Energy & Petroleum Regulatory Authority

**IN THE REPUBLIC OF KENYA**

**ENERGY AND PETROLEUM REGULATORY AUTHORITY**

**DISPUTE NO: EPRA/PEACP/CP/4/67920926/26**

**KAHUNA HYGIENE SOLUTIONS.........................................PLAINTIFF**

**VERSUS**

**KENYA POWER AND LIGHTING COMPANY PLC ...............RESPONDENT**

**DETERMINATION**

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## A. BACKGROUND

1. The dispute between Kahuna Hygiene Solutions (Plaintiff) and Kenya Power and Lighting Company(Respondent) was first reported to the Authority via a letter dated 17th February 2026.
2. The Authority consequently advised the Plaintiff to properly file dispute documents and or submissions and serve the same to the Respondents via a letter dated 24th February 2026.
3. The dispute relates to an alleged persistent billing disputed due to a verified faulty meter on Account [redacted].

## B.PLAINTIFFS' CASE

4. The Plaintiff stated that they are writing to seek intervention regarding an ongoing and persistent billing dispute with the Kenya Power and Lighting Company (KPLC).
5. The Plaintiff explained that although a physical joint technical verification had confirmed that a KPLC meter was faulty, the utility provider had failed to make the necessary financial rectifications.

6. The Plaintiff indicated that, in response to what they considered unsustainable electricity bills, they had commissioned an independent technical audit by Alver Power Systems Limited between January 6 and January 12, 2026. They said that the resulting Power Analyzer Report provided high-resolution data showing that their facility consistently operated within an efficient power factor, with readings between 0.96 and 0.98.

7. The Plaintiff further stated that after receiving these findings, a physical joint meeting and technical inspection was held with KPLC representatives. During this inspection, both parties reportedly concluded that the affected meter (No. [redacted]) was defective. According to the Plaintiffs, KPLC subsequently admitted that the equipment had failed and proceeded to replace the unit.

8. Regarding financial impact, the Plaintiff asserted that, in order to prevent their manufacturing operations from being disconnected, they had been compelled to settle several inflated invoices that arose from the defective equipment. They stated that the payments made under duress included:

   - October 2025: KES 208,996.00
   - November 2025: KES 845,126.00, which they said included a Power Factor Surcharge of KES 449,154.85
   - December 2025: KES 659,456.00, which they noted included a Power Factor Surcharge of KES 337,040.54
   - January 2026: KES 583,686.00, which they reported included a Power Factor Surcharge of KES 303,348.99

9. The Plaintiff maintained that these amounts were unjustly inflated due to the faulty meter and requested appropriate redress.

## C.RESPONDENT'S CASE

10. The Respondent stated that the complainant, **Kahuna Capital Investments Limited**, was an account holder with the respondent for account number [redacted], and that the account was located at Kenyatta Road off Thika Superhighway.
11. It was further reported that the complaint presented before the Honourable Authority was well known to the Respondent, since both parties had jointly pursued the matter in an effort to resolve the disparity in the billing of the complainant's consumption.
12. The Respondent indicated that the complainant, **Kahuna Hygiene Solutions**, also known as **Kahuna Investments Limited**, had initially been metered on **23rd June 2025** using a HEXING smart meter with meter number [redacted].
13. The Respondent also reported that the complainant commenced its operations in **September 2025**, and that those operations had run smoothly up until **9th October**.
14. The Respondent reported that in **September 2025**, the complainant had been issued with a poor power factor notification following the billing for that month.
15. The Respondent further stated that on **31st January 2026**, the complainant informed the Respondent of a loss of power to their premises. Upon receiving this report, the Respondent visited the premises on the same day and established that the **metering breaker of the HEXING smart meter enclosure** was faulty.
16. The Respondent indicated that, after assessing the situation, they advised the complainant that they did not have the necessary spare parts for the specific component that needed replacement.
17. The Respondent added that, because the required spare parts for the HEXING smart meter's metering breaker were unavailable, the respondent proceeded to replace the entire metering unit. They installed a **Wisdom Electric smart metering unit** of similar current rating, and this replacement was carried out on **2nd February 2026**.
18. The respondent therefore maintained that it was untrue for the complainant to allege that the respondent had failed or refused to rectify the error or restore power supply to the complainant's premises.

## D.DISPUTE RESOLUTION PROCESS

19. Upon receiving the Plaintiff's Complaint( Kahuna Hygiene Solutions) vide a letter dated 17th February 2026,the Authority engaged the parties on filling their respective documents on 24th February 2026.
20. The Authority consequently advised the Plaintiff to properly file dispute documents and or submissions and serve the same to the Respondents via a letter dated 24th February 2026.
21. The Respondent made its written submission on 13rd March 2026.
22. The Authority subsequently invited parties for a virtual hearing on 26th March 2026, vide a letter dated 16th March 2026.
23. During the virtual hearing, the parties were given equal chance to present their matter.
24. It is based on the above therefore, that the Authority render its determination on the matter.

## E. ISSUES FOR DETERMINATION

25. Based on the facts and evidence shared by the Parties, the Authority finds that the following issues arise for determination;
    a) **Whether the disputed electricity bills including the power factor surcharges on the Plaintiff's A/c No. [redacted] were lawfully imposed.**
    b) **Whether the Plaintiff is liable to settle the disputed electricity bills including the power factor surcharges.**

## F. ANALYSIS OF THE DISPUTE

**a) Whether the disputed electricity bills including the power factor surcharges on the Plaintiff's A/c No. [redacted] were lawfully imposed.**

26. The Plaintiff in his letter dated 17th February, 2026 states at page 1- paragraph 2 that he was compelled by the Respondent to settle several inflated bills as follows;
    ii) **October 2025**- Kshs. 208, 996
    *iii)* **November 2025**- Kshs.845,186 (*inclusive of power factor surcharge of Kshs. 449,154.85).*

*iv)* **December 2025**- Kshs. 659, 456 *(inclusive of power factor surcharge of Kshs. 337, 040.54).*

*v)* **January 2026**- Kshs. 583,686 *(inclusive of power factor surcharge of Kshs. 303,348.99*

27. The record shows that the Plaintiff's electricity supply was connected on the 23rd June, 2025 using HEXING smart meter No. [redacted], and the customer commenced operations in September 2025.

28. The Respondent thereafter issued a letter dated 9th October, 2025 stating that the supply had operated at a power factor of 0.09589 lagging in September 2025 instead of 0.9 lagging and above, warning that a power factor surcharge would continue to be levied until correction was confirmed.

29. The billing pattern that followed is material to the question of lawfulness and basis of the power factor surcharge levied on the Plaintiff. From the record, the October 2025 bill was **Kshs. 208,996.00** and did not reflect a power factor surcharge. The November 2025 bill then rose sharply to **Kshs. 845,186.00,** including a power factor surcharge of **Kshs. 449,154.85**. The December 2025 bill remained elevated at **Kshs. 659,456.00,** including a further power factor surcharge of **Kshs. 337,040.54.**

30. The account statement further reflects a billing entry of **Kshs. 583,686.00** on 2nd February 2026, which the Plaintiff also states included a power factor surcharge of **Kshs. 303,348.99.** On the face of the account documents, the dispute is therefore not about ordinary consumption alone but about very substantial surcharge components that became a dominant element of the monthly bills.

31. The Plaintiff's case is that the aforementioned charges, were unjustified on the basis that the installation was not in fact operating at a persistently poor power factor, and further that the meter was later found to be faulty and subsequently replaced.

32. In support of that position, the Plaintiff produced an independent power analyzer report prepared by Alver Power Systems Limited for the period 6th January, 2025 to 12th January, 2026.

33. The report shows generally stable voltage values and as summarized in the complaint and internal brief, power factor readings were frequently in the range of 0.96 to 0.98. That evidence does not conclusively prove what the historical power

factor was in September, November or December 2025, but it does materially weaken the proposition that the installation was consistently operating at an extremely poor power factor level of the kind asserted in the Respondent's notice.

34. The Respondent's response does not fully resolve that inconsistency. The Respondent correctly states that the independent analyser covered only a limited period in January 2026 and therefore could not, on its own, invalidate all historical data recorded by the utility's system.
35. That proposition is technically sound. However, once a credible challenge was raised to the surcharge basis and particularly after a fault was identified at the metering installation, the evidentiary burden shifted to the Respondent to place before the Authority a complete and transparent technical basis for the disputed charges.
36. In the material presented before the Authority, the Respondent did not provide a meter test report establishing the accuracy of the disputed meter's metering function, nor did it provide a sufficiently transparent computation trail showing how the recorded power factor values translated into the exact surcharge amounts billed.
37. The record further shows that on the 31st January, 2026 the Plaintiff reported loss of power, and the Respondent found a fault in the metering breaker of the HEXING smart meter enclosure.
38. The Respondent maintains that the breaker fault related to power continuity and did not in itself establish metering inaccuracy. It then replaced the entire unit on the 2nd February, 2026 with a Wisdom Electric smart meter because spare parts were unavailable to rectify the metering breaker as stated at paragraph 7 of their response dated 10th March, 2026. That explanation may account for the replacement as an operational measure, but it does not, without more, establish that the historical billing data remained accurate and unaffected.
39. It is the Authority's position that where a utility seeks to maintain large surcharge bills based on data from a metering installation later found to have a fault requiring full replacement, stronger technical evidence is required than a bare assertion that the fault did not affect measurement.

40. On the other hand, the Plaintiff's evidence is not without limitation. The analyser report shared by the Plaintiff, was conducted after the dispute had already crystallized and after some of the disputed bills had already been issued. It therefore cannot conclusively establish that the same power factor conditions prevailed throughout the entire disputed period.

41. Further, while the Plaintiff states that a joint inspection confirmed the meter was faulty, the record does not contain a jointly signed technical report expressly linking the identified fault to erroneous recording of consumption or power factor. Even so, the Plaintiff's evidence was sufficient to cast substantial doubt on the validity of the surcharge regime and to require the Respondent to answer that doubt with precise technical proof. The Authority notes that such proof was not furnished.

42. The account statement also shows that the Plaintiff made substantial payments in December 2025 and January 2026 against the disputed account. That payment history is consistent with the Plaintiff's position that payment was made to avert disconnection and protect operations rather than as acceptance that the surcharge computations were correct. In the circumstances, the fact of payment does not validate a bill whose technical basis remains unproven on the material presented.

43. Accordingly, the technically sound conclusion on the evidence placed before the Authority is that the Respondent did not sufficiently substantiate the disputed power factor surcharges for the material period.

44. While the Respondent was entitled in principle, to levy a surcharge where a customer operated below the prescribed power factor threshold, the utility was still required to demonstrate, through reliable metering evidence and a transparent computation trail, that the impugned charges accurately arose from the customer's installation.

45. In this matter, there is a clear billing anomaly, a later-admitted fault within the metering installation, an independent analyser report showing generally efficient power factor during the audit window, and no conclusive meter accuracy test or detailed surcharge computation sufficient to rebut the customer's challenge. On

the record as closed, the disputed surcharge-driven billings were therefore not technically justified as presented.

46. The technical position is therefore that the Respondent did not validate, through a meter test or other technical verification, that the fault later identified in meter No. [redacted] had no effect on the poor power factor recordings forming the basis of the impugned surcharges.

47. In the absence of such validation, together with a transparent computation trail under the applicable tariff, the Authority finds that the Respondent did not sufficiently demonstrate that the disputed power factor surcharges were wholly attributable to the complainant's installation rather than to the faulty metering arrangement. The impugned surcharge billings for the disputed period therefore cannot safely stand on technical grounds.

48. Consequently, the Authority finds that the disputed electricity bills including the power factor surcharges on the Plaintiff's A/c No. [redacted] were unlawfully imposed.

**b) Whether the Plaintiff is liable to settle the disputed electricity bills including the power factor surcharges.**

49. Having found that the Respondent did not sufficiently substantiate the basis of the impugned power factor surcharges and the Authority's finding that the disputed bills including the power factor surcharges on the Plaintiff's A/c No. [redacted] were indeed imposed unlawfully, the next issue for determination is whether the Plaintiff is liable to settle the disputed electricity bills.

50. It is a settled principle in utility regulation that a consumer is liable to pay for actual consumption duly recorded through a properly functioning and verified metering system.

51. Accordingly, in light of the findings on the unlawfulness of the impugned power factor surcharges and the lack of sufficient technical evidence by the Respondent, the Authority finds that the Plaintiff is not liable to settle the disputed electricity bills including the power factor surcharges raised by the Respondent in relation to the Plaintiff's A/c No. [redacted]

## G. FINAL DETERMINATION

52. The Authority has considered the Plaintiff's and the Respondent's case and hereby makes the following determination;

    a) That the disputed electricity bills including the power factor surcharges on the Plaintiff's A/c No. [redacted] were unlawfully imposed by the Respondent.

    b) the Plaintiff is not liable to settle the disputed electricity bills including the power factor surcharges raised by the Respondent in relation to the Plaintiff's A/c No. [redacted].

    c) That each party is hereby directed to bear their own costs.

    d) That this determination is final and binding upon both parties.

    e) That the parties are at liberty to exercise their right of appeal to this decision at the Energy and Petroleum Tribunal pursuant to the provisions of the Energy Act, Cap 314, Laws of Kenya.

**DATED AT NAIROBI THIS ...17th... DAY OF ...April...2026**

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**DR. (ENG) JOSEPH OKETCH, PhD, CE**

**AG. DIRECTOR GENERAL**