



National Electric Power Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN

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

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**Consumer Affairs
Department**

TCD.04/609-2025
February 11, 2025

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

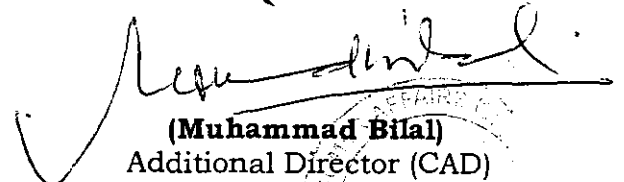
**Subject: REVIEW PETITION FILED BY K-ELECTRIC LIMITED AGAINST THE
DECISION OF NEPRA COMPLAINTS RESOLUTION COMMITTEE IN
THE MATTER OF COMPLAINT OF MR. JAVED BILWANI AGAINST K-
ELECTRIC LIMITED REGARDING REHABILITATION CHARGES**
Complaint No. **KElectric-NHQ-17908-11-22**

Please find enclosed herewith the decision of the NEPRA Complaints Resolution Committee (CRC), dated February 11, 2025 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, Advisor,
Provincial Office Consumer Affairs,
Office # 101, 1st Floor, Balad Trade Centre,
Aalamgir Road, B.M.C.H.S., Bahadurabad,
Karachi.
3. Mr. Muhammad Jawed Bilwani,
Plot # D-62A, SITE, Karachi.
Ph # 021-32572720


(Muhammad Bilal)
Additional Director (CAD)
NEPRA
Islamabad
(CAD)



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

Review Petition No. 01/01/2025

IN

Complaint No. KElectric-KHI-17908-11-22

K-Electric Limited (KE)

KE House No. 39-B,

Sunset Boulevard Phase-II, Defense Housing Authority

Karachi.

..... **Petitioner**

VERSUS

Mr. Javed Bilwani

Plot # D-62A, SITE, Karachi.

..... **Respondent**

Subject: REVIEW PETITION FILED BY K-ELECTRIC LIMITED AGAINST THE DECISION OF
NEPRA COMPLAINTS RESOLUTION COMMITTEE IN THE MATTER OF
COMPLAINT OF MR. JAVED BILWANI AGAINST K-ELECTRIC LIMITED
REGARDING REHABILITATION CHARGES

DECISION

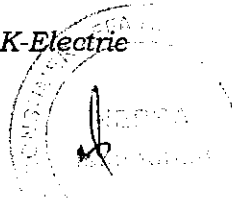
Through this decision, a motion for leave for review filed by K-Electric Limited (hereinafter referred to as the "Petitioner" or "K-Electric") against the decision of NEPRA Complaints Resolution Committee dated July 03, 2024 in the matter of complaint of Mr. Javed Bilwani (hereinafter referred to as the "Complainant") against K-Electric filed under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the NEPRA Act), is being disposed of.

2. Brief facts of the case are that the Complainant submitted that electricity connection was installed with sanctioned load of 950kW. K-Electric asked the Complainant to extend the load to 1400 kW. Subsequently, KE's technical team carried out survey and informed the Complainant that in order to provide the required extension of load, there is no need for upgradation of the distribution system and as such no extra charges are required to be paid by the Complainant. However, KE issued a demand notice on account of rehabilitation charges in violation of provisions of Consumer Service Manual (CSM). The Complainant requested for withdrawal of the capital cost and submitted that only security deposit is liable to be paid to K-Electric for extension of load.

3. The matter was taken up with K-Electric. In response, KE submitted that significant cost is incurred by KE in laying and expanding 11 KV HT network using standard size cable of

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CRC Decision in Review Petition No. 01/01/2025 filed by K-Electric



300 mm. KE always installs the standard cable to maintain standardization of network design and to enable back feed provision to ensure N-1 redundancy and alternate source of supply in case of cable fault. Furthermore, KE's 11 KV network is largely extended through underground cable due to its unique network requirement as well as challenges of operating in an urban/metropolitan city like Karachi such as severe space constraints, dense population and right of way issues. Therefore, standard size cables are used at initial stages so that no further reinforcement is required at later stage for new connection and load extension.

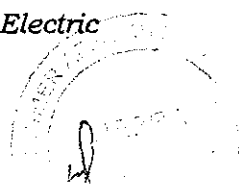
4. In order to arrive at an informed decision, hearings were conducted which were attended by both the parties. The Complainant argued that the extended load is running on the same feeder and KE has not reinforced the feeder for provision of supply for the extended load, therefore, rehabilitation charges are not justified. The representatives of K-Electric in their arguments submitted that at initial stages KE installed standard size cable to accommodate the load of prospective consumers and to meet with extension of load cases. Moreover, the existing VCB have been outdated and are required to be replaced. During the hearing, KE was directed to provide estimate if the required extension of load was to be provided by recovering rehabilitation charges on actual basis or through an independent feeder. In response, KE provided estimate as per which an amount of Rs. 3,733,770/- would have been required for rehabilitation of the network on actual basis for the required extension and Rs. 80 million through an independent feeder whereas KE has recovered rehabilitation charges amounting to Rs. 1.3 million.

5. The case was analyzed in detail in light of written/verbal arguments of the parties, documents placed on record and applicable law. Accordingly, K-Electric was directed to withdraw the estimate of Capital Cost amounting to Rs. 1,579,500/- and recover sharing charges on account of outdated VCBs from the Complainant as per his load above (1) MW on per kW basis. Moreover, rehabilitation charges @ Rs. 3000/- per kW were to be recovered from the Complainant for 50 kW i.e. 50 kW to 1000 kW.

6. Being aggrieved with the decision of Complaints Resolution Committee, K-Electric filed a motion for leave for review. K-Electric in its review inter-alia submitted as under:

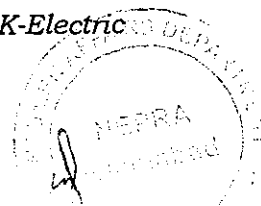
- (i) Following the application for regularization of load from 950 to 1400 kW, the required charges for the rehabilitation of feeder through installation of VCBs was levied to the Complainant as deemed necessary for system reliability and power quality. The same were charged based on net extension of load i.e. 450 kW in accordance with charges prescribed in CSM i.e. @ Rs. 3,000/- per kW.
- (ii) Rehabilitation charges are being recovered from all categories of consumers as per the rates prescribed in clause 2.6 Note (xiv) of the CSM in lieu of actual rehabilitation cost which are being capitalized by K-Electric for any required upgradation of the existing infrastructure.
- (iii) The segregation of cost estimate i.e. below and above 1000 kW based on two distinct policies carrying contrasting implications for K-Electric along with the absence of any envision for recovery mechanism for remaining rehabilitation cost in the impugned decision, would pose serious financial conundrum and requires review through the instant petition.

7. The motion for leave for review filed by K-Electric was considered and in order to further analyze the matter, hearings were held in presence of both the parties at NEPRA Office, Karachi. The following has been concluded:



- (i) The Complainant is an industrial consumer of K-Electric with sanctioned load of 950 kW against account No. BH-000801. K-Electric asked the Complainant for extension of load as the recorded MDI of the connection was higher than the sanctioned load. K-Electric issued a demand notice amounting to Rs. 1,579,500/- including Rs. 1,350,000/- as rehabilitation charges and Rs. 229,500/- as GST.
- (ii) Clause 2.6 of NEPRA Consumer Service Manual (CSM) provides that rehabilitation charges are required to be charged on actual basis in case of industrial connections for load above 1-MW. The CSM also provides that an amount of Rs. 3,000/- per kW as rehabilitation charges are to be paid by industrial consumers above 500 kW to 1 MW. In this case, K-Electric has charged Rs. 3,000/- per kW for extension of load from 950 kW to 1400 kW which is not in line with provisions of CSM.
- (iii) According to K-Electric, VCBs are required to be installed to accommodate the load, including the load of the Complainant because the existing VCBs are outdated. The Complainant's connection is installed on 11 kV Rehbar Industrial Feeder where 13 Nos. of connections are installed. The total loading capacity of the feeder is 4730 kW wherein the share of the Complainant is 1400 kW. If an independent feeder is to be installed for the Complainant, tentative estimate would be Rs. 80 million. K-Electric has worked out the actual rehabilitation charges for provision of VCBs at Rehbar Industrial Feeder for an amount of Rs. 3,733,770/-. The total load of the said feeder is 4730 kW, hence, KE should have charged the sharing charges to the Complainant as rehabilitation charges only for the extended load of 450 kW.
- (iv) Moreover, as concurred by K-Electric, it is recovering the fixed rehabilitation charges as prescribed in CSM from all consumer categories due to its unique network requirement which could probably be less or more than the actual cost as required to be recovered from consumers in accordance with clause 2.6 (6) of the CSM. However, it can be noted that the required upgradation of circuit breakers would also accommodate the future load enhancement from other consumers being catered by the same 11 kV feeder and from which the fixed rehabilitation charges as per precedent would also be recovered by K-Electric despite no actual upgradation.
- (v) Considering the above narration along with the unique network requirement of K-Electric's system, it is also of considered approach to accommodate the application of clause 2.6-Note (iv) of the CSM which allows recovery of charges from applicants proportionate to load subject to availability of capacity/load and with mutual consent of both the parties. The same allowance can be used in the instant matter and any future extension of load by other consumer(s) connected with the same 11 kV Rehbar feeder.
- (vi) We are of the view that it not warranted to levy fixed rehabilitation charges as envisaged in clause 2.6-Note (xiv) of the CSM, for complete net extension of load i.e. 450 kW being irrelevant to load above 1 MW. Moreover, the complete financial burden for upgradation of feeder i.e. installation of VCBs cannot also be passed on to the Complainant while being connected to common feeder having partial usage.

8. Henceforth, a motion seeking review of any order is competent only upon the discovery of new and important matter of evidence or on account of some mistake or error apparent on

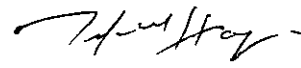


the face of record. The perusal of the decision sought to be reviewed clearly indicates that all material facts and representations made were examined in detail and there is neither any occasion to amend the impugned decision nor any error inviting indulgence, as admissible in law, has been pointed out. Therefore, we are convinced that this review would not result in withdrawal or modification of the impugned decision.

9. Hence, this review is dismissed and the decision of Complaints Resolution Committee dated July 03, 2024 is up held.


(Lashkar Khan Qambrani)

Member, Complaints Resolution Committee/
Director (CAD)


(Muhammad Irfan Ul Haq)

Member, Complaints Resolution Committee/
Assistant Legal Advisor


(Naweed Illahi Shaikh)

Convener, Complaints Resolution Committee/
Director General (CAD)

Islamabad, February 11, 2025