



National Electric Power Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN

Consumer Affairs Department, NEPRA Office Building,

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Consumer Affairs Department

TCD 09/2543-2019
September 18, 2019

1. Chief Executive Officer,
K-Electric Limited, KE House No 39-B,
Sunset Boulevard Phase-II,
Defence Housing Authority, Karachi.
2. Mr. Zulfiqar Ali Mallah,
Vital Foak Tower, 1501, Main Shahrah-e-Faisal,
Karachi
Mobile # 0308-2224333.

Subject: **ORDER OF NEPRA CONSUMER COMPLAINTS TRIBUNAL IN THE MATTER OF COMPLAINT FILED BY MR. ZULFIQAR ALI MALLAH UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST K-ELECTRIC LIMITED (KEL) REGARDING PROVISION OF ELECTRICITY CONNECTION**

Complaint # KE-3860/05/2018.

Enclosed find herewith Order of NEPRA Consumer Complaints Tribunal under section 39 of the NEPRA Act for further necessary action and compliance within thirty (30) days, please.

(Danish Ali Shah)
Deputy Director (CAD)

Copy to:

1. Mr. Ayaz Jaffar Ahmed
Director (Finance and Regulations),
K-Electric Limited, KE House No 39-B,
Sunset Boulevard Phase-II, Defence Housing Authority,
Karachi.
2. Syed Taqi Abedi,
Sr. Assistant Director (CAD),
NEPRA Regional Office, 1st Floor, Office No. 101,
Balad Trade Center, Plot No. 15/118, Block No. 3,
Bahar Muslim Housing Society, Karachi.
3. Mr. Furqan Ahmed Sheikh
House No. 3-A, 15 South Street
DHA Phase-II, Karachi.

18/9/19



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

Complaint No. KE-3860/05/2018

Mr. Zulifqar Ali Mallah

Vital Foak Tower, 1501, Main Shahra-e-Faisal
Karachi.

.....Complainant

Versus

K-Electric Limited

KE House No. 39-B, Sunset Boulevard,
Phase-II, Defense Housing Authority,
Karachi.

..... Respondent

Dates of Hearing: 03rd May 2019
05th July 2019

On behalf of Complainant:

Mr. Zulifqar Ali Mallah

Respondent:

- 1) Mr. Asif Shajar, DGM (Regulations)
- 2) Mr. Kashif Ali, Manager (New Connection)
- 3) Mr. Imran Hanif, Asst. Manager

Subject: ORDER OF NEPRA CONSUMER COMPLAINTS TRIBUNAL IN THE MATTER OF COMPLAINT FILED BY MR. ZULIFQAR ALI MALLAH UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST K-ELECTRIC LIMITED REGARDING PROVISION OF CONNECTION

ORDER

This Order shall dispose of the complaint filed by Mr. Zulifqar Ali Mallah (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 27th April 2018, wherein the Complainant submitted that 90 % of the building namely, Foak Tower, Main Shahra-e-Faisal, Karachi is owned by the company of the Complainant. Four parking floors i.e. 2nd, 3rd, 4th & 6th and the other floors i.e. 8th, 9th & 11th to 15th are in the names of the owners of his company. The Complainant, approached K-Electric regarding change of name of the electricity meters in the name of new owners. In response, K-Electric informed them that a 500 kVA PMT has been installed for partial load of the building for 8th to 14th floors. KE has demanded a plot having 30'x20'x12' dimensions at ground floor for installation of a substation. The Complainant added that they only require separate meters in their name for 8th, 9th & 11th to 15th floors whereby no extra electricity is required from KE. The Complainant approached KE repeatedly for the redressal of the grievances, however, the issue remained unresolved. The Complainant has requested NEPRA to intervene and resolve the issue.

3. The matter was taken up with K-Electric. In response, K-Electric vide letter dated June 4, 2018 reported that the electricity connection to Foak Tower was provided in 2015 for offices located on 8th to 14th floor of the building only in line with applicant's request for partial load which was assessed to be 529 kW at that time. K-Electric further submitted that the developer sold number of floors (Parking space located on 2nd to 4th and 6th floor, respectively along with office space located on 08th, 9th and 11th to 15th floor, respectively) to new owner who subsequently applied for new connection on their names. Upon receipt of application, a comprehensive survey of the premises was carried out after which the load requirement for the mentioned floor was assessed to be 490 kW. Keeping in view the load requirement, the applicant was advised to provide a substation in line with the prudent utility practices for which space is already earmarked in Approved Building Plan issued by Sindh Building Control Authority. However, due to the Complainants inability to comply with the said, the case could not be processed further.

4. The report of KE was forwarded to the Complainant on June 12, 2018 for information/comments. In response, the Complainant raised observation over the report of K-Electric and requested for an opportunity of hearing.


5. In order to further probe into the matter, a hearing was held on 03rd May 2019 at NEPRA Regional Office, Karachi, wherein both the parties participated and advanced their arguments. During the hearing, the Complainant reiterated his earlier version and submitted that they are the owner of 90% of the building where K-Electric has installed 500 kVA PMT. However, instead of providing them individual connections the electricity is being sold to them and supplied through sub-meters in the building. The Complainant requested for provision of individual connections. Whereas, K-Electric reiterated its earlier version.

6. In order to resolve the issue, another hearing was scheduled for June 27, 2019 at NEPRA Head office, Islamabad. Mr. Furqan Ahmed Shaikh (the builder) was also invited to attend the hearing, however, a request was received on behalf of the builder for rescheduling of the hearing. The hearing was rescheduled for July 05, 2019 at NEPRA Regional office, Karachi wherein the complainant and KE representatives participated, however, the builder failed to attend the hearing. Both the parties advanced their respective arguments. The Complainant informed that KE has already provided a connection for 8th to 14th floors and now their application for provision of individual connections has been turned down by KE. On the other end, KE representatives submitted that previously a partial load for 8th to 14th floors was allowed via 500 kVA PMT. Thereafter, the builder sold out majority of the floors, as such the agreement of partial load became null and void. In order to provide individual connections, 11 kV substation is to be established for which a plot having dimensions 30' (front) x 20'(width) x 12'(height) at ground floor is required. The complainant, in response, stated that there is no such plot in their possession as required by KE. He further submitted that KE should provide individual connections to them as per their load requirement which is below 400 kW; and no sub- station is required in their case. The complainant further added that the builder is reselling electricity to them on higher rates.


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

- i. KE had provided a single point connection at the Foak tower for 8th to 14th floors. The company of the complainant purchased Four (04) parking floors i.e. 2nd, 3rd, 4th & 6th and the other office floors i.e. 8th, 9th & 11th to 15th except the 10th floor of the Foak Tower from the builder vide Sale Agreement dated 2nd July 2015. The 8th to 14th floors are now owned and in possession of the company of the complainant. The 10th floor has also been sold by the builder to some other party.
- ii. The present issue pertains to the illegal resale of electricity. The Authority has already directed KE to regularize illegal resale of electricity in accordance with NEPRA (Supply of Electric Power) Regulations, 2015. In the instant case, the builder has sold out most of the portions of the building and complete management of the building is no more with the builder. Therefore, arrangement of Operations & Maintenance (O&M) agreement is not possible to regularize illegal resale of electricity.

- iii. The builder is getting electricity from KE on one point and is further reselling the same through installation of sub-meters. According to NEPRA Act and other enabling rules and regulation, resale/distribution of electricity without the authorization of NEPRA is an illegal activity.
 - iv. The Complainant has placed on record, an undertaking dated 15th May 2015 submitted by the builder to KE wherein it was mentioned that KE will provide 429 kW load on single point and the internal billing will be carried out by the builder. This undertaking was in violation of provisions of NEPRA Act and other rules and regulations. In other words, KE had allowed the builder to involve in illegal resale/distribution of electricity which is violation of NEPRA Act.
 - v. According to KE, it had provided a partial load to the building via PMT but sub-station is required for complete electrification of the building. However, in the undertaking submitted by the builder for provision of electricity connection, there is no description of partial load.
 - vi. Further, KE did not produce any document on record from which it could be ascertained that the PMT was installed as a partial load arrangement. In addition, other builders upon inquiry also confirmed that KE never allowed energization on partial load basis. During the hearing, KE was directed to provide policy regarding electrification of scheme on partial load basis, however, no rule or policy was placed on record. From this, it is construed that the subject PMT was energized for full and final load.
 - vii. The Sale Agreement placed on record by the Complainant, shows that the builder was liable to arrange electricity connections of the purchased property from KE from his own cost.
 - viii. The only option left with KE to regularize this illegal resale is to take over the system for its operation and maintenance and provide individual connections to the Complainant from the existing PMT.
8. Forgoing in view; KE is directed to:
- i. Take over the PMT for its operation and maintenance and provide individual connections to the Complainant after completion of all codal formalities to those floors for which the PMT was sanctioned/installed. Upon installation of the individual connections, the already installed single point connection be discontinued. If the Complainant requires more connections/load the same may be processed as per policy in vogue.
 - ii. Since all floors for which PMT was approved by K-Electric have been purchased (except 10th floor) by the Complainant's company, therefore, till finalization of the above arrangement and to stop immediate resale of electricity by the builder, KE to change the name of bulk supply connection into the name of present owner of Foak Tower, subject to completion of codal formalities.
9. Compliance report be submitted within thirty (30) days.



(Lashkar Khan Qambrani)
Member (Consumer Complaints Tribunal)



(Mian Ahmad Ibrahim)
Member (Consumer Complaints Tribunal)



(Naweed Illahi Shaikh)
Member (Consumer Complaints Tribunal)