



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/TCD-09/515-47

21-1-2013

Chief Executive Officer
Karachi Electric Supply Company Ltd. (KESC)
Punjab Chowrang, KESC House,
39 - B, Sunset Boulevard, Phase-II
Defence Housing Authority
Karachi.

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MR. SUMAIR MUFTI UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST KESC REGARDING DETECTION BILL (CONSUMER # AL-099450)**
Complaint # KESC-146-2012

Please find enclosed the decision of Member (Consumer Affairs) regarding the subject matter for necessary action and compliance within 30 days of the receipt of this decision.

— S1 —
(Syed Safer Hussain)

Copy to:-

1. Syed Muhammad Taha
Director Distribution Strategy
Karachi Electric Supply Company (KESC)
2nd Floor, KESC House No. 39-B
Sunset Boulevard Phase-II
Defence Housing Authority, Karachi.
2. Mr. Sumair Mufti
A-50, Block-9, F.B. Area, Dastagir
Near Muqa Chowk, Karachi.

No. NEPRA/R/TCD-09/548

21-1-2013

For information, please.


Registrar

Director (CAD)

Master File [w.r.t. D (CAD) D# 87 dated 18.1.2013].

CC:-

1. Chairman
2. Member (Licensing)



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

Complaint No. KESC-146-2012

Mr. Sumair Mufti **Complainant**
A-50, Block-9, F.B. Area, Dastagir
Near Muqa Chowk, Karachi.

Versus

Karachi Electric Supply Company Ltd. **Respondent**
KESC House No 39-B,
Sunset Boulevard Phase-II,
Defence Housing Authority, Karachi.

Date of Decision: January 17, 2013

Date of Hearings: August 16, 2012

On behalf of:

Complainant: None

Respondent: Mr. Amir Zia, Director (Strategy, Planning & Compliances)

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MR. SUMAIR MUFTI UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST KESC REGARDING DETECTION BILL. (CONSUMER NO.AL-099450)**

Decision


1. This decision shall dispose of the complaint dated May 4, 2012 of Mr. Sumair Mufti, A-50, Block-9, F.B. Area, Dastagir, Near Muqa Chowk, Karachi (hereinafter referred to as "the Complainant") against Karachi Electric Supply Company (hereinafter referred to as "the Respondent" or "KESC") filed before NEPRA under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
2. As per the Complainant, he received electricity bill for the month of March, 2012 of Rs.2,253/- with arrears of Rs.59,463/- whereas the meter is still running and he did not receive any notice from KESC. On approaching KESC he was informed that the bill includes IRB (irregular bill) from July, 2011 to December, 2011 which is charged due to faulty meter. As per NEPRA Rules, detection bills can be charged upto 3 months whereas KESC has charged him detection bill for 6 months which is unjustified.
3. Comments of KESC were sought and in response, KESC vide its letter dated June 8, 2012 reported that a site inspection was carried out at the premises of the Complainant on March 22, 2012 after serving the

inspection notice. As per site inspection report (SIR), iron particles found in meter with scratches on the meter body and the meter accuracy found doubtful. Therefore, a Notice under section 39, 39A, 44 and 26A of Electricity Act, 1910 dated March 22, 2012 was served upon the consumer. Further, the meter was checked through Meter Testing Van (MTV) on March 24, 2012 and as per MTV report, scratches were found at the lower side of the disk, hence Faulty Meter Report (FMR) was issued. Consequently, a detection bill of 5622 units amounting to Rs.59,463/- was processed on the basis of connected load after adjusting already charged units, covering the period of 6 months from November 2, 2010 to May 3, 2011. The consumer was involved in illegal abstraction of electricity and the detection bill charged against the Complainant is justified and liable to be paid by the consumer.

4. The report of KESC was sent to the Complainant on June 21, 2012 for his information / rejoinder. In response, the Complainant made observations on the report of KESC and reiterated his earlier version and further submitted that KESC has not followed the procedure for establishing illegal abstraction of electricity as given in Consumer Service Manual.
5. To probe further into the matter, hearing was held on August 16, 2012 at NEPRA which was attended by KESC only. Pursuant to the hearing, KESC was directed vide letter dated September 10, 2012 to reinvestigate the matter through a neutral officer and submit report. In response, KESC vide its letter dated October 8, 2012 submitted report reiterating its earlier version and further informed that an inspection was carried out by regional surveillance department which is completely a neutral department within KESC investigating theft cases independently. In order to arrive at a prudent decision, some more information regarding billing data, detail of detection bill and issuance of notices was sought from KESC which was submitted by KESC vide letter dated November 12, 2012.
6. The case has been examined in the light of documents provided by both the parties and applicable rules. A procedure is laid down in Consumer Service Manual (CSM) regarding establishing illegal abstraction of electricity by the consumers which provides securing the existing meter in presence of the consumer or his/her representative, installation of check meter, involving local representative, issuance of notice and examining the reply of the consumer. Once illegal abstraction is established, then detection bills restricted to three billing cycles and maximum up to six months with the approval of CEO or his authorized committee is to be served to the consumer. In such case, action is also required to be taken against the officer incharge for not being vigilant enough in prevention of theft. Site inspection was carried out on March 22, 2012 and as per report of KESC iron particles were found in the meter with scratches on meter body. KESC assessed the consumption of the Complainant as 5622 units during the period from June 01, 2011 to December 01, 2011. During this period 1179 units were already billed as per routine therefore remaining (5622-1179 =) 4443 units were raised as detection bill for this period i.e. June 01, 2011 to December 01, 2011. The meter of the Complainant was replaced in May 2012. Billing data of the Complainant shows that the consumption of the Complainant after replacement of the meter has considerably increased. There is justification in charging of detection bill by KESC but the quantum of units charged by KESC i.e. 4443 units for 6 months is on the higher side. The documents provided by KESC do not establish that the procedure laid down in the CSM for establishing illegal abstraction of electricity has been followed by it completely.
7. Foregoing in view, KESC is directed to revise the detection bill from 6 months to 3 months as per the following formula:

$$\begin{aligned} \text{Detection bill (Units)} &= \frac{\text{Total units assessed for detection bill} - \text{Units already charged}}{\text{Number of months charged i.e. 6}} \times 3 \\ \text{to be revised} &= \frac{5622 \text{ units} - 1179 \text{ units}}{6 \text{ months}} \times 3 \text{ months} = \frac{4443 \times 3}{6} = 2222 \text{ units} \end{aligned}$$

8. Revised detection bill for 2222 units be served to the Complainant for payment.


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

Islamabad, January 17, 2013