



National Electric Power Regulatory Authority
ISLAMIC REPUBLIC OF PAKISTAN
Ataturk Avenue (East) Sector G-5/1, Islamabad.
Ph: 051-2013200, Fax: 051-2600021

Consumer Affairs
Department

5981
TCD.04/ -2022
November 14, 2022

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

Subject: **COMPLAINT FILED BY MR. SHAHJAHAN UNDER SECTION 39 OF THE
REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF
ELECTRIC POWER ACT, 1997 AGAINST FESCO REGARDING REVISED
DEMAND NOTICE
FESCO-NHQ-12048-04-22**

Please find enclosed herewith the decision of the NEPRA Consumer Complaints Tribunal dated November 14, 2022 regarding the subject matter for necessary action and compliance within twenty (20) days, positively.

Encl: As above


(Muhammad Abid)
Assistant Director (CAD) 14/11/2022

Copy to:

1. C.E./Customer Services Director, FESCO, Abdullah Pur, Canal Bank Road, Faisalabad.
2. Mr. Shahjahan House No. 3, Street No. 3, Royal Avenue, Islamabad.
Cell # 0331-5387904



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No. FESCO-NHQ-12048-04-22

Mr. Shahjahan,
House No. 3, Street No. 3,
Royal Avenue, Islamabad.

..... **Complainant**

VERSUS

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

..... **Respondent**

Date of Hearing: October 06, 2022

On behalf of
Complainant: 1) Mr. Shahjahan

Respondent: 1) Mr. Mudassar Ali, Addl. SE, FESCO

Subject: **COMPLAINT FILED BY MR. SHAHJAHAN UNDER SECTION 39 OF THE**
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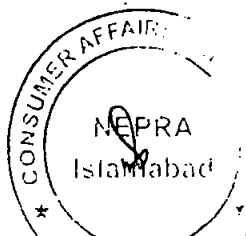
DECISION

This decision shall dispose of the complaint filed by Mr. Shahjahan (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 Mr. Shahjahan dated April 17, 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 01, 2021 amounting to Rs. 519,380/- was issued by FESCO which was subsequently paid by the Complainant during May, 2021. The Complainant further submitted that only four poles were erected by FESCO and connection remained pending for installation & energization due to non-issuance of remaining material including transformer. The Complainant added that FESCO issued revised/second demand notice on February 01, 2022 amounting to Rs. 298,920/- for payment, however being aggrieved with the revised/second demand notice, he requested to direct FESCO to install the connection as per the already paid demand notice.

3. The subject matter was taken up with FESCO. In response, FESCO vide a report dated May 23, 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. 519,380/- and the same was paid by the Complainant on May 07, 2021.

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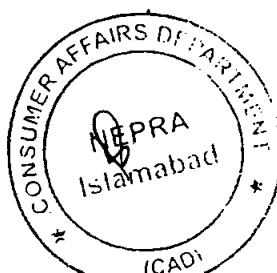


Only four HT PC poles were available in store which were erected at site accordingly, however, the other material including 15 kVA transformer was not available, therefore, connection remained pending for installation due to non-availability of material with FESCO and an additional demand notice dated February 01, 2022 amounting to Rs. 298,920/- was issued to the Complainant due to revision of material rates w.e.f. December 29, 2021. FESCO added that connection will be energized after payment of second/revised demand notice. FESCO further submitted 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, a hearing was held at NEPRA Head Office, Islamabad 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, therefore, a notice was served to the Complainant on September 03, 2021 for purchase of transformer from market. However, the Complainant submitted that notice was serviced after three months of payment of demand notice without refund of earlier paid amount in lieu of transformer. It is pertinent to mention here that in a similar case No. FESCO-FSD-11085-03-22 FESCO was directed to provide inventory list of 15 kVA & 25 kVA transformers in concerned Regional/Field stores from May 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 vide application No. 102/TW dated March 15, 2021 for tentative load of 11.19 kW. In response, FESCO approved the application and accordingly issued a demand notice amounting to Rs. 519,380/- dated April 01, 2021 which was paid by the Complainant on May 07, 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. 298,920/- dated February 01, 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. May 07, 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, after three months of payment of first demand notice in full, FESCO issued a notice to the Complainant to report to concerned FESCO office for obtaining of NOC for purchase of 15 kVA transformer from market. If transformers were not available FESCO should have informed the Complainant at the time of issuance of demand notice or before expiry of time frame given in Consumer Service Manual for provision of new connection. Moreover, 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. 519,380/- 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 May 07, 2021 thus connection should have been installed by May 27, 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. May 07, 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 01, 2021 which was paid by the Complainant on May 07, 2021. According to provisions of law, the connection was required to be installed within twenty (20) days of payment of demand notice i.e. May 27, 2021, however, FESCO failed to install the connection within the stipulated time period. The Complainant is liable to pay escalated charges if occurred upto May 27, 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 May 27, 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.

[Signature]
14/11/2022

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

[Signature]
14/11/22

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

[Signature]
(Naweed Irfani Shaikh)
Convener Consumer Complaints Tribunal/
Director General (CAD)

Islamabad, November 14, 2022

