



Before the Appellate Board  
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](http://www.nepra.org.pk) E-mail: [office@nepra.org.pk](mailto:office@nepra.org.pk)

No. NEPRA/AB/Appeal-106/POI-2016/ 1549-15354

December 05, 2016

1. Islam Hamid,  
S/o Late Hamid Ali Khan,  
Ayaz Town, House No. R-67,  
Block-II, Gulshan-e-Iqbal,  
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,  
3<sup>rd</sup> floor, KE Block,  
Civic Centre, Gulshan-e-Iqbal,  
Karachi
5. T.N. Law Associates,  
32-C, First Floor,  
Shahra-e-Quaideen,  
Block-II, P.E.C.H.S, Karachi
6. Electric Inspector,  
Karachi Region-I,  
Block No. 51, Pak Secretariat,  
Shahra-e-Iraq, Saddar,  
Karachi

Subject: Appeal Titled K-Electric Ltd Vs. Islam Hamid Against the Decision Dated 06.05.2016 of the Electric Inspector/POI to Government of the Sindh Karachi Region-I, Karachi

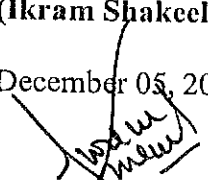
Please find enclosed herewith the decision of the Appellate Board dated 02.12.2016, regarding the subject matter, for information and necessary action accordingly.

Encl: As Above

No. NEPRA/AB/Appeal-106/POI-2016/ 15355  
Forwarded for information please.

(Ikram Shakeel)

December 05, 2016

  
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-106/POI-2016

K-Electric Ltd

.....Appellant

Versus

Islam Hamid S/o late Hamid Ali Khan, Ayaz Town,  
House No.R-67, Block-II, Gulshan-e-Iqbal, Karachi

.....Respondent

For the appellant:

Mr. Muhammad Rizwan Deputy General Manager  
Mr. Nursing Lal Manager  
Mr. Masahib Ali Deputy Manager  
Mr. Imran Hanif Assistant Manager  
Mr. Anis Lakhani

For the respondent:

Mr. Naveed Khawar  
Mr. Islam Hamid

## DECISION

1. This decision shall dispose of the appeal filed by K-Electric against the decision dated 06.05.2016 of Provincial Office of Inspection/Electric Inspector, Karachi Region-II, Karachi (hereinafter referred to as POI).
2. Brief facts of the case are that the respondent is a residential consumer of K-Electric bearing Ref No. AL-853165 having a sanctioned load of 1 kW under A-1R tariff. The premises of the respondent was inspected by K-Electric on 30.10.2015 and reportedly the respondent was found involved in illegal abstraction of electricity through use of an extra phase and the connected load was also noticed as 9.419 kW including two split AC units, which is much higher than the



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sanctioned load of 1kW. After issuing notice dated 06.11.2015 to the respondent regarding above discrepancy, a detection bill amounting to Rs. 90,067/- for 4,377 units for the period 14.04.2015 to 14.10.2015 (6 months) was charged in December 2015 on the basis of connected load.

3. Being aggrieved with the aforesaid detection bill, the respondent filed an application before POI on 29.12.2015 and assailed the electricity bill of Rs. 92,113/- including the detection bill amounting to Rs. 90,067/- charged by K-Electric to the respondent in December 2015. Respondent pleaded that the aforesaid detection bill was not justified and he is not liable to pay the same. On the request of the respondent, a joint inspection was carried out by POI on 11.03.2016 and the electricity meter installed on the premises of the respondent was found working correctly. The matter was disposed of by POI vide its decision dated 06.05.2016, the operative portion 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 above findings, this authority is of the firm view that opponents have violated the mandatory requirements of Electricity Act 1910 and guide lines communicated through Consumer Service Manual (CSM) of NEPRA as pointed out in above findings. The authority therefore direct the opponents to cancel the detection bill amounting to Rs.90,068/- of 4,377 units for the period 14.04.2015 to 14.10.2015 as the same has no justification on technical and legal grounds. The complaint is disposed off in terms of above for compliance by the opponents."*

4. Being dissatisfied with the POI decision dated 06.05.2016 (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 Act 1997). In its appeal, K-Electric contended that the premises of the respondent was checked on 30.10.2015 and it was observed that the electricity was being consumed by the respondent illegally by bypassing the meter through use of an extra phase from LT service line and the connected load was observed much above the sanctioned load. According to K-Electric, a detection bill of Rs. 90,067/- for 4,377 units for the period 14.04.2015 to 14.10.2015 (6 months) was charged to the respondent due to dishonest abstraction of electricity and the respondent is liable to pay the same. K-Electric submitted that premises of the



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respondent was again inspected on 26.04.2016 and found use of an extra phase for dishonest abstraction of electricity, moreover the connected load noticed as 17.292 kW including four split AC units was much higher than the sanctioned load, which should be regularized by the respondent after adopting proper procedure of load enhancement. As per K-Electric, being a case of theft of electricity, POI was not empowered to decide the instant matter.

5. Notice of the appeal was served upon the respondent for filing reply/parawise comments, which were filed on 11.08.2016. In his reply/parawise comments, the respondent raised the preliminary objection regarding limitation and contended that the appeal is time bared and no condonation application is filed along with the appeal, therefore it is liable to be dismissed on this ground. As per respondent, no prior notice was served upon him by K-Electric before the alleged inspection of the premises, and the charging of irregular bill also inconsistent with the provisions of Consumer Service Manual (CSM) and Electricity Act 1910. The respondent defended the impugned decision and prayed for upholding the same.
6. After issuing notice to both the parties, hearing of the appeal was conducted in Karachi on 29.11.2016 in which Mr. Muhammad Rizwan Deputy General Manager along with other officials represented the appellant K-Electric and Mr. Islam Hamid the respondent appeared in person along with Mr. Naveed Khawar. Representatives of K-Electric repeated the same arguments as earlier narrated in memo of the appeal and contended that the premises of the respondent was inspected by K-Electric on 30.10.2015 and he was found stealing electricity through an extra phase and the connected load was above the sanctioned load. As per representative for K-Electric, the detection bill of Rs. 90,067/- for 4,377 units for the period 14.04.2015 to 14.10.2015 was charged to the respondent in December 2015 in order to recover the revenue loss sustained by K-Electric as the actual energy was not being recorded during the said period due to dishonest abstraction of electricity. According to K-Electric, FIR could not be registered against the respondent as he agreed for payment of the detection bill. Representatives of K-Electric submitted that as notice under section 20 of the Electricity Act 1910 was issued, it dispenses with the necessity of issuing notice under clause 14.1 of CSM. K-Electric further explained that the presence of POI during inspection of the domestic connection is not mandatory and as regards presence of two witnesses of the area, K-Electric stated that the people of the area never agree for such role. K-Electric pleaded that the impugned decision was unjustified and therefore liable to be set aside. On the other hand, the



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respondent pointed out that the appeal filed against the impugned decision is not maintainable being time barred and therefore liable to be dismissed. The respondent defended the impugned decision and pleaded for its maintainability.

7. We have heard arguments of both the parties and examined the record placed before us. It is observed as under:
- i. K-Electric is bound to adhere to the provisions of CSM. We are not convinced with the stance of K-Electric that due to some reasons procedure laid down by CSM could not be followed. Theft of electricity by the respondent is alleged by K-Electric but no FIR and other criminal proceedings as required under law and CSM were initiated by K-Electric and moreover as observed by POI, no concrete proof was provided by K-Electric regarding theft of electricity. Therefore objection of K-Electric regarding jurisdiction of POI being a theft case is not sustainable.
  - ii. As regards objection of the respondent regarding limitation, it is relevant to clarify that the impugned decision dated 06.05.2016 was received by K-Electric on 13.05.2016 and the appeal was filed on 08.06.2016 within prescribed time limit of 30 days as envisaged in section 38(3) of the NEPRA Act 1997. Therefore objection of the respondent in this regard has no basis.
  - iii. As regards the detection bill amounting to Rs. 90,067/- for 4,377 units for the period 14.04.2015 to 14.10.2015 (6 months) charged in December 2015 assailed before POI vide his application dated 29.12.2015, the comparison of the consumption recorded between the disputed and undisputed periods(prior/after) as provided by K-Electric is tabulated as under:

<b>Period</b>	<b>Normal Mode Average Units/Month</b>	<b>Detection Mode Average Units/Month</b>
<b>Period before dispute</b> January 2015 to April 2015 (04 months)	394	-
<b>Disputed period</b> May 2015 to October 2015 (6 months)	753	1,482
<b>Period after dispute</b> November 2015 to April 2016 (6 months)	444	-

It is evident from the above table that the average consumption of 753 units/month during the



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disputed period i.e. May 2015 to October 2015 in normal mode is much higher than the consumption of 394 units/month and 444 units/month during the periods before and after dispute respectively. We are convinced with the determination of POI that no significant variation observed in consumption between the disputed and undisputed periods, hence the detection bill of Rs.90,067/- for 4,377 units for the period 14.04.2015 to 14.10.2015 (6 months) charged by K-Electric to the respondent in December 2015 has no justification.

8. In view of foregoing consideration, It is concluded that:

- i. Objection of K-Electric regarding jurisdiction of POI has no force and therefore over ruled.
- ii. The appeal against the impugned decision was filed with in prescribed period, hence objection of the respondent in this regard is dismissed.
- iii. The finding of the POI for cancellation of detection bill of Rs. 90,067/- for 4,377 units for the period 14.04.2015 to 14.10.2015 (6 months) charged by K-Electric is upheld and resultantly the appeal is dismissed.

A handwritten signature in black ink, appearing to read 'Muhammad Qamar-uz-Zaman', is written above a horizontal line.

Muhammad Qamar-uz-Zaman  
Member

A handwritten signature in black ink, appearing to read 'Nadir Ali Khoso', is written above a horizontal line.

Nadir Ali Khoso  
Convener

A handwritten signature in black ink, appearing to read 'Muhammad Shafique', is written above a horizontal line.

Muhammad Shafique  
Member

Date: 02.12.2016