



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

**Registrar**

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No. NEPRA/R/TCD-09/ 8455-57

2-7-2013

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

Subject: Decision of Member (Consumer Affairs) In The Matter of Complaint Filed By Mr. Zulfiqar Ali under Section 39 of The Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 Against KESC Regarding Excessive Billing (Consumer #LA437746)  
Complaint # KESC.440-2012

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.

  
(Syed Safer Hussain)

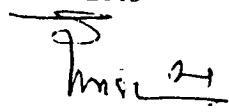
Copy to:

1. Syed Muhammad Taha, Director Distribution Strategy, Karachi Electric Supply Company Ltd. (KESC), KESC House, Punjab Chowrangi, , 39 - B, Sunset Boulevard, Phase-II, Defence Housing Authority, Karachi.
2. Mr. Zulfiqar Ali, MC-743/B, Green Town, Karachi.

No. NEPRA/R/TCD-09/ 8458

Forwarded for information and necessary action, please.

2013

  
Registrar

1. Director (CAD)
2. Master File [w.r.t. M (CA) D#1333 dated 21.06.2013]

CC:

1. Vice Chairman / Member (Tariff)
2. Member (M&E)
3. Member (C.A)

Consumers Affairs Division  
By: 5562  
Dated: 04/07/13



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

Complaint No: KESC-440-2012

Mr. Zulfiqar Ali  
MC-743/B, Green Town  
Karachi.

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Complainant

Versus

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

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Respondent

Date of Decision: June 25, 2013

Date of Hearing: April 8, 2013

On behalf of:

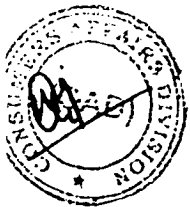
Complainant: i) Mr. Zulfiqar Ali

Respondent: i) Mr. Rafique Ahmed Sheikh, General Manager (Regulatory Affairs), KESC  
ii) Mr. Zulfiqar H. Anwar, Deputy General Manager (CA), KESC

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MR. ZULFIQAR ALI UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST KESC REGARDING EXCESSIVE BILLING (CONSUMER # LA437746)**

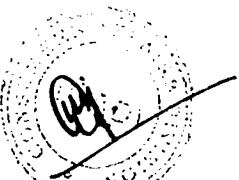
**DECISION**

1. This decision shall dispose off the complaint dated nil filed under section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 by Mr. Zulfiqar Ali, MC-743/B Green Town, Karachi (hereinafter referred to as the "Complainant") against Karachi Electric Supply Company (hereinafter referred to as the "Respondent" or "KESC").



2. Precisely, the Complainant in the complaint stated that his school was established in the year 2000 and accordingly electricity connection was installed. The meter was changed in 2003 and also shifted outside the school. The meter was again changed in 2007. The meter was changed third time in April 2012 and also excessive bill amounting to Rs.72,286/- was served by KESC. Feeling aggrieved, the Complainant approached Wafaqi Mohtasib; and after 6 months, KESC submitted reply that Wafaqi Mohtasib has no jurisdiction to entertain complaints against KESC. The Complainant further stated that domestic tariff is applied on private schools in all over the country but in contrary; KESC is charging commercial tariff on private schools. The Complainant requested for redressal of his grievances.
3. Upon inquiry, KESC vide its letter dated December 18, 2012 reported that a site inspection was carried out at the premises of the Complainant after serving inspection notice dated April 3, 2012 which the Complainant, refused to sign. As per the site inspection report dated April 3, 2012; meter terminal strip was found opened & damaged and extra phase was also found and the connected load was noted as 21.503 kW. Therefore, a notice under section 39, 39-A, 44 and 26-A dated April 5, 2012 was served upon the Complainant, however, the response from the consumer was not received within the stipulated time period. Consequently, a supplementary bill of 4200 units covering a period of six months from October 20, 2011 to April 19, 2012 amounting to Rs.72,300/- was processed. The said meter was changed on April 5, 2012. KESC further informed that the sanctioned load is 5 kW whereas the connected load was found as 21.503 kW which needs to be regularized and the consumer will be issued notice for illegal extension of load and necessary action will be taken as per the provisions of Consumer Service Manual (CSM) if the consumer fails to restrain the load within sanctioned load. KESC further informed that the Complainant has also filed a complaint before Wafaqi Mohtasib. The Complainant was involved in illegal abstraction of electricity, therefore, the supplementary bill charged is justified and liable to be paid by the Complainant.
4. The report of KESC was sent to the Complainant for his information and comments. In response, the Complainant vide his letter dated January 3, 2013 raised his observations on the report of KESC and stated that the meter is installed outside the premises and any discrepancy in the meter is responsibility of KESC. Moreover, the assessment of 21.503 kW load is baseless and their load is not more than 5kW as a 7 kVA generator installed in the school can bear the load of the school. The Complainant further stated that he replied the notice of KESC within the stipulated time. It was also informed by the Complainant that he filed his complaint with Wafaqi Mohtasib but the same was not entertained by the Wafaqi Mohtasib in light of decision of Supreme Court of Pakistan that Wafaqi Mohtasib has no jurisdiction to entertain complaints against KESC.
5. The case was again taken up with KESC in light of rejoinder of the Complainant and KESC was directed to investigate the matter through a neutral officer and also associate the Complainant in the proceedings and submit report. In response, KESC vide its letter dated February 7, 2013 reported that the case was re-investigated by GM Coordination and Project. The Complainant was requested to attend the meeting but he refused on the grounds to first withdraw the detection bill. The fresh survey indicated the chances of

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“meter terminal strip open and damage, joint before incoming”. The report of Meter department shows remarks as “Meter Strip Damage” which reflects meter tampering. The consumption has increased after meter change in April 2012 as compared to the same months in 2011. As such, the detection bill charged is justified and payable by the Complainant. This report of KESC was also communicated to the Complainant and again the Complainant raised his observations on the report of KESC.

6. To probe further into the matter, it was decided to hold a hearing. Accordingly, the hearing was held on April 8, 2013 at Karachi which was attended by both the parties. The parties argued their case on the basis of their earlier versions. Subsequent to the hearing, some information was sought from KESC regarding billing statement, detection bill proforma, copy of Meter Change Order (MCO) and month-wise MDI of the connection after replacement of meter; which KESC submitted vide its letters dated April 16, 2013 and April 29, 2013. The Complainant also submitted an affidavit on a stamp paper stating that his complaint is not pending before any other forum except NEPRA. With regard to tariff category of the connection, KESC vide its letter dated May 23, 2013 informed that as per NEPRA approved tariff, A-1 tariff is required to be charged to a “registered educational institute” whereas in the instant case, the Complainant never informed KESC about having a registered school at the said premises. However, the tariff shall be converted to A-1 tariff, if the Complainant provides the certificate of registered school from Government of Sindh.

7. The case has been examined in detail in light of documents provided by both the parties and arguments advanced during the hearing. The following has been concluded:

i) KESC is of the view that the Complainant was involved in illegal abstraction of electricity through using extra phase and meter terminal strip was found opened and damaged. KESC assessed the consumption of the Complainant for the said period i.e. November 2011 to April 2012 as 6545 units on the basis of consumption of winter and summer and after deducting already charged 2345 units, a detection bill for 4200 units amounting to Rs.72,286/- was issued.

ii) As per provisions of Consumer Service Manual (CSM), there is a procedure for establishing illegal abstraction of electricity which provides for 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 bills are to be restricted to three billing cycles for general supply consumers and maximum up to six months with the approval of CEO / authorized committee and in such case action is also required to be initiated by the DISCO against the officer incharge for not being vigilant enough. It has not been established from the record that KESC has followed the procedure laid down in CSM for establishing illegal abstraction of electricity by the Complainant.

iii) The meter of the Complainant was changed on April 5, 2012. The consumption of the Complainant from November 2011 to April 2012 (period for which KESC has charged detection bill) is 2345 units



and for the corresponding months of previous year, the consumption is 2405 units. The consumption of the Complainant for six months after replacement of meter i.e. May 2012 to October 2012 is 3180 units whereas the consumption for corresponding months of the previous year i.e. May 2011 to October 2011 is 2990 units. There is minor change in the consumption pattern of the Complainant.

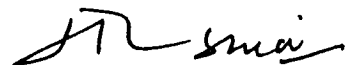
- iv) KESC is of the view that the Complainant extended his load to 21.503 kW against sanctioned load of 5 kW. If this was the case then KESC should have taken action and issued notice to the Complainant as per the provisions of CSM but there is no such action or notice by KESC on the record. The MDI reading provided by KESC recorded on the healthy meter during the months of November 2012, February 2013 and April 2013 is between 3.11 kW to 7.36 kW which shows that maximum load demand of the Complainant is 7.36 kW.
- v) As per the letter of KESC dated February 7, 2013 wherein it has been stated that "the fresh survey indicated the chances of meter terminal strip open and damage, joint before incoming". From the contents of the said letter it transpires that KESC officials were not sure about the meter tampering.
- vi) As per tariff terms and conditions, A-I tariff category is applicable on registered educational institutions. The Complainant has stated that A-2 (commercial tariff) is being charged to his educational institute instead of A-I category which is required to be rectified.

8. Foregoing in view, KESC is directed to:

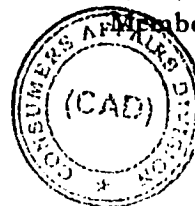
- i) Revise the detection bill charged to the Complainant for 3 months as per the following formula:

$$\begin{aligned} \text{Units to be charged as detection bill} &= \frac{\text{detection unit already charged} \times 3 \text{ months}}{6 \text{ months}} \\ &= \frac{4200 \times 3}{6} = 2100 \text{ units.} \end{aligned}$$

- ii) Change tariff category of the Complainant's connection from A-2 to A-1 with immediate effect subject to fulfillment of all the codal formalities.
- iii) Issue notice to the Complainant for regularization of load as per the rules within 30 days.
- iv) Submit compliance report within 30 days.



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



Islamabad, June 25, 2013