



National Electric Power Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN

Consumer Affairs Department, NEPRA TOWER
Ataturk Avenue (East) Sector G-5/1, Islamabad.
Ph: 051-2013200, Fax: 051-2600021

**Consumer Affairs
Department**

TCD.04/ ⁵⁷⁹² -2022
November 03, 2022

Chief Executive Officer,
Faisalabad Electric Supply Company (FESCO),
Abdullah Pur, Canal Bank Road, Faisalabad.

Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY SYED INAYAT ALI SHAH S/O SYED GHULAM ABBAS UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST FESCO REGARDING ISSUANCE OF ADDITIONAL DEMAND NOTICE
No. FESCO-FSD-11085-03-22

Please find enclosed herewith the decision of the NEPRA Consumer Complaints Tribunal dated November 03, 2022 regarding the subject matter for necessary action and compliance within twenty (20) days, positively.

Encl: As above


(Muhammad Abid) 03/11/2022
Assistant Director (CAD)

Copy to:

1. GM (Commercial & Customer Services),
FESCO, Abdullah Pur, Canal Bank Road Faisalabad.
2. Mr. Ubaid Khan Rana, (Assistant Director),
NEPRA Regional Office, Plaza C-6B, College Road [Please follow-up with FESCO.]
Faisalabad. Phone: (041) 8727800
3. Syed Inayat Ali Shah S/o Syed Ghulam Abbas, Pir Ismail Bukhar Road, Muhalla
Thathi Sharki, District Chiniot.
Cell # 0344-7818100



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No. FESCO-FSD-11085-03-22

Syed Inayat Ali Shah S/o Syed Ghulam Abbas
Pir Ismail Bukhar Road, Muhalla Thathi Sharki
District Chiniot.

..... **Complainant**

VERSUS

Faisalabad Electric Supply Company (FESCO)
Abdullah Pur, Canal Bank Road, Faisalabad.

..... **Respondent**

Date of Hearing: May 14, 2022

On behalf of
Complainant: Syed Inayat Ali Shah

Respondent: Mr. Ali Sher Aman SDO (Operation), FESCO

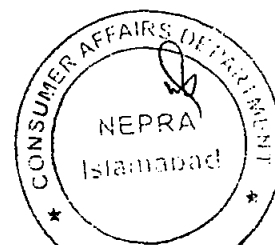
SUBJECT: DECISION IN THE MATTER OF COMPLAINT FILED BY SYED INAYAT ALI SHAH UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST FESCO REGARDING ISSUANCE OF ADDITIONAL DEMAND NOTICE

DECISION

This decision shall dispose of the complaint filed by Syed Inayat Ali Shah (hereinafter referred to as the "Complainant") against Faisalabad Electric Supply Company (hereinafter referred to as the "Respondent" or "FESCO"), under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act").

2. NEPRA received a complaint from Syed Inayat Ali Shah dated February 25, 2022 wherein the issue agitated by the Complainant was that he applied to FESCO for provision of new agricultural connection whereby a demand notice dated April 10, 2021 amounting to Rs. 575,000/- was issued by FESCO which was subsequently paid by the Complainant during June, 2021. The Complainant further submitted that FESCO issued revised/second demand notice for payment dated January 27, 2022 amounting to Rs. 353,966/-, however being aggrieved with revised/second demand notice, he requested to direct FESCO to install the connection as per the already paid demand notice in accordance with the relevant provisions of Consumer Service Manual (CSM).

3. The subject matter was taken up with FESCO. In response, FESCO vide a report dated March 17, 2022 stated that the Complainant submitted an application for an agricultural connection with 11.19 kW load for which a demand notice was issued amounting to Rs. 575,000/- and the same was paid by the Complainant on June 04, 2021.

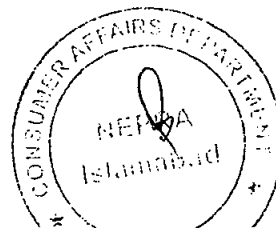


FESCO added that connection will be energized after payment of second/revised demand notice. FESCO further submitted that the connection remained pending for installation due to non-availability of material with FESCO and an additional demand notice dated January 27, 2022 amounting to Rs. 353,966/- was issued to the Complainant due to revision of material rates w.e.f. December 29, 2021. FESCO added that according to the information printed on demand notice; additional demand notice will be served to the applicant for payment if actual expense is found in excess than the already approved/paid estimated amount.

4. In order to probe into the matter, hearing was held at NEPRA Regional Office, Faisalabad wherein both the parties participated and advanced their respective arguments. During the hearing, FESCO officials submitted that the connection was not installed due to non-availability of material i.e. transformers in stores of FESCO. In order to further investigate the matter, FESCO was directed to provide inventory list of 15 kVA & 25 kVA transformers in concerned Regional/Field stores from the date of payment of 1st demand notice by the Complainant i.e. June 04, 2021 till date of revision of material rates i.e. December 29, 2021. In compliance, FESCO submitted the requisite information vide letter No. 357-60/DMM/FESCO dated July 15, 2022.

5. The case has been examined in detail in light of the record made so available by parties, arguments advanced during the hearing and applicable law. Following has been observed:


- (i) The Complainant approached FESCO for a new agricultural connection at Thatha Khair Shah, District Chiniot vide application No. 21-000118-1316/D1 b(50) for tentative load of 11.19 kW. In response, FESCO approved the application and accordingly issued a demand notice amounting to Rs. 575,000/- dated April 10, 2021 which was paid by the Complainant on June 04, 2021 within prescribed time period. However, according to FESCO the connection remained pending for installation due to non-availability of requisite material. Later, another/second demand notice amounting to Rs. 353,966/- dated January 27, 2022 was issued to the Complainant for payment.
- (ii) Perusal of the documentary evidence submitted by FESCO reveals that the Complainant was charged difference of cost of the material i.e. transformers due to its non-availability in the stores of FESCO at the time of payment of 1st Demand Notice i.e. June 04, 2021 by the Complainant and the material was procured with enhanced rates, therefore, the revised/second demand notice was issued on the pretext of revision of material rates. The record provided by FESCO regarding availability of material i.e. transformers in stores of FESCO vide letter No. 357-60/DMM/FESCO dated July 15, 2022 transpires that sufficient number of required transformers was available in the stores of FESCO at the time of payment of first demand notice. Hence stance of FESCO regarding non-availability of transformer is in contradiction with letter dated July 15, 2022.
- (iii) According to Clause-2.7.1 of Consumer Service Manual (CSM); in the cases where there is shortage/non-availability of material DISCOs can ask the applicant to procure required material as per the specifications of DISCOs. In the instant case if there was any shortage/non-availability of transformer; FESCO should have informed the Complainant for procurement of the same at its own, however, FESCO neither installed the connection after payment of full demand notice nor informed the Complainant for procurement of material, meaning thereby that sufficient number of 15 kVA & 25 kVA transformers was available at the time of payment of demand notice which has also been proved vide letter No. 357-60/DMM/FESCO dated July 15, 2022 of FESCO.
- (iv) FESCO has based its understanding for issuance of second demand notice on the information printed on demand notice wherein additional demand notice will be served to the applicant for payment if actual expense is found in excess than the already approved/paid estimated amount. However, there is no force

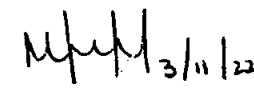



in arguments of FESCO due to non-compliance of the same with the relevant provisions of the Consumer Service Manual (CSM). According to the Clause 2.4.6 of the CSM, once demand notice is issued by DISCO and is paid by the applicant in full, no further charges/demand notice can be raised against the applicant on account of escalation of rates of material. The same is reflected in the instant matter through documentary evidence on record wherein the first demand notice issued to the Complainant was paid in full amounting to Rs. 575,000/- within prescribed time period of 30 days as per SOPs. In view of the said, penalizing the Complainant through additional/revised demand notice on account of negligence etc. of the concerned FESCO officials is unwarranted. Moreover, NEPRA Performance Standards (Distribution) Rules-2005 and Consumer Service Manual (CSM) envisage a certain time limit for energization of connection after payment of demand notice.

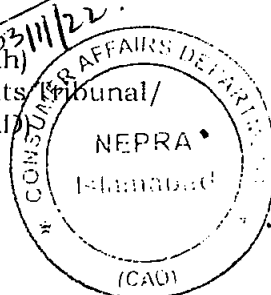
- (v) According to time frame for new connections given in NEPRA Performance Standards (Distribution) Rules-2005 read with Consumer Service Manual (CSM) DISCOs are required to provide electricity connection within time period of twenty (20) days after payment of demand notice in case of load upto 15 kW. The Complainant paid the demand notice on June 04, 2021 thus connection should have been installed by June 24, 2021. However, in the instant case more than one year has lapsed but FESCO has not yet provided connection to the Complainant for 11.19 kW load. The Complainant is liable to pay cost of escalation of material if occurred within 20 days of payment of demand notice.
- (vi) The information provided by FESCO regarding availability of material vide letter No. 357-60/DMM/FESCO dated July 15, 2022 proves that sufficient number of 15 kVA & 25 kVA transformers was available in the stores of FESCO at the time of payment of first demand notice i.e. June 04, 2021. Hence stance of FESCO regarding non-availability of transformer is baseless.

6. From the above, it is concluded that FESCO issued demand notice to the Complainant on April 10, 2021 which was paid by the Complainant on June 04, 2021. According to provisions of law, the connection was required to be installed within twenty (20) days of payment of demand notice i.e. June 24, 2021, however, FESCO failed to install the connection within the stipulated time period. The Complainant is liable to pay escalated charges if occurred upto June 24, 2021 (the time period under which FESCO was obligated to energize the connection). Foregoing in view, FESCO is directed to issue revised demand notice to the Complainant as per the rates applicable as on June 24, 2021. Upon payment of difference of cost (if any) FESCO shall provide connection without further delay after completion of all the codal formalities. Compliance report be submitted within twenty (20) days.


(Lashkar Khan Qambrani)
Member Consumer Complaints Tribunal
Director (CAD)


(Moqcem ul Hassan)
Member Consumer Complaints Tribunal
Assistant Legal Advisor (CAD)


(Naweed Illahi Shaikh)
Convener Consumer Complaints Tribunal/
Director General (CAD)


NEPRA
Islamabad
(CAU)

Islamabad, November 03, 2022