



National Electric Power Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN

Attaturk Avenue (East) Sector G-5/1, Islamabad.

Ph: 051-2013200 Fax: 051-2600021

**Consumer Affairs
Department**

TCD.04/5134-2024
November 19, 2024

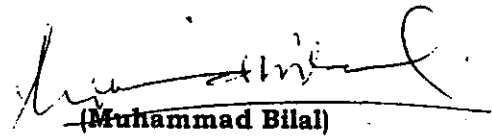
Chief Executive Officer,
K-Electric Limited, KE House No 39-B,
Sunset Boulevard Phase-II, Defence Housing Authority,
Karachi.

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MR. MUHAMMAD ALTAH
HUSSAIN S/O HAJI AHMED UNDER SECTION 39 OF THE REGULATION OF
GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT,
1997 AGAINST K-ELECTRIC LIMITED REGARDING COST OF ESTIMATE (CASE ID:
500665)**

Complaint No. **KElectric-KHI-26042-06-23**

Please find enclosed herewith the decision of the NEPRA Complaints Resolution Committee (CRC), dated November 19, 2024 regarding the subject matter for necessary action and compliance.

Encl: As above


(Muhammad Bilal)
Additional Director (CAD)

Copy to:

1. Mr. M. Imran Hussain Qureshi
Chief Regulatory Affairs Officer & Govt. Relations Officer,
K-Electric Limited Office, 56 A, Street No. 88, G-6/3,
Islamabad.
2. Mr. Abid Hussain, Advisor,
Provincial Office Consumer Affairs,
Office # 101, 1st Floor, Balad Trade Centre,
Aalamgir Road, B.M.C.H.S., Bahadurabad,
Karachi.
3. Mr. Muhammad Altaf Hussain S/o Haji Ahmed,
Plot No. 2-C, Ittehad Commercial Lane 1,
DHA, Phase V, Karachi.
Cell: 03142197869



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

Complaint No. KElectric-KHI-26042-06-23

Mr. Muhammad Altaf Hussain S/o Haji Ahmed, **Complainant**
Plot No. 2-C, Ittehad Commercial Lane 1, DHA, Phase V, Karachi,
Contact# 03142197869

Versus

K-Electric Limited (KE) **Respondent**
KE House No.39B, Sunset Boulevard
Defence Housing Authority, Karachi.

Date of Hearing(s): 1) September 13, 2023
2) September 26, 2023
3) November 15, 2023
4) December 05, 2023
5) February 21, 2024

On behalf of:

Complainant: 1) Mr. Muhammad Altaf Hussain
2) Mr. Abdul Qadir

Respondent: 1) Mr. Shafqat Amim (K-Electric Limited)
2) Mr. Anas Lakhani (K-Electric Limited)
3) Mr. Ahsan Abdul Rehman (K-Electric Limited)

Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. MUHAMMAD ALTAH HUSSAIN S/O HAJI AHMED UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST K-ELECTRIC LIMITED REGARDING COST OF ESTIMATE (CASE ID: 500665)

This decision shall dispose of the Complaint filed by Mr. Muhammad Altaf Hussain S/o Haji Ahmed, Plot No. 2-C, Ittehad Commercial Lane 1, DHA, Phase V, Karachi, (hereinafter referred to as "the Complainant" against K-Electric Limited (hereinafter referred to as the "Respondent" or "KE", 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 NEPRA received a complaint dated nil wherein the Complainant agitated that KE has extended supply from 500kVA PMT to another premises without his consent and requested NEPRA to resolve the issue. The matter was taken-up with KE for submission of para wise comments/report. In response, KE reported that the Complainant did not opt for dedicated distribution system (PMT) at the time of applying new connection for

the multistorey building in question. Hence, the connection to the building in question has been provided from the Common Distribution System (with the reinforcement of 250kVA PMT to 500kVA PMT) after recovery of sharing/ PMT reinforcement cost. Further KE added that the Complainant's assertion to obtain his consent for provision of connection to other building in the vicinity is not justified. If the Complainant opted for dedicated distribution system (250kVA PMT) then the cost estimate would have been significantly higher than the amount paid by the Complainant in lieu of electrification of the building. The report of KE was sent to the Complainant for information/comments. The Complainant raised observations over the report of KE.

3. In order to proceed further into the matter, hearings were held at NEPRA Regional office Karachi which were attended by the Complainant in person and representative of KE via video link wherein the matter was discussed in detail.

4. The case has been examined in detail in light of the record made so available by the parties, arguments advanced during the hearing and applicable law. The following has been observed:

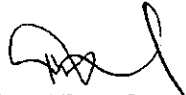
- (i) The Complainant applied for a new connection with load of 90kW for a multi-storey building. A 250 kVA dedicated PMT already existed near to the Complainant's building.
- (ii) The Complainant obtained NOC from owner of the existing 250kVA PMT and provided the same to KE. Accordingly, KE upgraded the PMT from 250kVA to 500kVA on cost deposit basis which was paid by the Complainant. The Complainant paid amount of Rs. 2754400/- for upgradation of the PMT from 250kVA to 500kVA. KE is of the view that if a dedicated PMT was to be installed for the Complainant it would have been costlier than the payment made by the Complainant for upgradation of the PMT from 250kVA to 500kVA. The new PMT of 500kVA became a Sponsored Dedicated Distribution System (SDDS).
- (iii) Subsequently, KE provided connection to another applicant namely Mr. Muhammad Kamran Majeed vide case ID 500665 for 71kW load on cost sharing basis from the said 500kVA PMT and the Complainant has raised the objection that the subsequent connection has been provided without their consent (Previous owner and the Complainant) being owner/sponsor of the 500kVA PMT.
- (iv) As per Clause 2.6 of Consumer Service Manual (CSM), KE is required to charge either cost of dedicated transformer or transformer sharing charges subject to availability of capacity/load in the distribution transformer for load above 15 kW to 1 MW for multi-storey buildings. In this case, it is observed that KE charged cost of 500 kVA PMT along with allied material to the Complainant against load of 90kW in violation of the provisions of CSM. The third connection was provided by KE on cost sharing basis. The Consumer Eligibility Criteria (Distribution License) Regulations, 2022 provides that all the applicants should be treated on fair and non-discriminatory basis. In the instant case, KE has made discrimination among the consumers.
- (v) At present, the 500kVA PMT is Sponsored Dedicated Distribution System (SDDS). The third connection has been provided without consent of the previous two owners in violation of Clause 2.6 of Consumer Service Manual (CSM) which provide that the DISCO may grant connection to an applicant from the existing dedicated distribution system subject to NOC of the owner. Moreover, KE has not intimated that whether the depreciated cost of the previous 250kVA PMT was adjusted by KE or not while issuing the demand notice for upgradation of the PMT from 250kVA to 500kVA as per provisions of NEPRA Consumer Eligibility Criteria (Distribution Licensees) Regulation, 2022.

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5. Foregoing in view, KE is hereby directed to:

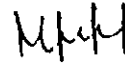
- i. Ask the new applicant i.e. Muhammad Kamran Majeed (Case ID: 500665) to obtain consent / NOC from previous two owners being owner / sponsor of the 500kVA PMT; OR
- ii. Shift the newly installed connection of Mr. Muhammad Kamran Majeed (Case ID: 500665) to some other PMT in the area.

6. The Complaint is disposed of in above terms.




(Lashkar Khan Qambrani)

Member, Complaints Resolution Committee/
Director (CAD)



(Moqees-ul-Hassan)

Member, Complaints Resolution Committee/
Assistant Legal Advisor (CAD)



(Naweed Illahi Shaikh)

Convener, Complaints Resolution Committee/
Director General (CAD)

Islamabad, November 19, 2024