



## National Electric Power Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN

NEPRA Head Office,

Attaturk Avenue (East), Sector G-5/1, Islamabad.

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### Consumer Affairs Department

TCD.06/ 7092 -2019  
July 24, 2019

1. Chief Executive Officer  
K-Electric Limited,  
KE House No. 39-B, Sunset Boulevard,  
Phase-II, Defense Housing Authority,  
Karachi.
2. Mr. Muhammad Asim Khan  
S/o Saeed Muhammad Khan,  
CIR 112-113,  
Sector 6, Qasba,  
Metroville, Karachi.

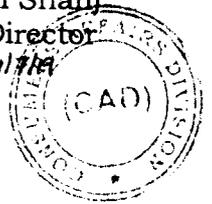
Subject: **ORDER OF NEPRA CONSUMER COMPLAINTS TRIBUNAL IN THE MATTER OF COMPLAINT FILED BY MR. MUHAMMAD ASIM KHAN S/O SAEED MUHAMMAD KHAN UNDER SECTION 39 OF THE NEPRA ACT 1997 AGAINST K-ELECTRIC LIMITED REGARDING RESTORATION OF CONNECTION / DETECTION BILL (CONSUMER NO. LA-160867)**

Enclosed find herewith Order of the NEPRA Consumer Complaints Tribunal for further necessary action and compliance within twenty (20) days, please.

Encl: **As above**

(Danish Ali Shah)  
Deputy Director

24/7/19



Copy to:

Mr. Ayaz Jaffar Ahmed,  
Director (Finance & Regulation),  
K-Electric Limited, KE House No. 39-B,  
Sunset Boulevard Phase-II, Defence Housing Authority,  
Karachi.



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

**Complaint No. KE-4801/09/2018**

**Mr. Muhammad Asim Khan S/o Saeed Muhammad Khan** ..... **Complainant**  
CIR 112-113, Sector 6, Qasba,  
Metroville, Karachi.

**VERSUS**

**K-Electric Limited** ..... **Respondent**  
KE House No. 39-B, Sunset Boulevard,  
Phase-II, Defense Housing Authority,  
Karachi.

**Date of Hearing:** July 06, 2019

**On behalf of:**

**Complainant:** Mr. Muhammad Asim Khan

**Respondent:**

- 1) Mr. Abrar Ali Khan, GM (IBC, Orangi-I)
- 2) Mr. Asif Shajar, DGM (Regulations)
- 3) Mr. Saleemuddin, Manager (IBC, Orangi-I)
- 4) Mr. Imran Hanif, Asstt. Manager

**Subject: ORDER OF NEPRA CONSUMER COMPLAINTS TRIBUNAL IN THE MATTER OF COMPLAINT FILED BY MR. MUHAMMAD ASIM KHAN S/O SAEED MUHAMMAD KHAN UNDER SECTION 39 OF THE NEPRA ACT 1997 AGAINST K-ELECTRIC LIMITED REGARDING RESTORATION OF CONNECTION / DETECTION BILL (CONSUMER NO. LA-160867)**

**ORDER**

This Order shall dispose of the complaint filed by Mr. Muhammad Asim Khan S/o Saeed Muhammad Khan (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 (hereinafter referred to as the "NEPRA Act") .

2. Brief facts of the case are that NEPRA received a complaint from the Complainant, dated August 28, 2018, regarding the subject matter. The dispute agitated by the Complainant was that KE team visited his factory on August 13, 2018 and intimated that seals of the meter installed at his premises/ factory are tampered and display is also washed out, therefore, it would require replacement. However, he was then informed by the KE team that the phase is visible and the team left the site after sealing the meter afresh. Thereafter, his meter was stolen the next night, for which he submitted a report in the



concerned Police Station on August 14, 2018. KE was also informed about the same. Later, on August 15, 2018, KE's team visited the site along with FIA official(s) and sealed his factory despite the fact that his factory was already closed/ non-operational. The Complainant further stated that he pays his electricity bills regularly and upon theft of his meter, he duly informed KE; however, instead of addressing the issue, his electricity supply was disconnected by KE, and a detection bill amounting to Rs. 2,899,372/- was imposed upon him. He added that his factory remained completely closed/ non-operational since August 13, 2018 and requested for resolution of his issue.

3. The matter was taken-up with KE for submission of parawise comments/ report. In response, KE, vide its letter dated October 24, 2018, reported, inter alia that during site inspection held on August 13, 2018 at the Complainant's premises/ factory, the complainant was found involved in illegal abstraction of electricity as the main terminal strip of the meter was found tampered which was sealed by KE inspection team at site in presence of the Complainant. However, the team was not allowed to replace/install check meter due to strong resistance from the complainant and his accomplices. The inspection team was also manhandled and taken hostage by the complainant. As a last resort, LEAs help was sought by KE and again a joint site inspection was carried out on August 16, 2018. During the joint inspection, the impugned meter was found missing from the site apparently removed by the complainant with the intention to remove the physical evidence. During the site inspection on August 13, 2018 theft of the electricity was visible and during joint inspection on August 16, 2018 meter found missing from the site, therefore the supply of the premises disconnected after fulfillment of all necessary codal formalities. Moreover, during the site inspection, the complainant's connected load was found to be 74.2 kW against sanctioned load of 17 kW. Notices were issued to the Complainant in this regard. Subsequently, a detection bill of 107,060 units, amounting to Rs. 2,899,372/-, was issued to the Complainant for a period of 06 months, i.e. from January 28, 2018 to July 24, 2018.

4. The report of KE was forwarded to the Complainant for information/comments. In response, the Complainant, vide his letter dated October 27, 2018, raised observations over the report of KE, reiterated his earlier version and requested for restoration of electricity supply. Accordingly, the matter was again taken-up with KE, and it was also directed that the Complainant's supply be restored after recovering 25% of the disputed bill and current bills be issued to him till finalization of the case. However, the Complainant, vide his letter dated November 27, 2018, once again approached NEPRA and agitated on 25% payment for restoration of supply on the plea that he has never been involved in theft of electricity. Further, he termed KE's observation regarding higher connected load against sanctioned load as baseless and illogical.

5. In order to further probe into the matter, the hearing was held on December 18, 2018 at NEPRA Regional Office, Karachi, wherein both parties participated and advanced their arguments. During the hearing, the Complainant stated that the allegations leveled by KE are baseless. The Complainant further added that he is unable to pay 25% of the disputed bill and requested that his supply be restored immediately without any part payment of the disputed amount.

6. Foregoing in view, the Tribunal in its interim Order dated December 27, 2018 directed KE to restore the electricity supply of the Complainant's premises/ factory upon payment of an amount of Rs. 150,000/- of the disputed bill, issue current bills to the Complainant for payment and defer the remaining disputed amount till decision of the case by NEPRA. Furthermore, KE was also directed to closely monitor the consumption pattern of the Complainant's premises/ factory and conduct site inspection at any time as per its satisfaction for verification of connected load/ accuracy of the metering equipment.



7. In response, KE informed that in compliance of the Interim Order, a bill of part payment of Rs.150, 000/- was issued, however, the Complainant refused to accept and pay the said bill. Meanwhile, NEPRA received a notice from the Honorable High Court of Sindh, Karachi, (hereinafter referred to as the "Court") whereby it was evident that the Complainant had filed a Constitutional Petition No. D- 149 1/ 2019 against KE & Others in the instant matter. In view thereof, since the matter was subjudice in a court of law, therefore, proceedings in the matter were sine die adjourned.

8. The Court vide its decision dated April 5, 2019 disposed of the said Petition as under:

*"Learned counsel for the petitioner submits that the petitioner is ready to pay an amount of Rs. 150,000/- in terms of order passed by NEPRA respondent No 4 on 18th December 2018. Subject to payment of aforesaid amount and the payment of current bill issued as per the meter reading by the respondent K-Electric to the petitioner, electricity of the subject factory is to be restored within a period of two (02) days after payment of the aforementioned amount. Matter is already subjudice before NEPRA, this petition has served its purpose, the same is accordingly disposed of."*

9. In pursuance of the decision of the Honorable High Court, NEPRA vide its letter dated May 20, 2019 directed KE to restore the electricity supply of the factory within two days after payment of the aforementioned amount by the Complainant and issue current bill to the Complainant till finalization of the case. In response, KE informed that the Complainant has refused to pay the bill, therefore, the bill has been pasted at the gate of the premises.

10. Accordingly, another hearing in the instant case was conducted on July 6, 2019 at NEPRA Regional Office, Karachi wherein both the parties participated and advanced their arguments. During the hearing, the Complainant also submitted written arguments, wherein he stated that legal formalities have not been completed by KE before carrying out the inspection as no notice was served upon him. Moreover, neither a check meter was installed nor representative of Electric Inspector was present at the spot. The Complainant added that despite the fact his electricity supply was disconnected on August 13, 2018, KE issued electricity bill for the month of September 2018 on normal mode in which units were charged to him. The Complainant further submitted that a 16mm<sup>2</sup> cable is installed at site which cannot cater to the load of 74 kW. He added that he has submitted an application for change of tariff, however, KE has not yet changed his tariff from commercial to industrial.

11. The Tribunal heard the arguments of the parties and perused the documents on record. Following has been concluded:

- i. The sanctioned load of the Complainant is 17kW under commercial tariff having consumer No. LA 160867. The connected load at site is 74 kW. According to KE, at the time of checking on August 13, 2018, the running load was found to be 30 kW. The Complainant is of the view that a 250 kVA transformer is available at site which feeds electricity supply to his premises along with other consumers of the area. Therefore, allegation for use of 74 kW load is baseless. However, during the hearing, the Complainant admitted that 74 kW load is available at site, but he does not use the entire load, as the premises is connected through 16 mm<sup>2</sup> cable which can cater upto 30 kW load as informed by KE officials during the hearing.



- ii. Clause 8.1(e) of the Consumer Service Manual (CSM) stipulates that if a consumer extends his existing load beyond the sanctioned load he shall be issued a notice along with evidence thereof to apply for extension of load within one month of the receipt of notice. The DISCO shall disconnect the power supply if the consumer fails to avail this opportunity. In view thereof, it is evident that the Complainant is using higher load than the sanctioned load, however, KE has failed to take action as per the provisions of CSM. The load is required to be regularized accordingly. The Complainant is of the view that he has applied to KE for change of tariff from commercial to industrial. This fact was not highlighted by the Complainant in his initial complaint dated August 28, 2018 therefore, adjudication upon the same is beyond the scope of this complaint. The Complainant also has raised the objection that legal formalities have not been completed by KE before carrying out inspection of his premises as no notice was served upon him. Moreover, neither a check meter was installed nor representative of Electric Inspector was present during the inspection.
- iii. Clause 9.1(c) of the CSM envisages that for establishing illegal abstraction of electricity, the distribution company shall secure the meter in presence of the owner/ occupier/ or his representative/ respectable person of the locality and install a check meter in series with the impugned meter. The raiding team shall include Magistrate, local representative of the area (police, councilor) etc. and for consumer category of B-2 and above, representative of Electric Inspector is mandatory. The written/ verbal arguments of the parties show that the Complainant was present during the checking. This fact was not denied by the Complainant, however, he informed that upon intimation by his staff, he came at site where KE officials were present. There is no force in arguments of the Complainant that the representative of Electric Inspector was not present at site and no notice was served upon him for checking. The CSM envisages that the representative of Electric Inspector is mandatory in case of checking of consumer categories of B-2 and above, whereas the Complainant is a consumer under A-2 tariff (commercial). Moreover, issuance of notice is mandatory according to clause 14(1) of CSM for routine checking. In cases where Distribution company doubt theft of electricity, issuance of notice is not mandatory. If notice is issued in suspected theft cases, then the consumers become cautious and evidences are removed. KE representatives informed that the Complainant did not allow them to install check meter or replace the meter. This point of view of KE representatives was not denied by the Complainant.
- iv. KE team carried out site inspection on August 13, 2018. As per site inspection report by KE, meter condition was found doubtful, terminal strip tampered, 2-phase voltages were missing on meter. The Complainant showed strong resistance and did not allow KE team, to install a check meter. The KE team sealed the meter in the presence of the Complainant. On the next day, the meter became missing. The Complainant reported the matter to the police for missing meter. During the joint survey along with FIA team, the impugned meter was found missing from the site. Clause 9.1(c) of the CSM envisages that, in places where the meters are outside the premises, the prime responsibility of the maintenance of the healthy state of the meter rests with the DISCO thereby meaning that it was responsibility of KE to file FIR and report the matter to the police station and not the consumers. Here a question arises that why didn't the Complainant allow KE team for installation of check meter or to replace the meter? Why the meter got missing on the very next day of checking? Why did the Complainant report the matter to the police? These questions create doubts on part of the Complainant.

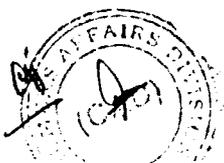


- v. The billing statement of the Complainant provided by KE is as under:

| Month     | 2017 | 2018 |
|-----------|------|------|
| January   | 1705 | 5871 |
| February  | 1240 | 5773 |
| March     | 2453 | 5060 |
| April     | 1869 | 3566 |
| May       | 1025 | 3255 |
| June      | 1049 | 2586 |
| July      | 455  | 573  |
| August    | 2778 | 439  |
| September | 2874 | 288  |
| October   | 3724 | 322  |
| November  | 5131 | 1178 |
| December  | 5005 | 0    |

The above billing data shows that consumption at the premises was on lower side during the months of July and August 2018 as compared with the previous consumption trend. The Complainant neither submitted any evidence nor justified the low consumption. KE team carried out inspection on August 13, 2018 and found some discrepancy in the metering equipment. Next day the meter was misplaced and the supply remained disconnected. The above billing statement shows that the Complainant was charged bills for the months of September to November 2018 while the connection was disconnected. During the hearing, KE officials failed to submit any satisfactory response as to why electricity bills were issued against a disconnected meter/premises.

- vi. KE officials were directed to provide MDI record of the connection, but no such record was provided. KE has charged bill to the Complainant on the basis of 74 kW load, whereas the 16mm<sup>2</sup> cable cannot cater to the load of 74 kW. This fact was also admitted by the representatives of KE during the hearing and they informed that 16mm<sup>2</sup> square cable could cater to maximum 30 kW load.
- vii. In the instant matter, the main evidence is missing i.e. the impugned meter. Therefore, the bills for the period during which the consumption at the premises was on lower side i.e. July and August 2018 are required to be revised on the basis of the formula given in CSM. The CSM provides that the detection bill is to be charged on the basis of sanctioned load or connected load whichever is higher. In the instant case, a 250 kVA transformer is installed at site which feeds electricity to the Complainant along with other consumers of the area but detail of other consumers has not been provided by KE. The connected load at the Complainant premises is 74 kW but due to undersized cable, this load could not be used. Moreover, no MDI record has been produced by KE, therefore, to meet the ends of natural justice, the bills for the months of July and August 2018 during which the consumption of the Complainant was on the lower side are to be charged on the basis of sanctioned load and not on connected load. On a query, KE representatives informed that usually the meter reading at the premises is taken between 24<sup>th</sup> & 26<sup>th</sup> day of the month. In this case, the meter reading for the month of July 2018 was taken on July 24, 2018 and the connection was disconnected on August 14, 2018. Accordingly, the bill for the month of August 2018 is to be charged from July 24, 2018 to August 14, 2018 and not for the whole month.

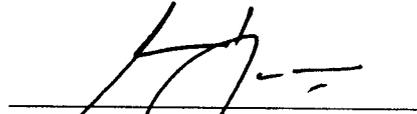


2. Forgoing in view, KE is directed as under:

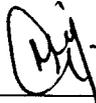
- i. Revise the detection bill from six (6) months to two (2) months on the basis of sanctioned load for the months of July and August 2018. However, the bill for the month of August 2018 is required to be charged as per billing cycle i.e. for 20 days (July 24<sup>th</sup> to August 14<sup>th</sup>) and not for the whole month.
- ii. Regularize the load of the Complainant after completion of all codal formalities.
- iii. Withdraw the bills issued to the Complainant after disconnection of electricity on August 14, 2018. (i.e. the date of theft of meter)
- iv. To review the consumer tariff category of the complainant as requested by him.



**Lashkar Khan Qambrani**  
Member (Consumer Complaints Tribunal)



**Mian Ahmad Ibrahim**  
Member (Consumer Complaints Tribunal)



**Naweed Illahi Shaikh**  
Member (Consumer Complaints Tribunal)

