



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

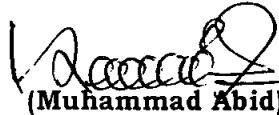
6124
TCD.04/ -2022
November 23, 2022

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

Subject: COMPLAINT FILED BY MR. MUHAMMAD ANWAR S/O ABDUL GHAFOR
UNDER SECTION 39 OF THE REGULATION OF GENERATION,
TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997
AGAINST FESCO REGARDING ISSUANCE OF REVISED DEMAND NOTICE
Complaint # **FESCO-NHQ-12502-05-22**

Please find enclosed herewith the decision of the NEPRA Consumer Complaints Tribunal dated November 23, 2022 regarding the subject matter for necessary action and compliance within twenty (20) days, positively.

Encl: As above


(Muhammad Abid)
Assistant Director (CAD)

Copy to:

1. C.E./Customer Services Director, FESCO, Abdullah Pur, Canal Bank Road,
Faisalabad.
2. Assistant Director,
NEPRA Regional Office, 1st floor, Plaza No. C-6B,
Opposite National Bank, College (Hockey Stadium) Road,
Kohinoor City, Faisalabad
3. Mr. Muhammad Anwar S/o Abdul Ghafoor,
Chak No. 30-GB, Tehsil Jaranwala,
District Faisalabad.
Cell: 0301-4554568



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

Complaint No. FESCO-NHQ-12502-05-22

Mr. Muhammad Anwar S/o Abdul Ghafoor
Chak No. 30 GB, Tehsil Jaranwala,
District Faisalabad. Cell # 0301-4554568

..... **Complainant**

VERSUS

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

..... **Respondent**

Date of Hearing: September 17, 2022

On behalf of

Complainant: Mr. Muhammad Anwar

Respondent: Ghulam Nabi Memon, XEN (Operation), FESCO

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MR. MUHAMMAD ANWAR S/O ABDUL GHAFOOR UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST FESCO REGARDING ISSUANCE OF REVISED DEMAND NOTICE**

DECISION

This decision shall dispose of the complaint filed by Mr. Muhammad Anwar S/o Abdul Ghafoor (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. Muhammad Anwar against FESCO wherein the issue agitated by the Complainant was that he applied to FESCO for provision of new industrial connection whereby a demand notice dated August 05, 2021 amounting to Rs. 412,000/- was issued by FESCO which was subsequently paid during August, 2021. The Complainant further submitted that the connection remained pending for installation due to non-availability of material i.e. transformers. The Complainant added that FESCO issued revised/second demand notice on January 21, 2022 amounting to Rs. 319,000/- 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 June 08, 2022 stated that the Complainant submitted an application for an industrial connection vide application No. 22-000059-/B1 dated August 05, 2021 for 23.62 kW load for which a demand notice No. FNC-DN-293973 dated August 05, 2021 amounting to Rs. 412,000/- was issued which was paid by the Complainant on August 06, 2021. FESCO further submitted that the connection remained pending for installation due to increase in material rates required for energizing the connection and an additional

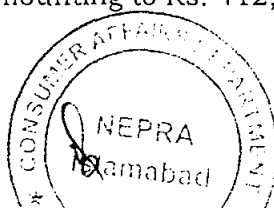


45 demand notice No. 293973 dated January 21, 2022 amounting to Rs. 319,000/- was issued to the Complainant due to revision of material rates w.e.f. December 29, 2021.

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 50 kVA transformers in concerned Regional/Field stores from the date of payment of 1st demand notice by the Complainant i.e. August 06, 2021 till date of revision of material rates i.e. December 29, 2021. In compliance, FESCO submitted the required information vide letter dated October 19, 2022 which revealed that sufficient number of transformers were available at the time of payment of demand notice.

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 vide application No. 22-000059-/B1 dated August 05, 2021 for tentative load of 23.62 kW. In response, FESCO approved the application and accordingly issued a demand notice amounting to Rs. 412,000/- dated August 05, 2021 which was paid by the Complainant on August 06, 2021 within prescribed time period. However, according to FESCO the connection remained pending for installation due to non-availability of requisite material i.e. transformers. Later, another/second demand notice amounting to Rs. 319,000/- dated January 21, 2022 was issued to the Complainant for payment.
- (ii) Perusal of the documentary evidence and arguments by FESCO official during the hearing reveals that the Complainant was charged difference of cost of the material due to its non-availability in the stores of FESCO 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. 1698/NEPRA dated October 19, 2022 proves that sufficient number of 50 kVA transformers were available in the stores of FESCO at the time of payment of first demand notice. Hence stance of FESCO regarding non-availability of 50 kVA transformer is contradiction of letter dated October 19, 2022.
- (iii) Furthermore, if 50 kVA transformers were not available at the time of issuance of 1st demand notice i.e. August 05, 2021 or at the time of payment of demand notice i.e. August 06, 2021, FESCO should have informed the Complainant for procurement of the transformer from market in accordance with the Clause-2.7.1 of Consumer Service Manual (CSM) which provides that 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. 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 50 kVA transformers was available at the time of payment of demand notice which has also been proved vide letter No. 1698/NEPRA dated October 19, 2022 of FESCO.
- (iv) 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. 412,000/- within prescribed



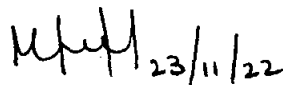
time period of 30 days as per SOPs. In view of the said, penalizing the Complainant through additional/revised demand notice on account of negligence etc. of the concerned FESCO officials is unwarranted.

- (v) 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. 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 thirty four (34) days after payment of demand notice in case of load above 15 kW but not exceeding 70 kW. The Complainant paid the demand notice on August 06, 2021 thus connection should have been installed by September 09, 2021. However, in the instant case more than one year has lapsed but FESCO has not yet provided connection to the Complainant for 23.62 kW load.
- (vi) The Complainant is liable to pay the cost of escalation of material if occurred during thirty four (34) days of payment of first demand notice and not liable for escalation cost if occurred after the prescribed time frame. In this case, the demand notice was paid on August 06, 2021, therefore, the Complainant is liable for payment on account of escalation of material if occurred by September 09, 2021. In view of the said, penalizing the Complainant through additional/revised demand notice on account of mismanagement on part of FESCO officials is unwarranted and illegal.


6. From the above, it is concluded that FESCO issued demand notice to the Complainant on August 05, 2021 which was paid by the Complainant on August 06, 2021. According to provisions of law, the connection was required to be installed within thirty four (34) days of payment of demand notice i.e. September 09, 2021, however, FESCO failed to install the connection within the stipulated time period despite the fact that transformers were available in FESCO stores at the time of payment of demand notice and if transformers were not available, FESCO should have issued No Objection Certificate (NOC) for procurement of transformer from approved vendors but it was not done. Therefore, the Complainant is only liable to pay escalated charges if occurred upto September 09, 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 September 09, 2021. Upon payment of difference of cost (if any) FESCO shall provide connection without further delay after completion of all other codal formalities. Compliance report be submitted within twenty (20) days.

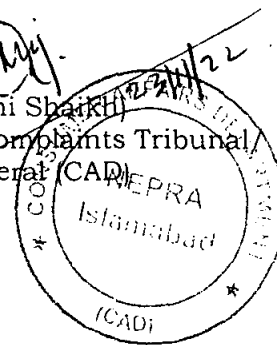


(Lashkar Khan Qambrani)
Member Consumer Complaints Tribunal
Director (CAD)



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


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



Islamabad, November 23, 2022