



Before the Appellate Board
National Electric Power Regulatory Authority
(NEPRA)
Islamic Republic of Pakistan

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No. NEPRA/AB/Appeal-085/POI-2015/ 1143-1147

December 09, 2015

1. Muhammad Arif
Survey No. 89,
Plot No. 7/15, Golden Town,
Malir, Karachi
2. The Chief Executive Officer
K-Electric,
KE House, 39-B,
Sunset Boulevard, DHA-II,
Karachi
3. Rafique Ahmed Shaikh,
General Manager (Regulations),
K-Electric, KE House, 39-B,
Sunset Boulevard, DHA-II, Karachi
4. Ms. Tatheera Fatima
Deputy General Manager,
K-Electric Ltd,
3rd floor, KE Block,
Civic Centre, Gulshan-e-Iqbal,
Karachi
5. The Electric Inspector
Karachi Region-I,
Block No. 51, Pak Secretariat,
Shahra-e-Iraq, Saddar,
Karachi.

Subject: Appeal Titled K-Electric Ltd Vs. Muhammad Arif Against the Decision Dated 29.06.2015 of the Electric Inspector/POI to Government of the Sindh Karachi Region-I, Karachi

Please find enclosed herewith the decision of the Appellate Board dated 08.12.2015, regarding the subject matter, for information and necessary action accordingly.

Encl: As Above

(M. Qamar Uz Zaman)

No. NEPRA/AB/Appeal-085/POI-2015/ 1148

December 09, 2015

Forwarded for information please.

1. Registrar
2. Director (CAD)

CC:

1. Vice Chairman/Member (CA)

Member Appellate Board

Registrar	13021
By No.....	
Dated.....	14-12-15



National Electric Power Regulatory Authority

Before Appellate Board

In the matter of

Appeal No. NEPRA/Appeal-085/POI-2015

K-Electric Ltd

.....Appellant

Versus

Muhammad Arif, Survey No.89, Plot No. 7/15, Golden Town, Karachi.

.....Respondent

For the appellant:

Mr. Rafique Ahmed Shaikh General Manager
Mr. Mujib ur Rehman Assistant Manager

For the respondent:

Mr. Muhammad Arif

DECISION

1. Through this decision, an appeal filed by K-Electric (hereinafter referred to as KE) against the decision dated 29.06.2015 of Provincial Office of Inspection (POI) is being disposed of.
2. As per facts of the case, the respondent is a domestic consumer of KE bearing Ref No. AL-281018 with a sanctioned load of 2 kW under A1-R tariff.
3. The site inspection of the respondent's premises was carried out by the KE on 29.05.2013 and reportedly the meter was found slow and the load connected at site was found to be 4.742 kW. The meter of the respondent was again checked on 12.06.2013 by KE meter testing van and it was found dead slow due to the shunt installed in the meter terminal. A detection bill of Rs.35,361/-

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was issued by KE to the respondent for 2,743 units for the period 11.01.2013 to 13.05.2013. The respondent was again issued a bill of Rs.61,942/- in July 2013 which contained the arrears amounting of Rs.25,822/- and a supplementary bill of Rs.36,120/-.

4. The respondent being aggrieved with the detection bill, filed an application dated 29.08.2013 before POI and inter-alia submitted that the inflated arrears/assessed bill amounting to Rs.61,942/- is unlawful, unjustified and he was not liable to pay the same. He prayed for cancellation of the detection bill.
5. POI disposed of the matter vide its decision dated 29.06.2015 and directed KE to cancel the irregular bill amounting to Rs.35,361/- of 2743 units for the period 11.01.2013 to 13.05.2013 as it had no justification on technical and legal grounds. Further KE was directed to settle the admitted allowance of Rs.25,822/- .
6. Being aggrieved with the POI decision dated 29.06.2015 (hereinafter referred to as the impugned decision), KE has filed the instant appeal under section 38 (3) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997 (hereinafter referred to as "the Act"). KE submitted that the respondent was involved in theft of electricity by tampering the meter and therefore, the detection bill of Rs.35,361/- was charged to the respondent. As regards the amount of Rs.25,822/- contained in the bill of February 2013, KE clarified that it was not a supplementary or detection bill but are arrears which accumulated upto February 2013 due to nonpayment of monthly bills by the respondent. KE averred that the provisional allowance of Rs.25,822/- was prepared for the revision of billing on actual recorded consumption but the same was not approved as the respondent was found involved in dishonest abstraction of electricity. According to KE the consumption of the respondent increased after removal of discrepancy of the meter. KE explained that as shunt found in the meter was removed, therefore the meter was not replaced. Regarding the point of limitation KE contended that the impugned decision was received by KE on 13.07.2015 and the appeal filed on 10.08.2015, thus it was within the time limit as prescribed in the law. Finally KE, inter- alia, prayed that the impugned decision dated 29.06.2015 be said aside.
7. Notice of the appeal was served upon the respondent for filing reply/parawise comments which were not submitted.
8. After issuing notice to both the parties, the appeal was heard in NEPRA Regional Office Karachi on 26.10.2015 in which Mr. Rafique Ahmed General Manager and Mr. Mujib ur Rehman



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Assistant Manager appeared for the appellant KE and Mr. Muhammad Arif the respondent appeared in person. The representative of KE reiterated the arguments which have earlier been given in memo of the appeal and submitted that the respondent was involved in dishonest abstraction of electricity with the help of a shunt installed in the meter and as such the detection bill of Rs.35,361/- issued on the basis of previous consumption for the period January 2013 to May 2013 was justified and the respondent was liable to pay the same. The representative of KE further clarified that as the shunt was removed during Meter Testing Van (MTV) testing on 12.06.2013, the meter was not replaced. KE stated that the bill was charged only for four months which is in accordance with the Consumer Service Manual (hereinafter referred to as CSM) and it was never challenged before POI by the respondent. According to KE, late payment surcharge (hereinafter referred to as LPS) from July 2013 onwards is to be paid by the respondent as he defaulted in paying electricity bills. On the contrary the respondent in his arguments rebutted the assertions of KE and submitted that he owned a small house of 200 square yards. According to the respondent his consumption was low as he had shifted to Malir cantt, the fact which could be verified from the neighbours. The respondent defended the impugned decision and prayed that same should be maintained.

9. We have heard arguments of arguments of both the parties. It has been observed as under:-

i. Reportedly meter of the respondent was found slow during checking by KE on 29.05.2013 and 12.06.2013.

ii. KE charged detection bill as per following formula:-

• Detection bill per month = connect load in kW x load factor x monthly hours

$$= 4.742 \times 0.15 \times 720.512 = 513 \text{ units}$$

• Period charged by KE in the detection bill = $\frac{\text{Total units charged in the detection bill}}{\text{Units chargeable per month}}$

$$= \frac{3072}{513} = 6 \text{ months}$$

From above calculation it is established that the detection bill is actually charged for 6 months and not for the 4 months as claimed by KE.

iii. KE failed to observe the procedure for proving illegal abstraction of electricity as per clause 9.1(b) of the CSM.

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iv. Since slowness of the meter was observed, the respondent is liable to be charged the detection bill for two billing cycles as per clause 4.4(e) of CSM. As the slowness was detected on 29.05.2013, the respondent is liable to be billed for the months of April 2013 and May 2013 at the rate of 513 units per month as calculated above.

v. KE may therefore charge the detection bill to respondent as under:


- Units to be charged for April 2013 and May 2013 = $2 \times 513 = 1026$ units
- Less units already charged for April 2013 and May 2013 = $69 + 94 = 163$ units
- Net Units Chargeable = $1026 - 163 = 863$ units

vi. We are in agreement with determination of POI in the impugned decision that the irregular bill of Rs.35,361/- for 2,743 units for the period 11.01.2013 to 13.05.2013 is not justified and the respondent is not liable to pay the same.

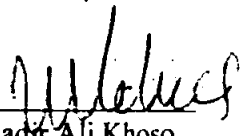
10. In view of the discussion in forgoing paragraphs, it is decided as under:-

- i. KE to cancel the detection bill of Rs.35,361/- for 2,743 units for the period 11.01.2013 to 13.05.2013.
- ii. KE to charge the total detection bill of 863 units for April 2013 and May 2013.
- iii. KE to withdraw LPS levied against the respondent from April 2013 and onwards.
- iv. KE to consider and settle the admitted allowance of Rs.25,822/-.

11. The impugned decision is modified to the above extent.



Muhammad Qamar-uz-Zaman
Member



Nadir Ali Khoso
Convener



Muhammad Shafique
Member

Date: 08.12.2015