



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/ADG(CAD)/TCD-09/9/36-38

March 19, 2020

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

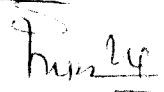
Subject: **DECISION OF THE AUTHORITY IN THE MATTER OF REVIEW MOTION FILED BY K-ELECTRIC AGAINST THE DECISION OF MEMBER (CONSUMER AFFAIRS) REGARDING COMPLAINT FILED BY AMRELI STEELS LIMITED UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST K-ELECTRIC LIMITED REGARDING POSITIONING OF ENERGY METER FOR BULK INDUSTRIAL CONSUMERS**

Complaint # KE-108/07/2019

Reference is made to the Review Motion dated October 29, 2019 filed by K-Electric, against the Decision of Member (Consumer Affairs), in the matter of complaint filed by Amreli Steels Limited against K-Electric regarding positioning of energy meter.

2. Please find enclosed herewith the Decision of the Authority (05 Pages) regarding the subject matter for necessary action and submit compliance report within thirty (30) days, please.

Encl: As above


(Syed Safer Hussain) 19 03 20

Copy to:

1. Mr. Ayaz Jaffar Ahmed,
Director (Finance & Regulation),
K-Electric Limited, House No. 39-B,
Sunset Boulevard Phase-II, DHA, Karachi.
2. Mr. Waseem Ur Rehman Khan, Advisor – Power,
Amreli Steel Limited, A/18, S.I.T.E, Karachi-
Ph: 021-111- 267354



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No. KE-108/07/2019

K-Electric Limited

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

..... **Petitioner**

VERSUS

M/s Amreli Steel Limited

A/18, S.I.T.E, Karachi.

..... **Complainant**

Authority:

- | | |
|-----------------------------|--------------------|
| 1) Mr. Tauseef H. Farooqi | Chairman |
| 2) Mr. Bahadur Shah | VC/Member (M&E) |
| 3) Mr. Rehmatullah Baloch | Member (CA) |
| 4) Mr. Saifullah Chattha | Member (Tariff) |
| 5) Mr. Rafique Ahmed Sheikh | Member (Licensing) |

Date of Hearing:

December 05, 2019

On behalf of

Complainant:

- 1) Mr. Abubakar, Manager
- 2) Mr. Wajid Iqbal, Resident Director

Petitioner:

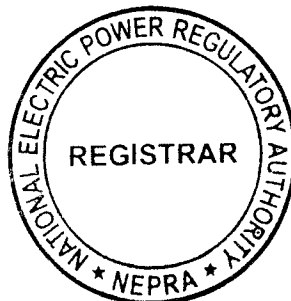
- 1) Mr. Arshad Iftikhar, Director
- 2) Mr. Kamran Akhtar, Director
- 3) Mr. Asif Shajar, DGM (Regulations)

Subject:

DECISION OF THE AUTHORITY IN THE MATTER OF REVIEW MOTION FILED BY K-ELECTRIC AGAINST THE DECISION OF MEMBER (CONSUMER AFFAIRS) REGARDING COMPLAINT FILED BY AMRELI STEELS LIMITED UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST K-ELECTRIC LIMITED REGARDING POSITIONING OF ENERGY METER FOR BULK INDUSTRIAL CONSUMERS

DECISION

As per the facts of the case, a complaint was filed by M/s Amreli Steel Limited, Karachi, against K-Electric regarding positioning of energy meter for bulk industrial consumers. After due process of law, the said complaint was decided by Member (CA) on September 27, 2019, wherein K-Electric



was directed to shift the billing of the Complainant from sending end to the receiving end and in future the billing be made at the Complainant's premises.

2. Being aggrieved with the above referred decision, K-Electric has filed Review Motion. The Review Motion was admitted and accordingly a hearing in the matter was held on December 05, 2019, which was attended by both the parties.

3. KE in its written/verbal arguments submitted that:

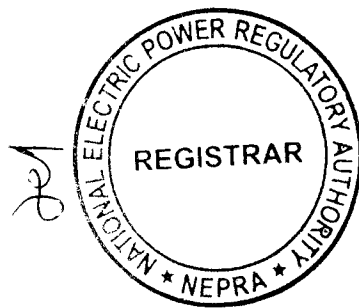
- (i) The directives contained in the impugned order are contrary to the facts and the provisions of NEPRA Distribution Code. These connections were sanctioned much earlier than the enactment of Consumer Service Manual.
- (ii) According to MR3 of the NEPRA Distribution Code, the meter should be installed at the connecting point between Amreli Steel's Grid and K-Electric's Grid. In this regard, reference was made to Section MR3 of the Distribution Code which is also reproduced under:

MR3 LOCATION OF METERING POINT

"Metering facilities shall be installed at the point of connection between the Applicant and Licensee's network. Metering between the generator and the Licensee's network would be installed at the high voltage side of the outgoing bus bars of the generating stations or Licensee side point of connection. Metering between the delivery point of the consumer and the Licensee's network would be installed as per relevant provision of Consumer Service Manual...

...Notwithstanding the above, the location of the metering point in each case shall be such that the cost of transformation losses shall be with the entity that owns the interconnecting transformer with the Licensee.

- (iii) According to Consumer Eligibility Criteria "Connecting point" means the point where the dedicated distribution system of the applicant is connected with the existing common distribution system; As per K-Electric's understanding, the connection point between the Common Distribution System of K-Electric and Dedicated Distribution System of Amreli Steel is located at K-Electric's Dhabeji Grid Station.
- (iv) KE representatives further referred Clause 6 of Part III of the Consumer Eligibility Criteria, which is reproduced as under:



"The dedicated distribution system of the consumer shall be maintained by the licensee upto the metering installation of the consumer. Control of such a system shall be handed over to the licensee for the purpose of operation and maintenance before commencement of provision of electric power service to the consumer.

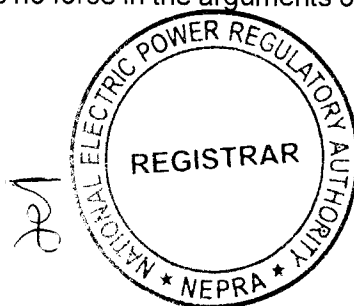
- (v) Moreover, all such consumers of K-Electric are being charged as per the meter readings installed at K-Electric's end .i.e. sending end. Such consumers carry out maintenance of their dedicated transmission line on their own, as no O&M cost of these consumers is included in K-Electric's tariff.
- (vi) The line losses of such consumers are not included in KE tariff. Further, the assertion was made that the transmission losses beyond the CDS are built-in to the tariff is based on incorrect understanding of KE's MYT. KE is of the view that the meter reading of such consumers are taken at KE's side, therefore, the line losses are not claimed by KE.

4. The representatives of the Complainant in written/verbal arguments submitted as under:

- (i) The meter is required to be installed at the interconnection point and not at connecting point. The interconnection point is located inside their factory. The "Connecting Point" and "Inter-Connection Point" are distinct points and as per MR6 of the NEPRA Distribution Code, metering should be conducted at the "Inter-connecting point" of the supply, which in this case is the Complainant's premises.
- (ii) The Complainant also averred that as per MR3 of the Distribution Code, it requires a consumer to provide a space /room for metering equipment, thereby meaning that the meter is to be installed at the Complainant's premises.
- (iii) Further, in the Distribution Code, the installation of the meter should be as per the Clause 4.2(a) of the Consumer Service Manual; which states that the meter should be installed at the consumer's premises.

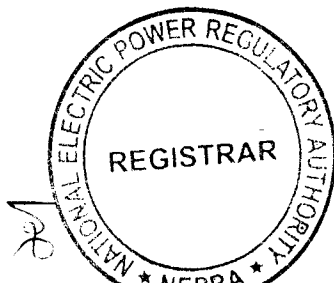
5. Having gone through the respective submissions of the parties and examination of the record, it is observed as under:

- (i) KE has based its understanding of installation of energy meter at sending end on the provisions of Distribution Code (MR3) and the Consumer Eligibility Criteria. There is no force in the arguments of KE that as per MR3 of the Distribution Code,



meter is required to be installed at the Sender's end. The fact remains that the Clause MR3 of the Distribution Code clearly states that "metering between the delivery point of the consumer and the Licensee's network would be installed as per relevant provision of Consumer Service Manual.." In this regard, Clause 4.2 (a) of the Consumer Service Manual (CSM) states that, "it shall be the responsibility of the consumer to provide a safe and accessible location to the DISCO for the installation of the metering equipment at his premises." Further the Clause MR3 of the Distribution Code states that, "...separate metering room with separate trench for metering cable shall be provided at the applicant's cost wherever possible." This clause indicates that a dedicated metering room needs to be provided by the applicant. This means that the metering room is to be provided at the Consumer's premises and not at the supplier's premises. These Clauses of the Distribution Code and the CSM clearly show that the billing of the consumer is to be carried out at the Consumer's premises i.e. the receiving end.

- (ii) KE is of the view that the meter is required to be installed at the "Connecting Point", which is the point where the Dedicated Distribution System (DDS) of the Consumer is connected with the existing Common Distribution System (CDS). The DDS of Amreli Steel is connected with the CDS of KE at Dhabeji Grid Station. This point of view of KE is misinterpretation of the provisions of Consumer Eligibility Criteria. Here the definition of "interconnection" point defined in the Consumer Eligibility Criteria is attracted. "Interconnection Point" means the point where the metering installation and protection apparatus of the consumer is connected to the dedicated distribution system; this clearly defines the location of the metering installation i.e. the consumer end.
- (iii) KE made reference to Clause 6 of Part III of the Consumer Eligibility Criteria, which states that, "The dedicated distribution system of the consumer shall be maintained by the licensee up to the metering installation of the consumer." During the hearing, KE's representatives were questioned that in case the dedicated transmission line of any consumer is passing through the service territory of KE then it would require a special purpose transmission line. However, there was no proper response on the query from KE. It is evident from this clause that the metering installation will be carried out on the consumer end. KE was also of the view that no O&M cost for maintenance of the said transmission line is included in its tariff. However, the tariff is designed in such a manner that O&M cost of the whole network is accounted for.





- (iv) Moreover, Clause MR6 of the Distribution Code clearly provides that, "The Licensee shall provide the meter at the cost of the User and install the revenue meter at the connection location." The MR6 further provides that the licensee shall always provide, install, test, calibrate, repair and replace the meter at the user's premises according to the pre-specified standard as contained in the Grid code. This Clause further confirms the understanding that the meter needs to be installed at the consumer's premises.
- (v) In other distribution companies also, billing of such consumers is being carried out at receiving end. There is no force in arguments of KE that the Line losses are claimed as per the meter reading. The fact is that KE's distribution system losses are not based on meter readings, rather NEPRA has set targets in view of the overall investments and yearly improvements foreseen.

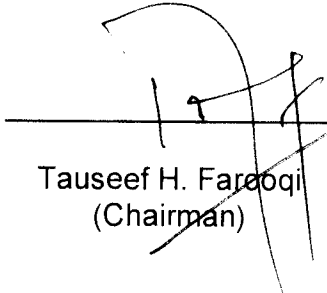
6. In view of the foregoing, we have perused the case, written/verbal arguments of the parties and the applicable law. A motion seeking review of any order of the Authority is competent only upon the discovery of new and important matter of evidence or on account of some mistake or error apparent on the face of record. The perusal of the decision sought to be reviewed clearly indicates that all material facts and representations made were examined in detail and no error inviting indulgence, as admissible in law, has been pointed out. Therefore, we are convinced that the review would not result in withdrawal or modification of the impugned decision. Hence, the motion for review is rejected.


25/03/2020
(Rehmatullah Baloch)
Member


15/3/20
(Rafique Ahmad Shaikh)
Member


13-3-2020
(Saif Ullah Chattha)
Member


(Bahadur Shah)
VC/Member


Tauseef H. Farooqi
(Chairman)

