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# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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**REGISTRAR**

No. NEPRA/R/TCD-09/1862-64


25-2-2014

Chief Executive Officer  
Karachi Electric Supply Company Ltd.  
KESC House, Punjab Chowrangi,  
39 – B, Sunset Boulevard, Phase-II  
Defence Housing Authority  
Karachi.

Subject: **Decision in the Matter of Complaint Filed by M/s Ali Brothers under Section 39 of The Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 Against KESC Regarding Detection Bill (AC#0400007481673)**  
Complaint # KESC-340/2013

Please find enclosed the decision of Member (Consumer Affairs) in the subject matter for necessary action and compliance within 30 days of the receipt of this letter.

Encl : As Above

  
( Iftikhar Ali Khan )  
Deputy Registrar

Copy to:

1. Syed Muhammad Taha, Director Distribution Strategy, Karachi Electric Supply Company Ltd. KESC House, Punjab Chowrangi, 39 – B, Sunset Boulevard, Phase-II. Defence Housing Authority, Karachi.
2. M/s Ali Brothers, C/o GREYTEX, Plot CI-7, St. No.1, Sector 6-B, Near Masjid-e-Ebrahim, North Karachi Industrial Area, Karachi.



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

Complaint No: KESC-340-2013

M/s Ali Brothers, ..... Complainant  
 C/o Greytex, Plot CI-7, Street No.1,  
 Sector 6-B, Near Masjid-e-Ebrahim,  
 North Karachi Industrial Area,  
 Karachi.

Versus

Karachi Electric Supply Company (KESC), ..... Respondent  
 KESC House No.39-B,  
 Sunset Boulevard Phase-II,  
 Defence Housing Authority,  
 Karachi.

Date of Hearing: November 19, 2013

Date of Decision: February 24, 2014

On behalf of:

Complainant 1) Mr. Abdul Rasheed  
 2) Mr. Abubakar Usman

Respondent: 1) Mr. Rafique Ahmed Sheikh, General Manager (Regulations)  
 2) Mr. Sameer ul Haq, Deputy General Manager  
 3) Mr. Ali Hassan Laghari, Deputy General Manager  
 4) Ms. Safina Hanif, Assistant Manager (Regulations)

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY M/S ALI BROTHERS UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST KESC REGARDING DETECTION BILL (AC # 0400007481673)**

**DECISION**

1. This decision shall dispose of the complaint dated August 24, 2013 filed under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997

(21)

by M/s Ali Brothers (hereinafter referred to as the "Complainant") through Mr. Iftikhar Ahmed Malik, Chairman, Sub-Committee, KESC Affairs, North Karachi Association of Trade & Industry Karachi against Karachi Electric Supply Company (hereinafter referred to as the "Respondent" or "KESC").

2. The Complainant in his complaint stated that KESC issued a notice on April 6, 2013 under Section 39, 39-A, 44 and 26-A of the Electricity Act 1910 wherein it was alleged that yellow phase was out of order. The response to KESC's notice was submitted on April 17, 2013 and KESC was requested to change the meter with CT on top priority and the meter be tested according to law under Section 26-A of the Electricity Act 1910 in presence of Electric Inspector but no response was received from KESC and the same meter is existing at site. After a lapse of three months, KESC again issued a notice under section 39, 39A, 44 and 26-A of the Electricity Act, 1910 with charge of two CT terminal burnt out. The same notice was also replied by the Complainant. KESC charged a supplementary bill for the month of August 2013 amounting to Rs. 1,046,986/53. The Complainant prayed that the supplementary bill may be cancelled and a stay order be granted till the final disposal of the complaint.
3. The matter was taken up with KESC for submission of para-wise comments. KESC was also directed not to disconnect the electricity supply and recover 50% of the disputed amount from the Complainant and set aside the remaining amount and issue current bills to the Complainant for payment till decision of the complaint by Consumer Affairs Division, NEPRA. In response, KESC vide its letter dated September 20, 2013 informed that it agrees to recover 50% of the disputed amount from the Complainant and set aside the remaining amount and issue current bills to the Complainant's for payment till the decision on the complaint. Moreover, KESC reported that a site inspection was carried out at the Complainant's premises after serving the inspection notice dated April 6, 2013. As per the Site Inspection Report (SIR) dated April 6, 2013, Faulty Meter Report (FMR) to be issued as yellow phase not showing, ATB strip torn out, etc. On this basis, a notice was served upon the Complainant under Section 39, 39-A, 44 and 26-A of the Electricity Act, 1910. Subsequently, an application was submitted by the Complainant on April 9, 2013 to change the meter, showing an acceptance that the meter was faulty. However, SIR suggested that CTs were burnt out, as such, the same were replaced on May 13, 2013 instead of the meter. A supplementary bill for 6 months for the period from November 02, 2012 to May 04, 2013 was charged in July 2013 for 92732 units amounting to Rs. 1,042,810/- after testing of the metering equipment and as per the remarks of the testing laboratory dated May 17, 2013, for the period meter's CT remained faulty.
4. To probe further into the matter, a hearing was held on November 19, 2013 at Karachi wherein both parties participated and submitted their respective versions. Subsequent to the

hearing, some additional information with respect to updated billing history and MDI of the Complainant for the last four years was sought from KESC which was provided by KESC vide letter dated November 28, 2013.

5. From the scrutiny of the record, it was noted that the supplementary bill charged by KESC for 92732 units was on the higher side in light of billing statement of the Complainant's account, therefore, KESC was asked vide this office letter dated December 20, 2013 to submit concrete reasons for charging of detection bill to the tune of 92732 units. In response, KESC vide its letter dated December 23, 2013 submitted unsatisfactory response and KESC was of the view that production data is required for deliberation in the matter.

6. The case has been examined in detail in light of documents provided by both the parties and arguments advanced during the hearing. Details are as under:

i) The connection pertains to industrial category under B-2 tariff with connected load of 41 kW. As per clause 6.1(b) of Consumer Service Manual (CSM), reading of Maximum Demand Indicator (MDI) of connections having load over 20 kW are to be recorded by the Senior Officers of the DISCO.

ii) There is a procedure laid down in CSM to deal with such cases. If KESC had any doubt over the metering equipment then it should have installed a check meter in series with the impugned metering equipment. The Complainant is of the view that one CT was burnt whereas KESC is of the view that two CTs were burnt. If KESC had followed the procedure as mentioned in CSM, quantum of loss of units sustained by KESC would have been detected properly. In the instant case, KESC issued detection bill at its own without following the procedure as laid down in CSM to which the Complainant raised his concerns/reservations.

iii) KESC checked the premises on April 6, 2013 and the discrepancy of yellow phase not showing and strip torn out was found by KESC. As per the site inspection report, CTs were burnt out and the same were replaced on May 13, 2013. The Complainant is of the view that only one CT was heated up and the same was replaced by KESC, whereas, KESC is of the view that 2 CTs were burnt out.

iv) KESC assessed the consumption of the Complainant as 140503 units for the period from November 2, 2012 to May 4, 2013 (6 months) with an average monthly consumption as 23417 units and after deducting already charged 47771 units for the same period, a supplementary bill of 92732 units for an amount of Rs.1,042,810/- was issued as a detection bill. The billing statement of the Complainant's account for last three years shows that the maximum consumption of the Complainant was 13044 units recorded during the month of March 2011. Moreover, the MDI of the Complainant

remained between 19 kW (in December 2012) to 31 kW (in June 2011 and June 2012) during the last 3 years i.e. January 2011 to November 2013.

- v) There is no remarkable difference in consumption pattern of the Complainant in last three years, even the consumption is somehow on lower side after replacement of damaged CT. The detection bill raised by KESC is on the higher side in light of the consumption pattern of the Complainant's account in last three years.
- vi) The plea of KESC regarding requirement of production data for further processing of the case is baseless as the same is not covered under the law. Billing on such connections is required to be carried out as per the provisions of CSM.

7. Foregoing in view, KESC is hereby directed to withdraw the detection bill and the Complainant be charged as per any of the following options:

- i) The consumption recorded during the disputed period be charged on the basis of the consumption recorded during corresponding 6 months of previous year i.e. November 2011 to April 2012.

OR

- ii) The consumption recorded during the disputed period be charged on the basis of 6 months consumption after replacement of CT i.e. June 2013 to November 2013.


OR

- iii) Additional 66.6% units be charged to the Complainant for three months (prior to replacement of the CTs) i.e. February 2013 to April 2013 as per the following detail:

- Units already charged from February 2013 to April 2013  
=10334+7837+9009=27180 units
- Additional units to be charged=66.6 % of 27180=18101 units

8. Compliance report shall be submitted within 30 days.

Islamabad, February 24, 2014

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

