



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

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No. NEPRA/AB/Appeal-190/POI-2016/ *581-585*

April 19, 2017

1. Muhammad Shafiq,  
S/o Abdul Shakoor,  
House No. NC-31/25, Manghopir Road,  
Nusrat Bhutto Mohr, Pakhtoonabad,  
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. Electric Inspector,  
Karachi Region-II,  
Block No. 51, Pak Secretariat,  
Shahra-e-Iraq, Saddar,  
Karachi

Subject: **Appeal Titled K-Electric Ltd Vs. Muhammad Shafiq Against the Decision Dated 24.10.2016 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 18.04.2017, regarding the subject matter, for information and necessary action accordingly.

Encl: **As Above**

No. NEPRA/AB/Appeal-190/POI-2016/ *586*

Forwarded for information please.

(Ikram Shakeel)

April 19, 2017

*(Signature)*  
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-190/2016

K-Electric Ltd

.....Appellant

Versus

Muhammad Shafiq S/o Abdul Shakoor,  
House No. NL-25, Dech. M. P. Road,  
Nusrat Bhotto Colony, Pakhtoonabad, Karachi

.....Respondent

For the appellant:

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

For the respondent:

Nemo

## DECISION

1. This decision shall dispose of the appeal filed by K-Electric against the decision dated 24.10.2016 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 an industrial consumer of K-Electric bearing Ref No. AP-088540 with a sanctioned load of 40kW and the applicable tariff is B-2. Premises of the respondent was inspected by K-Electric on 15.02.2012



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and reportedly meter of the respondent was found heated up, meter body damaged and connected load of the respondent was noticed as 99.21 kW being much higher than the sanctioned load. A notice dated 15.02.2012 was issued by K-Electric to the respondent regarding above discrepancy. Meter of the respondent was again checked by Mobile Testing Van (MTV) K-Electric on 16.02.2012 and reportedly it was found 11% slow. First supplementary bill of Rs.50,154/- for 4,325 units for the period November 2011 to January 2012(3 months) was charged by K-Electric to the respondent @ 11% slowness, which was paid in February 2012. Premises of the respondent was again inspected by K-Electric on 09.05.2012 and reportedly meter of the respondent was found burnt/smoky and connected load was observed much higher than the sanctioned load. After issuing notice dated 10.05.2012, second supplementary bill of Rs. 262,071/- for 22,947 units for the period March 2012 to May 2012 (3 month) was charged on the basis of connected load. Defective meter of the respondent was replaced by K-Electric in May 2012.

3. Being aggrieved with the aforesaid irregular billing, the respondent filed a complaint dated 09.07.2013 before POI and disputed the arrears accumulated to Rs.306,996/- till September 2012. However pursuant to the direction of POI, the respondent made a payment of Rs.155,150/- being 50% of the disputed arrears. The matter was disposed of by POI vide its decision dated 24.10.2016, the operative portion of which is reproduced below:

*"After conducting several number of hearings, giving fair opportunities to hear*

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*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 1<sup>st</sup> supplementary bill of Rs.50,154/- of 4325 units for the period from November 2011 to January 2012 is hereby cancelled and revised the same bill on one month instead of three month. The 2<sup>nd</sup> supplementary bill amounting to Rs.262,071/- of 22947 units for the period March 2012 to May 2012 is liable to be cancelled as it has no legal and technical grounds. The opponent is also directed to cancel the assessed billing and revise on actual meter reading basis. The Opponent is directed to adjust the excessive payment made if any by the applicant in future billings and if the bills paid within due date the late payment surcharges should also be waived off. The opponents are directed to act in terms of above instructions accordingly. The complaint of the applicant is disposed of with above remarks."*

4. Being dissatisfied with the POI decision dated 24.10.2016 (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 inter alia, contended that meter of the respondent was checked on 16.02.2012 and it was found 11% slow, therefore first supplementary bill amounting to Rs.50,154/- for 4,325 units for the period November 2011 to January 2012 was charged to the respondent @ 11% slowness. As per K-Electric, the same meter was again checked by K-Electric on 09.05.2012 and it was found smoky/burnt, therefore the second



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supplementary bill of Rs.262,071/- for 22,947 units for the period March 2012 to May 2012 was charged by K-Electric to the respondent on the basis of connected load. K-Electric prayed that the aforesaid both the supplementary bills are legal, valid and payable by the respondent. K-Electric further explained that defective meter of the respondent was replaced by K-Electric in May 2012 and the electricity bills for 45,491 units for the period June 2012 to October 2012 were charged, whereas the actual consumption was recorded as 53,262 units by the meter, therefore an adjustment bill of balance units was issued by K-Electric in November 2012. K-Electric averred that POI is not empowered to decide those bills, which were not disputed by the respondent. Finally K-Electric pleaded for setting aside the impugned decision. Notice was issued to the respondent for filing reply/parawise comments, which however were not filed.

5. After issuing notice to both the parties, hearing of the appeal was conducted in NEPRA regional office, Karachi on 10.04.2017 in which Ms. Tatheera Fatima Deputy General Manager (Distribution Legal) along with her team appeared for the appellant K-Electric and no one entered appearance for the respondent. Learned representatives of K-Electric reiterated the same arguments as narrated in memo of the appeal and prayed that the impugned decision be set aside being illegal and unjustified.
6. We have heard arguments of K-Electric, examined the record placed before us. Following are our observations:

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- i. Meter of the respondent was found 11% slow during K-Electric checking dated 16.02.2012 and found burnt/smoky during K-Electric checking on 09.05.2012. Therefore first supplementary bill amounting to Rs.50,154/- for 4,325 units for the period November 2011 to January 2012 @ 11% slowness and second supplementary bill of Rs.262,071/- for 22,947 units for the period March 2012 to May 2012 on the basis of connected load were charged by K-Electric.
- ii. Pursuant to clause 4.4 (e) of Consumer Service Manual (CSM), the detection bill due to a defective meter could be charged up-to two billing cycles only. Charging of the first supplementary bill amounting to Rs.50,154/- for 4,325 units for three months due to defective meter is violation of CSM, therefore liable to be cancelled as already determined in the impugned decision.
- iii. Since 11% slowness of the meter was observed by K-Electric in February 2012, therefore the respondent is liable to be charged the first supplementary bill @ 11% slowness for the months December 2011 and January 2012 in accordance with CSM. Impugned decision is liable to be modified to this extent.
- iv. As regards the second supplementary bill of Rs.262,071/- for 22,947 units, it has been imposed for March 2012 to May 2012 due to the meter found burnt/smoky during K-Electric checking on 09.05.2012. Since reading of the meter was being taken by K-Electric officials every month, but no burning/smoky of the meter was reported which indicates non existence of any such discrepancy. The

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electricity bills have already been charged for the period March 2012 to May 2012 by K-Electric as per actual meter reading, which establishes that the display of the meter was visible. As such there is no justification for charging the second supplementary bill of Rs.262,071/- for 22,947 units for the period March 2012 to May 2012 on the plea of a smoky meter, therefore it is liable to be cancelled as determined in the impugned decision.

- v. As regards the assessed bills charged up-to September 2012, the respondent is liable to be charged on the basis of consumption as recorded actually by the meter. Since the bills beyond September 2012 were not disputed by the respondent, therefore cancellation of the assessed bills beyond that period by POI is without lawful authority and liable to be withdrawn.

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

- i. First supplementary bill amounting to Rs.50,154/- for 4,325 units for the period November 2011 to January 2012 and second supplementary bill of Rs.262,071/- for 22,947 units for the period March 2012 to May 2012 charged by K-Electric to the respondent @ 11% slowness and on the basis of connected load are cancelled as already determined in the impugned decision. However the respondent should be charged the first supplementary bill for December 2011 and January 2012 @ 11% slowness as per CSM.
- ii. The assessed bills charged by K-Electric to the respondent up-to September 2012 are cancelled and should be revised on actual meter reading as decided by



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POI. However the undisputed assessed bills beyond September 2012 will remain intact.

- iii. The consumer billing of the respondent should be revised up-to September 2012 by making the adjustment of payment already made and the arrears (if any) be recovered in the future bills.

8. Impugned decision is modified in above terms.

Muhammad Qamar-uz-Zaman  
Member

Muhammad Shafique  
Member

Nadir Ali Khoso  
Convener

Dated: 18.04.2017