



**Registrar**

# **National Electric Power Regulatory Authority**

## **Islamic Republic of Pakistan**

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No. NEPRA/DG(CAD)/TCD-09/ 5630

April 26, 2024

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

**Subject: Order of the Authority in the matter of Hearing held on October 31, 2023 regarding Show Cause Notice issued to K-Electric (KEL) under Regulation 4(1) & (2) of NEPRA (Fine) Regulations, 2021 for Charging of Detection Bills on account of Slowness of Energy Meters for more than Two (2) billing cycles**

Enclosed please find herewith the Order of the Authority (total 04 Pages) in the subject matter for information and compliance.

Enclosure: As above

(Engr. Mazhar Iqbal Ranjha)



**BEFORE THE**  
**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY**  
**(NEPRA)**  
**KE-38-11-23**

**Date of Hearing:** October 31, 2023

**Authority:**

Mr. Waseem Mukhtar	Chairman
Mr. Rafique Ahmed Shaikh	Member (Technical)
Engr. Maqsood Anwar Khan	Member (Licensing)
Mr. Mathar Niaz Rana (NSC)	Member (Tariff/Finance)
Ms. Amina Ahmed	Member (Law)

**On behalf of  
K-Electric:**

Syed Moonis Abdullah Alvi	Chief Executive Officer
Mr. Amir Zia	Consultant (Distribution)
Mr. Asif Shajar	GM (Regulation)

**Subject: ORDER OF THE AUTHORITY IN THE MATTER OF HEARING HELD ON OCTOBER 31, 2023 REGARDING SHOW CAUSE NOTICE ISSUED TO K-ELECTRIC (KEL) UNDER REGULATION 4 (1) & (2) OF NEPRA (FINE) REGULATIONS, 2021 FOR CHARGING OF DETECTION BILLS ON ACCOUNT OF SLOWNESS OF ENERGY METERS FOR MORE THAN TWO (2) BILLING CYCLES**

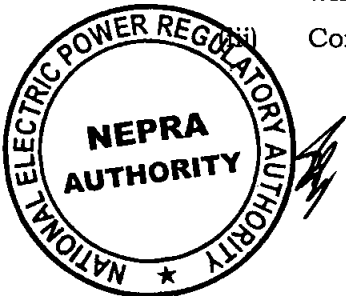
**ORDER**

This Order shall dispose of the show cause notice issued to K-Electric Limited (KEL) under Regulation 4 (1) & (2) of NEPRA (Fine) Regulations, 2021 on account of charging of detection bills for slowness of energy meters for more than two (2) billing cycles in violation of provisions of Consumer Service Manual (CSM).

2. In response to the various complaints received regarding detection bills due to slowness/ defectiveness of meters for more than two billing cycles, K-Electric vide letter No. TCD. 10/6225-2022 dated November 29, 2022 was directed to furnish list/data of detection bills with effect from January, 2021. The required report was submitted by K-Electric vide letter No GM(RA)/NEPRA/2023/1001 dated January 02, 2023 whereby it was noted that K-Electric has charged detection bills to 11 No. of consumers on account of slowness of energy meters and 11 Nos. of consumers on account of faulty CT/PT, in violation of relevant provisions of Consumer Service Manual (CSM).

3. Accordingly, K-Electric vide letter No. NEPRA/DG(CAD)/TCD-09/2109-10 dated February 07, 2023 was directed to proceed as per following:

- (i) Adjust the detection bills issued in lieu of slowness/ defectiveness of energy meters for more than two billing cycles in future billing of the affected consumers.
  - (ii) Initiate proceedings against the delinquent officials as per KE's services rules who violated provisions of the CSM.
- Comply with the provisions of CSM in letter & spirit.

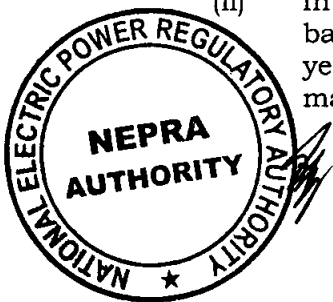


4. Furthermore, K-Electric vide letter No. NEPRA/DG(CAD)/TCD-09/2089 dated February 07, 2023 was issued an Explanation for violation of Clause 4.3 of CSM. In response, K-Electric vide its letter No. GM(RA)/NEPRA/2023/1360 dated February 21, 2023 submitted its reply against the said Explanation. Following is the summary of the reply to the explanation submitted by K-Electric:

- (i) Detection bills are not charged by KE in cases involving slowness in meters. Further, detection bills are only charged in cases of theft/illegal abstraction of electricity after fulfillment of requirements as defined in Chapter 9 of CSM.
- (ii) The supplementary bills charged in majority of the cases under consideration pertain to difference of actual consumption of a premises as recorded by backup meter. These back up meters are installed at dedicated PMTs of the consumer in line with the Clause 4.2.7 of CSM.
- (iii) The input to the meter is through 3CTs and due to defect in one or more CTs, correct data was unable to be transmitted to the meter and hence correct consumption could not be recorded. In such cases meter replacement were not required and the issue was resolved merely with the replacement of faulty CTs after which the billing meter started recording the entire actual consumption of the premises.
- (iv) As such these cases should not be treated as violation of clause 4.3.4 of CSM. The consumers are engaged upon identification of anomalies in recording of true consumption of premises on billing and back-up meter and evidences are duly shared and explained to them. Furthermore, they are also provided with ample opportunity to share the reasons for drop in consumption of the premises, if any. Thus the units finally charged to consumers, under these supplementary bills are based on the actual consumption of the premises as duly recorded by back-up meter.
- (v) In light of the facts explained herein above, charging of supplementary bills for difference in consumption based on the recording of back-up meter is completely justified and in accordance with the guidelines of clause 4.1.7 of CSM read with NEPRA clarification letter dated March 26, 2021. As such charging of supplementary bills do not constitute any violation whatsoever of any of the applicable CSM clauses and hence the proceedings initiated under NEPRA (Fine) Regulations, 2021 must be closed in the interest of justice. KE has requested for an opportunity of hearing in the matter.

5. The response submitted by K-Electric was found to be unsatisfactory. Therefore, the same was rejected by the Authority vide order dated August 01, 2023 and a Show Cause Notice was issued to K-Electric vide letter No. NEPRA/DG(CAD)/TCD-09/20267 dated August 01, 2023 for charging of detection bills to consumers on account of slowness of energy meters for more than two (2) billing cycles in violation of relevant provisions of CSM. In response, K-Electric vide letter No. KE/RA&GR/NEPRA/2023/522 dated August 15, 2023 submitted the following for consideration:

- (i) KE at all times ensures its best efforts to comply with the applicable NEPRA rules and regulations in true letter and spirit. In addition, Clause 4.3 of the NEPRA Consumer Service Manual covers (04) scenarios for meter replacement and bill adjustment as follows:
  - a. Meter defective/ burnt
  - b. Display wash
  - c. DISCO Doubts accuracy of meter
  - d. Consumer Doubts accuracy of meters
- (ii) In all of the above scenarios, DISCO is allowed to charge bills on average basis i.e. 100% of the consumption recorded in the same months of previous year or average of the last eleven months whichever is higher, for a maximum period of two months. However, there is an additional scenario i.e.



cases where there is a fault/defect in one or more of the total three CT's that are installed with the meter. In such cases although the meter is working properly and is not defective, the meter is not able to record the entire consumption owing to CT defect and only partial consumption is being recorded. In such situations, timely identification of the defect/fault is not possible. All such cases are analyzed on a case to case basis through fetching of AMR data as well as data of check meters (AMRs) that have been installed on the dedicated PMTs of the consumers through a completely automated system and therefore in such cases it is requested that NEPRA allows billing for retrospectively 06 months considering substantial evidence available to verify this charging.

- (iii) In the proposed amendments, in cases where backup meter/AMR meters are installed and drop in consumption is observed (due to slowness cause by weathering effect, equipment fault, ageing effect etc., and is not attributable to the consumer) slowness can be charged for maximum period of six (06) months retrospectively. It is requested to incorporate the aforesaid additional scenario in Clause 4.3 of the CSM so that all practical circumstances pertaining to difference in consumption is comprehensively covered and DISCO may charge the bill for difference in consumption accordingly.
- (iv) Detection bills are not charged by KE in cases involving slowness in meters. In majority of cases of slowness in meters due to meter defect, guidelines enshrined in chapter 4.4.3(e) of CSM is followed in true letter and spirit. Detection bills are only charged in cases of theft/illegal abstraction of electricity after fulfillment of requirement as enshrined in chapter 9 of CSM.
- (v) That the supplementary bills charged in majority of the cases under consideration pertain to difference of actual consumption of a premises as recorded by the back-up meter installed at the dedicated PMT of the consumer's connection/premises and that of the billable meter. These back-up meters are installed at dedicated PMTs of the consumers in line with the guidelines enshrined in Clause 4.2.7 of CSM which states that in case of defect in billing meter, the back-up meter will be converted into billing meter and the bills shall be charged on the basis of consumption recorded on the back-up meter.
- (vi) Information provided to NEPRA vide KE letter dated January 02, 2023 clearly specify that the supplementary bills charged in the cases under consideration are neither detection bills nor pertain to defect/slowness in meters. These supplementary bills are actually charged on account of difference in actual consumption of a premises as recorded by back-up meter installed on the dedicated PMT of the consumer and that of the billing meter which itself was recording correct consumption but since the input to the meter is through 3 CTs and due to defect in one or more CT's correct data was unable to be transmitted to the meter and hence correct consumption could not be recorded.
- (vii) Consumers are engaged upon identification of anomalies in recording of true consumption of premises on billing meter and back-up meter and evidences are duly shared and explained to them. Furthermore, they are also provided with ample opportunity to share the reasons for drop in consumption of the premises, if any, so that holistic review of the entire case can be completed before finalization of the matter and charging of supplementary bills.
- (viii) Charging of supplementary bills for difference in consumption based on the recording of back-up meter is completely justified and in accordance with the guidelines of clause 4.2.7 of CSM read with NEPRA clarification letter dated March 26, 2023. As such charging of supplementary bills do not constitute any violation whatsoever of any of the applicable CSM clauses and hence the proceedings initiated under clause 4(1) and (2) of NEPRA (Fine) regulations may be closed in the interest of justice.



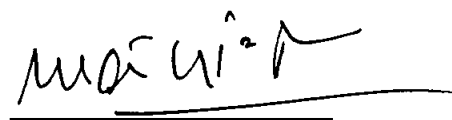
6. In order to proceed further, an opportunity of online hearing was provided to K-Electric on October 31, 2023. During the hearing, the CEO, K-Electric submitted that K-Electric has always complied with the directions of the Authority and assured that K-Electric shall abide by the provisions of CSM in true letter and spirit. Moreover, all such cases where the consumers have been charged bills by K-Electric in violation of Consumer Service Manual shall be re-examined and relief shall be provided to the affected consumers and warnings will be issued to the delinquent officials.


7. Subsequently, KE vide letter No. GM/RA/NEPRA/2024/1758 dated March 11, 2024 has informed that the due credit / relief has been provided to the affected consumers.


8. The Authority has duly reviewed the submissions put forth by KE and determined them to be satisfactory. Hence, the Authority hereby accepts response of KE and concludes that there is no need for further proceedings in relation to the matter at hand.

  
**(Rafique Ahmed Shaikh)**  
Member

  
**(Engr. Maqsood Anwar Khan)**  
Member

  
**Mathar Niaz Rana (nsc)**  
Member

  
**(Amina Ahmed)**  
Member

  
**(Waseem Mukhtar)**  
Chairman

