



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/DG(CAD)/TCD-09/3271-74

February 28, 2022

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 MUSHTAQ & COMPANY PVT. LIMITED UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST K-ELECTRIC REGARDING REFUND OF COST INCURRED ON PROCUREMENT OF CT/PT**
Complaint No. KE-133/08/2019

Please find enclosed herewith the Decision of Member (Consumer Affairs) dated February 25, 2022 (04 Pages) regarding the subject matter for necessary action and submission of compliance report within thirty (30) days.

Encl: As above

(Iftikhar Ali Khan)
Director

Copy to:-

1. Mr. Ayaz Jaffar Ahmed
Director (Finance and Regulations),
K-Electric Limited, KE House No 39-B,
Sunset Boulevard Phase-II, Defence Housing Authority,
Karachi.
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. Mushtaq & Company Pvt. Ltd.,
111, International, Trade Centre, Plot # 10/2, SR-2,
Sarai Quarters, Hasrat Mohani Road,
Karachi



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No. KE-133/08/2019

Mushtaq & Company Pvt. Limited,
111, International, Trade Centre, Plot # 10/2, SR-2,
Sarai Quarters, Hasrat Mohani Road, Karachi.

..... Complainant

VERSUS

K-Electric Limited (KEL)
KE House No 39-B, Sunset Boulevard Phase-II,
Defence Housing Authority, Karachi.

..... Respondent

Date of Hearing: January 10, 2020

Date of Site Inspection: 1) January 27, 2020
2) January 03, 2022

On behalf of
Complainant: 1) Mr. Arif Bilvani (Complainant)

Respondent: 1) Mr. Amjad Ali General Manager (KE)
2) Mr. Asif Shajer DGM (KE)
3) Mr. M. Yasir Manager (KE)
4) Mr. Imran Hanif Manager (KE)

Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MUSHTAQ & COMPANY PVT. LIMITED UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST K-ELECTRIC REGARDING REFUND OF COST INCURRED ON PROCUREMENT OF CT/PT

DECISION

This Decision shall dispose of the complaint filed by M/s Mushtaq & Company (Pvt) Limited, Karachi (hereinafter referred to as the "Complainant" or "MCPL"), against K-Electric Limited (hereinafter referred to as the "Respondent" or "KE" or "K-Electric"), under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act").

2. The Complainant in his complaint submitted that a fault had occurred in K-Electric's substation namely Mushtaque-II, on July 20, 2019, resulting in failure of supply to connections being fed from the substation. The matter was reported to K-

Electric's Complaint cell by the Complainant. Subsequently, the electricity supply from the substation was restored to the other connections being fed from the said substation; however, the Complainant's supply was not restored. The Complainant once again informed K-Electric about non-restoration of supply. In response, K-Electric informed them that the PT was found faulty and the Complainant is required to pay the cost of repair/replacement. The Complainant further submitted that the maintenance of Common Distribution substation is solely responsibility of K-Electric. CTs/PTs are part of the metering equipment, therefore, if any fault occurs in the metering equipment due to K-Electric's negligence then it is responsibility of K-Electric to replace it. In view of the said, the Complainant prayed that the cost for replacement of PT should be refunded to him.

3. The matter was taken up with K-Electric. In response, K-Electric submitted that the fault was reported at Mushtaque II substation on July 20, 2019 which also caused tripping of incoming feeder from Naveena Industry substation. Upon intimation, a team was immediately dispatched for restoration of supply. Subsequent to the normalization of the Naveena Industry substation, the team started restoring connections to other consumers being fed from the Mushtaque II substation. K-Electric added that the Mushtaque II substation has three connections that are being fed from the common 11kV bus-bar, including the Complainant's connection and two other connections for other consumers. As soon as the Complainant's connection was energized, the feeder tripped again. Consequently, the connection of the Complainant was isolated and other connections on the Bus-bar were restored. On further inspection it was found that the Complainant's PT was faulty, therefore, it was concluded that both initial and subsequent tripping were caused due to PT fault in the Complainant's connection. Since the fault occurred from consumer end, KE cannot be held liable as per relevant provisions of the Consumer Service Manual (CSM). K-Electric's response was forwarded to the Complainant. In response, the Complainant submitted that as per relevant provisions of the CSM; the liability of maintenance in case of a fault is not responsibility of the Consumer.

4. In order to proceed further, a hearing was held at NEPRA Provincial Office, Karachi, on January 10, 2020, which was attended by both the parties. During the hearing, the Complainant argued that the CT/PT are part of the metering equipment and installed in common distribution substation, therefore, the cost for replacement of the CT/PT needs to be borne by K-Electric. However, K-Electric argued that the metering equipment is not expressly defined in the CSM. K-Electric further argued that the fault occurred from consumer end since the protection system was by passed, therefore, the cost of repair needs to be borne by the Complainant. On conclusion of the hearing, a site inspection was planned to proceed further into the matter.

5. The site inspection was conducted in presence of the Complainant and officials of K-Electric. The following discrepancies were observed during the site inspection:

- i. Protection devices of the Complainant's bulk supply connection were by-passed.
- ii. The LT wiring was found to be installed improperly.
- iii. There was no humidity exhaust arrangement.
- iv. 11 kV cable trench was found open and dirty.
- v. Auxiliary instruments' meters were found out of order.
- vi. The lighting in the substation was not proper.

6. In order to further investigate cause of damage of PT, it was planned to carry out site inspection by NEPRA Head Office, however the same could not take place due to situation of Covid-19. Therefore, another joint site inspection was carried out on January 3, 2022 by NEPRA local office in presence of both the parties i.e. representatives of K-Electric Limited (KE) and the Complainant. During the site inspection, most of the earlier discrepancies were still found intact. The Complainant informed that water gets accumulated inside substation trench during rain which causes damage to the equipment.

7. The case has been analyzed in detail in light of the documents made so available by the parties, arguments advanced during the hearing, site inspections and applicable law. The following has been concluded:

- i. The Complainant is an Industrial consumer of K-Electric having 11 kV supply under B3 tariff category.
- ii. Mushtaque II is a Common Distribution System substation that houses connections/panels of other Industrial consumers, in addition to the connection of the Complainant. The substation is situated about 150 meters away from the Complainant's premises. The fault occurred in the dedicated distribution system of the Complainant i.e. PT damage; which was replaced by KE however KE charged cost of the same to the Complainant.
- iii. The Site inspection has revealed that the Mushtaque II substation was in a deteriorated condition and was not maintained properly by K-Electric. K-Electric's letter D.M/UGSSM/R-1/DFS/20/10 dated February 03, 2020, clearly terms the condition of the said substation as "hopeless" and "very deteriorated" and KE had intimated the Complainant about the reconstruction of the substation by K-Electric and assured the Complainant of temporary supply arrangement from alternate source.
- iv. PT is a part of metering installation which measure the quantity of energy. The Complainant's billing statement reveals that the Complainant's load had not exceeded the sanctioned load during the fault period or even at any other time, which reveals that there was no overloading condition on the system of the Complainant; as such the PT was not damaged due to overloading.
- v. The substation is part of the Common Distribution System. According to the Consumer Eligibility Criteria, 2003, and Consumer Service Manual, maintenance of the Common Distribution System is the sole responsibility of K-Electric.
- vi. As per K-Electric's version, the fault occurred from the Complainant's side, therefore, the cost of replacement of PT was to be borne by the Complainant. However, K-Electric could not provide any convincing argument or technical evidence in support of their claim that the fault at the substation occurred due to the Complainant's equipment. KE has just relied upon restoration of other connections when the supply of the Complainant was isolated; however KE has not submitted about root cause of fault occurred in the Complainant's panel/PT.
- vii. K-Electric's argument that the Complainant's protection devices were by-

passed do not have any force because it is K-Electric's responsibility to maintain the substation and intimate the consumers regarding any discrepancy. However, in the instant case no such intimation was made by K-Electric to the Complainant.

- viii. Clause 14.4 of the CSM states that the consumer is only liable to bear the cost of any damage to any electric supply equipment if the damage occurs due to any action of the consumer. The site inspection revealed the deteriorated condition of the substation which is located near the water sewerage duct. There was humidity in the substation and no exhaust arrangements were found. It is construed that the fault in panel of the Complainant occurred due to humidity which caused damage to the PT; as such the fault is not attributable to the Complainant.
- ix. Clause 4.4 of the CSM provides that if the metering installation becomes damaged/defective and the cause is not attributable to the Consumer then cost for replacement of the metering installation will be borne by DISCO. In case the metering installation becomes defective due to Consumer's fault including overloading, internal wiring defect etc. then the cost for replacement of the metering installation will be borne by the Consumer. PT is part of metering installation and as such charging of cost by K-Electric is not justified.
- x. KE could not prove that the PT was damaged due to fault at the end of the Complainant.

8. Foregoing in view, K-Electric is directed to reimburse/adjust, the cost recovered from the Complainant for replacement of the faulty PT in his future bills. Compliance report be submitted within thirty (30) days.


Rehmatullah Baloch
Member (Consumer Affairs)

Islamabad: February 25, 2022