



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

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No. NEPRA/AB/Appeal-078/POI-2016/1495-1499

November 25, 2016

1. Muhammad Shahid Umar,
S/o Muhammad Umar,
Plot No. 1642, 4-A,
Khawaja Ajmair Nagri,
Karachi
2. The Chief Executive Officer,
K-Electric,
KE House, 39-B,
Sunset Boulevard, DHA-II,
Karachi
3. Asif Shajer,
Deputy General Manager,
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. Electric Inspector,
Karachi Region-II,
Block No. 51, Pak Secretariat,
Shahra-e-Iraq, Saddar,
Karachi

Subject: **Appeal Titled K-Electric Ltd Vs. Muhammad Shahid Umar Against the Decision Dated 16.03.2016 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 24.11.2016, regarding the subject matter, for information and necessary action accordingly.

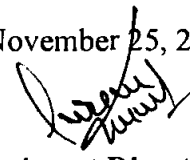
Encl: **As Above**

(Ikram Shakeel)

No. NEPRA/AB/Appeal-078/POI-2016/1500

November 25, 2016

Forwarded for information please.


Assistant Director
Appellate Board

1. Registrar
2. Director (CAD)

CC:

1. Member (CA)



National Electric Power Regulatory Authority

Before Appellate Board

In the matter of

Appeal No. NEPRA/Appeal-078/2016

K-Electric Ltd

.....Appellant

Versus

Muhammad Shahid Umar S/o Muhammad Umar,
Plot No.1642, 4-A, Khawaja Ajmair Nagri, Karachi

.....Respondent

For the appellant:

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

For the respondent:

Nemo

DECISION

1. Through this decision an appeal filed by K-Electric against the decision dated 16.03.2016 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 commercial consumer of K-Electric bearing Ref No. LA-720650 with a sanctioned load of 1 kW under A2-C tariff. Several monthly bills were issued to the respondent during the period February 2002 to May 2015 but the respondent made payment of few months only, which raised the arrears up-to Rs. 803,254/- till May 2015. Large number of bills issued to the respondent during the period February 2002 to May 2015 were charged in assessed/average mode instead





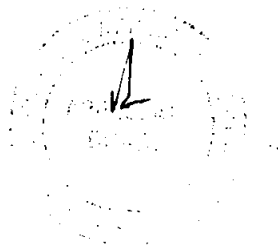
National Electric Power Regulatory Authority

of normal mode as per meter reading. Due to default of payment, supply of the respondent was disconnected several times but allegedly it was restored by the respondent at his own.

3. Being aggrieved with the above billing, the respondent filed an application before POI on 07.05.2015 and challenged the bill of Rs. 797,395/- charged by K-Electric till April 2015. POI disposed of the matter vide its decision dated 16.03.2016, the operative of which is reproduced below:

"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 provisions of law/Regulations and above findings, this authority is of the firm view that the disputed amount has been accumulated Rs.803,254/- up-to May 2015. The Opponents is directed to award the allowance the complainant by revising the assessed/average bills on the basis of actual meter reading for summer and winter. The opponents directed to recover the remaining amount form the complainant in easy installments. The complaint is disposed off in terms of above for compliance by the opponents."

4. Being dissatisfied with the POI decision dated 16.03.2016 (hereinafter referred to as the impugned decision), K-Electric 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 NEPRA Act1997). In its appeal, K-Electric contended that electricity meter was installed on the premises of the respondent on 26.10.2001 and 169 electricity bills were issued during the period February 2002 to February 2016, whereas the respondent made payment of 13 bills only, which resultantly increased the arrears up-to Rs. 812,734/- till February 2016. According to K-Electric, supply of the respondent was repeatedly disconnected by K-Electric due to default in payment but the respondent restored the supply illegally. As per K-Electric, premises of the respondent was inspected by K-Electric on 17.10.2015 and the respondent was found involved in illegal abstraction of electricity through a joint before incoming cable. K-Electric stated that the actual consumption was not recorded during the disputed period due to illegal abstraction of electricity by the respondent, therefore assessed bills charged to the respondent during the disputed period are correct and the respondent is liable to pay the same. K-Electric pleaded that the impugned decision being

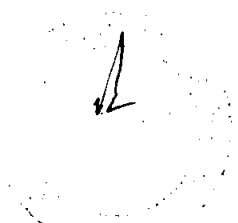




National Electric Power Regulatory Authority

contrary to facts and law is therefore liable to be withdrawn.

5. In response to the above appeal, the respondent was issued a notice for filing reply/parawise comments, which however were not filed.
6. After issuing notice to both the parties, the hearing of the appeal was held in Karachi on 31.10.2016 in which Ms. Tatheera Fatima Deputy General Manager (Distribution Legal) along with her team represented the appellant K-Electric and no one appeared for the respondent. Learned representative of K-Electric repeated the same arguments as earlier narrated in memo of the appeal and contended that respondent is habitual of stealing electricity through unfair means, therefore the assessed/average bills were charged to the respondent during the disputed period in order to recover the revenue loss sustained by K-Electric due to dishonest abstraction of electricity by the respondent. Representatives of K-Electric submitted that due to default in payment of electricity bills, arrears accumulated to Rs. 842,734/- up-to February 2016. K-Electric informed that inspite of disconnection, the respondent illegally restored his supply. K-Electric pleaded that the electricity bills charged to the respondent are correct and liable to be paid by the respondent.
7. We have heard arguments of K-Electric and examined the record placed before us.
 - i. The respondent assailed the accumulated arrears amounting to Rs. 797,395/- charged by K-Electric up-to April 2015 before POI on 07.05.2015.
 - ii. Examination of consumption as provided by K-Electric has revealed that the respondent during the disputed period February 2002 to May 2015 has mostly been charged in assessed/average mode instead of normal billing based on meter reading. There are quite number of months in which consumption is nil or barely minimum, which supports the contention of K-Electric that the respondent managed electricity without being recorded by the meter and thus K-Electric resorted to the assessed/average billing. In order to work out appropriate consumption during the months of assessed/average billing, following is tabulated below:



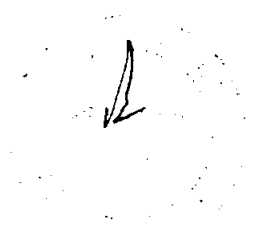


National Electric Power Regulatory Authority

Period	Normal Mode Average Units/Month	Assessed/Average Mode Average Units/Month
Months charged in normal mode during disputed period: April 2002 to April 2003, August 2003, November 2003, June 2005 to September 2005, December 2005 to July 2006, May 2012, August 2012 to November 2012, January 2013 to February 2013, June 2013 to July 2013, September 2013, December 2013(38 months)	278*	-
Months charged in assessed/ average mode during disputed period: May 2003 to July 2003, September 2003 to October 2003, December 2003 to September 2004, November 2004 to March 2005, October 2005 to November 2005, August 2006 to October 2006, February 2007, April 2007 to December 2010, February 2011 to April 2012, June 2012 to July 2012, December 2012, March 2013 to May 2013, August 2013, January 2014, August 2014 to September 2014, January 2015 to February 2015, April to May 2015(99 months)	-	454*
* Detail of working is attached as Annex-A		

From the above table, it revealed that the assessed/average bills charged @ 454 units/month during the disputed period February 2002 to May 2015 are considerably higher than the consumption recorded @ 278 units/months in normal mode. We are inclined to agree with the contention of the respondent that the assessed/average bills amounting to Rs.797,395/- charged by K-Electric till April 2015 are unjustified and therefore liable to be withdrawn. Impugned decision to this extent is liable to be maintained.

It would be fair and appropriate to charge the assessed/average bills @ 278 units/month as recorded in the months during the disputed period in normal mode. However the bills already charged @ 278 units/month in the months during the disputed period in normal mode are justified and payable by the respondent. Impugned decision to this extent is liable to modified.





National Electric Power Regulatory Authority

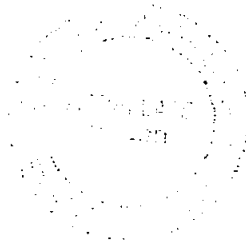
8. In view of foregoing discussion, we have reached to the conclusion that:
- Assessed/average bill amounting to Rs. 797,395/- charged by K-Electric to the respondent till April 2015 is null, void and not payable by the respondent. The impugned decision to this extent is maintained.
 - The respondent should be charged 278 units/month for the months charged in assessed/average mode during the disputed period February 2002 to May 2015 (refer para 7 above). The consumer account of the respondent should be overhauled by making adjustment according to the determination given in para 8. (ii) above. Impugned decision stands modified to this extent.
 - However the arrears of the disputed period February 2002 to May 2015 may be recovered from the respondent in easy installments.
9. The appeal is disposed of in above terms.

Muhammad Qamar-uz-Zaman
Member

Muhammad Shafique
Member

Nadir Ali Khoso
Convener

Date: 24.11.2016





National Electric Power Regulatory Authority

Annexure-A

Period	Average Units/Month
Months charged in normal mode during disputed period: April 2002 to April 2003, August 2003, November 2003, June 2005 to September 2005, December 2005 to July 2006, May 2012, August 2012 to November 2012, January 2013 to February 2013, June 2013 to July 2013, September 2013, December 2013 (38 months)	$= (25+92+107+89+89+983+210+210+187+145+185+203 +195+111+153+155+81+158+65+92+26+40+88+99+73 +68+22+901+1,708+331+866+905+727+135+110+708 +113+102) = \underline{10,557 \text{ units}} = \mathbf{273 \text{ units per month}}$ <p style="text-align: center;">38 months</p>
Months charged in assessed/ average mode during disputed period: May 2003 to July 2003, September 2003 to October 2003, December 2003 to September 2004, November 2004 to March 2005, October 2005 to November 2005, August 2006 to October 2006, February 2007, April 2007 to December 2010, February 2011 to April 2012, June 2012 to July 2012, December 2012, March 2013 to May 2013, August 2013, January 2014, August 2014 to September 2014, January 2015 to February 2015, April to May 2015 (99 months)	$= (150+200+205+150+150+150+200+150+150+150+150+260+155+153+150+110+110+200+150+120+110+120+120+120+100+120+120+150+120+150+150+100+100+100+100+170+150+50+800+800+800+800+800+800+150+800+800+800+800+200+800+800+800+800+800+825+600+800+800+900+800+850+1,000+990+800+700+600+650+650+623+623+623+623+650+650+650+700+750+683+600+600+670+250+684+641+641+45+180+192) = \underline{44,925 \text{ units}} = \mathbf{454 \text{ units per month}}$ <p style="text-align: center;">99 months</p>

