



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

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No. NEPRA/AB/Appeal-057/POI-2016/143-147

January 31, 2017

1. Quresh Khan,
President,
Jama Masjid Muhammadi & Madarasah,
Taleemul Quran, Plot No. ST-6,
Sector 4-E, Aurangi Site Town,
Karachi
2. 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. Quresh Khan Against the Decision Dated 09.02.2016 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 27.01.2017, regarding the subject matter, for information and necessary action accordingly.

Encl: As Above

(Ikram Shakeel)

No. NEPRA/AB/Appeal-057/POI-2016/148

January 31, 2017

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-057/2016

K-Electric Ltd

.....Appellant

Versus

Quresh Khan President (Jama Masjid Muhammadi & Madarsah),
Taleemul Quran, Plot No.ST-6,4-E, Aurongi Town, Karachi

.....Respondent

For the appellant:

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

For the respondent:

Mr. Ghulam Muhammad

DECISION

1. This decision shall dispose of the appeal filed by K-Electric against the decision dated 09.02.2016 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 obtained two connections from K-Electric. The connection bearing Ref No. AL-305919 is a domestic connection with a sanctioned load of 0.52kW and the applicable tariff is A1-R and the connection bearing Ref No. AL-797652 is a commercial connection with a sanctioned load of 1 kW and the applicable tariff is A-2C. Commercial connection of the respondent was inspected by K-Electric on 03.03.2011, 23.11.2012 and 22.02.2013 and on all the occasions, allegedly the respondent was dishonestly abstracting electricity with the means of an extra phase/Kunda and the connected load observed was also much higher than the sanctioned load. The detail of inspections is given as under:





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Type of Connection	Inspection	Connected Load (kW)	Discrepancy observed
Commercial	03.03.2011	1.169 + 7.428	3 shops using extra phase + 24 shops on commercial connection
	23.11.2012	8.701	4 shops using extra phase + remaining shops on commercial connection
	22.02.2013	7.738	Shops on commercial connection

As regards the domestic connection, meter of the respondent became defective in September 2012, which was replaced by K-Electric in the same month. Domestic connection of the respondent was inspected by K-Electric on 22.02.2013 and the connected load of the domestic connection was noticed as 4.981 kW being much higher than the sanctioned load. As per K-Electric, the respondent is habitual in stealing electricity through unfair means and also defaulter in payment of electricity bills. Therefore the arrears of the respondent accumulated to Rs.1,165,446/- and Rs.51.932/- against the commercial and domestic connections respectively till March 2013.

3. Being aggrieved with the aforesaid irregular billing, the respondent filed two applications before POI on 06.11.2012 and 11.02.2013. POI inspected the premises of the respondent in presence of both the parties on 07.03.2013 and reportedly no discrepancy whatsoever was noticed in both the commercial and domestic connections. Detail of the inspection dated 07.03.2013 is given below:

Type of connection	Connected Load	Remarks
Commercial	14.198 kW	Shops
Domestic	4.8 kW	Masjid/Madrasah

POI disposed of the matter vide its decision dated 09.02.2016, 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 relevant provisions of law/Regulations and above findings, this authority is of the firm view that assessed billing is hereby cancelled and the opponents is directed to revise the same on actual meter reading basis. The opponent is directed to recover the accumulated amount from the complainant in after revision of assessed bills on actual meter consumption in easy installments. If the consumer made extra payments it should be adjusted in future billings. The opponent is also directed to take meter reading every month as per procedure."





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4. Being dissatisfied with the POI decision dated 09.02.2016 (hereinafter referred to as the impugned decision), K-Electric has filed the instant appeal and contended that the commercial connection is being used for supply of electricity to many shops that few shops were also supplied electricity through extra phase/Kunda, therefore the assessed bills were charged by K-Electric on commercial connection. K-Electric submitted that the supply of commercial connection was disconnected but the same was restored illegally by the respondent. As per K-Electric, no assessed bills were charged against the domestic connection. K-Electric submitted that FIR could not be lodged against the respondent as he had agreed for payment of the assessed/detection bills. K-Electric further elaborated that the procedure prescribed in the Consumer Service Manual (CSM) for theft of electricity by a registered consumer could not be implemented due to practical difficulties. K-Electric pleaded that POI is not authorized to decide the cases of theft of electricity and as such the impugned decision is without lawful authority and liable to be set aside.
5. Notice was issued to the respondent for filing reply/parawise comments, which were filed during hearing on 29.12.2016. In his reply, the respondent contended that initially the assessed bills were charged @ 5,000 units/month for the period February 2007 to April 2008 against the commercial connection, however since May 2008, K-Electric charged @ 1,100 units/month to the respondent but the units charged in excess were not adjusted in the future bills. As per respondent, commercial connection was inspected thrice but on all the occasions, K-Electric wrongly calculated the connected load and charged the assessed bills on presumptions. As regards the domestic connection, the respondent explained that the assessed bills were also charged by K-Electric against the domestic connection and the respondent had to make the payments accordingly in order to avoid disconnection of supply, detail of which is as under:

	Bill Type	Month	Units	Amount (Rs.)	Remarks
Domestic Connection	Assessed	April 2012	0	36,041/-	Paid on 24.04.2012
	Detection	September 2012	3,100	29,209/-	Paid on 05.09.2012
	Assessed	October 2012	222	54,412/-	Not paid
	Assessed	November 2012	-	10,000/-	Paid on 20.11.2012
	Assessed	January 2013	-	8,000/-	Paid on 08.01.2013

As per respondent, the meter of the domestic connection was replaced by K-Electric in September 2012. The respondent pleaded for cancellation of the assessed/detection bills of both the connections and revision of the same on actual meter reading basis.

6. After issuing notice to both the parties, hearing of the appeal was conducted in NEPRA regional



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office, Karachi on 29.12.2016 in which Ms. Tatheera Fatima Deputy General Manager (Distribution Legal) along with her team appeared for the appellant K-Electric and Mr. Ghulam Muhammad entered appearance as representative for the respondent. Learned representatives of K-Electric contended that both the connections of the respondent were checked by K-Electric several times and on all the occasions, the respondent was found consuming electricity illegally through use of extra phase/hook and the connected load of both the connections was also observed much higher than the sanctioned load. According to K-Electric, 53 electricity bills of Rs.372,415/- and 31 assessed bills of Rs.589,272/- were issued to the respondent during the period January 2010 to November 2016 but due to default in payment, the arrears accumulated to Rs.1,165,446/- against the commercial connection and Rs.51,932/- against the domestic connection. K-Electric averred that the assessed/detection bills charged to the respondent are legal, valid, justified and payable by the respondent. Conversely, the representative for the respondent reiterated the same arguments as contained in the reply/parawise comments and pleaded for cancellation of disputed assessed/detection bills charged by K-Electric against both the connections.

7. We have heard arguments of both the parties, examined the record placed before us. Following are our observations:

- i. Theft of electricity by the respondent is alleged by K-Electric but no FIR or other proceedings as required under law and Consumer Service Manual were initiated by K-Electric and moreover theft of electricity was also not established. The objection of K-Electric regarding jurisdiction of POI is not valid and therefore rejected.
- ii. Due to disputed irregular billing, the arrears accumulated to Rs.1,165,446/- against the commercial connection and Rs.51,932/- against the domestic connection till March 2013, which were challenged by the respondent before POI vide his applications on 06.11.2012 and 11.02.2013 respectively.
- iii. As per Site Inspection Reports (SIRs), both the connections were checked by K-Electric and the connected load was noticed much higher than the sanctioned load. The same discrepancy was also confirmed by POI during joint inspection dated 07.03.2013, detail of which is given below:

Type of connection	Connected Load	Sanctioned Load	Remarks
Commercial	14.198 kW	1 kW	Shops
Domestic	4.8 kW	0.52 kW	Masjid



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It is established from the above table that connected load of both the connections is beyond the sanctioned load, but no discrepancy of tariff was noticed.

- iv. As regards charging of the assessed/detection bills for the period October 2011 to March 2013 (18 months) against the domestic and commercial connections of the respondent, K-Electric failed to provide any document which could substantiate their stance regarding irregular billing. Therefore the assessed/detection bills for the period October 2011 to March 2013 (18 months) charged by K-Electric to the respondent have no justification and liable to be cancelled. Impugned decision to this extent is liable to be maintained.
- v. Consumption data as provide by K-Electric is tabulated below:

Domestic Connection				Commercial Connection			
Months	Units	Months	Units	Months	Units	Months	Units
September 2013	513	March 2014	872	September 2013	389	March 2014	113
October 2013	252	April 2014	964	October 2013	876	April 2014	135
November 2013	939	May 2014	1077	November 2013	301	May 2014	139
December 2013	894	June 2014	1033	December 2013	143	June 2014	500
January 2013	853	July 2014	886	January 2013	105	July 2014	144
February 2014	719	August 2014	1123	February 2014	91	August 2014	156

From the above table, it emerges that the electricity bills charged by K-Electric against the domestic and commercial connections of the respondent even after the disputed period do not reflect the actual consumption. We are inclined to agree with the stance of K-Electric that the actual consumption was not recorded during the disputed period i.e. October 2011 to March 2013 (18 months) against the domestic and commercial connections.

- vi. It would be fair and appropriate to charge the respondent on the basis of connected load confirmed by POI during its inspection dated 07.03.2013.

Type of connection	Connected Load	Units per month to be charged
Commercial	14.198 kW	= Connected Load x L.F x Hrs x days = 14.198 kW x 0.2 x 16* x 30 = 1363 kWh/month
Domestic	4.8 kW	= Connected Load x L.F x Hrs x days = 4.8 kW x 0.15 x 16* x 30 = 460 kWh/month
*Restricted due to load shedding		

The respondent is liable to be charged @ 1363 units/month and @ 460 units/month against the commercial and domestic connection respectively for the period October 2011 to March 2013 (18 months) and the payments whatsoever already made by the respondent against both the connections during the disputed period October 2011 to March 2013 (18 months) may be

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adjusted in the bills. Impugned decision to this extent is liable to be modified.

8. In view of foregoing discussion, we have reached to the conclusion that:

- i. The assessed/detection bills for the period October 2011 to March 2013 (18 months) charged by K-Electric to the respondent against the domestic and commercial connections are null and void as determined in the impugned decision.
- ii. The respondent should be charged @ 1363 units/month and @ 460 units/month against the commercial and domestic connection respectively for the period October 2011 to March 2013 (18 months) and the payments already made by the respondent against both the connections during the disputed period should be adjusted. Consumer account of both the connections of the respondent should be overhauled and the arrears (if any) be recovered in easy installments in the regular bills.

9. Impugned decision is modified in above terms.


Muhammad Qamar-uz-Zaman
Member


Muhammad Shafique
Member


Nadir Ali Khoso
Convener

Dated: 27.01.2017

