



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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6436-35

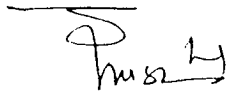
May 15, 2012

Chief Executive Officer
Karachi Electric Supply Company (KESC)
KESC House No 39-B
Sunset Boulevard Phase-II
Defence Housing Authority,
Karachi

Subject: Order in the Matter of Complaint Filed by Mr. Mohammad Ayub Shaikh under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 against KESC regarding Arrears in the Electricity Bill Amounting to Rs.113,835/- (AL-233992)
Complaint # KESC-20/2012

Please find enclosed herewith the Order of Acting Chairman/Member (Consumer Affairs/Tariff) on the subject matter for compliance within 30 days of the receipt of this Order.

Encl: As above


(Syed Safer Hussain)

Copy:

1. Mr. Amer Zia
Director (Strategy Planning and Compliance)
Karachi Electric Supply Company Ltd.
House No. 10-B, St. 65,
F-8/3, Islamabad.
2. Mr. Muhammad Auyub Shah
R/o Bungalow No. 6
GOR Bath Island,
Karachi.



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BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA

Complaint No. KESC-20-2012

Mr. Mohammad Ayub Shaikh

Complainant

Versus

Karachi Electric Supply Company Ltd

Respondent

Date of Decision: May 14, 2012

Subject: IN THE MATTER OF COMPLAINT FILED BY MR MUIAMMAD AYUB SHAIKH UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST KESC REGARDING ARREARS IN THE ELECTRICITY BILL AMOUNTING TO RS 1,13,835/- (AL-233992)

ORDER

1. This order shall dispose of the complaint dated January 16, 2012 filed by Mr. Muhammad Ayub Shaikh R/o Bungalow No. 6, GOR, Bath Island, Karachi (hereinafter referred to as "Complainant") against Karachi Electric Supply Company (hereinafter referred to as "Respondent" or "KESC").
2. Precisely, the case of complainant is that in the billing month of Sep 2009 arrears of Rs. 38,519/- were shown despite the fact that all previous bills were paid by him. Upon enquiry he was informed by KESC that those arrears pertain to several years back when the bungalow was occupied by someone else. However, he paid the bill reluctantly. In the billing month of January 2012, arrears amounting to Rs. 113,835/- have been shown despite payment of monthly bills regularly. Upon enquiry, he was informed by KESC that the new meter was installed 9 months ago i.e. in April 2011 and the old meter was tested and found slow. The complainant further informed that the meter was changed without any prior notice. The new meter is fast and he has been paying bills with an average of Rs. 25,000/- to Rs. 30,000/- per month since the installation of the new meter. The arrears shown by KESC are unwarranted and cause of severe distress and such arbitrary actions of KESC without due notice or reasons are clear violation of Electricity Act/ NEPRA Act. The complainant prayed to rectify the bill.
3. To proceed with the matter, the complaint was referred to the KESC for a detailed report. KESC in response reported that the meter of the complainant was replaced on 05.01.2011

(Signature)

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against the faulty meter report (FMR) issued on 25-01-2011. As per meter lab testing report the discrepancies found in the meter were cover seal pressed by pliers, security slip missing, meter opened and shunt on all phases inside the meter. A significant increase in consumption pattern was noticed after replacement of the meter. A notice dated 16-11-2011 under section 39, 39A, 44 and 26A of Electricity Act 1910 was served to the complainant which was acknowledged by his representative named Mr. Ather. Accordingly a detection bill of 7438 units amounting to Rs.113,838/- for the period of 3 months (Feb-11 to Apr-11) was processed against the complainant to recover the loss of energy caused to KESFC due to shunt found on all phases of meter. Regarding arrears of Rs.38,519/- billed to the complainant, KESFC informed that the said arrears relate to the period prior to year 2000 which pertain to the premises of the complainant. In case of a new occupant of a premises against which some arrears are accumulated, it is the responsibility of new occupant to get NOC from all concerned departments regarding clarification of dues before buying/occupying the premises.

4. The report of KESFC was analyzed and the matter was again taken up with KESFC for submission of clarification on some queries w.r.t discrepancy in the meter, meter replacement, meter testing, issuance of notice, dealing of case in light of Consumer Service Manual, billing history and break up of detection bill which were submitted by KESFC vide its letter dated 21-02-2012 and it was informed by KESFC that the removed meter was checked by the meter department and after getting report from the meter department the complainant was informed accordingly and a notice under section 39, 39A, 44 & 26A dated 16-11-2011 was served to the complainant but he did not submit any reply against the notice. Further, it is not practically possible to call every consumer at the time of meter testing; however, if any consumer shows his intention that meter should be checked in his presence then arrangements are made and the consumers are informed accordingly. The detection bill was prepared for the period of three (3) months, after completing all the legal requirements, in accordance with the provision of Consumer Service Manual. KESFC could not provide documentary evidence w.r.t following the procedure laid down in Consumer Service Manual for establishing illegal abstraction of electricity. The matter was further pursued with KESFC and also updated billing data of the complainant was obtained from KESFC.
5. As per the procedure laid down in Consumer Service Manual regarding establishing illegal abstraction of electricity by the consumers, there is requirement of securing the existing meter in presence of the consumer or his representative, installation of check meter, involving local representatives, issuance of notice and examining the reply of the consumer. Once illegal abstraction is confirmed, then detection bill is to be restricted to three billing cycles and up to six months with the approval of CEO or his authorized committee. The documents provided by KESFC do not establish that the procedure laid down in the CSM for establishing illegal abstraction of electricity has been followed. It is also not established that the complainant was involved in illegal abstraction of energy. The following discrepancies on part of KESFC have also been observed:
 - i) The meter of the complainant was replaced on 5-04-2011 against Faulty Meter Report (FMR) dated 25-01-2011 i.e. after lapse of about two months and 10 days. If the meter was found faulty, KESFC should have replaced it soon after its detection.
 - ii) A notice regarding discrepancies in the meter was served to the complainant on 16-11-2011 i.e. after lapse of about seven months of the replacement of meter. If there was any discrepancy in the meter, it should have been pointed out by KESFC to the complainant in time i.e. on 25-01-2011 or 05-4-2011 at the time meter found faulty and replacement of the meter respectively but the same was not done from which it may be construed that nothing was wrong with the meter.
6. Since KESFC did not replace the meter as per CSM, therefore the detection bill cannot be based on the previous meter rather quantum of units consumed by the complainant could be ascertained on the basis of new installed meter. KESFC assessed the consumption of the

Islamabad, May 14, 2012

Member (Consumer Affairs/Tarif)

Ghiasuddin Ahmed

Forgoing in view, the difference of units i.e. 3233-977=2256 units are recoverable from the complainant for the months of February, March and April 2011 on the basis of consumption recorded in the corresponding months of 2012 instead of 7438 units. KESC is directed to revise the detection bill issued to the complainant for 2256 units instead of 7438 units as already charged. The complaint is disposed of accordingly.

S No	Months	Units consumed (New Meter)	Months	Units consumed (Old Meter)	Difference of units
1	February	885	February	377	508
2	March	934	March	441	493
3	April	1414	April	159	1255
	Total	3233	Total	977	2256

complainant as 8115 units for the months of February, March and April 2011 and issued a detection bill for 7438 units for 3 months after deducting already charged 977 units (8115 - 977 = 7438 units) which is on the higher side. The consumption pattern of the consumer has been observed as under:

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