



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

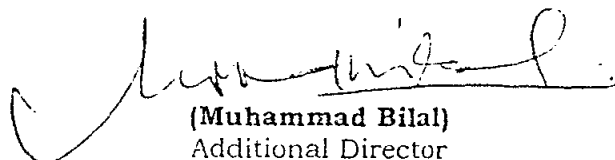
TCD.04/ 4498 -2022
August 19, 2022

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

Subject: **COMPLAINT FILED BY MR. FALAK SHER UNDER SECTION 39 OF THE
REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF
ELECTRIC POWER ACT, 1997 AGAINST FESCO REGARDING ISSUANCE
OF ADDITIONAL DEMAND NOTICE
FESCO-NHQ-10854-02-22**

Please find enclosed herewith the decision of the NEPRA Consumer Complaints Tribunal dated August 19, 2022 regarding the subject matter for necessary action and compliance within twenty (20) days, positively.

Encl: As above


(Muhammad Bilal)
Additional Director

Copy to:

1. C.E/Customer Services Director, FESCO, Abdullah Pur, Canal Bank Road, Faisalabad.
2. Mr. Falak Sher s/o Allah Baksh, Mouza Sultanpur, Khewa, Tehsil & District, Jhang. Cell # 0347-4453038



**BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)**

Complaint No. FESCO-NHQ-10854-02-22

Mr. Falak Sher s/o Allah Baksh
Mouza Sultanpur, Khewa,
Tehsil & District, Jhang.

..... **Complainant**

VERSUS

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

..... **Respondent**

Date of Hearing: May 14, 2022
July 06, 2022

**On behalf of
Complainant:** 1) Mr. Falak Sher

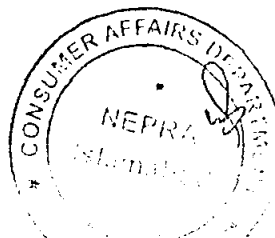
Respondent: 1) Mr. Ali Rizwan SDO (Operation), FESCO
2) Mr. Muhammad Binyamin, SDO (Operation), FESCO
3) Mr. Abaidullah Revenue Officer, FESCO

**SUBJECT: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. FALAK SHER
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 Mr. Falak Sher (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. Falak Sher dated February 14, 2022 wherein the issue agitated by the Complainant was that he applied to FESCO for provision of new industrial connection whereby a demand notice dated April 27, 2021 amounting to Rs. 3,22,689/- was issued by FESCO which was subsequently paid by the Complainant during May, 2021. The Complainant further submitted that all the requisite material except the transformer was issued by FESCO and the connection remained pending for installation & energization due to non-issuance of transformer. The Complainant added that FESCO issued revised/second demand notice on February 03, 2022 amounting to Rs. 1,78,343/- 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.

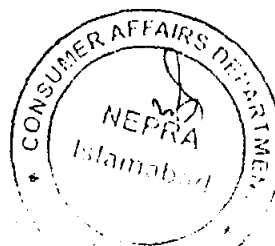


3. The subject matter was taken up with FESCO. In response, FESCO vide a report dated April 01, 2022 stated that the Complainant submitted an application for an industrial connection vide No. 1331/B1 (B) dated April 17, 2021 for 14.9 kW load for which a demand notice was issued vide No. 175570 dated April 27, 2021 and the same was paid by the Complainant on May 24, 2021. FESCO further submitted that the connection remained pending for installation due to non-availability of 25 kVA transformer with FESCO and an additional demand notice dated February 03, 2022 amounting to Rs. 1,78,343/- 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, hearings were held at NEPRA Regional Office, Faisalabad & 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 25 kVA transformers in stores of FESCO. In order to further investigate the matter, FESCO was directed to provide inventory list of 25 kVA transformers in concerned Regional/Field stores from the date of payment of 1st demand notice i.e. May 24, 2021 by the Complainant 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 industrial connection at his premises located at Mouza Sultanpur, Khewa, Tehsil & District Jhang vide application No. 1331/B1 (B) dated April 17, 2021 for load of 14.92 kW. In response, FESCO approved the application and accordingly issued a demand notice amounting to Rs. 3,22,689/- dated April 27, 2021 which was paid by the Complainant on May 24, 2021 within prescribed time period. However, according to FESCO the connection remained pending for installation due to non-availability of 25 kVA distribution transformer etc. Later, another/second demand notice amounting to Rs. 1,78,343/- dated February 03, 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 due to its non-availability in the stores of FESCO at the time of payment of 1st Demand Notice i.e. May 24, 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 in stores of FESCO submitted vide letter No. 357-60/DMM/FESCO dated July 15, 2022 proves that sufficient number of 25 kVA 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 25 kVA transformer is contradiction of 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 25 kVA 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 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.

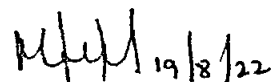


- (iv) FESCO has based its understanding for issuance of second demand notice on the information printed on demand notice wherein additional demand notice will be served to the applicant for payment if actual expense is found in excess than the already approved/paid estimated amount. However, there is 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. 3,22,689/- 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.
- (v) According to time frame for new connections given in NEPRA Performance Standards (Distribution) Rules-2005 read with Annexure-III of Consumer Service Manual (CSM) DISCOs are required to provide electricity connection within time period of twenty (20) days from the date of payment of demand notice in case of load upto 15 kW. The Complainant paid the demand notice on May 24, 2021 thus connection should have been installed by June 13, 2021. However, in the instant case more than one year has lapsed but FESCO has not yet provided connection to the Complainant for 14.92 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 25 kVA transformers was available in the stores of FESCO at the time of payment of first demand notice i.e. May 24, 2021. Hence stance of FESCO regarding non-availability of 25 kVA transformer is baseless.

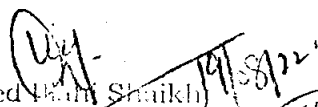
6. Foregoing in view, FESCO is directed to withdraw the revised/second demand notice No. 6954 dated February 03, 2022 amounting to Rs. 178,343/- standing in violation of the relevant provisions of Consumer Service Manual (CSM) & Performance Standards (Distribution) Rules, 2005 and install the connection at the premises of the Complainant after completion of all the codal formalities. The Complainant is liable to pay cost of escalation of material if occurred within twenty (20) days of payment of demand notice i.e. by June 13, 2021. Compliance report be submitted within twenty (20) days.


19/8/2022

(Lashkar Khan Qambrani)
Member Consumer Complaints Tribunal


19/8/22

(Moqees-ul-Hassan)
Member Consumer Complaints Tribunal


(Naweed Khan Shaikh)

Convener Consumer Complaints Tribunal

Islamabad, August 19, 2022

