



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.04/3013-2024
July 03, 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 JAWED BILWANI
UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND
DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST K-ELECTRIC LIMITED (KEL)
REGARDING REHABILITATION CHARGES**

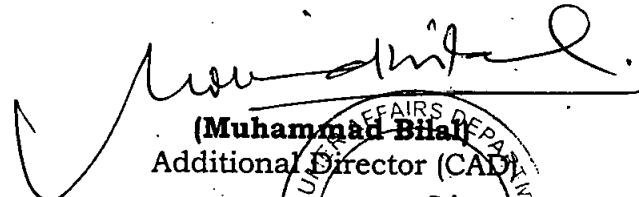
Complaint No. **KElectric-NHQ-17908-11-22**

Please find enclosed herewith the decision of the NEPRA Complaints Resolution Committee (CRC), dated July 03, 2024 regarding the subject matter for necessary action and compliance within twenty (20) days.

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
(NEPRA)

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

Mr. Muhammad Jawed Bilwani,
Plot # D-62A, SITE, Karachi.
Ph # 021-32572720

.....Complainant

Versus

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

..... Respondent

Date of Hearing(s): February 13, 2024

On behalf of:

Complainant: Mr. Muhammad Jawed Bilwani

Respondent: 1) Mr. Abdul Rehman (K-Electric Ltd)
2) Mr. Zeeshan Sheikh (K-Electric Ltd)
3) Mr. Shafqat Amin (K-Electric Ltd)
4) Mr. Zulnorain Janjua (K-Electric Ltd)

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MR. MUHAMMAD JAVED BILWANI UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST K-ELECTRIC LIMITED REGARDING REHABILITATION CHARGES**

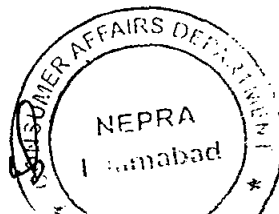
DECISION

This decision shall dispose of the Complaint filed by Mr. Muhammad Jawed Bilwani, Plot # D-62A, SITE, 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 the Complainant in the complaint submitted that their electricity connection was installed with sanctioned load of 950kW. K-Electric asked the Complainant to extend the load to 1400kW. 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

KElectric-KHI-17908-11-22

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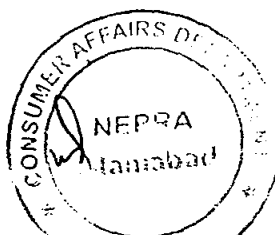
of provisions of Consumer Service Manual (CSM). The Complainant requested for withdrawal of the Capital Cost and submitted that only security deposit is liable to be paid to K-Electric for extension of load.

3. The matter was taken up with K-Electric. In response, KE submitted that significant cost is incurred by KE in laying and expanding 11KV HT network using standard size cable of 300MM. 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 11KV 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 exiting 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. 3733770/- 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 has been analyzed in detail in light of written / verbal arguments of the parties, documents placed on record and applicable law. The following has been concluded:

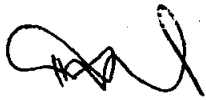
- i) The Complainant is an industrial consumer of K-Electric with sanctioned load of 950kW having Consumer No. BH-000801. KE asked the Complainant for extension of load as the recorded MDI of the connection was higher than the sanctioned load.
- ii) K-Electric issued a demand notice amounting to Rs. 1579500/- including Rs. 1350000/- rehabilitation charges and Rs. 229,500/- GST charges.
- iii) 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 1MW. The CSM also provides that an amount of Rs. 3000/- per Kilo Watt as rehabilitation charges are to be



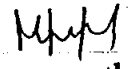
paid by industrial consumers above 500kW to 1MW. In this case, KE has charged Rs. 3000/- per Kilo Watt for extension of load from 950kW to 1400kW which is not in line with provisions of Consumer Service Manual (CSM).

- iv) According to K-Electric, the VCBs are required to be changed to accommodate the load, including the load of the Complainant because the existing VCBs are outdated. The Complainant connection is installed on Rehbar Industrial Feeder where 13 connections are installed. The total loading capacity of the feeder is 4730kW wherein the share of the Complainant is 1400kW. If an independent feeder is to be installed for the Complainant, the tentative estimate would be Rs. 80 million. KE has worked out actual rehabilitation charges for provision of VCB at Rehbar Industrial Feeder for an amount of Rs. 3733770/-. The total load of the said feeder is 4730kW, therefore, KE should have charged the sharing charges to the Complainant as rehabilitation charges for the extended load of 450kW.

6. Foregoing in view, K-Electric is directed to withdraw the estimate of Capital Cost amounting to Rs. 1579500/- and recover sharing charges on account of outdated VCBs from the Complainant as per his load above 1MW on per Kilo Watt basis. Moreover, rehabilitation charges @ Rs. 3000/- per Kilo Watt be recovered from the Complainant for 50kW i.e. 950kW to 1MW. Compliance report be submitted within twenty (20) days.


(Lashkar Khan Qambrani)

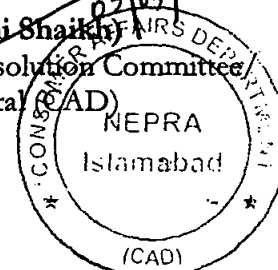
Member, Complaints Resolution Committee/
Director (CAD)


(Moqem-ul-Hassan)

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


(Naweed Illahi Shaikh)

Convener, Complaints Resolution Committee/
Director General (CAD)



Islamabad, July 03, 2024