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National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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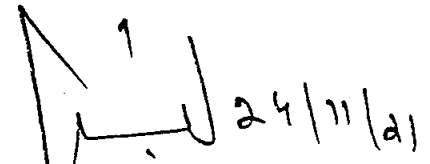
No. NEPRA/DG(CAD)/TCD-07/41505-09

November 24, 2021

Chief Executive Officer
Hyderabad Electric Supply Company (HESCO)
WAPDA Water Wing Complex, Hussainabad,
Hyderabad.

Subject: **DECISION IN THE MATTER OF CONSTITUTIONAL PETITION NO. D-216 of 2021 TITLED AS MR. HUNAIN SHAHZAD VS NEPRA AND OTHERS REFERRED BY THE HONORABLE HIGH COURT OF SINDH, CIRCUIT COURT, HYDERABAD**
Complaint No. HESCO-2087/10/2018

Enclosed find the decision of Member (Consumer Affairs) dated 24.11.2021 (04 Pages) in the subject matter for further necessary action, please.


(Iftikhar Ali Khan)
Director

Copy to:

1. Assistant Registrar (Writ),
Honorable High Court of Sindh
Circuit Court, Hyderabad
2. Customer Service Director,
Hyderabad Electric Supply Company (HESCO)
WAPDA Water Wing Complex, Hussainabad, Hyderabad.
3. Superintending Engineer (Operations) Circle Laar,
Hyderabad Electric Supply Company (HESCO)
WAPDA Water Wing Complex, Hussainabad, Hyderabad.
4. Mr. Hunain Shahzad,
House No.6/12-B, Sarfraz Colony,
Blue Ribbon Bakery, Hyderabad.
0307-3992295

{ With reference to orders of the
High Court of Sindh Circuit
Court, Hyderabad, dated May
07, 2021 in C.P.No.D-216 of
2021. }



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No. HESCO-2087/10/2018

Mr. Hunain Shahzad,

House No. 6/12-~~B~~, Sarfraz Colony,
Blue Ribbon Bakery,
Hyderabad.

..... **Complainant**

VERSUS

Hyderabad Electric Supply Company (HESCO)

WAPDA Water Wing Complex, Hussainabad,
Hyderabad.

..... **Respondent**

Date of Hearing: July 08, 2021

Complainant: Mr. Hunain Shahzad

Respondent:

- 1) Mr. Muneer Ahmed Soomro,
Deputy Director (Technical), HESCO
- 2) Rana Muhammad Shafique,
Executive Engineer (Op), Phulleli Division,
- 3) Ms. Khursheed Bano,
DCM, Laar Circle HESCO
- 4) Syed Nasir Uddin,
Revenue Officer, Division Phulleli, HESCO

Subject: DECISION IN THE MATTER OF CONSTITUTIONAL PETITION NO. D-216 OF 2021 TITLED AS MR. HUNAIN SHAHZAD VS NEPRA AND OTHERS REFERRED BY THE HONORABLE HIGH COURT OF SINDH, CIRCUIT COURT, HYDERABAD

DECISION

Pursuant to the Orders of the Honorable High Court of Sindh, Circuit Court, Hyderabad dated May 07, 2021; this decision shall dispose of the complaint filed by Mr. Hunain Shahzad, R/o House No. 6/12-13, Sarfraz Colony, Blue Ribbon Bakery, Hyderabad, (hereinafter referred to as "the Complainant" " the Petitioner") against Hyderabad Electric Supply Company Limited (hereinafter referred to as the "Respondent" or "HESCO"), under Section 39 of the Regulation of Generation, Transmission, and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act")

2. Brief facts of the case are that earlier NEPRA received a complaint from the Complainant wherein it was submitted that in the month of July 2018; HESCO replaced CTs of his electricity connection and changed the Multiplying Factor (MF)/Billing Ratio from 20 to 40. Later on in the month of September 2018, he received an excessive bill from HESCO amounting to Rs. 2,77,217/-. Due to non-payment of the same, HESCO disconnected his electricity supply and removed 100 kVA transformer too, resulting in closure of his factory. The Complainant approached NEPRA for correction of bill and redressal of his grievances. Accordingly, the matter was taken up with HESCO. In response, HESCO vide its letter dated November 01, 2018 reported that the CTs of the Complainant's connection were replaced on April 18, 2018 by a committee in presence of the representative of complainant/owner of the factory. However, the Multiplying Factor was updated in the record in the billing month of August 2018 instead of May 2018, therefore the Complainant was charged difference of 37646 kWh amounting to Rs.641,374/-. The Complainant failed to make the outstanding payment(s), and his electricity connection was eventually disconnected in the month of October 2018 after completion of all codal formalities.

3. The said report of HESCO was forwarded to the Complainant for information/comments. In response, the Complainant vide his letter dated nil raised observations over the report of HESCO and informed that the CTs were replaced in the month of July 2018 and not on April 18, 2018. Subsequently, the matter was referred to Electric Inspector/Provincial Office of Inspection, Hyderabad, under section 38 of the NEPRA Act, 1997 for investigation and decision vide this office letter dated May 10, 2019. In the meanwhile the Complainant approached the Honorable High Court of Sindh, Circuit Court, Hyderabad vide CP No.D-216 of 2021. Subsequently, the Complainant provided the Orders of the Honorable High Court, dated May 07, 2021 vide his letter dated May 21, 2021. The operative part of the Order is reproduced as below:

- a. *"Connection of the Petitioner i.e. (the Complainant) would be restored forthwith without any delay.*
- b. *First Bill on the conclusion of 30 days will be raised to the Petitioner directly and only that month's dues would be paid by the Petitioner to HESCO.*
- c. *On the second month, similar exercise would be done.*
- d. *From the third month, this exercise will also be carried out in the like manner, however, Rs. 75,000/- would be deposited to the Additional Registrar of this Court and this exercise would be carried on till the complete sum of Rs. 7,69,543/-*
- e. *This arrangement would be only effected till the decision of NEPRA on the merit of the case has been announced to which it is anticipated three (03) months would be sufficient after providing opportunity of hearing to all the parties."*

4. In response to the above orders of the Honorable Court; the case was reopened for decision on merit by this office and the Electric Inspector/Provincial Office of Inspection (POI), Hyderabad was intimated accordingly.

5. The Orders of the Honorable High Court of Sindh were duly conveyed to HESCO by NEPRA for compliance vide letter dated June 17, 2021. In response, HESCO vide its letter dated July 07, 2021 informed that the connection of the petitioner (Complainant) was restored by HESCO, however the Complainant refused to receive the last bill and no payment was made in compliance of Court orders by the Complainant.

6. In order to proceed further, a hearing was held on July 08, 2021 at NEPRA, Regional Office Hyderabad, wherein the matter was discussed in detail with both the parties. During the hearing, both the parties reiterated their earlier versions and no further documentary evidence was provided by both the parties. In lieu thereof, HESCO was directed to submit additional information for further analysis i.e. documents for issuance of CTs, Detection Bill Performa, Billing history, copy of notices & M&T report etc. In response, HESCO vide its letter dated September 09, 2021 submitted the desired information.

7. The case has been examined in light of the available record, arguments advanced during the hearing and applicable law. Following has been observed:

- i. The Complainant is an industrial consumer of HESCO having sanctioned load of 79 kW under B2 Tariff. The nature of connection is Ice Factory.
- ii. HESCO had installed a 100/5 ampere CT instead of 200/5 ampere CT at the instant connection having load of 79 kW. The installed CTs were undersized. In view thereof, HESCO committee comprising of Metering & Testing Department and Operation Division visited the site on April 18, 2018 for replacement of CTs and broken glass ATB. The CTs were replaced on April 18, 2018 by the committee in presence of the representative of the Complainant. However, HESCO officials failed to feed the same in the record. Accordingly HESCO continued to charge CT ratio of 100/5 i.e. multiplying factor of 20 instead of 40. HESCO fed the correct multiplying factor in the billing month of August 2018. HESCO should have updated the record immediately after replacement of CTs however, HESCO failed to do so. Subsequently, HESCO raised a difference bill for 37646 units.
- iii. The Complainant has claimed that the CTs were replaced in the month of July 2018 and accordingly multiplying factor was changed therefore, charging of difference is not justified. However, the Complainant could not produce any documentary evidence in support of his claim. On the other hand, HESCO has placed checking report which mentions the replacement of the CTs on April 18, 2018. Moreover, HESCO informed that the CTs were purchased by the consumer privately and HESCO has placed the receipt which shows the date of purchase as April 18, but the year is not visible.
- iv. HESCO charged the disputed bill to the consumer based upon the actual readings between May 2018 and July 2018. The reading at the time of replacement of CTs on April 18, 2018 were T1=66461.22 and T2=12571.80. In the billing month of July 2018 the T1 reading was 68374 and T2 was 12949.30. The difference of readings become as follow: $68374 - 66461.22 = 1912.78 \times 40 = T1 (76511.2)$ and $12949.30 - 12571.80 = 377.5 \times 40 = T2 (15100)$ totaling 91611.2 units during the period from May 2018 to July 2018. During the said period, HESCO had already charged 53966 units therefore, the difference i.e. $91611.2 - 53966 = 37645.2$ units (approximately) were charged in the month of September 2018 through a detection bill. The Complainant did not pay the bill which resulted in disconnection of electricity supply in October 2018.

- v. The billing history of the Complainant; provided by HESCO is as under:

Months	Year 2017 (Unit Billed)	Year 2018 (Unit Billed)
January	0	202
February	0	278
March	558	300
April	9,660	1,194 (CT Replaced)
May	25,580	14,360
June	31,420	17,954
July	40,160	21,652
August	26,120	23,240 (MF updated)
September	19,322	13,748.00
October	17,326	0 (Disconnected)
November	8,880	0
December	298	0

The above data reveals that the consumer was charged bills from April 2018 to July 2018 for total of 55160 units with monthly average of 13790 units. The consumption for the corresponding month of the previous year i.e. April 2017 to July 2017 was 106820 units with monthly average of 26705 units. Due to non-feeding of multiplying factor in time; the bills were charged on lower side (approx 50% less) in the billing months of May-July 2018 which were raised by HESCO in the month of October 2018 for 37646 units. From the above data it transpires that CTs were replaced in April 2018 and not in July 2018 as claimed by the Complainant.

- vi. According to the provisions of Consumer Service Manual read with the clarification issued vide NEPRA letter dated March 26, 2021; if due to any reason the charges i.e. MDI, fixed charges, multiplying factor, power factor penalty, tariff category, etc., have been skipped by DISCO due to any reason; the difference of these charges can be raised within one year for maximum period of six months, retrospectively.

8. Foregoing in view, the difference of bill i.e. 37646 units charged by HESCO is justified and is liable to be paid by the Complainant. HESCO is directed to avoid such negligence in future.

(Rehmatullah Baloch)

Member (Consumer Affairs)

Islamabad, November 24, 2021