National Electric Power Regulatory Authority
Islamic Rebublic of Pakistan

Registrar

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No. NEPRA/R/TCD-09/ 4092 - 94

24-4-2013

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

Subject: **<u>Decision of the Authority on the Motion for Leave for Review Filed by KESC in the Matter of Complaint Filed by M/S Qasim Textiles Under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997 Against KESC Regarding Issuance of Notice for Un-Authorized Extension of Load</u>**
Complaint # KESC-85-2012

Reference is made to the motion for leave for review filed by KESC vide letter dated February 18, 2013 against the decision of Member (Consumer Affairs) dated January 17, 2013 regarding the subject matter.

2. Please find enclosed the decision of the Authority on the motion for leave for review for necessary action and compliance within 30 days of the receipt of this decision.

Encl : **<u>As Above</u>**

— sd —
(Syed Safeer Hussain)

Copy to:

1. Syed Muhammad Taha
   Chief Distribution Officer
   Karachi Electric Supply Company (KESC)
   KESC House No. 39-B, Sunset Boulevard Phase-II
   Defence Housing Authority, Karachi.

2. M/s Qasim Textiles
   SF Unit No. 34, Off Hub River Road
   S.I.T.E. Karachi.

No. NEPRA/R/TCD-09/ 4095

24-4-2013

Forwarded for information, please.

Registrar

1. Director (CAD)
2. Assistant Legal Advisor (CAD)
3. Master File [w.r.t. ATC / VC / M (L) D#256 dated 17.04.2013]

CC:

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

BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No: 85-2012

Karachi Electric Supply Company (KESC) KESC House No 39-B Sunset Boulevard Phase-II Defence Housing Authority, Karachi.	....	**Petitioner**
	Versus	
M/s Qasim Textiles Mills (Ltd) Karachi SF Unit No. 34, Off Hub River Road SITE, Karachi.	....	**Complainant**

Date of Decision: March 20, 2013

Present:

1) Mr. Shaukat Ali Kundi	Chairman/ Member (Licensing)
2) Mr. Habibullah Khilji	Member (Monitoring & Enforcement)
3) Khawaja Muhammad Naeem	Member (Tariff)
4) Maj (R) Haroon Rashid	Member (Consumer Affairs)

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NEPRA AUTHORITY

24-9-15

Subject: **DECISION OF THE AUTHORITY ON THE MOTION FOR LEAVE FOR REVIEW FILED BY KESC IN THE MATTER OF COMPLAINT FILED BY M/S QASIM TEXTILES MILLS LTD. UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST KESC REGARDING ISSUANCE OF NOTICE FOR UNAUTHORIZED EXTENSION OF LOAD**

1. This decision shall dispose off the review motion dated February 18, 2013 filed by Karachi Electric Supply Company (hereinafter referred to as the 'KESC' or 'Petitioner'), against the decision of Member (Consumer Affairs) dated January 17, 2013 in the matter of complaint of M/s Qasim Textiles Mills Ltd. Karachi (hereinafter referred to as the 'Complainant').

2. The brief facts of the case are that the Complainant in the complaint dated March 15, 2012 stated that they received a notice from KESC regarding use of unauthorized load. Their connected load is 125 kW and their Maximum Demand Indicator (MDI) has never crossed 84 kW. System

Development Charges (SDC) of Rs.294,000/- against application dated January 12, 2001 and Security Deposit (SD) of Rs.42,000/- were paid on January 18, 2001 for regularization of 84 kW in the load regularization scheme. Their electricity bills for past 12 years show connected load of 125 kW and they did not receive notice from KESC regarding unauthorized load extension. KESC had suddenly issued a notice which is beyond their comprehension. They are not using any unauthorized load and there is no reason for disconnection of their electricity and the final notice issued by KESC for disconnection is liable to be cancelled.

3. To proceed in the matter, Consumer Affairs Division (CAD) of NEPRA referred the complaint to KESC for a detailed report. In response KESC reported vide letter dated April 6, 2012 that there are two steps for the regularization of load. In the first step, Security Deposit (SD) is charged for additional load and secondly after payment the applicant is asked to contact the Planning Department for development of Dedicated Distribution System (DDS) as per the total load. The consumer did not approach the Planning Department for enhancing the system capacity as per total load. As per policy, the load of 125 kW cannot be provided through Common Distribution System (CDS) and the load is to be supplied as per DDS. The notice issued to the Complainant regarding unauthorized extension of load is justified since the Complainant did not get his load regularized yet and same had also been explained to the Complainant during different meetings. Therefore, the Complainant may be advised to approach Planning Department KESC so that his SD and SDC amount could be adjusted in planning process and the load could be regularized as per policy.

4. The report of KESC was sent to the Complainant for information/rejoinder. The Complainant submitted rejoinder and reiterated his earlier version. Subsequently, the matter was again taken up with KESC vide letter dated September 4, 2012 for submission of report on the rejoinder of the Complainant; which KESC submitted vide its letter dated September 07, 2012.

5. To probe further into the matter, a hearing was held on November 27, 2012. Both the parties attended the hearing and argued their case on the basis of their earlier version. Pursuant to the hearing some information was sought from KESC which was submitted vide its letter dated December 17, 2012.

6. The case was examined in detail in light of documents provided by the parties and arguments advanced during the hearing. The sanctioned load of the Complainant was 41 kW and connected load was 125 kW therefore, additional 84 kW load was required to be regularized. Accordingly, the Complainant being an industrial consumer was charged Rs.294,000/- @ Rs.3500/- per kW as System Development Charges and Rs.42,000/- on account of security deposit for regularization of 84 kW load. The Complainant is being provided electricity connection from the CDS. The Complainant does not require further extension of load rather his request pertains to regularization of load for which he had already paid Security Deposit and System Development Charges. Since the Complainant's load is already on the KESC's system, therefore KESC is not required to further extend / reinforce its system for regularization of load. Moreover, the Complainant had paid Security Deposit and System Development Charges in 2001 for the total load of 125 kW. However, if some

documentary formalities are required, KESC may get it done from the Complainant without any charges of Dedicated Distribution System as the supply is from a Common Distribution System and the connected load is within the limit for which SDC & SD had already been paid to KESC in 2001.

7. Member (Consumer Affairs) decided the matter and KESC was directed to regularize load of the Complainant without any demand for further payment. The decision of Member (Consumer Affairs) dated January 17, 2013 was conveyed to KESC and the Complainant through Registrar vide letter No. NEPRA/R/TCD.09/553-55 dated January 21, 2013 for compliance within 30 days.

8. Being aggrieved by the impugned decision, KESC filed the instant Review Motion under the signatures of Director Distribution Strategy whereas the same was required to be submitted by CEO KESC as per the standing instructions of NEPRA. However, the Authority considered the review motion filed by KESC. The case pertains to period of 2001 when the Complainant was asked to pay security deposit and system development charges for regularization of his load and the same were paid by the Complainant accordingly. The policy referred by KESC is in fact minutes of the meeting which pertains to the year 2004. These minutes are silent with respect to existing industrial consumers. However, this policy cannot be applied to instant consumer as his case for extension of load was approved by KESC in 2001 and no demand for a separate PMT was raised by KESC at that time. Moreover, 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. The perusal of the decision 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 decision. No error inviting indulgence as admissible in law has been pleaded out. Therefore, the Authority is convinced that the review would not result in the withdrawal or modification of the impugned decision. Moreover, the review petition is time barred under NEPRA Complaint Handling and Dispute Resolution (Procedures), 2011 and NEPRA (Review Procedure) Regulations, 2009. Hence the motion for review is declined.

9.

15/4

(Maj (R) Haroon Rashid)
Member

16.4.2013

(Khawaja Muhammad Naeem)
Member

17/4/2013

(Habibullah Khilji)
Member

18.04.13

(Shaukat Ali Kundi)
Chairman

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

24-4-13

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