



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

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No. NEPRA/AB/Appeal/002/POI/2020/ 1032 - 1036 October 28, 2020

1. Shahzad Khan
House No. 82/11, Sector 11-G,
New Karachi, 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, First Floor,
Block F, Elander Complex,
Elander Road, Karachi
5. Electric Inspector/POI
Karachi Region-II, Government of Sindh,
Plot No. ST-2, Block-N, North Nazimabad.
Near Sarina Mobile Market,
Main Sakhi Hasan Chowrangi, Karachi

Subject: **Appeal Titled K-Electric Vs. Shahzad Khan Against the Decision Dated 28.10.2019 of the Provincial Office of Inspection to Government of the Sindh Karachi Region-II, Karachi**

Please find enclosed herewith the decision of the Appellate Board dated 28.10.2020, regarding the subject matter, for information and necessary action accordingly.

Encl: **As Above**


(Ikram Shakeel)
Assistant Director
Appellate Board

Forwarded for information please.

1. Director (IT) –for uploading the decision on NEPRA website



National Electric Power Regulatory Authority

Before Appellate Board National Electric Power Regulatory Authority, Islamabad

In the matter of

Appeal No.002/2020

K-Electric LimitedAppellant

Versus

Shahzad Khan, Plot No.82/11, Sector -11-G
New Karachi, KarachiRespondent

APPEAL UNDER SECTION 38(3) OF REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST THE DECISION DATED 28.10.2019 PASSED BY PROVINCIAL OFFICE OF INSPECTION KARACHI REGION-II, KARACHI

For the appellant:

Ms. Tatheera Fatima Deputy General Manager (Distribution-Legal)
Mr. Imran Hanif Manager
Mr. Amir Masood Manager

For the respondent:

Mr. Shahzad Khan
Mr. Shahbaz Khan

DECISION

1. Briefly speaking, the respondent is a consumer of K-Electric having two connections
(i) domestic connection (hereinafter referred to as disputed connection) bearing Ref
No. LA-906674 under the A-1R tariff and (ii) commercial connection bearing Ref No.
LC-236256 under the tariff A-2(c). As per site inspection report (SIR) dated
22.06.2017 of K-Electric, the respondent was using electricity directly, misuse of the
tariff was noticed and the connected load was observed as 15.132 kW against the
sanctioned load of 2 kW. Notice dated 22.06.2017 was issued to the respondent
regarding the above discrepancy and the detection bill of Rs.503,286/- for 19,354 units
for the period 22.12.2016 to 20.06.2017 (6 months) was charged to the respondent and



National Electric Power Regulatory Authority

added in the bill for July 2017 on the basis of the connected load against the disputed connection.

2. Being dissatisfied, the respondent approached the Provincial Office of Inspection (POI) in January 2019 and assailed the above detection bill. The complaint of the respondent was disposed of by POI vide decision dated 28.10.2019 wherein the detection bill of Rs.503,286/- for 19,354 units for the period 22.12.2016 to 20.06.2017 was cancelled and K-Electric was directed to charge 2,628 units to the respondent on the basis of 0.3 load factor of the sanctioned load i.e. 2 kW.
3. Through the instant appeal, K-Electric has challenged the afore-referred decision of POI (hereinafter referred to as the impugned decision) before NEPRA. In its appeal, K-Electric contended that the premises of the respondent was inspected on 22.06.2017 and the respondent was found stealing electricity directly for commercial purpose and the connected load was found much higher than the sanctioned load, therefore the detection bill of Rs.503,286/- for 19,354 units for the period 22.12.2016 to 20.06.2017 was charged to the respondent against the disputed connection. As per K-Electric, the theft of electricity was being committed since long and the garments factory is being operated through the direct use of electricity but the determination of POI for revision of the detection bill on the basis of the sanctioned load instead of connected load is wrong, hence the impugned decision does not cover the aspect of fair justice. K-Electric raised the objection regarding the jurisdiction of POI to adjudicate the case of theft of electricity by bypassing the meter and pleaded for setting aside the impugned decision.



National Electric Power Regulatory Authority

4. Notice of the appeal was issued to the respondent for filing reply/para-wise comments, which were filed on 15.06.2020. In the reply, the respondent opposed the maintainability of the appeal on the grounds that the appeal filed before NEPRA is time barred; that neither any notice was served to the respondent nor the site inspection was carried out during his presence that if he was involved in illegal abstraction of electricity as to why K-Electric did not lodge FIR against him; that he has installed six to seven machines in June 2017 for the Eid-ul-Fitar season in the premises; that subsequently commercial connection was installed by K-Electric in July 2017; that the detection bill of Rs.503,286/- for 19,354 units for the period 22.12.2016 to 20.06.2017 charged against the disputed connection is neither consistent with the provisions of the Consumer Service Manual (CSM) nor in line with the connected load i.e. seven machines; that the impugned decision was rendered in accordance with facts and law and POI has rightly cancelled the above detection bill; that K-Electric could not prove the allegation of theft levelled against him; that the POI is competent authority to decide the matter u/s 38 of NEPRA Act 1997 and that the appeal may be dismissed to meet the ends of justice.

5. Notice was issued and hearing of the appeal was conducted in NEPRA Regional Office Karachi on 13.10.2020, which was attended by both the parties. Representatives for K-Electric repeated the same arguments as contained in memo of the appeal and contended that the respondent was stealing electricity through the Kunda for the commercial purpose in June 2017, hence the detection bill of Rs.503,286/- for 19,354 units for the period 22.12.2016 to 20.06.2017 charged to the respondent against the disputed connection is justified and payable by the respondent.



National Electric Power Regulatory Authority

On the contrary, the respondent appearing in person refuted the allegation of theft of electricity and prayed for declaring the above detection bill as null and void as already declared by POI.

6. Arguments heard and the record placed before us was examined. It is observed as under:

- i. K-Electric has raised the objection on the jurisdiction of POI. It is observed that theft of electricity was alleged by K-Electric but neither the legal proceedings were initiated against the respondent nor the provisions of CSM were followed. Hence objection of K-Electric in this regard is invalid and rejected.
- ii. There is no force in the objection of the respondent regarding limitation as copy of the impugned decision dated 28.10.2019 was received by K-Electric on 29.10.2019 and the appeal was filed before NEPRA on 21.11.2019 within 30 days of receipt of the impugned decision in pursuance of Section 38(3) of NEPRA Act, 1997.
- iii. K-Electric charged the detection bill of Rs.503,286/- for 19,354 units for the period 22.12.2016 to 20.06.2017 to the respondent on the basis of connected load i.e. 15.132 kW against the disputed connection, which was challenged before POI in January 2019. POI vide impugned decision maintained the period of above detection bill but directed K-Electric for revision of the same on the basis of sanctioned load i.e. 2 kW.
- iv. K-Electric charged the above detection on the basis of connected load i.e. 15.132 kW as observed during checking dated 22.06.2017, however it was neither verified by POI being the competent forum nor regularized by K-Electric till to date. Hence



National Electric Power Regulatory Authority

we are inclined to agree with the determination of POI that the detection bill of Rs.503,286/- for 19,354 units for the period 22.12.2016 to 20.06.2017 charged to the respondent against the disputed connection is unjustified and liable to be cancelled.

- v. It is an admitted fact that the respondent was running a tailoring shop consisting of six to seven sewing (Joki + overlock) machines through the domestic connection of the premises in June 2017. K-Electric installed another commercial connection on the premises of the respondent in July 2017. This whole scenario indicates that the respondent was involved in the misuse of tariff during the disputed period i.e.22.12.2016 to 20.06.2017. Detail of connected load as provided by the respondent is calculated below:

Admitted load of the respondent				
S.No.	Load Type	Load (watts)	Nos.	Total load (watts)
1	Joki + overlock machine	400	7	2,800
2	Energy savor	25	6	150
3	Fans	80	3	240
Total (watts)				3,190

Perusal of the above table indicates that the respondent was using the load higher than the sanctioned load i.e. 2 kW, hence the determination of POI for revision of the detection bill for the period 22.12.2016 to 20.06.2017 based on the sanctioned load is incorrect and liable to be withdrawn to this extent. The respondent is liable to be charged the detection bill against the disputed connection as per calculation below:



National Electric Power Regulatory Authority

Period: 22.12.2016 to 20.06.2017 (6 months)

Total units to be charged = connected load (kW) x LF x Hrs./month x No. of Months	
=	3.19 x 0.3 x 730 x 6 = 4,192 units
Total units already charged	= (-) 802 units
Net units chargeable	= 3,390 units

7. Upshot of the above discussion is that the impugned decision for cancellation of detection bill of Rs.503,286/- for 19,354 units for the period 22.12.2016 to 20.06.2017 is correct and maintained to this extent. The respondent should be charged net 3,390 units for the disputed period i.e. 22.12.2016 to 20.06.2017 against the disputed connection. The billing account of the respondent may be overhauled after making adjustments of payments made (if any) against the above detection bill.
8. Foregoing in view, the impugned decision is modified.

Muhammad Qamar-uz-Zaman
Member

Muhammad Shafique
Member

Nadir Ali Khoso
Convener

Dated: 28.10.2020