



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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**OFFICE OF THE
REGISTRAR**

No. NEPRA/CAD/TCD-09/1711-12

February 03, 2016

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. HAQ
NAWAZ SHAIKH 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. LB-253815)
COMPLAINT # KE-286/2015**

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

Encl: As above

3/2/16
(Iftikhar Ali Khan)
Deputy Registrar

Copy to:

Mr. Haq Nawaz Shaikh
B-88, Block-3, Saad Town
Gulistan-e-Johar, Karachi



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No. KE-286-2015

Mr. Haq Nawaz Shaikh **Complainant**
B-88, Block-3, Saadi Town,
Gulistan-e-Johar, Karachi.

Versus

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

Date of Hearing: November 19, 2015

Date of Decision: February 02, 2016

On behalf of:

Complainant: Mr. Haq Nawaz Shaikh

Respondent: 1) Mr. Rafique Ahmed Sheikh, GM (Regulations)
2) Mr. Abdul Latif, GM

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MR. HAQ NAWAZ SHAIKH UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST K-ELECTRIC LIMITED REGARDING DETECTION BILL (CONSUMER # LB-253815)**

DECISION

This decision shall dispose of the complaint dated April 21, 2015 filed by Mr. Haq Nawaz Shaikh (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 he purchased a new bungalow in July, 2013 having no electricity connection/electric meter. In the month of August 2014, KE issued a bill amounting to Rs.29,285/- in the name of Mr. X-Y-Z and he was coerced by KE to pay the said bill. Thereupon, he paid the bill on assurance of KE staff that the paid bill will be adjusted in future bills, however, the same was not adjusted by

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KE. The Complainant prayed that KE be directed to refund the bill amounting to Rs.29,285 paid by him under duress.

3. The case was taken up with KE for submission of para-wise comments. In response, KE vide letter dated May 12, 2015 reported that the Complainant did not approach KE for dues clearance certificate/NOC when he purchased the premises in July, 2013. However, the Complainant approached KE in the month of August, 2014 for a new connection whereupon he was informed by KE that electricity was illegally utilized by him for construction of the premises. Accordingly, a temporary bill amounting to Rs.29,285/- was issued to him for using electricity for construction of the house which was duly paid by him and subsequently, a meter was installed at his premises.

4. The report of KE was sent to the Complainant for information/comments. In response, the Complainant vide letter dated June 02, 2015 raised observations over the report of KE and reiterated his earlier version. Moreover, he also provided copy of the sale deed dated June 17, 2013. Accordingly, the matter was again taken up with KE. In response, KE vide letter dated June 16, 2015 reiterated its earlier version and submitted that the Complainant illegally used KE's supply for his premises and therefore, a temporary bill amounting to Rs.29,285/- was issued when the Complainant applied for a new connection in August 2014. The case was referred back to KE to review the case in light of the sale deed and submit report accordingly. In response, KE vide letter dated July 06, 2015 reported that as per provisions of Consumer Service Manual, in case of consumers who sell their premises, arrears would be the liability of the new occupant of the defaulting premises, therefore, a temporary bill amounting to Rs 29,285/- outstanding against the premises was issued to the Complainant when he applied for new connection in August, 2014.

5. In order to probe further into the matter, a hearing was held on November 19, 2015 at Karachi which was attended by both the parties who advanced their arguments based on their earlier submissions. During the course of hearing, the Complainant stated that he purchased a constructed house and applied to KE for a new connection in August, 2014, whereupon KE issued a bill amounting to Rs. 29,285/- with the view that electricity was used for construction purpose, whereas generator was used for electricity supply during construction. Upon query for payment of the impugned bill, the Complainant informed that he paid the bill under protest as he had no other option but to pay the bill for obtaining a new connection at the premises.

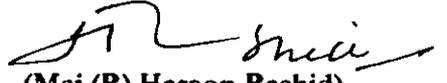
6. The case has been examined in light of the documents made so available by both the parties, arguments advanced during the hearing and applicable law. Following has been observed:

- i. The Complainant purchased a constructed house vide sale deed dated June 17, 2013 where previously no electricity connection was available. He applied to KE in August, 2014 for a new connection. In response, KE issued to him a bill amounting to Rs. 29,285/- which was paid by him. KE issued the bill with the plea that the house was constructed by using KE's supply illegally, whereas, no proof in this regard was placed on record by KE.
- ii. The Complainant has denied the allegations leveled by KE. The Complainant had no other option but to pay the bill for obtaining new connection, therefore he paid the bill under coercion.
- iii. KE is of the view that as per provisions of Consumer Service Manual, in case of consumers who sell their premises, arrears would be the liability of the new occupant of the defaulting premises. Here, it is clarified that if the arrears are legitimate, then KE is authorized to take all legal measures to recover the arrears from the new occupant, otherwise, the new occupant is not responsible for payment of any dues raised illegally and without any justification. KE has raised the impugned arrears on account of construction of the house on KE's supply illegally. KE raised the arrears when the Complainant applied for a new connection in August, 2014 and no documentary evidence was provided by KE with respect to the claim that the house was constructed on KE's supply. As such, there is no force in arguments of KE that the arrears are liable to be paid by the new occupant.
- iv. It takes a considerable period of time to construct a house, therefore, if KE's supply was being used for construction purpose, then the same should have been pointed out by KE staff earlier. KE did not issue any notice earlier regarding illegal use of electricity, meaning thereby that KE's supply was not

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used for construction purpose by the Complainant. Further, KE did not provide any proof with respect to the usage of electricity for construction purpose, from which it appears that KE issued bill on the basis of assumption that the Complainant has used electricity/KE's supply for construction purpose.

- v. As per provisions of Consumer Service Manual, temporary tariff (E-1) is applicable in case of construction of a house. In the instant case, KE has issued ASSD bill in the name of XYZ having no consumer number under A-1 tariff. As such, the issued bill is illegal and void. Further, issuance of bill on ASSD mode is in violation of the provisions of Consumer Service Manual and tariff terms and conditions approved by the Authority.
7. Forgoing in view, KE is directed to withdraw the bill amounting to Rs. 29,285/- charged against the Complaint being void, illegal and unjustified.
8. Compliance report be submitted within 30 days.


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


Islamabad, February 02, 2016