



# National Electric Power Regulatory Authority Islamic Rebublic of Pakistan

2nd Floor, OPF Building, G-5/2, Islamabad Ph: 051-9206500, 9207200, Fax: 9210215 E-mail: registrar@nepra.org.pk

Registrar

No. NEPRA/TCD 09/10977-79

17-12-2012

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

Subject:

Decision of Member (Consumer Affairs) in the matter of Complaint filed by Mr. Muhammad Iqbal under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 against KESC regarding Excessive Billing

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

Encl: As above

(Syed Safeer Hussain)

Copy:

- 1. Mr. Rafique Sheikh Deputy General Manager (Regulatory Affairs) Karachi Electric Supply Company Ltd. Punjab Chowrangi, KESC House. 39 - B, Sunset Boulevard, Phase-II Defence Housing Authority Karachi.
- 2. Mr. Muhammad Iqbal B-15, Shad Bagh Jamia Maleer Road Karachi

No. NEPRA/TCD 09/10980

Forwarded for information, please.

Senior Advisor (CAD)

Master File [w.r.t. Dy. No. 1336 dated 14.12.2012]

CD# 3107 dt 17.12.12

CC:

- 1. Chairman
- 2. Member (Licensing)
- 3. Member (Tariff)
- 4. Member (C.A)



### BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NEPRA

### Complaint No.KESC-120-2012

Mr. Mohammad Iqb B-15, Shad Bagh JamiaMalir Road, Ka			Complainant
Janina Mara		Versus	
Karachi Electric Sup KESC House No 39- Sunset Boulevard Ph Defence Housing Au	B, asc-II,		Respondent
Date of Decision:	December // , 2012		
Date of Hearings:	October 16, 2012		
On behalf of:			
Complainant:	None		
Respondent:	Mr. Amir Zia, Directo	r (Strategy, Planning& C	Compliances)

Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. MOHAMMAD IQBAL UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST KESC REGARDING EXCESSIVE BILLING

### Decision

- 1. This decision shall dispose of the complaint dated April 22, 2012 filed by Mr. Mohammad lqbal, B-15, Shad Bagh, Jamia Maleer Road, Karachi (hereinafter referred to as "the Complainant") against Karachi Electric Supply Company (hereinafter referred to as "the Respondent" or "KESC") filed before NEPRA under section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
- 2. As per the Complainant KESC issues excessive bills to consumers and whenever a consumer approaches KESC office for correction of his hill, KESC officers misbehave with him. The Complainant further informed that three meters bearing consumer numbers LA-654911, LB-0822012 and LA-308142 (three phase) are installed at his premises and out of these three meters two meters are used for commercial purpose. An official of KESC visited his premises in the last week of February 2012, checked all the three meters and informed him that two commercial meters are in OK position whereas the third meter which is not OK and load is required to be checked. Accordingly, the load was got checked at that time. Subsequently, in the billing month of March 2012, detection bill of Rs.30,000/- was added (the consumer did not mention the consumer number against which the detection bill was raised). There was nothing wrong with the meters. Therefore, they requested KESC that if the meters are suspected, the same be tested in the laboratory and issuance of excessive and wrong bills be stopped.



LA 654911 (commercial)	LA 308142 (domestic)	LA 082012 (commercial)
As Per the Site Inspection Report (SIR) dated 30.9.2011, meter was found 51% slow and connected load was found 6.006 kW. The meter was further checked through Meter Testing Van (MTV) and as per the report of MTV dated 6.10.2011,	• As per the Site Inspection Report (SIR) dated 25.2.2012, phase found reverse, terminal sealing found opened and meter found 66% slow. The connected load was found 10.238 kW against the sanctioned load of 2.15 kW.	• As per the Site Inspection Report (SIR) dated 2.12.2011, shunt found in the meter and connected load was 3.943 kW against the sanctioned load of 1.35 kW. The said meter was further tested by MTV and found 62% slow.
51% slowness was confirmed.  • After completing all the legal formalities, a supplementary bill of 8726 units on the basis of connected load, amounting to Rs.145,600/- was processed for the period from 26.11.2010 to 24.11.2011.	• After completing all the legal formalities, a detection bill of 2391 units as per the connected load, amounting to Rs.30,500/- was processed for the period from 23.9.2011. to 22.2.2012.	A detection bill of 2220 mits as per the connected load, amounting to Rs.37,800/ was processed for the period from 28.5.2011 to 23.12.2011.

KESC added that all the above three meters were replaced on 12.5.2012 and the dismantled meters were sent to meter laboratory for testing. The bills were charged on account of the discrepancies found in the presence of the Complainant or his representative.

The matter was again taken up with KESC vide letter dated 14.06.2012 with respect to dealing the case in accordance with the provisions of Consumer Service Manual, billing history of consumers' account, break-up/detail of detection bill and provision of copies of MCOs. In response, KESC vide its letter dated 04.07.2012 submitted report which is tabulated as under:

4.

LA 654911 (commercial)	LA 308142 (domestic)	LA 082012 (commercial)
• A notice dated 02.12.2011 was served to the Complainant to give him an opportunity to explain the reason of discrepancy but no reply was received within the stipulated time.	• A notice dated 27.02.2012 was served to the Complainant to give him opportunity to explain the reason of discrepancy but no reply was received within the stipulated time.	<ul> <li>A notice was served to the Complainant to give him opportunity to explain the reason of discrepancy but no reply was received within the stipulated time.</li> </ul>
The detection bill was calculated on the basis of connected load of 6.006 kW as per following detail:	The detection bill was calculated on the basis of connected load of 10.238 kW as per following detail:	The detection bill was calculated on the basis of connected load of 3.943 kW as per following detail:
Consumption Assessed = 10041 units	Consumption Assessed = 3655 units	Consumption Assessed = 2706 units
Less already charged = 1318 units	Less already charged = 1264 units	Less already charged = 483 units
Detection bill = 8726 units  • Amount of	Detection bill = 2391 units	Detection bill = 2223
Detection Bill=Rs.145,600/-	Detection Bill=Rs.30,500/-	• Amount of Detection Bill - Rs. 37,6(0)/-
• The said bill is being revised from 12 months to 2 months in		

order to	comply	with the		 
provisions	of	Consumer		
Service Ma	nual.			

- 5. The report of KESC was sent to the Complainant for his information / rejoinder on 09.07.2012. The Complainant vide his letter dated 23.07.2012 submitted that the inspection was carried out without serving any notice and after inspection no information was communicated to the consumer. The report submitted by KESC is manipulated and managed one. The reply to the notice of KESC dated 02.12.2011 was submitted on 20.12.2011. The Complainant further stated that he would submit detailed reply within a month. The Complainant again approached NEPRA vide his letter dated 19.09.2012 and informed that he had requested KESC for provision of inspection report to him but the same was awaited from KESC. As soon as the inspection report was received he would explain his position.
- 6. Since the matter was pending before NEPRA, therefore, the disposal of complaint could not be delayed for indefinite time for receipt of rejoinder from the Complainant. To probe further into the matter, hearing was held on October 16, 2012. Only KESC attended the hearing whereas the Complainant regretted to attend the hearing at Islamabad. During the hearing KESC representative reiterated their earlier version and further submitted that the Complainant was involved in illegal abstraction of electricity and after replacement of the electricity meters, the consumption of his connections had increased.
- 7. As per provisions of Consumer Service Manual (CSM), a procedure is laid down for establishing illegal abstraction of electricity which provides 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 bills is to be restricted to three billing cycles and up to six months with the approval of CEO or his authorized committee and in such case action is also required to be taken against the officer incharge for not being vigilant enough. The documents provided by KESC do not establish that requisite procedure for establishing illegal abstraction of electricity has been followed.
- 8. The following has been observed from the documents provided by the parties:
  - The connection bearing consumer No.LA-654911 pertains to commercial category. KESC inspected the site on 30.09.2011 and found the meter slow by 51%. Further the slowness was verified through Mobile Testing Van (MTV). KESC assessed the consumption of the Complainant as 10044 units for the period from 26.11.2010 to 24.11.2011 (12 months). During this period KESC had already charged 1318 units, as such, the remaining 8726 units amounting to Rs.145,600/- were raised as detection units. The gist of billing history provided by KESC is as under:

	2009 (units)	2010(units)	2011(units)	2012(units)
January	243	1076	1	21
February	318	418	389	5.10
March	318	160	389	279
April	1158	20	0	37.1
May	2000	210	10	378
June	1158	252	0	489
July	120	233	()	280
August	8-1	237	()	172
September	181	283	0	128
October	137	1847	+ ()	120
November	109	389	150	
December	80	389	89	

The meter was changed on 12.05.2012. After replacement of meter the billing data shows that the consumption of the Complainant had increased considerably as compared to corresponding months of the previous years. KESC has agreed to revise the detection bill from 12 months to 2 months only.

ii) The connection bearing consumer No.LA-308142 pertains to domestic category. The site was inspected on 25.02.2012. KESC informed that the electricity was used directly



through incoming cable, phase found reversed, terminal scaling strip found open, scratches were found on the meter and the meter was found 66% slow. The meter change advice dated 11.05.2012 shows that a hole was found in the main cover, meter cover scal broken and shunt on the all the phases. KESC issued detection bill for the period from 23.09.2011 to 22.02.2012 (5 months). KESC assessed the consumption of the premises as 3655 units for this period. During this period KESC had already charged 1264 units therefore the remaining 2391 units amounting to Rs.30,500/- were raised as detection bill. As per KESC's report the consumer was involved in direct theft besides illegal abstraction through metering equipment. Consumer Service Manual envisages that FIR is mandatory in case of direct theft by the consumer but the record is silent in this regard. The gist of the billing history provided by KESC is as under:

	2009 (units)	2010 (units)	2011 (units)	2012 (units)
January	()	199	315	()
February	222	446	333	171
March	()	180	414	261
April	()	192	518	314
May	262	35()	596	-137
June	366	287	626	610
July	411	393	-251	307
August	382	358	216	585
September	454	276	304	328
October	202	213	317	
November	305	210	317	
December	178	279	459	

The meter was changed on 12.05.2012. After replacement of meter the billing data in the above table indicates that the consumption of the Complainant has increased as compared to corresponding months of the previous years. KESC has charged detection bill on the above account number for 5 months which is on the higher side and needs to be revised to 3 months only.

The connection bearing consumer No.LA-082012 pertains to commercial category. The site was inspected on 02.12.2011. KESC informed that at the time of inspection shunt was found in the meter. Further the said meter was checked through Meter Testing Van (MTV) on 15.12.2011 and was found 62% slow. Consequently, KESC issued detection bill for the period from 28.05.2011 to 25.11.2011(6 months). KESC assessed the consumption of the premises as 2706 units for this period. During this period KESC had already charged 483 units therefore, the remaining 2223 units amounting to Rs.37,600/- were raised as detection bill. The gist of the billing history provided by KESC is as under:

	2009 (units)	2010 (units)	2011 (units)	2012 (units)
January	216	320	1	285
February	246	321	0	25.1
March	111	201	0	28.1
April	281	192	0	213
May	363	200	0	231
June	395	147	0	52.1
July	·152	177	205	280
August	499	102	90	50-1
September	515	307	95	96
October	395	()	73	
November	464	0	20	
December	422	307	516	

The meter was changed on 12.05.2012. After replacement of meter the billing data reveals that the consumption of the Complainant has increased considerably as compared to corresponding months of the previous years. KESC has charged detection bill on the instant account number for 6 months which is on the higher side and needs to be restricted to 3 months only.

9. Foregoing in view, KESC is directed to charge detection units to the consumer against his connections as follows:

i) LA 654911

Detection units to be charged =  $\frac{\text{units charged for } 12 \text{ months}}{12}$  x 2

$$=$$
  $\frac{8726}{12}$  x 2  $=$  1454 units

ii) <u>LA 308142</u>

€,

Detection units to be charged =  $\frac{\text{units charged for 5 months}}{5}$  x 3

$$= \frac{2391}{5}$$
 x 3 = 1435 units

iii) <u>LA 082012</u>

Detection units to be charged =  $\underline{\text{units charged for 6 months}}$  x 3

$$= \frac{2223}{6}$$
 x 3  $= 1112$  units

10. Revised bills be issued to the Complainant accordingly.

Member (Consumer Affairs)

Islamabad, December // , 2012



### BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NEPRA

## Complaint No.KESC-120-2012

Mr. Mohammad Iq B-15, Shad Bagh JamiaMalir Road, K		······································	Complainant
		Versus	
Karachi Electric Sup KESC House No 39 Sunset Boulevard Pl Defence Housing Au	-B, rasc-H,		Respondent
Date of Decision:	December //, 2012		
Date of Hearings:	October 16, 2012		
On behalf of:			

Complainant:

None

Respondent:

Mr. Amir Zia, Director (Strategy, Planning& Compliances)

DECISION IN THE MATTER OF COMPLAINT FILED BY MR. MOHAMMAD Subject: IQBAL UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST KESC REGARDING EXCESSIVE BILLING

### Decision

- 1. This decision shall dispose of the complaint dated April 22, 2012 filed by Mr. Mohammad Iqbal, B-15, Shad Bagh, Jamia Maleer Road, Karachi (hereinafter referred to as "the Complainant") against Karachi Electric Supply Company (hereinafter referred to as "the Respondent" or "KESC") filed before NEPRA under section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
- 2. As per the Complainant KESC issues excessive bills to consumers and whenever a consumer approaches KESC office for correction of his bill, KESC officers misbehave with him. The Complainant further informed that three meters bearing consumer numbers LA-654911, LB-0822012 and LA-308142 (three phase) are installed at his premises and out of these three meters two meters are used for commercial purpose. An official of KESC visited his premises in the last week of February 2012, checked all the three meters and informed him that two commercial meters are in OK position whereas the third meter which is not OK and load is required to be checked. Accordingly, the load was got checked at that time. Subsequently, in the billing month of March 2012, detection bill of Rs.30,000/- was added (the consumer did not mention the consumer number against which the detection bill was raised). There was nothing wrong with the meters. Therefore, they requested KESC that if the meters are suspected, the same be tested in the laboratory and issuance of excessive and wrong bills be stopped.



Comments of KESC were sought and in response it was asserted by KESC that the complaint pertained to three meters bearing consumer numbers LA-654911, LB 0822012 and LA 308142 (three phase) with following detail of site inspection:

LA 654911 (commercial)	LA 308142 (domestic)	LA 082012 (commercial)
• As Per the Site Inspection Report (SIR) dated 30.9.2011, meter was found 51% slow and connected load was found 6.006 kW. The meter was further checked through Meter Testing Van (MTV) and as per the report of MTV dated 6.10.2011, 51% slowness was	• As per the Site Inspection Report (SIR) dated 25.2.2012, phase found reverse, terminal sealing found opened and meter found 66% slow. The connected load was found 10.238 kW against the sanctioned load of 2.15 kW.	
• After completing all the legal formalities, a supplementary bill of 8726 units on the basis of connected load, amounting to Rs.145,600/- was processed for the period from 26.11.2010 to 24.11.2011.	• After completing all the legal formalities, a detection bill of 2391 units as per the connected load, amounting to Rs.30,500/- was processed for the period from 23.9.2011 to 22.2.2012.	• A detection bill of 2220 units as per the connected load, amounting to Rs.37,800/ was processed for the period from 28.5.2011 to 23.12.2011.

. KESC added that all the above three meters were replaced on 12.5.2012 and the dismantled meters were sent to meter laboratory for testing. The bills were charged on account of the discrepancies found in the presence of the Complainant or his representative.

4. The matter was again taken up with KESC vide letter dated 14.06.2012 with respect to dealing the case in accordance with the provisions of Consumer Service Manual, hilling history of consumers' account, break-up/detail of detection bill and provision of copies of MCOs. In response, KESC vide its letter dated 04.07.2012 submitted report which is tabulated as under:

LA 654911 (commercial)	LA 308142 (domestic)	LA 082012 (commercial)
A notice dated 02.12.2011 was served to the Complainant to give him an opportunity to explain the reason of discrepancy but no reply was received within the stipulated time.      The detection will was	• A notice dated 27.02.2012 was served to the Complainant to give him opportunity to explain the reason of discrepancy but no reply was received within the stipulated time.	A notice was served to the Complainant to give him opportunity to explain the reason of discrepancy but no reply was received within the stipulated time.
calculated on the basis of connected load of 6.006 kW as per following detail:  Consumption Assessed = 100.44	The detection bill was calculated on the basis of connected load of 10.238 kW as per following detail:  Consumption Assessed = 3655	The detection hill was calculated on the basis of connected load of 3.943 kW as per following detail:
Less already charged = 1318 units	Less already charged = 1264 units	Consumption Assessed 2706 units  Less already charged 4083
Detection bill = 8726 units  • Amount of Detection Bill=Rs.145,600/-  • The said bill is being revised from 12 months to 2 months in	Detection bill = 2391 units  • Amount of Detection Bill=Rs.30,500/-	Detection bill = 2223 units  • Amount of Detection Bill = Rs. 37,6(X)/-

order	10	comply	with	the
provisi	ons	of	Const	ımer
Service	Ma	nual.		

- 5. The report of KESC was sent to the Complainant for his information / rejoinder on 09.07.2012. The Complainant vide his letter dated 23.07.2012 submitted that the inspection was carried out without serving any notice and after inspection no information was communicated to the consumer. The report submitted by KESC is manipulated and managed one. The reply to the notice of KESC dated 02.12.2011 was submitted on 20.12.2011. The Complainant further stated that he would submit detailed reply within a month. The Complainant again approached NEPRA vide his letter dated 19.09.2012 and informed that he had requested KESC for provision of inspection report to him but the same was awaited from KESC. As soon as the inspection report was received he would explain his position.
- 6. Since the matter was pending before NEPRA, therefore, the disposal of complaint could not be delayed for indefinite time for receipt of rejoinder from the Complainant. To probe further into the matter, hearing was held on October 16, 2012. Only KESC attended the hearing whereas the Complainant regretted to attend the hearing at Islamabad. During the hearing KESC representative reiterated their earlier version and further submitted that the Complainant was involved in illegal abstraction of electricity and after replacement of the electricity meters, the consumption of his connections had increased.
- As per provisions of Consumer Service Manual (CSM), a procedure is laid down for establishing illegal abstraction of electricity which provides 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 bills is to be restricted to three billing cycles and up to six months with the approval of CEO or his authorized committee and in such case action is also required to be taken against the officer incharge for not being vigilant enough. The documents provided by KESC do not establish that requisite procedure for establishing illegal abstraction of electricity has been followed.
- 8. The following has been observed from the documents provided by the parties:
  - The connection bearing consumer No.I.A-654911 pertains to commercial category. KESC inspected the site on 30.09.2011 and found the meter slow by 51%. Further the slowness was verified through Mobile Testing Van (MTV). KESC assessed the consumption of the Complainant as 10044 units for the period from 26.11.2010 to 24.11.2011 (12 months). During this period KESC had already charged 1318 units, as such, the remaining 8726 units amounting to Rs.145,600/- were raised as detection units. The gist of billing history provided by KESC is as under:

	2009 (units)	2010(units)	, 2011(units)	2012(units)
January	243	1076	1	21
February	318	418	389	5.10
March	318	160	389	279
April	1158	20	()	37.1
May	2000	210	0	378
June	1158	252	()	489
July	120	233	0	280
August	8-4	237	()	172
September	181	283	()	128
October	137	1847	()	
November	109	389	150	
December	8()	389	89	

The meter was changed on 12.05.2012. After replacement of meter the billing data shows that the consumption of the Complainant had increased considerably as compared to corresponding months of the previous years. KESC has agreed to revise the detection bill from 12 months to 2 months only.

ii) The connection bearing consumer No.LA-308142 pertains to domestic category. The site was inspected on 25.02.2012. KESC informed that the electricity was used directly



through incoming cable, phase found reversed, terminal scaling strip found open, scratches were found on the meter and the meter was found 66% slow. The meter change advice dated 11.05.2012 shows that a hole was found in the main cover, meter cover scal broken and shunt on the all the phases. KESC issued detection hill for the period from 23.09.2011 to 22.02.2012 (5 months). KESC assessed the consumption of the premises as 36.55 mits for this period. During this period KESC had already charged 1264 units therefore the remaining 2391 units amounting to Rs.30,500/- were raised as detection bill. As per KESCs report the consumer was involved in direct theft hesides illegal abstraction through metering equipment. Consumer Service Manual envisages that FIR is mandatory in case of direct theft by the consumer but the record is silent in this regard. The gist of the billing history provided by KESC is as under:

	2009 (units)	2010 (units)	2011 (units)	2012 (units
January	()	199	315	(011118)
February	222	-1-16		1.0
March	()		333	171
April		180	414 .	261
May	()	192	518	314
	262	35()	596	137
lune	366	287	626	1
luly	-111	393		610
August	382	358	-251	307
September	154		216	585
October		276	304	328
Vovember	202	213	317	
	305	210	317	
December	178	279	459	

The meter was changed on 12.05.2012. After replacement of meter the billing data in the above table indicates that the consumption of the Complainant has increased as compared to corresponding months of the previous years. KESC has charged detection bill on the above account number for 5 months which is on the higher side and needs to be revised to 3 months only.

The connection bearing consumer No.LA-082012 pertains to commercial category. The site was inspected on 02.12.2011. KESC informed that at the time of inspection shunt was found in the meter. Further the said meter was checked through Meter Testing Van (MTV) on 15.12.2011 and was found 62% slow. Consequently, KESC issued detection bill for the period from 28.05.2011 to 25.11.2011(6 months). KESC assessed the consumption of the premises as 2706 units for this period. During this period KESC had already charged 483 units therefore, the remaining 2223 units amounting to Rs.37,600/- were raised as detection bill. The gist of the billing history provided by KESC is as under:

	2009 (units)	2010 (units)	2011 (units)	2012 (units)
January	216	320	1	
February	246	321	1	285
March	111	201	0	25-1
April	281	<del></del>	()	28-4
May	363	192	()	213
unc		200	0	231
uly	395	147	()	524
The second of the second	152	177	205	280
Vugust	499	102	90	1
eptember	515	307	95	504
October	395	0		96
Sovember	164		73	
December		0	20	
	122	307	516	

The meter was changed on 12.05.2012. After replacement of meter the billing data reveals that the consumption of the Complainant has increased considerably as compared to corresponding months of the previous years. KESC has charged detection bill on the instant account number for 6 months which is on the higher side and needs to be restricted to 3 months only.

9. Foregoing in view, KESC is directed to charge detection units to the consumer against his connections as follows:

### i) LA 654911

Detection units to be charged = units charged for  $12 \text{ months} \times 2$ 

$$=$$
  $\frac{8726}{12}$  x 2  $=$  1.454 units

### ii) <u>LA 308142</u>

Detection units to be charged =  $\frac{\text{units charged for 5 months}}{5} \times 3$ 

$$= \frac{2391}{5}$$
 x 3  $= 1435$  units

### iii) <u>LA 082012</u>

Detection units to be charged =  $\frac{\text{units charged for 6 months}}{6}$  x 3

$$=$$
  $\frac{2223}{6}$  x 3  $=$  1112 units

10. Revised bills be issued to the Complainant accordingly.

Member (Consumer Affairs)

Islamabad, December // , 2012