National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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OFFICE OF THE REGISTRAR

No. NEPRA/R/TCD-09/11820-11822 30-9-2013

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

Subject: **Complaint Filed By Mrs. Naheed Shaukat under Section 39 of The Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 Against KESC Regarding Arrears in the Bill**
Complaint # KESC-156-2013

Please find enclosed 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 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. Mrs. Naheed Shaukat, 4G-8/1-A, Nazimabad, Karachi.

BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA

Complaint No. KESC-156-2013

Mrs. Naheed Shaukat, 4G-8/1-A, Nazimabad No.4, Karachi.	....	Complainant

Versus

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

Date of Decision: September 26 , 2013

Date of Hearing: July 8, 2013

On behalf of:

Complainant: Mr. Shaukat H Vohra

Respondent:
1. Mr. Rafique Ahmed Shaikh, General Manager, KESC
2. Mr. Muhammad Jawed Rasheed, Deputy General Manager,KESC

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MRS NAHEED SHAUKAT UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST KESC REGARDING ARREARS IN THE BILL**

Decision

1. This decision shall dispose off the complaint dated March 28, 2013 filed by Mrs. Naheed Shaukat (hereinafter referred to as the "Complainant") against Karachi Electric Supply Company (hereinafter referred to as the "Respondent" or "KESC") under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

2. The Complainant in her complaint stated that their electricity meter went out of order due to a hit by a ball and promptly a complaint was lodged by her tenant to

KESC but KESC issued average bills instead of repairing the meter. Prior to vacating the house in July 2010, her tenant visited KESC to settle the arrears (if any) and accordingly a bill for Rs.7700/- was paid by him on September 03, 2010. The Complainant further stated that after a lapse of two years in July 2012, KESC issued a bill amounting to Rs.34,512/- that included arrears of Rs. 29,291/- which is unjustified and without serving any notice. The same bill was paid in installments under protest. The Complainant requested that the amount paid under duress may be refunded.

3. The case was referred to KESC for submission of para-wise comments. In response thereof, KESC vide its letter dated May 10, 2013 reported that an irregular bill was raised against the Complainant due to meter stopped and light in use. The meter was replaced on October 19, 2010. Upon testing in laboratory, discrepancy of "meter stopped" was identified. Notice was served upon consumer which was acknowledged by the consumer representative. A supplementary bill of 2467 units was processed against the consumer covering a period of 6 months from April 17, 2010 to October 19, 2010 on the basis of new meter consumption amounting to Rs.29,294/-. The Complainant was involved in theft of electricity and detection bill was raised which was paid without any objection, as such the detection bill is justified.

4. The report of KESC was sent to the Complainant for her information. The Complainant raised some observations over the report of KESC vide her letter dated May 29, 2013 and reiterated her earlier version.

5. To probe further into the matter, a hearing was held on July 08, 2013 at Karachi; which was attended by both the parties. Pursuant to the hearing, some information was sought from KESC vide this office's letter dated July 11, 2013 with respect to replacement of meter, issuance of supplementary bill, billing statement of the Complainant's account, etc. In response KESC vide its letter dated July 26, 2013 informed that the average bills were charged for six months from March 2010 to September 2010 and the meter was replaced within 2 months as per law.

6. The case has been analysed in detail in light of documents provided by both the parties and arguments advanced in the hearing and following has been concluded:

   i) The meter of the Complainant was replaced on October 19, 2010 and as per report of KESC, upon testing in the laboratory it was found stopped.

Accordingly, a detection bill was raised for six months for the period from April 17, 2010 to October 19, 2010.

ii) The meter of the Complainant was defective, therefore, KESC should have proceeded in accordance with the procedure laid down in the Consumer Service Manual which provides that the charging of consumers on the basis of defective code where the meter has become defective and is not recording the actual consumption will not be more than two billing cycles. The basis of charging the bill will be 100% of the consumption recorded in the same month of previous year or average of last 11 months which ever is higher.

iii) As per the version of KESC, it served average bills from March 2010 to September 2010. It means that it was in the knowledge of KESC that the meter is defective. KESC replaced the defective meter on October 19, 2010 and charged detection bill for 2467 units for the period from April 17, 2010 to October 19, 2010 whereas for the same period KESC had already charged average units. As such, detection bill charged by KESC has no justification and is illegal.

iv) KESC has charged average bills from March 2010 to September 2010. The premises was rented out in August 2010. As per the billing record, the consumption of the new occupant is on higher side, therefore, KESC may charge detection bill to recover its loss maximum upto two billing cycles i.e. for the months of August and September 2010.

7. Foregoing in view, KESC is hereby directed to revise the detection bill from 6 months to 2 months as per the following formula and submit compliance report within 30 days:

$$\text{Detection units to be charged} = \frac{\text{Detection units already charged x 2 months}}{\text{Number of months}}$$

$$= \frac{\text{2467 units x 2 months}}{\text{6 months}}$$

$$= \text{822 units}$$

26/9/13

(Maj ® Haroon Rashid)
Member (Consumer Affairs)

Islamabad, September 26 , 2013

(CAD)