



National Electric Power Regulatory Authority  
Islamic Republic of Pakistan

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Registrar

No. TCD 09/6589-91

27-8-2012

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

Subject: **Decision of the Authority in the matter of Motion for Leave for Review filed by Karachi Electric Supply Company Ltd. (KESC) against the Decision of Member (Consumer Affairs) with respect to Complaint filed by Mr. Muhammad Ayub Shaikh against KESC regarding Arrears in the Electricity Bill amounting to Rs.113,835/-**

Please find enclosed herewith the decision of the Authority on the review request of KESC regarding the subject matter for necessary action and compliance within 30 days of the receipt of this decision.

Encl: As above

Sd/-  
( Syed Safer Hussain )

Copy:

1. Mr. Amer Zia  
Director (Strategy Planning and Compliance)  
Karachi Electric Supply Company Ltd.  
House No. 10-B, St. 65,  
F-8/3, Islamabad.
2. Mr. Muhammad Ayub Shaikh  
R/o Bangalow No.6,  
GOR Bath Island, Karachi

No. TCD 09/5592

Forwarded for information, please.

Senior Advisor (CAD) [w.r.t. Dy. No. 867 dated 27.08.2012]  
Master File

CC:

1. Acting Chairman / Member (CA)
2. Member (Licensing)
3. Member (M&E)
4. Member (Tariff)

27-8-2012

Registrar



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

Complaint No: 20-2012

Karachi Electric Supply Company (KESC) ..... Petitioner

Versus

Mr. Muhammad Ayub Sheikh ..... Complainant

Date of Decision: July 17, 2012

Present:                   1) Mr. Ghasuddin Ahmed                   Chairman  
                                  2) Mr. Shaukat Ali Kundi                   Member (Licensing)  
                                  3) Mr. Habibullah Khilji                   Member (Monitoring & Enforcement)  
                                  4) Khawaja Muhammad Naeem            Member (Tariff)

Subject: **DECISION OF THE AUTHORITY IN THE MATTER OF MOTION FOR LEAVE FOR REVIEW FILED BY KARACHI ELECTRIC SUPPLY COMPANY (KESC) AGAINST THE DECISION OF MEMBER (CONSUMER AFFAIRS) WITH RESPECT TO COMPLAINT FILED BY MR. MUHAMMAD AYUB SHAIKH AGAINST KESC REGARDING ARREARS IN THE ELECTRICITY BILL AMOUNTING TO RS.1,13,835/-**

**DECISION**

1. This decision shall dispose of the review petition dated 14.06.2012 filed by Karachi Electric Supply Company (hereinafter referred to as 'KESC or petitioner') against the decision of

Member (Consumer Affairs) dated 14.05.2012 in the matter of complaint of Mr. Muhammad Ayub Sheikh (hereinafter referred to as 'Complainant') filed with NEPRA under section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

2. The brief facts of the case are that Mr. Muhammad Ayub Sheikh filed a complaint dated 16.01.2012 wherein he stated that in the billing month of Sep-2009 arrears of Rs.38,549/- were shown despite the fact that all previous bills were paid by him. Upon enquiry, he was informed by KESC that those arrears pertain to several years back when the bungalow was occupied by someone else. However, he paid the same bill reluctantly. In the billing month of January 2012, arrears amounting to Rs.113, 835/- were shown despite payment of monthly bills regularly. Upon enquiry, he was informed by KESC that the new meter was installed 9 months ago i.e. in April 2011 since the old meter was tested and found slow. The complainant further informed that the meter was replaced without any prior notice by KESC. The new meter is fast and he has been paying bills at an average rate of Rs.25, 000/- to Rs.30, 000/- per month after the installation of the new meter. The arrears shown by KESC are unwarranted and cause of severe distress and such arbitrary actions of KESC without due notice or reasons are clear violation of Electricity Act/ NEPRA Act. The complainant prayed for rectification of the bill.
3. To proceed in the matter, the complaint was referred to the KESC for a detailed report. KESC in response vide its letter dated 24.01.2012 reported that the meter of the complainant was replaced on 05.04.2011 against the faulty meter report (FMR) issued on 25.01.2011. As per, meter lab testing report the discrepancies found in the meter were cover seal pressed by pliers, security slip missing, meter opened and shunt applied on all phases inside the meter. A significant increase in consumption pattern was noticed after replacement of the meter. A notice dated 16.11.2011 under section 39, 39A, 44 and 26A of the Electricity Act, 1910 was served to the complainant which was acknowledged by his representative named Mr. Ather. Accordingly a detection bill of 7438 units amounting to Rs.113,838/- for a period of 3 months (i.e. Feb-11 to Apr-11) was processed against the complainant to recover the loss of energy caused to KESC due to illegal abstraction of electricity. Regarding arrears of Rs.38,549/- billed to the complainant, KESC explained that those arrears pertain to the period prior to year 2000 in respect of the premises presently occupied by the complainant. As a rule it is the responsibility of a new occupant to obtain

NOC from all utilities regarding clearance of dues before purchase/occupation of a premises.

The report of KESC was examined and the matter was again taken up with KESC for clarification regarding discrepancy in the meter, meter replacement, meter testing, issuance of notice, processing of case in the light of Consumer Service Manual, billing history and break up of detection bill. KESC vide its letter dated 21-02-2012 informed that the removed meter was checked by the meter department and report of the meter department was conveyed to the complainant and a notice dated 16.11.2011 under section 39, 39A, 44 & 26A of the Electricity Act, 1910 was also served to the complainant but he did not submit any reply against the notice. Further, it is not practically possible to call every consumer at the time of meter testing; however, if any consumer shows his intention that meter should be checked in his presence then arrangements are made and the consumers are informed accordingly. KESC further informed that the detection bill was prepared for the period of three months, after completing all the formalities in accordance with the provision of Consumer Service Manual (CSM). However, KESC could not provide documentary evidence to establish illegal abstraction of electricity as provided in CSM. Updated billing history of the complainant was also obtained from KESC.

As per the procedure laid down in CSM regarding establishing illegal abstraction of electricity by the consumers, there is requirement of securing the existing meter in presence of the consumer or his representative, installation of check meter, involving local representatives, issuance of notice and examining the reply of the consumer. Once illegal abstraction is confirmed, then detection bill is to be restricted to three billing cycles and up to six months with the approval of CEO or his authorized committee. The documents provided by KESC do not establish that the procedure laid down in the CSM for establishing illegal abstraction of electricity has been followed. It was also not established that the complainant was involved in illegal abstraction of energy. The following discrepancies on part of KESC were also observed:

- i). The meter of the complainant was replaced on 5-04-2011 after lapse of two months and 10 days as Faulty Meter Report (FMR) was submitted on 25-01-2011. If the meter was found faulty, KESC should have replaced it soon after its detection.

NOC from all utilities regarding clearance of dues before purchase/occupation of a premises.

4. The report of KESC was examined and the matter was again taken up with KESC for clarification regarding discrepancy in the meter, meter replacement, meter testing, issuance of notice, processing of case in the light of Consumer Service Manual, billing history and break up of detection bill. KESC vide its letter dated 21-02-2012 informed that the removed meter was checked by the meter department and report of the meter department was conveyed to the complainant and a notice dated 16.11.2011 under section 39, 39A, 44 & 26A of the Electricity Act, 1910 was also served to the complainant but he did not submit any reply against the notice. Further, it is not practically possible to call every consumer at the time of meter testing; however, if any consumer shows his intention that meter should be checked in his presence then arrangements are made and the consumers are informed accordingly. KESC further informed that the detection bill was prepared for the period of three months, after completing all the formalities in accordance with the provision of Consumer Service Manual (CSM). However, KESC could not provide documentary evidence to establish illegal abstraction of electricity as provided in CSM. Updated billing history of the complainant was also obtained from KESC.
  
5. As per the procedure laid down in CSM regarding establishing illegal abstraction of electricity by the consumers, there is requirement of securing the existing meter in presence of the consumer or his representative, installation of check meter, involving local representatives, issuance of notice and examining the reply of the consumer. Once illegal abstraction is confirmed, then detection bill is to be restricted to three billing cycles and up to six months with the approval of CEO or his authorized committee. The documents provided by KESC do not establish that the procedure laid down in the CSM for establishing illegal abstraction of electricity has been followed. It was also not established that the complainant was involved in illegal abstraction of energy. The following discrepancies on part of KESC were also observed:
  - i) The meter of the complainant was replaced on 5-04-2011 after lapse of two months and 10 days as Faulty Meter Report (FMR) was submitted on 25-01-2011. If the meter was found faulty, KESC should have replaced it soon after its detection.

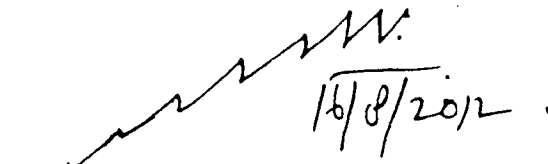
- n) A notice regarding discrepancies in the meter was served to the complainant on 16-11-2011 i.e. after lapse of seven months of the replacement of meter. If there was any discrepancy in the meter, it should have been pointed out by KESFC to the complainant in time i.e. on 25-01-2011 or 05-4-2011 at the time meter found faulty or replacement of the meter respectively but the same was not done from which it may be construed that there was nothing wrong with the meter.
6. KESFC has worked out 8415 units as detection charges. After deducting 971 units already charged by KESFC has served a detection bill of 7438 units to the consumer which is not justified. KESFC failed to follow the procedure of CSM for establishing illegal abstraction of electricity, therefore the detection bill cannot be computed as per CSM. Hence calculation has been based by drawing following comparison between the new and old meters:

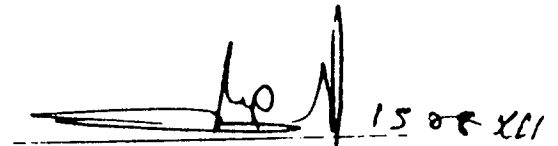
S.No	Months 2012 (1)	Units consumed (New Meter) (2)	Months 2011 (3)	Units consumed (Old Meter) (4)	Difference of units (2-4)
1	February	885	February	377	508
2	March	934	March	441	493
3	April	1414	April	159	1255
	Total	3233	Total	977	2256

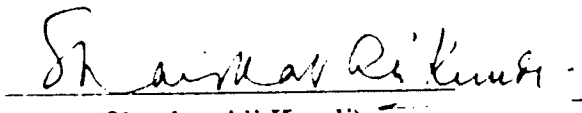
- The above table indicates that 2256 units are less recorded in 2011 as compared to the consumption for the corresponding months in 2012.
7. Foregoing in view, the Member (Consumer Affairs) decided the matter and KESFC was directed to revise the detection bill issued to the complainant for 2256 units instead of 7438 units as already charged.
8. KESFC filed review petition against the decision of Member (Consumer Affairs) which was considered by the Authority and discussed in detail. The Authority is of the view that in terms of regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009, a motion seeking review of any order of the Authority is competent only upon discovery of new and important matter of evidence or on account of some mistake or error apparent on the face of record. Filing of review petition within the time prescribed is also mandatory. The perusal of a order sought to be reviewed clearly indicates that all material facts and representation made were examined in detail and there is no occasion to amend the impugned order. No error inviting indulgence as admissible in law has been pleaded out. KESFC has failed to

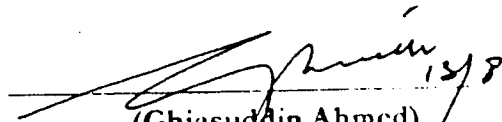
submit any new grounds in its review petition for reconsideration of the impugned decision. Therefore, the Authority is convinced that the review would not result in the withdrawal or modification of the impugned order. Moreover, the review petition is also barred by time under NEPRA (Review Procedure) Regulations, 2009 and NEPRA Complaint Handling and Dispute (Resolution) Rules, 2011.

9. From what has been discussed above, the Authority is of the considered view that the grounds agitated in the motion for leave for review are not sufficient enough justifying the modification of the impugned order. Hence, the motion for leave for review is dismissed and the decision of Member (Consumer Affairs) dated 14.05.2012 is upheld.

  
16/8/2012  
\_\_\_\_\_  
(Habibullah Khilji)  
Member

  
15.08.2012  
\_\_\_\_\_  
(Khawja Muhammad Naem)  
Member

  
23.08.12  
\_\_\_\_\_  
(Shaukat Ali Kundi)  
Member

  
15/8  
\_\_\_\_\_  
(Ghiasuddin Ahmed)  
Chairman