



National Electric Power Regulatory Authority
(NEPRA)
Islamic Republic of Pakistan

NEPRA Office, Atta Turk Avenue (East), G5/1, Islamabad
Tel. No. +92 051 2013200 Fax No. +92 051 2600030
Website: www.nepra.org.pk E-mail: office@nepra.org.pk

No. NEPRA/AB/Appeal-019/POI-2016/ *S24-S28*

June 15, 2016

1. Akbar Rahim,
(Sunny Pride Apartment),
Flat No. 105, Block F-2,
Block-20, Gulistan-e-Jauhar,
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-II,
Block No. 51, Pak Secretariat,
Shahra-e-Iraq, Saddar,
Karachi

REGISTRY
By No. 6362
Dated 17-06-16

Subject: Appeal Titled K-Electric Ltd Vs. Akbar Rahim Against the Decision Dated 28.12.2015 of the Electric Inspector/POI to Government of the Sindh Karachi Region-II, Karachi

Please find enclosed herewith the decision of the Appellate Board dated 15.06.2016, regarding the subject matter, for information and necessary action accordingly.

Encl: As Above

(Ikram Shakeel)

No. NEPRA/AB/Appeal-019/POI-2016/ *S29*

June 15, 2016

Forwarded for information please.

[Signature]
Assistant Director
Appellate Board

1. Registrar
2. Director (CAD)

[Signature]
17.06.16

CC:

- DD (IF)

1. Member (CA)

- m/f



National Electric Power Regulatory Authority

Before Appellate Board

In the matter of

Appeal No. NEPRA/Appeal-019/POI-2016

K-Electric Ltd

.....Appellant

Versus

Mr. Akbar Rahim (Sunny Pride Apartment), Flat No. 105,
Block F-2, Block-20, Gulistan-e-Jauhar, Karachi

.....Respondent

For the appellant:

Ms. Tatheera Fatima Deputy General Manager (Legal Distribution)
Mr. Khalid Mujtuba Tunio Deputy General Manager (CA)
Mr. Masahib Ali Deputy Manager
Mr. Imran Hanif Assistant Manager

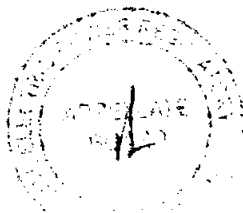
For the respondent:

Mr. Sameer Abdul Rahim
Miss Seema Abdul Rahim

DECISION

1. Through this decision, an appeal filed by K-Electric against the decision dated 28.12.2015 of Provincial Office of Inspection/Electric Inspector, Karachi Region-II, Karachi (hereinafter referred to as POI) is being disposed of.
2. Brief facts of the case are that the respondent is a domestic consumer of K-Electric bearing Ref No. LA-730495 with a sanctioned load of 1 kW under A1-R tariff. Premises of the respondent was inspected by K-Electric on 19.06.2015 and allegedly the respondent was found involved in dishonest abstraction of electricity through use of an extra phase and connected load as 5.683 kW was also noticed. After issuing notice dated 19.06.2015 to the respondent, a detection bill of Rs.37,355/- for 2,668 units for the period 11.12.2014 to

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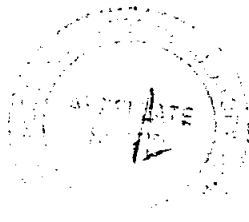
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11.06.2015 (6 months) was added in the bill of the respondent for July 2015 on the basis of connected load. Subsequently another bill of Rs. 90,593/- including arrears of Rs.60,035/- was also issued by K-Electric in October 2015.

3. Being aggrieved with aforesaid bills, the respondent filed an application dated 30.10.2015 before POI and stated that the accumulated arrears of Rs. 21,359/- were due up-to June 2015 but K-Electric charged detection bill of Rs. 37,355/- for 2,668 units for the period 11.12.2014 to 11.06.2015 (6 months) in the bill for July 2015, which was not justified. The respondent also challenged the arrears of Rs. 90,593 along with assessed bill of Rs.28,187/- for 1,394 units charged by K-Electric in October 2015. POI disposed of the matter vide its decision dated 28.12.2015 with the following conclusion:

"After conducting several number of hearings, giving fair opportunities to hear both the parties, scrutinizing the record, made available with this authority and in the light of relevant law & Regulations and above findings authority, this authority is of the firm view that irregular bills amounting to Rs.37,355/- of 2668 units for the period from 11.12.2014 to 11.06.2015, issued by the opponents has no justification on legal and technical grounds, therefore direct the opponents to cancel the said bill. The opponents are directed to install new healthy meter and issue the future billing on actual meter reading. The opponents are directed to act in terms of above instructions, accordingly. The complaint of the complainant is disposed of with above remarks."

4. Being dissatisfied with the POI decision dated 28.12.2015 (hereinafter referred to as the impugned decision), the respondent 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). K-Electric contended that site of the respondent was inspected on 19.06.2015 and the respondent was found stealing electricity through the use of an extra phase and the connected load was also found much above the sanctioned load. According to K-Electric, the detection bill of Rs. 37,355/- for 2,668 units for the period 11.12.2014 to 11.06.2015 (6 months) added in the bill for July 2015 on the basis of connected load was justified and the respondent is liable to pay the same. K-Electric further submitted that POI was not authorized to adjudicate the instant matter as the respondent

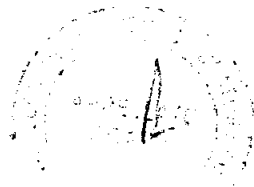




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was involved in dishonest abstraction of electricity, which is beyond its jurisdiction.

5. In response to the above appeal, the respondent was issued notice for filing reply/parawise comments, which were submitted on 06.06.2016. The respondent in his reply submitted that the impugned decision was legal and as per instructions contained in Consumer Service Manual (CSM) approved by NEPRA. He prayed to maintain the impugned decision
6. After issuing notice to both the parties, the appeal was heard in Karachi on 06.06.2016 in which Ms. Tatheera Fatima Deputy General Manager (Distribution Legal), Mr. Khalid Mustufa Tunio Deputy General Manager (CA), Mr. Masahib Ali Deputy Manager and Mr. Imran Hanif Assistant Manager appeared for the appellant K-Electric. Ms. Seema Abdul Rahim and Mr. Sameer Abdul Rahim appeared as representatives for the respondent. The representatives of K-Electric repeated the same arguments as earlier given in memo of the appeal and contended that connection of the respondent was checked and reportedly, he was found stealing the electricity. K-Electric averred that the detection bill amounting to Rs. 37,355/- was charged to the respondent to recover the revenue loss sustained by K-Electric due to illegal abstraction of electricity and the respondent is liable to pay the same. According to K-Electric, consumption of the respondent during the disputed period was low, which establishes that the respondent was using unfair means for abstraction of electricity. K-Electric pleaded that the impugned decision was not justified and liable to be cancelled. Ms. Seema Abdul Rahim the representative of the respondent in the rebuttal contended that neither any notice was served to the respondent nor any inspection was carried out in the presence of the respondent, therefore the detection bill of Rs. 37,355/- for 2,668 units for the period 11.12.2014 to 11.06.2015 (6 months) added in the bill for July 2015 was illegal and unjustified and liable to be cancelled. The representative for the respondent submitted that the assessed bill of Rs. 28,187/- for 1,394 units charged by K-Electric in October 2015 was also not valid and the respondent was not liable to pay the same as such high consumption in a month was never recorded. The representative of the respondent pleaded for cancellation of the detection bill of Rs. 37,355/- for 2,668 units for the period 11.12.2014 to 11.06.2015 (6 months) added in the bill for July 2015 and the assessed bill of Rs. 28,187/- for 1,394 units charged in October 2015.





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7. We have heard arguments of both the parties and examined the record placed before us. It has been observed as under:-

- i. The detection bill of Rs. 37,355/- for 2,668 units for the period 11.12.2014 to 11.06.2015 (6 months) added in the bill for July 2015 was challenged by the respondent vide the application dated 30.10.2015 before POI.

Charging of the detection bill for 6 months is not supported by the clause 9.1c (3) of Consumer Service Manual (CSM), where charging of the detection bill is restricted to three months for general supply consumers i.e. A-I & A-II and for extending the period up-to six months, approval of the Chief Executive of the K-Electric and fixing of the responsibility upon K-Electric official is mandatory but the prescribed procedure was not followed by K-Electric in the instant case.

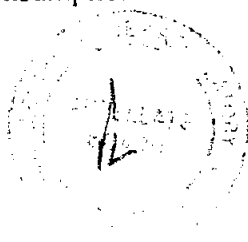
- ii. The comparison of the electricity consumption between the disputed and undisputed periods as per consumption data provided by K-Electric is as under:

Period	Normal Mode Average Units/Month	Detection Mode Average Units/Month
Period before Dispute Feb 2014 to Dec 2014 (11 months)	280	-
Period during Dispute Jan 2015 to June 2015 (6 months)	249	694
Period After Dispute * Nov 2015 to April 2016 (6 months)	180	-

* The period July 2015 to December 2015 was not considered as the billing in assessed mode was done in October 2015 which has been challenged by the respondent.

From the above data, it is revealed that the detection bill charged @ 694 units/ month to the respondent for the disputed period 11.12.2014 to 11.06.2015 is higher than the consumption recorded i.e. 280 units/month and the consumption recorded i.e. 180 units/month during the period before dispute and after dispute respectively.

Moreover the normal mode consumption recorded @ 249 units/month during the disputed





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period i.e. January 2015 to June 2015 is slightly lower than the consumption recorded i.e. 280 units /month during the period before dispute i.e. February 2014 to December 2014 and is higher than the consumption recorded i.e. 180 units /month during the period after dispute i.e. November 2015 to April 2016. This data indicates that variation occurred due to actual consumption of the respondent and no foul play or theft could be attributed to the respondent. Therefore the detection bill of Rs. 37,355/- for 2,668 units for the period 11.12.2014 to 11.06.2015 (6 months) added in the bill for July 2015 has no legal justification and liable to be cancelled as determined in the impugned decision. Therefore the impugned decision to this extent is liable to be maintained.

- iii. The bill of Rs. 28,187/- for 1,394 units charged by K-Electric in October 2015 was also challenged by the respondent before POI vide its application dated 30.10.2015. In fact this bill was charged as per meter reading and cannot be termed as detection bill as mentioned by the respondent. However such huge consumption needs to be analyzed. Comparison of the electricity consumption between the disputed month of October 2015 and the undisputed periods as per consumption data provided by K-Electric is as under:

Period	Normal Mode Average Units/Month	Assessed Mode Average Units/Month
Period before Dispute Nov. 2014 to Sep. 2015(11 months)	254	-
Period during Dispute Oct. 2015 (1 month)	-	1394
Period After Dispute Nov. 2015 to Apr. 2016 (6 months)	180	-

From the above table, it is evident that 1394 units charged in October 2015 are much higher than average consumption for the periods before or after dispute. Evidently the monthly meter readings were not taken by the staff of K-Electric and accumulated 1394 units were charged for the month i.e. October 2015, which has burdened heavily to the respondent due to application of high slab tariff. It will be fair to segregate 1394 units of October 2015 among the period i.e. December 2014 to October 2015 (11 months), so that the respondent could benefit from the lower slab tariff.





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- iv. No discrepancy or defect in the billing meter of the respondent was noticed and as such the reading/consumption of the same are liable to be considered for billing.
8. In view of foregoing discussion, we have reached to the conclusion that:
- i. Detection bill of Rs. 37,355/- for 2,668 units for the period 11.12.2014 to 11.06.2015 (6 months) added in the bill for July 2015 is null and void and the respondent is not liable to pay the same. The impugned decision to this extent is maintained.
- ii. The bill of Rs. 28,187/- for 1,394 units charged by K-Electric in October 2015 is not justified and therefore declared null and void. 1,394 units shall be spread over the period i.e. December 2014 to October 2015 (11 months) and electricity bills of the respondent for the period i.e. December 2014 to October 2015 (11 months) shall be revised accordingly. The impugned decision to this extent is modified.
9. The appeal is disposed of in above terms.

Muhammad Qamar-uz-Zaman
Member

Muhammad Shafique
Member

Nadir Ali Khoso
Convener

Date: 15.06.2016

