



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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Registrar

No. TCD 09/ 6445³-47

16-8-2012

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

Subject: **Order in the matter of Complaint filed by Mr. Sohail Anwar under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 against KESC regarding Detection Bill (AC No. 1401301020037)**

Please find enclosed herewith Order of Member (Consumer Affairs) NEPRA in the subject matter for compliance within 30 days of the receipt of this Order.

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. Sohail Anwar
4/5 Mehran Plaza, 1st Floor,
Hashmi Associates (Pvt.) Ltd.
G-9 Markaz, Islamabad

No. TCD 09/ 6448

Forwarded for information, please.

Senior Advisor (CAD) [w.r.t. Dy. No. 840 dated 16.08.2012]
Master File

16-8-2012

Registrar

CC:

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

Consumer Affairs Division
Date: 16/8/12
Time: 5:55

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

Complaint No: KESC-48-2012

Mr. Sohail Anwar Complainant

Versus

Karachi Electric Supply Company Respondent

Date of Hearing: June 27, 2012

Date of Decision: August 08, 2012

On behalf of:

Complainant: Mr. Sohail Anwar

Respondent: Mr. Amer Zia, Director (Strategy, Planning and Compliances)

Subject: IN THE MATTER OF COMPLAINT FILED BY MR SOHAIL ANWAR
UNDER SECTION 39 OF THE REGULATION OF GENERATION,
TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997
AGAINST KESC REGARDING DETECTION BILL (AC NO 1401301020037)

ORDER

1. This Order shall dispose of the complaint dated 23-02-2012 of Mr. Sohail Anwar (hereinafter referred to as 'the Complainant') against Karachi Electric Supply Company (hereinafter referred to as Respondent/KESC) filed with NEPRA under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

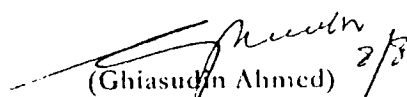
2. The brief facts of the case are that Mr. Sohail Anwar R/o 187/3, A/2, Flat No. B/8, P.E.C.H Society Karachi filed a complaint dated 23.02.2012 with NEPRA. The complainant in his complaint stated that KESC has imposed a detection bill amounting to Rs. 100,000 with the plea that meter cover was found broken.
3. To proceed with the matter Consumer Affairs Division (CAD), NEPRA referred the complaint to the KESC for a detailed report. KESC in response reported that site inspection was carried out at the said premises and it was found that the meter seals were broken. Accordingly, Faulty Meter Report (FMR) was issued on 16-08-2010. The meter testing department declared it a tampered meter case with main cover seal broken and meter found open. A notice was served upon the complainant under Section 39, 39A, 44 and 26A of the Electricity Act 1910. After completing all the legal formalities, a detection bill of 10257 units (after deducting 5623 units already billed) amounting to Rs. 101,339/- for the period from 18-11-2008 to 18-06-2010 was processed. KESC further informed that the said detection bill was processed in July 2010 when the review application of KESC with regard to Consumer Service Manual was pending before the Authority. Therefore, the detection bill was processed in accordance with the provisions of Limitation Act. KESC further informed that the case was discussed in detail with the complainant and he had been paying his bills on and off in installments. Outstanding dues against the complainant are Rs. 82,103/-.
4. After scrutiny of the report of KESC, the case was again taken up with KESC vide CAD letter dated April 05, 2012 and KESC was directed to provide information regarding date of inspection, date of issuance of FMR, date of replacement of meter, meter change order, rationale of detection bill and reply of the consumer to the notice issued by KESC. In response, KESC vide its letter dated April 13, 2012 informed that the inspections were carried out on 17-05-2010 and 09-08-2010 and accordingly FMRs were issued on 21-05-2010 and 16-08-2010 but the meter was replaced on 07-06-2010 against the first FMR. The documents provided by KESC also show that the meter was again replaced on 07-09-2010 after issuance of second FMR. Thereafter, KESC was informed vide CAD letter dated April 20, 2012 that no stay was granted by the Authority on review request of KESC regarding amendment in CSM therefore their plea of charging detection bill under the Limitation Act is not justified. In response, KESC vide its letter dated May 07, 2012 informed that the bill was served in the month of November 2010 purely on the ground of illegal abstraction which the complainant agreed and committed to pay. Upon his request, installments were allowed to the complainant and the same were paid regularly up to May 2011 without any objection.
5. *M* The complainant was advised vide CAD letter dated April 20, 2012 to provide copies of gas bills for the period from July 2009 to March 2010 since in these months (except Oct 2009) there was nil consumption of electricity at his premises as per the billing record. In response, the complainant vide his letter dated 30-05-2012 submitted a billing statement of SSGC for the period December 2005 to January 2011 showing minimum charges only.
6. To probe further into the matter, hearing was held on June 27, 2012 at Consumer Affairs Division which was participated by both the parties i.e complainant and KESC. During the hearing, KESC representative reiterated their earlier version and complainant informed that he has paid some amount of detection bill to KESC and during the hearing he requested for waiver of the remaining amount.
7. It is relevant to state that the Consumer Service Manual was circulated amongst all DISCOs including KESC on May 03, 2010 and at the time of site inspection by KESC on 17-05-2010 & 09-08-2010 while the CSM was in force and as such KESC was required to follow the provisions of

CSM. During the pendency of review of KEESC against CSM, there has been no stay order issued by the Authority and as such CSM was in force. According to KEESC, meter seals were broken therefore KEESC assessed the total consumption of the complainant as 15880 units for the period November 2008 to June 2010 (19 months). Since KEESC has already billed 5623 units to the complainant during the period November 2008 to June 2010, a detection bill for the balance 10257 (15880-5623) units was issued to the complainant. KEESC did not follow the procedure laid down in the CSM for establishing illegal abstraction of electricity which requires securing of impugned meter, installation of check meter in presence of the consumer or his representative, involving local representatives in checking, 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. The documents provided by KEESC do not establish that the procedure laid down in the CSM for establishing illegal abstraction of electricity has been followed. Moreover, the billing history of the complainant has also been analyzed in detail. The consumption of electricity for the period from July 2009 to March 2010 (except Oct 2009) is nil and also the gas bills show nil consumption during this period which proves that the premises was not in use during this period. Moreover, the meter was replaced on 07-09-2010 and after replacement of the meter no increase in consumption of the complainant has been noticed which establishes that the impugned meter was OK and the complainant was not involved in illegal abstraction of electricity. Detection bill charged to the complainant is not justified because illegal abstraction by the complainant has not been established. Moreover, charging of detection bills by KEESC for a period of 19 months instead of maximum to six months is gross violation of provisions of Consumer Service Manual.

8. Keeping above in view, KEESC is directed to revise the detection bill from 19 months to 3 months which is calculated below:

$$\begin{aligned} \text{Detection bill (Units)} &= \frac{\text{Total Units charged as detection bill}}{\text{Number of months charged}} \times \text{No. of months to be charged} \\ &= \frac{10257}{19} \times 3 = 1619 \text{ units} \end{aligned}$$

9. The complaint is disposed of accordingly.


(Ghiasuddin Ahmed) 2/3
Member (Consumer Affairs)

Islamabad, August, 2012