



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/ 5769-2024
December 26, 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 REVIEW PETITION FILED BY ADVOCATE MUTIUR-REHMAN SIDDIQUI AGAINST THE DECISION OF NEPRA REGIONAL OFFICE KARACHI IN THE MATTER OF COMPLAINT FILED UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST K-ELECTRIC LIMITED REGARDING OUTSTANDING DUES (CONSUMER NO. AM-197130, AM-197231, AM-197232, AL-685083).**
Complaint No. KElectric-KHI-29532-10-23

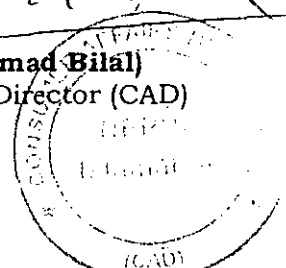
Please find enclosed herewith the decision of the NEPRA Complaints Resolution Committee (CRC), dated December 26, 2024 regarding the subject matter for necessary action and compliance.

Encl: As above

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, Sr. Advisor (CAD),
Provincial Office Consumer Affairs,
Office # 706, 7th Floor, Balad Trade Centre,
Aalamgir Road, B.M.C.H.S., Bahadurabad, Karachi.
3. Mr. Mati-ur-Rehman (Advocate),
621-622, 6th Floor, Regal Trade Square, Saddar, Karachi.
Cell: 03332175451, 021-32767841, 021-32728296

(Signature)
(Muhammad Bilal)
Additional Director (CAD)





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

Complaint No. K-ELECTRIC-KHI-29532-10-23

Advocate Mutiur-Rehman Siddiqui,
621-622, 6th Floor, Regal Trade Square,
Saddar, Karachi.
Ph: 0333-2175451, 021-32767841

.....Complainant

VERSUS

K-Electric Limited
KE House No. 39-B Sunset Boulevard Phase-II,
DHA, Karachi.

..... Respondent

Date of Hearing(s): December 13, 2023
February 27, 2024

**On behalf of
Complainant:** Advocate Mutiur-Rehman Siddiqui

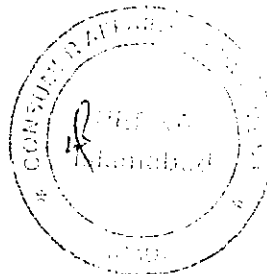
Respondent: Mr. Amir Masood, Manager Legal (IBC), K-Electric
Mr. Anas Lakhani, Deputy Manager (RA), K-Electric

Subject: DECISION IN THE MATTER OF REVIEW PETITION FILED BY ADVOCATE MUTIUR-REHMAN SIDDIQUI AGAINST THE DECISION OF NEPRA REGIONAL OFFICE KARACHI IN THE MATTER OF COMPLAINT FILED UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST K-ELECTRIC LIMITED REGARDING OUTSTANDING DUES [CONSUMER NO. AM-197130, AM-197231, AM-197232, AL-685083]

DECISION

This decision shall dispose of the review petition filed by Advocate Mutiur-Rehman Siddiqui (hereinafter referred to as the "Complainant") against the decision of NEPRA Regional Office Karachi dated January 02, 2024 in the matter of complaint filed 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 the Complainant filed a complaint before NEPRA wherein the Complainant apprised that he had rented out his house No. L-80 Sector 11/L, North Karachi, Township Karachi consisting of ground plus two floors to Mr. Abdul Wakeel s/o Deewan Khan (the tenant) from September 2017. A total of four electricity connections were installed on the rental premises and the tenant was under contractual obligation to pay the electricity bills. During the course of the tenancy, the Complainant came to know that the tenant was not paying their electricity bills as per agreement and huge amounts against the accounts were not paid. Therefore, the Complainant approached KE's Consumer Care Center via letter dated August 04, 2023 to recover the dues against the electricity bills from the tenant as the tenant was contractually liable to pay the electricity bills. The Complainant served notice to the tenant for vacation of the said premises in August 2023.



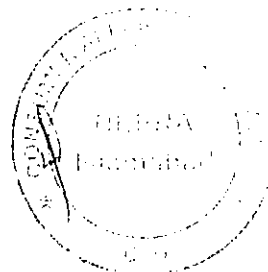
3. The Complainant further submitted that he will not be liable to pay for the electricity bills after vacation of the property by the tenant as the Complainant was not the beneficiary of the units consumed at the premises. When no action was taken by K-Electric, the Complainant submitted another application to, K-Electric dated August 23, 2023. The property was vacated by the tenant on September 24, 2023 with outstanding dues of Rs. 416,436/- against electricity consumption. In this regard, Rs. 52,052/-, Rs. 43,057/-, Rs. 85,184/- and Rs. 236,243/- were payable against accounts No. 04000362074343, 0400036207351, 0400036207367 and 0400012136836 respectively. Despite the applications submitted by the Complainant, K-Electric failed to recover the outstanding amount and failed to disconnect the electricity connection of the tenant due to default. The Complainant requested to issue orders to K-Electric to fix the responsibility upon the officers of K-Electric who failed to recover the outstanding dues from the tenant(s) and failed to disconnect the electricity supply to the premises despite default against electricity bills. The Complainant also submitted that he intended to file suit against the tenant for criminal breach of trust to recover the outstanding amount and until final decision in the matter has been issued; the outstanding amount may be deferred.

4. The subject matter was taken up with K-Electric. In response, K-Electric submitted that the bills had been issued to the consumer on the basis of actual meter reading recorded through energy meters installed at the consumer's premises. K-Electric further submitted that dues against the Complainant's account had been accumulated due to non-payment of monthly bills. Despite disconnection by K-Electric on several occasions, the occupants illegally reconnected their connections soon after disconnection. K-Electric also submitted meter reading snapshots of the connections and billing statements as supporting documents. The report submitted by K-Electric was forwarded to the Complainant for comments. Rejoinder was received from the Complainant wherein the Complainant expressed dissatisfaction with the response submitted by K-Electric. The Complainant challenged the claim made by K-Electric and apprised that the electricity supply of the premises was disconnected only once by K-Electric and that also after the premises had been vacated by the tenant. The Complainant inquired about the reason why no criminal proceedings were initiated by K-Electric if the occupants had illegally reconnected the electricity supply after disconnection. The Complainant requested to conduct a hearing so that they could provide further arguments in the matter.

5. In order to finalize the matter, a hearing was held on December 13, 2023 at NEPRA Regional Office Karachi which was attended by both the parties i.e. K-Electric as well as the Complainant wherein the issue was discussed in detail. Subsequently, the case was disposed of by the Consumer Complaints Tribunal, Karachi vide decision dated January 02, 2024 that KE has charged bills as per actual meter reading and the outstanding dues are liable to be paid. Being aggrieved with the directions issued by the Consumer Complaints Tribunal, the Complainant approached NEPRA Head Office Islamabad to intervene in the matter and to provide opportunity of hearing. The request of the complainant was treated as review. Subsequently, a hearing was conducted at NEPRA Regional Office Karachi which was attended by both the parties i.e. K-Electric and the Complainant wherein the issue was discussed in detail.

6. In response to the queries raised during the hearing, the complainant vide letter dated May 29, 2024 submitted the following:

- (i) After execution of Tenancy Agreement dated 15.09.2017, the said Tenancy Agreement was verbally extended mutually up to 24.09.2023 in terms of Section 12 of the Tenancy Agreement dated 15.09.2017. The complainant had taken over the possession of the premises on 24.09.2023 without intervention of the Rent Controller of the concerned Court by way of serving a legal notice. As such got possession without intervention of any Court of Law.



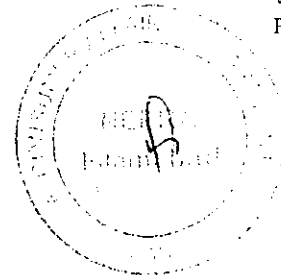
- (ii) The complainant never asked KE to recover dues from the Occupants during the period of tenancy i.e. 15.04.2017 to 24.09.2023 because he was not under obligation under provision of any Law to invite attention of KE or any other Service Provider to recover the dues, KE was under obligation to recover the dues in time from the Consumer(s) under their own mechanism and system.
- (iii) K-Electric kept their eyes shut from 15.09.2017 till 24.09.2023 to recover the outstanding amount and had taken no action under section 24(1) of the Electricity Act, 1910 which provide them unconditional powers of Recovery.
- (iv) During the span of tenancy i.e. from 15.09.2017 to 24.09.2023, no disconnection was made by K-Electric. However, disconnection was made only one time i.e. on 10.10.2023. The complainant further added that he cannot be liable to pay the power consumption during 15.09.2017 to 24.09.2023 which was not recovered by the Department over a period of seven years.

7. The Complainant rented out his premises to Mr. Abdul Wakeel S/o Deewan Khan vide tenancy agreement dated September 15, 2017, located at # L-80, Sector 11/L, North Karachi and took back the possession on September 24, 2023. However, during the terms of occupation by the tenant, the bills were not paid regularly and on the other end, KE failed to remove the material from site to stop the consumer from usage of electricity which resulted in accumulation of arrears amounting to Rs. 63,415/-, Rs.54,914/-, Rs.92,952/- and Rs. 255,300/- against consumer Nos. AM-197130, AM-197231, AM-197232, AL-685083 respectively. The Complainant vide letter May 29, 2024 also provided details of Mr. Abdul Wakeel and his present address.

8. KE was duty bound to disconnect the electricity supply if the bills were not paid by the Consumer. KE had not allowed installments to the Consumer and on the other hand the record shows partial payments. KE should have disconnected the electricity supply and removed the equipment if the bills were not paid for consecutive two months, however, KE failed to do so which caused accumulation of arrears against the said connections. Accordingly, KE was directed vide this office letter dated August 5, 2024 to serve notice upon Mr. Abdul Wakeel (defaulter) on the address given by the Complainant for recovery of dues of K-Electric and submit report to this office. In this regard, KE vide its letter dated October 28, 2024 informed that notice has been served upon Mr. Wakeel at the given address by the complainant. The report of KE was shared with the complainant for information. However, issue still stands unaddressed.

9. 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. Following has been observed:

- (i) The Complainant is a consumer of K-Electric having four connections at House No. L-80 Sector 11/L, North Karachi, Town ship Karachi under A-1R tariff running with reference No.04000362074343, 0400036207351, 0400036207367 and 0400012136836. The premises was rented to tenant(s) who were liable to pay the electricity bills as per tenancy agreement however they did not pay the electricity bills completely, therefor arrears of Rs. 416,536/- had been accumulated against the connections as of September 2023. The Complainant had requested K-Electric in August 2023 to recover the outstanding dues before the premises was vacated by the tenants but K-Electric did not recover the outstanding amount and the premises was vacated on September 24, 2023.
- (ii) According to Clause 8.2.4 and 8.2.5 of the Consumer Service Manual (CSM), "In case of non-receipt of payment and upon expiry of the due date given on second month bill, the supply of the defaulting premises shall be disconnected. In such cases the disconnected supply shall not be reconnected or restored by DISCO



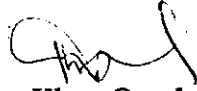
until full payment along with late payment surcharge or payment in installments has been made by the consumer. If the consumer fails to pay the bills of third month along with arrears of previous two months within due date given on the third bill, DISCO shall issue Equipment Removal Order and remove metering installation / material and shall allot permanently disconnection code." K-Electric did not disconnect the electricity supply of the premises as provided in the CSM which resulted in the accumulation of outstanding dues amounting to Rs. 63,415/-, Rs.54,914/-, Rs.92,952/- and Rs. 255,300/- against consumer Nos. AM-197130, AM-197231, AM-197232, AL-685083 respectively.

(iii) The claim by the Complainant that the tenants are contractually obligated to pay the electricity bills as per the tenancy agreement does not exempt the Complainant from paying the arrears against electricity connections installed at the premises. The tenancy agreement was signed between the tenants and the Complainant whereby K-Electric is not party to that agreement. Moreover, the owner retains security amount in lieu of non-payment of utility bills, etc.

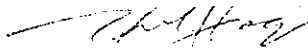
(iv) According to provisions of CSM, KE was duty bound to disconnect the electricity supply if the bills were not paid by the Consumer. KE has not allowed installments to the Consumer and on the other hand the record shows partial payments. KE should have disconnected the electricity supply and removed the equipment if the bills were not paid for consecutive two months, however, KE failed to do so which caused a accumulation of arrears against the said connections. KE did not provide any evidence or record to establish that the electricity supply was disconnected.

10. In view of the above, it is concluded that the bills have been issued as per actual meter readings at site which are outstanding against the said premises. On the other hand KE failed to timely recovery the dues from the occupant and also KE did not disconnect the electricity supply on account of non-payment of monthly bills. The Complainant retained security amount of the tenant amounting to Rs. 150,000 as per the tenancy agreement. The Complainant has also provided details of the tenant and his present address.

11. Foregoing in view, KE is directed to withdraw the arrears/ amount or take all measures for recovery of dues from the tenant.


(Lashkar Khan Qambrani)

Member, Complaints Resolution Committee/
Director (CAD)


(Muhammad Irfan-ul-Haq)

Member, Complaints Resolution Committee /
Assistant Legal Advisor


(Naveed Illahi Shaitani)

Convener, Complaints Resolution Committee /
Director General (CAD)

Islamabad, December 24, 2024