



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue, G-5/1, Islamabad
Phone: 051-2013200, Ext.905, Fax: 2600026
Website: www.nepra.org.pk, Email: info@nepra.org.pk

OFFICE OF THE
REGISTRAR

No. NEPRA/R/TCD-09/ 3912-14

17-4-2014

Chief Executive Officer
K-Electric (Formerly KESC)
KESC House, Punjab Chowrangi,
39 - B, Sunset Boulevard, Phase-II
Defence Housing Authority
Karachi.

Subject: Decision in the Matter of Complaint filed by Mr. Kamran Hussain Mughal, Director Coordination, M/s Popular Juice Ind. (Pvt) Limited under Section 39 of The Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 Against KESC Regarding Back Feeding Provision
Complaint # KESC-375/2013

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

- sd -
(Hftikhar Ali Khan)
Deputy Registrar

Copy to:

1. Syed Muhammad Taha, Director Distribution Strategy, K-Electric, KESC House, Punjab Chowrangi, 39 - B, Sunset Boulevard, Phase-II, Defence Housing Authority, Karachi.
2. Mr. Kamran Hussain Mughal, Director Coordination, Popular Jice Ind. (Pvt.) Ltd., 311, Chapal Plaza, Hasrat Mohani Road, Off.I.I. Chundrigar Road, Karachi-74000.

No. NEPRA/R/TCD-09/ 3915

Forwarded for information and necessary action, please.

17/4/14
Deputy Registrar

1. Director (CAD)
2. Master File [w.r.t. M (CA) D#1070 dated 17.04.2014]

CC:

1. Vice Chairman / Member (Tariff)
2. Member (M&E)
3. Member (C.A)



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No: KESC-375-2013

Mr. Kamran Hussain Mughal, **Complainant**
Director, Coordination, Popular Juice Ind. (Pvt.) Ltd.,
311, Chapal Plaza, Hasrat Mohani Road,
Off. I.I. Chundrigar Road, Karachi-74000.

Versus

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

Date of Hearings: 1) January 16, 2014
2) January 24, 2014

Date of Decision: April 17, 2014

On behalf of:

Complainant 1) Mr. Kamran Hussain Mughal

Respondent: 1) Mr. M. Amir Ghaziani, Director
2) Mr. Rafique Sheikh, General Manager (Regulations)
3) Mr. Kashif Iqbal Ghazi, Deputy General Manager
4) Mr. M. Ilyas Mansoor, Deputy Director

Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. KAMRAN HUSSAIN MUGHAL, DIRECTOR COORDINATION, M/S POPULAR JUICE IND. (PVT) LIMITED UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST KESC REGARDING BACK FEEDING PROVISION

DECISION

1. This decision shall dispose of the complaint dated September 20, 2013 filed under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 by Mr. Kamran Hussain Mughal, Director Coordination, M/S Popular Juice Ind. (Pvt.) Limited Karachi (hereinafter referred to as the "Complainant") against Karachi Electric Supply Company (hereinafter referred to as the "Respondent" or "KESC").



2. The Complainant in his complaint stated that they deposited an amount of Rs.1,982,433/- on October 11, 2012 on demand of KESC for back feeding provision to M/S Popular Juice Ind. (Pvt.) Limited. No action has been taken by KESC even after lapse of more than 11 months. The delay by KESC officials is due to some mala fide intention. The Complainant prayed to direct KESC to immediately complete the said job.
3. The matter was taken up with KESC for submission of para-wise comments. In response KESC vide letter dated November 07, 2013 reported that the consumer applied for industrial connection on July 22, 2010. Due to overloading of the nearest industrial feeder named Sardar Paper Cone Feeder, supply was proposed from residential feeder named Chambeli RMU feeder. The connection was energized on April 30, 2012. A month after the energizing of the scheme, the consumer on June 06, 2012 requested for changing of feeder position from Residential to Industrial Feeder. Subsequently, an estimate amounting to Rs.1,982,433/- (total cost for back feeding with shutdown charges) was given to the consumer for back feeding his load from 'Sardar Paper Cone' Feeder in case of fault on existing feeder. The consumer paid the charges on October 15, 2012, however, the consumer is not paying the allied charges as communicated to him.
4. The report of KESC was sent to the Complainant for comments/information. The Complainant vide letter dated December 03, 2013 raised observations that they had already paid total cost amounting to Rs.1,982,433/- for back feeding as demanded by KESC, however, the plea of KESC for allied charges is wrong. The matter was again taken up with KESC vide letter dated December 06, 2013 for submission of report alongwith provision of details of allied charges. In response, KESC vide letter dated December 16, 2013 reported that the allied charges are Sponsored Dedicated Distribution System (SDDS) charges as Sardar Cone Feeder will be relieved and shifted to Euro Gulf Feeder, in order to provide consumer dedicated supply from industrial feeder as per his request. KESC further stated that the consumer is advised to inform KESC if he wants to get his load shifted on industrial feeder or get new dedicated feeder as defined in Consumer Eligibility Criteria, 2003 or otherwise KESC would return his paid amount of Rs. 1,982,433/-.
5. To probe further into the matter, a hearing was scheduled for January 16, 2014 at Consumer Affairs Division NEPRA Islamabad, which was attended only by the Complainant. KESC vide his letter dated January 13, 2014 (received on January 16, 2014) requested to reschedule the hearing. Thereafter, the hearing was held on January 24, 2014 at NEPRA's Regional Office Karachi which was attended by both the parties. The parties advanced their arguments on the basis of their earlier versions. Subsequent to the hearing, the Complainant, vide his letter dated January 25, 2014 submitted some documents for the purpose of record. KESC was directed vide letter dated February 03, 2014 to provide additional documents/information with respect to approval of charges amounting to Rs.1,982,433/-,

details of allied charges, details initially submitted by the Complainant for back feeding and agreed relief upon deposit of back feeding charges. In response, KESC vide its letter dated February 14, 2014 submitted the required documents / information. With regard to allied charges, KESC stated that an amount of Rs. 8,137,940/- (Rs. 7460/kW for total load of 1090 kW) is outstanding on account of SDDS against the Complainant for shifting of feeder from residential to industrial. KESC further stated that purpose of the amount of Rs. 1,982,433/- taken against back feeding, was to feed the consumer in case of fault only.

6. The report of KESC was sent to the Complainant for information/comments. In response, the Complainant vide his letter dated February 27, 2014 again raised his observations and stated that when any industrial unit is established and all electricity charges are paid on the basis of industrial connection, it is the responsibility of KESC to provide electricity from an industrial feeder but on the contrary KESC provided them connection from a residential feeder. KESC demanded further amount in the name of back feeding which was paid but the back feeding has not yet been completed. KESC has created another issue in the name of SDDS charges amounting to Rs.8,137,940/- with malafide intention.


7. The case has been examined in detail in light of available record and arguments advanced during the hearing. Details are as under:

- i) The Complainant applied for an industrial connection on July 22, 2010. Due to overloading of the nearest industrial feeder named, Sardar Paper Cone Feeder, KESC proposed supply from an alternate residential feeder named Chambeli RMU feeder. The connection was energized on April 30, 2012.
- ii) The Complainant requested KESC vide letters dated May 23, 2012, June 06, 2012 and July 18, 2012 for change of feeding position from residential to industrial due to severe load shedding. In response, KESC issued demand notice amounting to Rs.1,982,433/- on October 03, 2012, for back feeding from Sardar Paper Cone Feeder. The demand notice was paid by the Complainant on October 15, 2012. The said job has not yet been completed by KESC despite lapse of about one and a half year.
- iii) KESC is of the view that the purpose of back feeding was to provide supply to the Complainant in case if fault occurs, whereas, the Complainant is of the view that the purpose of back feeding is to continue supply in case of fault as well as load shedding on the existing feeder. From the documents, it is clear that the Complainant requested KESC for change of feeding position due to severe load shedding and in response KESC issued back feeding demand notice.
- iv) On demand of KESC, the Complainant paid an amount of Rs.1,982,433/- for back feeding in October 2012. KESC should have completed the job immediately after

realization of the said amount but despite lapse of one and half year the said job has not yet been completed by KESC.

- v) KESC reported vide its letter dated November 07, 2013 that the Complainant is not paying allied charges but no such detail was provided by KESC. KESC was specifically asked vide letter dated December 06, 2013 by NEPRA to provide the details of allied charges. In response, KESC vide its letter dated December 16, 2013 did not provide the exact amount of allied charges. Even KESC did not provide the details of these allied/miscellaneous charges during the hearing held on January 24, 2014 at Karachi. KESC was again directed vide NEPRA's letter dated February 03, 2014 to provide details / breakup of allied charges and finally KESC vide its letter dated February 14, 2014 informed that the allied charges outstanding against the Complainant for shifting of feeder from residential to industrial are Rs. 8,137,940/-. It is neither logical nor understandable that the allied / miscellaneous charges are four times of the original demand notice.
- vi) KESC kept concealing the details of allied charges and after lapse of 15 months of issuance of demand notice for back feeding, it was informed by KESC vide letter dated February 14, 2014 that the Complainant has to pay Rs. 8,137,940/- on account of allied charges. If some miscellaneous charges / allied charges were pending, then the same should have been intimated to the Complainant immediately after payment of the demand notice on October 15, 2012 but the same was not done by KESC.
- vii) The Complainant did not ask KESC for back feeding provision. KESC should have initially issued demand notice for shifting of feeder position from residential to industrial but the same was not done by KESC and KESC asked the Complainant for payment of Rs.1,982,433/- for back feeding provision.
8. Foregoing in view, KESC is hereby directed to:
- i) Enquire the matter that why the job was not completed against the demand notice dated October 3, 2012 despite lapse of about one and half year and take action against the responsible official(s) under its service rules.
- ii) Complete the job for which an amount of Rs.1,982,433/- has already been recovered from the Complainant against demand notice dated October 3, 2012.
9. Compliance report be submitted within thirty (30) days.

Islamabad, April 17, 2014


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

