vide letter dated September 15, 2014 approached KE and requested for sanction of 200 kW load. The Complainant further committed that they will be bound to use/consume 20000 units per month. In case of less consumption, they will pay for 20000 units per month to KE. KE vide its letter dated October 23, 2014 submitted that a meeting was held with the Dreamworld Resort, Hotel & Golf Course representatives on October 22, 2014 whereby their request for new connection was discussed in detail and it was informed that a connection can be provided to captive power producers who are willing to use KE power for primary use and not for standby use.

6. The case has been examined in detail in light of documents provided by both the parties, arguments advanced during the hearing and applicable law. The following has been observed:
- i) The issue pertains to non-provision of connection applied to KE by the Complainant for 200 kW load for meeting the electricity requirements. The Complainant has already self generation of about 1400 kW. The Complainant has also assured KE that they will utilize the connection of KE as 1<sup>st</sup> priority. Whereas KE is of the view that the Complainant must apply for full load as per their requirements and use KE's supply as 1<sup>st</sup> priority and the whole self generation capacity be kept as standby. Further, KE has informed that the issue of Captive Power Producers is subjudice before the Honorable Sindh High Court regarding underutilization of load.
  - ii) KE's view with respect to underutilization of sanctioned load by the Complainant cannot be raised at this stage i.e. prior to provision of connection. Underutilization of sanctioned load could be monitored by KE over a period of time after energization of connection. Moreover, the case before the Honorable Sindh High Court with respect to Captive Power Producers is different from the instant case, as in that case the supply of KE has been kept standby by the consumers but in this case the Complainant has assured to use the sanctioned load i.e. 200 kW of KE as 1<sup>st</sup> priority, therefore, the contentions of KE regarding underutilization has no relevance.
  - iii) As per provision of NEPRA Consumer Eligibility Criteria, 2003, any person shall have the right to be supplied with electric power by the licensee provided that the applicant moves an application along with supporting documents, deposits the charges for the proposed dedicated distribution system, the applicant's wiring installation, transformation and protected equipment downstream of the inter-

connection point has been tested and certified by an Electric Inspector, the licensee is satisfied with respect to the compliance of the technical and safety standards, the applicant has made payment of security deposit, no arrears of electricity bills are outstanding against the occupier/owner of the premises, and the applicant has not been guilty of committing an offence of stealing of electricity.

- iv) KE's version that, the Complainant has to apply for full load i.e. about 1400 kW and keep its self-generation on standby, is unjustified and has no merit. There is no restriction in the applicable law on the Complainant to obtain full load from KE and keep its self-generation on standby. Further in present scenario, usage of self generation by the Complainant is in the best interest of the country and KE as well. Moreover, the Complainant has ensured that the supply of KE i.e. 200 kW will be used as 1<sup>st</sup> priority and not as standby.
7. Foregoing in view, KE is hereby directed to provide the electricity connection of 200 kW to the Complainant as requested subject to fulfillment of all codal formalities.
8. Compliance report be submitted within thirty (30) days.

  
(Maj (R) Haroon Rashid)  
Member (Consumer Affairs)

Islamabad, January 14 , 2015