



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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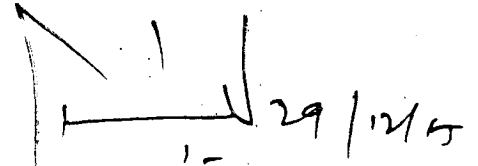
December 29, 2015

Chief Executive Officer,
K-Electric Limited, KE House No 39-B,
Sunset Boulevard Phase-II, Defense Housing Authority,
Karachi.

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MR. MUHAMMAD ILYAS UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST K-ELECTRIC LIMITED REGARDING DETECTION BILL (CONSUMER NO. AP-078789) COMPLAINT # KE-1117/2014**

Please find enclosed herewith the decision of NEPRA regarding the subject matter for necessary action and compliance within thirty (30) days of receipt of this decision.

Encl: As above


(Iftikhar Ali Khan)
Deputy Registrar

Copy to:

Mr. Muhammad Ilyas
Plot No. CI-16, Street No. 1, Sector 6-B,
Industrial Area, North Karachi



**BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)**

Complaint No. KE-1117-2014

Mr. Muhammad Ilyas Complainant
Plot No. CI-16, Street No. 1, Sector 6-B,
Industrial Area, North Karachi.

Versus

K- Electric Limited Respondent
(Formerly, Karachi Electric Supply Company (KESC))
KE House, 39-B, Sunset Boulevard,
DHA-II, Karachi.

Date of Hearing: 3rd August 2015

Date of Decision: December 23, 2015

On behalf of:

Complainant: 1) Mr. Muhammad Ilyas
2) Mr. Abubakar Usman

Respondent: 1) Mr. Rafique Ahmed Sheikh, GM (Regulations)
2) Mr. Iqbal Qureshi, L.C

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MR. MUHAMMAD ILYAS UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST K-ELECTRIC LIMITED REGARDING DETECTION BILL (CONSUMER NO. AP-078789)**

DECISION

This decision shall dispose of the complaint dated 23rd December 2014 filed by Mr. Muhammad Ilyas (hereinafter referred to as the "Complainant") against K-Electric Limited (hereinafter referred to as the "Respondent" or "KE") under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

2. The Complainant in his complaint stated that the electricity supply at his factory was disconnected by KE in November, 2014 without serving any notice and despite regular payment of bills up to the month of October, 2014. Moreover, the meter is installed outside the premises. The Complainant further added that on 12th November, 2014 at night someone stole overhead service cable leading to the meter and the same was reported to KE on 13th November, 2014. On demand of KE, a cable was purchased by him on 14th November, 2014 and the same was installed on 15th November, 2014 by KE officials. In addition, the Complainant stated that the existing meter was also replaced with a new meter by KE officials. The Complainant further informed that on 26th November, 2014 his electricity supply was again disconnected by

KE and thereon, KE demanded a lump sum payment of Rs. 260,000/- as token money for reconnection. Facing business damages, the payment was made by the Complainant on 1st December, 2014 and the supply was restored by KE. However, KE did not send the meter to Electric Inspector for checking as required under the law. Thereafter, arrears amounting to Rs. 367,425/- were raised by KE on 8th December, 2014. The Complainant prayed (inter alia) that stay order be granted against newly generated amount of Rs. 367,425/- and disconnection be restrained till disposal of the case and the matter be decided on its merits.

3. The complaint was taken-up with KE for submission of parawise comments. In response, KE vide its letter dated 16th January, 2015 reported that a site inspection was carried out on 13th November, 2014 at the premises of the Complainant after serving inspection notice dated under Section 20 of the Electricity Act, 1910. As per Site Inspection Report (SIR) dated 13th November, 2014 discrepancies of "joint before the incoming" and "all three phases connected in reverse direction" were observed and the connected load was found as 28.027 kW against sanctioned load of 23 kW. Subsequently, a notice dated 13th November, 2014 under Section 39, 39A, 44 & 26A of Electricity Act 1910 was issued to the Complainant to provide him an opportunity to explain the reason of the reported discrepancy. After lapse of stipulated time, a detection bill amounting to Rs. 626,123/- for 31,289 units covering a period of six (06) months from 6th May, 2014 to 5th November, 2014 was processed. KE further submitted that the consumption of the Complainant has increased after removal of the discrepancy as the Complainant was involved in illegal abstraction of electricity therefore the detection bill is justified and liable to be paid by the Complainant.

4. On the request of the Complainant, KE was directed vide NEPRA's letter dated 22nd January, 2015 to set-aside the disputed amount of Rs. 367,425/-, issue current bills and to not disconnect the electricity supply of the Complainant till final decision by NEPRA. In response, KE submitted the compliance report vide letter dated 10th February, 2015.

5. The report of KE dated 16th January, 2015 was sent to the Complainant for information/comments. In response, the Complainant vide his letter dated 23rd February, 2015 raised his observations over the report of KE and denied the allegations leveled by KE. The case was again taken-up with KE in light of the observations raised by the Complainant. Moreover, some additional information with respect to billing statement, rationale of detection bill, copy of MCO etc was also sought from KE, and the same was provided by KE vide its letter dated 6th May, 2015.

6. In order to probe further into the matter, a hearing was initially scheduled for 5th June 2015 which was adjourned on request of KE and finally held on 3rd August 2015 at Karachi. The hearing was attended by both the parties wherein, the parties advanced their arguments on the basis of their earlier versions. During the course of hearing, the Complainant denied the allegations leveled by KE.

7. The case has been examined in light of the documents provided by both the parties, arguments advanced during the hearing and applicable law. Following has been observed:

- i. As per report of KE, an inspection of the Complainant's factory was carried out on 13th November, 2014 and discrepancies of "joint before the incoming" and "all three phases connected in reverse direction" were found. On the basis of this discrepancy, KE assessed the consumption of the Complainant as 39,874 units for the period of 6 months i.e. from 6th May, 2014 to 5th November, 2014 and after deducting already charged 8,585 units during this period, KE issued a detection bill amounting to Rs. 626,123/- for 31,289 units. The Complainant has denied the allegations leveled by KE.
- ii. The Complainant informed that he filed a complaint with KE on 12th November, 2014 for missing/ theft of the cable leading to the meter, upon which KE officials visited the site on 13th November, 2014 and advised him to purchase a cable for restoration of supply. The Complainant added that no discrepancy was reported by KE officials at that time. Whereas during the course of hearing, KE representatives stated that the Complainant did not file any complaint with respect to restoration of electricity supply due to theft of cable, rather the reported discrepancy was observed by KE officials during routine checking.

8

- iii. The billing statement of the Complainant's accounts provided by KE (w.e.f from January, 2010 to July, 2015) is as under:

MONTH	YEARS			
	NUMBER OF UNITS CONSUMED			
	2012	2013	2014	2015
January	2018	1331	1408	898
February	3946	868	1876	299
March	3234	813	2330	430
April	3534	2360	1935	375
May	4402	5093	2390	951
June	7587	4412	3559	348
July	5250	5717	3680	112
August	7741	4206	1346	
September	3065	3438	0	
October	1991	2172	0	
November	1107	1551	0	
December	1300	3212	1139	

The inspection of the premises was carried out on 13th November, 2014. KE issued a detection bill to the Complainant for the period of 6 months i.e. from 6th May 2014 to 5th November 2014 on the basis of discrepancy of phase reversal and joint before incoming. The above table depicts the consumption of the Complainant as under:


- Consumption of the Complainant during the period for which KE has raised detection bill i.e. 6th May, 2014 to 5th March, 2014 = 8,585 units (Average monthly = 2,861 units)
- Consumption of the Complainant in corresponding months of previous year = 14,335 units (Average monthly = 4,778 units)
- Consumption of the Complainant during 8 months after inspection i.e. from December, 2014 to July, 2015 = 4,552 units (Average monthly = 569 units)
- Consumption of the Complainant in corresponding months of previous year i.e. from December, 2013 to July, 2014 = 20,390 units (Average monthly = 2,549 units)

The above billing analysis shows that there was reduction in the consumption of the Complainant during the period for which KE has charged detection bill as compared with the consumption recorded in the corresponding months of the previous year. Further, the consumption of the premises has decreased after inspection as compared with the corresponding months of the previous year.

- iv. There is no consumption of electricity from September, 2014 to November, 2014. In this regard, the Complainant informed during the course of hearing that the factory was closed during that period, however, no documentary evidence was placed on record by the Complainant in support of his version.
- v. KE has raised allegation of joint before incoming, i.e. direct hook. In such cases, FIR is mandatory as per provisions of Consumer Service Manual (CSM) but in the instant case KE has neither lodged FIR against the Complainant nor reported the matter to the concerned police station for registration of FIR against the Complainant. Further in case of phase reversal, a procedure is laid down in CSM prior

to imposition of detection bill, however, the record shows that KE has not followed the prescribed procedure in full letter and spirit.

- vi. The Complainant in his complaint submitted that the supply was disconnected by KE on 26th November, 2014 and KE demanded payment of Rs. 260,000/- as token money for reconnection. Facing business damages, payment of the said amount was made by the Complainant on 1st December, 2014, however, the Complainant failed to respond to the query with respect to zero consumption during the months of September, 2014 October, 2014 and November, 2014. On the other end, KE has also not leveled any allegations against the Complainant during this period for involvement in theft of electricity.
 - vii. Keeping in view the consumption pattern of the Complainant during last 3 years, the detection bill charged by KE is on higher side.
8. Foregoing in view, KE is directed to revise the detection bill charged against the Complainant from six (06) months to three (03) months and submit compliance report within thirty (30) days


(Maj (R) Haroon Rashid)
Member (Consumer Affairs)

Islamabad, December 23 , 2015

