



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

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No. NEPRA/AB/Appeal/007/POI/2022/421

April 18, 2022

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| 1. Zafar Hussain,
S/o. Muhammad Hussain,
House No. L-38, Sector-F,
Bhittai Colony, Korangi Crossing,
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. POI/Electric Inspector,
Karachi Region-I,
Adjacent to City School, PAF Chapter,
Baloch Colony, Shaheed-e-Millat Road,
Karachi | |

Subject: **Appeal Titled K-Electric Vs. Zafar Hussain the Decision Dated 25.11.2021 of the Provincial Office of Inspection to Government of the Sindh Karachi Region-I, Karachi**

Please find enclosed herewith the decision of the Appellate Board dated 05.04.2022, regarding the subject matter, for information and necessary action accordingly.

Encl: As Above

(Ikram Shakeel)
Deputy Director (M&E)/
Appellate Board

Forwarded for information please.

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



National Electric Power Regulatory Authority

Before Appellate Board

In the matter of

Appeal No.007/POI-2022

K-Electric Limited

.....Appellant

Versus

Zafar Hussain, S/o Muhammad Hussain, House No.L-38,
Sector-F, Bhittai Colony, Korangi Crossing, Karachi

.....Respondent

**APPEAL UNDER SECTION 38(3) OF REGULATION OF GENERATION,
TRANSMISSION, AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997
AGAINST THE DECISION DATED 25.11.2021 PASSED BY PROVINCIAL OFFICE
OF INSPECTION KARACHI REGION-I, KARACHI**

For the Appellant:

Mr. Asif Shajer General Manager

Mr. Najamuddin Sheikh Deputy General Manager

Mr. Masahib Ali Manager

For the Respondent:

Mr. Zafar Hussain

Mr. Abdul Ghaffar

DECISION

1. Brief facts of the case are that the Respondent is a domestic consumer of the K-Electric bearing Ref No. LA-967673 having a sanctioned load of 1 kW under the A-1R tariff. Premises of the Respondent was inspected by the K-Electric on 29.09.2017 and allegedly the Respondent was found stealing electricity through the hook connection and the connected load observed was 4 kW being higher than the sanctioned load of 1 kW. After issuing notice dated 29.09.2017, a detection bill amounting to Rs.29,707/- for 1,629 units for the period 21.03.2017 to 19.09.2017 six (6) months was charged by the K-Electric to the Respondent.



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2. Being aggrieved, the Respondent approached the Provincial Office of Inspection, Karachi Region-I, Karachi (the POI) in December 2017 and agitated the abovementioned detection bill. The complaint of the Respondent was disposed of by the POI vide decision dated 25.11.2021, wherein the detection bill of Rs.29,707/- for 1,629 units for the period, 21.03.2017 to 19.09.2017 six (6) months was cancelled.
3. Through the instant appeal, K-Electric has assailed the above-referred decision of the POI (hereinafter referred to as the impugned decision) before the NEPRA in which it is contended that the premises of the Respondent was inspected on 29.09.2019 and the Respondent was found consuming electricity through the hook connection and the connected load was observed as 4 kW. As per the K-Electric, notice dated 29.09.2017 thereof was served to the Respondent, and a detection bill of Rs.29,707/- for 1,629 units for the period 21.03.2017 to 19.09.2017 six (6) months was charged to the Respondent as per provisions of the Consumer Service Manual (CSM), which was cancelled by the POI without any cogent reasons. According to the K-Electric, the FIR was not registered against the Respondent as he accepted theft of electricity and agreed to pay the above detection bill. The K-Electric pointed out that being a case of theft of electricity through bypassing the meter, the POI was not authorized to decide the instant matter as per verdict of the apex court.
4. The Respondent was issued the notice for filing reply/para-wise comments to the appeal, which however were not filed.

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5. After issuing notice, hearing of the appeal was held at the NEPRA Regional Office Karachi on 04.03.2022, wherein the representatives for the K-Electric were present and the Respondent appeared in person. The representatives for the K-Electric reiterated the same arguments as contained in memo of the appeal and contended that the Respondent was found stealing the electricity through a neutral break during the inspection dated 29.09.2017 and the connected load was found as 4 kW for which the notice dated 29.09.2017 was served to the Respondent and a detection bill of Rs.29,707/- for 1,629 units for the period 21.03.2017 to 19.09.2017 six (6) months was charged to the Respondent. According to the K-Electric, the Respondent was involved in the illegal abstraction of electricity for a long time, as such the consumption of the Respondent cannot be based for the determination of the fate of the detection bill. K-Electric prayed for setting aside the impugned decision and further pleaded to allow the above-said detection bill. On the contrary, the Respondent appearing in person denied the allegation of theft of electricity levelled by the K-Electric and argued that neither prior notice was served nor alleged checking was conducted by the K-Electric. As per Respondent, various complaints were made with K-Electric for rectification of neutral break but no action was taken by them, hence local neutral was arranged to continue the supply of electricity to the premises. The Respondent opposed the charging of detection bill of Rs.29,707/- for 1,629 units for the period 21.03.2017 to 19.09.2017 six (6) months based on the alleged connected load of 4 kW and submitted that such high load was never extended by him. The Respondent finally defended the impugned decision



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and prayed for upholding the same.

6. Arguments were heard and the record placed before us was perused. Following are our observations:

i. K-Electric raised the preliminary objection for the jurisdiction of the POI being theft of electricity case but failed to follow the procedure as laid down in the CSM and did not take any legal action against the Respondent on account of theft of electricity. Indeed, it is a metering and billing dispute and falls in the jurisdiction of the POI. The objection of the K-Electric in this regard is devoid of force, therefore rejected.

ii. Following detection bill was charged by the K-Electric to the Respondent:

Table-A

SIR dated	Discrepancies	Bill type	Period		Units	Amount (Rs.)
29.09.2017	Theft of electricity	Detection	21.03.2017	19.09.2017	1,629	29,707/-

The above detection bill was charged by the K-Electric to the Respondent for six (6) months in violation of Clause 9.1c(3) of the CSM, which allows the K-Electric to charge the detection bill maximum for three (3) months to the Respondent being a general supply consumer i.e. A-I sans approval of the Chief Executive Officer. K-Electric claims that the FIR was not registered against the Respondent as he admitted theft of electricity and ready to pay the above detection bill, however K-Electric did not produce any document in this regard. Under these circumstances, the



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detection bill of Rs.29,707/- for 1,629 units for the period 21.03.2017 to 19.09.2017 [April 2017 to September 2017] six (6) months is unjustified and the same is liable to be declared null and void as already decided by the POI.

iii. It is an admitted fact that the Respondent was using electricity through the neutral break by arranging his own local neutral, as such he may be charged the detection bill for three (3) months i.e. July 2017 to September 2017 as per Clause 9.1c(3) of the CSM and the basis of calculation of the detection bill be made as per the formula given in Annex-VIII of the CSM in below table:

Table-B

Bill type	Months	Duration	Units/month to be charged
Detection	Jul 2017 to Sep 2017	03	Connected load (kW) x Load Factor x No. of Hours/month 4.1 x 0.15 x 730 = 449 units
(A) Total units to be charged		= Units/month x No. of Months allowed as per CSM = 449 x 3 = 1,347 units	
(B) Units already charged		= 180+128+169 = 477 units	
(C) Net units to be charged		= (A) - (B) = 1,347 - 477 = 870 units	

7. From forgoing discussion, we have concluded that:

- The detection bill of Rs.29,707/- for 1,629 units for the period 21.03.2017 to 19.09.2017 six (6) months is unjustified, hence the same should be cancelled.
- The Respondent may be charged the detection bill for net 870 units for the period July 2017 to September 2017.



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iii. The billing account of the Respondent may be overhauled after making the adjustment of payments made against the above detection bill.

8. The impugned decision is modified in the above terms.

Abid Hussain
Member/Advisor (CAD)

Nadir Ali Khoso
Convener/Senior Advisor (CAD)

Dated: 05.04.2022