



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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Registrar

No. TCD 09/

3725-27

2/2

April 16, 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 Riaz under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 against KESC.

Please find enclosed herewith the Order of Vice Chairman/Member (Consumer Affairs/Tariff) on the subject matter for necessary action and submission of compliance report within 30 days of the receipt of this letter.

Encl: As above

(Syed Safer Hussain)

Copy:

1. Assistant Registrar (Writ) [for information w.r.t. C.P. No. D-4028/2011]
Sindh High Court,
Karachi
2. Mr. Muhammad Riaz
R/o A/197, Block-13 C,
Gulshan-e-Iqbal, Karachi



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No: KESC-269-2011

Mr. Mohammad Riaz Complainant

Versus

Karachi Electric Supply Company Respondent

Date of Hearing: March 08, 2012

Date of Decision: April 11, 2012

On behalf of:

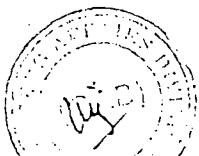
Complainant: 1) Mr. Mohammad Riaz
2) Mr. Sami Ahsan (Advocate/Counsel)

Respondent: 1) Mr. Amer Zia, Director KESC
2) Mr. Rafique Shaikh, DGM KESC

Subject: IN THE MATTER OF COMPLAINT FILED BY MR MOHAMMAD RIAZ
UNDER SECTION 39 OF THE REGULATION OF GENERATION,
TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997
AGAINST KESC

ORDER

1. This Order shall dispose of the complaint dated 22-09-2011 of Mr. Mohammad Riaz, a consumer of KESC, (hereinafter referred to as 'the Complainant') against Karachi Electric Supply Company (hereinafter referred to as Respondent/KESC) filed with NEPRA under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.



The brief facts of the case are that the complainant in his complaint stated that he is the owner of residential house situated at A/197, Block-13C, Gulshan-e-Iqbal Karachi and at the time of purchase of the premises in 1993, the electricity facility was available at the said premises with sanctioned load of 47 kW. In 2007, he, after demolishing the house, constructed residential building with six independent flats, six shops and one for motor and one extra for pent house and requested KESC for dividing the already sanctioned load into 14 new meter connections and submitted application/demand note accordingly but KESC asked him to apply for fresh connections and refused to give connection quickly for the reason that the connection will be supplied on its turn. In 2010, KESC asked him to deposit Rs. 5,43,632/- for processing his request containing Rs. 4,84,729.48/-, Rs.35, 222/- and Rs. 13,600/- as service charges, GST and security deposit of 14 connections respectively. KESC asked him to hire services of the electrician sitting out side the office of KESC who will inspect the building wiring and will also submit his report to KESC and further, he was asked to pay Rs. 25000 to the electrician. The complainant contended that electricity meter is installed out side the premises and it is the sole responsibility of KESC to protect the Meter. On 9-6-2010 he was served with a notice under section 39,39A, 44 and 26 A of the Electricity Act 1910 that shunt found in the meter. On 11-6-2010 another notice was served under section 39,39A, 44 and 26 A of the Electricity Act 1910 that shunt in the red phase for which he submitted reply to KESC. The complainant also stated that there were arrears of Rs.1,00,141.09/- for four months bills which he is paying in installments @ Rs.7000/- per month along with the current bills which need correction as the NEPRA has withdrawn tariff increase of 70% and only allowed 30 % increase. KESC changed the electricity meter in June 2010 after serving a notice and at the time of removal of the meter neither the applicant was called nor any witness. KESC sent bill on ASSD mode for 5000 units amounting to Rs.67,074.45/- for the month of June 2010 whereas his average consumption range is between 2000 to 3000 units in this month. KESC instead of correcting the bill has added the amount in the already arrear bill and has made it to Rs.4,11,000/- up to September 2011. On 6-9-2011, he requested KESC to correct the bill for the month of June 2010 but KESC instead of correcting the bill, issued another notice under section 39,39A, 44 and 26 A of the Electricity Act 1910 that hole found in the meter. KESC again unilaterally replaced the electricity meter on 17-09-2011. KESC has not provided any copy of OEM (Original Manufacturer Certificate) of the Electric Meter installed at his premises. KESC also failed to install Anti Theft Boxes and also KESC has not provided the laboratory test report. The complainant prayed that KESC be directed to install 14 new meters against the already sanctioned load of 47 kW and refund Rs. 5,43,632.48/- to the applicant which have been paid to KESC as connections charges. He further prayed that the premises be checked through Electric Inspector for wiring & load and KESC be directed to provide copy of original manufactured certificate/ conformity certificate of the meter installed on 17-9-2011 and KESC be directed to install anti theft box to protect the meter. The complainant further prayed to direct KESC to correct the bill since 2009 by deleting 40% as arrear because NEPRA only allowed 30 % increase and not 70 % increase, and further correct the bill issued for 5000 units during June 2010 as his average consumption is between 2000 to 3000 units in this month. The consumer not to be penalized in future in any manner and the electricity not to be disconnected and current bills be charged until true determination of the bills. KESC be directed to follow the provisions of Consumer Service Manual.

3. After initial scrutiny of the complaint, the Consumer Affairs Division (CAD) NEPRA referred the complaint to the KESC for a detailed report. KESC in response stated that the connection was billed on the basis of discrepancy found in the meter during site inspection. A site inspection was

Demand notice was paid by him under coercion as he had already sold all the apartments/shops and was responsible to provide electricity to them. The demand of KESC for payment of the demand notice by the complainant is illegal as all the material belongs to KESC for which KESC has received payment from the complainant.

8. KESC's representatives during the hearing reiterated their previous written submission filed in the form of parawise comments on the complaint. They further argued that the complainant has constructed a new building after demolishing the old one, so now the scenario, system, occupants, load, nature of connection etc have been changed. KESC issued demand notice to the complainant for payment of dedicated distribution system as per the provisions of Consumer Eligibility Criteria, 2003. KESC has installed all the material for which KESC has received payment from the complainant in order to avoid escalation in price of material at any later stage, however, payment of balance amount of Rs.1,19,696/- for additional material is still awaited from the complainant. The complainant is involved in theft of electricity through direct connection.
9. The complainant denied receipt of any notice and his involvement in theft of electricity and blamed that KESC has allowed direct connections to the shopkeepers of the building and also detection bills have been issued by KESC to them.
10. From the above, it is transpired that the complainant has constructed a new building after demolition of old one and sold out the apartments to individual owners. The complainant is a sponsor and as per the provisions of Consumer Eligibility Criteria, 2003, he is required to deposit the cost of the dedicated distribution system. Therefore, the demand of the complainant for refund of amount of Rs.5,43,632.48 paid for provision of electricity connections is not justified. Moreover, the difference of cost amounting to Rs.1,19,696/- on account of additional material is also to be paid by the complainant. The complainant could not prove payment of Rs.25000/- to any official of the KESC for checking of wiring. The complainant also failed to provide any documentary evidence regarding application of wrong tariff by KESC. From the documents presented, it is revealed that a detection bill amounting to Rs.100,039/- of 7921 units for a period of 12 months i.e. 08.06.2009 to 07.06.2010 has been charged to the complainant by KESC which is not according to the provisions of CSM wherein the detection bill for general supply consumers is restricted to three billing cycles which can be raised up to six months after following a specified procedure. KESC has not observed the procedure laid down in CSM in letter and spirit. KESC once again issued a detection bill of Rs.169,781/- for 10407 units for a period of about 8 months i.e. from 08-03-2011 to 31-10-2011 on account of hole in the meter of the complainant without observing provisions laid down in CSM in totality. According to KESC, the notices were issued to the complainant but the complainant denied the receipt of notice whereas the perusal of his complaint and documents provided by KESC, it is observed that the notices regarding theft of electricity were issued by KESC and the same were received by Mr. Shaukat Ali (watchman) and Mr. Muhammad Khalid. The quantum of the two detection bills is on the higher side and needs to be restricted to three billing cycles, as provided in CSM.
11. In view of the foregoing, it is decided that:
 - i) The capital cost and security deposit paid by the complainant amounting to Rs.5,43,632.48 for provision of 14 new connections and supplementary demand of Rs.1,19,696/- by



KIESC for the additional material are justified. KIESC shall provide 14 connections to the applicant after realization of the balance amount and completion of other formalities.

ii) The detection bills charged by KIESC for the period of more than three billing cycles shall be revised to three billing cycles as follows:

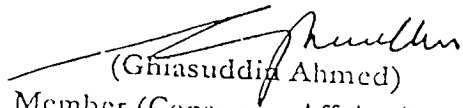
a) First Detection Bill = $(7921/12) \times 3 = 1980$ units

b) Second Detection Bill = $(10407/8) \times 3 = 3903$ units

iii) The request of the complainant regarding installation of Anti Theft Box (ATB) be considered and the meters be secured through ATBs if the complainant bears the cost of the same. Also a copy of the meter specifications be provided to the complainant as requested.

12. Compliance report shall be submitted within 30 days of the receipt of this order.

Islamabad, April 11, 2012


(Ghiasuddin Ahmed)
Member (Consumer Affairs/Tariff)

