



National Electric Power Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN
NEPRA TOWER Ataturk Avenue (East),
Sector G-5/1, Islamabad.
Ph:051-2013200, Fax: 051-2600021

**Consumer Affairs
Department**

TCD.04/ ⁵¹³¹ -2023
November 07, 2023

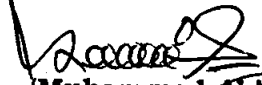
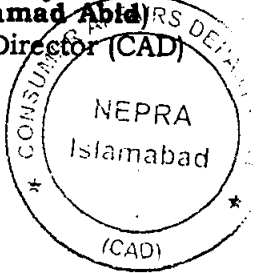
Chief Executive Officer
Faisalabad Electric Supply Company Limited (FESCO)
Abdullah Pur, Canal Bank Road, Faisalabad.

SUBJECT: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. GHULAM QADIR UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST FESCO REGARDING ISSUANCE OF ADDITIONAL DEMAND NOTICE

Complaint # **FESCO-NHQ-20074-02-23**

Please find enclosed herewith the decision of the NEPRA Consumer Complaints Tribunal dated November 07, 2023 regarding the subject matter for necessary action and compliance within thirty (30) 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. Director (Commercial)
FESCO, Abdullah Pur, Canal Bank Road Faisalabad.
3. Mr. Ghulam Qadir S/o Ghulam Farid,
Chak No. 420-GB, Tehsil Tandlianwala,
District Faisalabad



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

Complaint No. FESCO-NHQ-20074-02-23

Mr. Ghulam Qadir

Chak No. 420-GB, Tehsil Tandlianwala
& District Faisalabad.

..... **Complainant**

VERSUS

Faisalabad Electric Supply Company (FESCO)

Abdullah Pur, Canal Bank Road, Faisalabad.

..... **Respondent**

Date of Hearing:

June 06, 2023
June 22, 2023
August 15, 2023
September 27, 2023

On behalf of

Complainant:

Mr. Abdul Haye
Mr. Ghulam Qadir

Respondent:

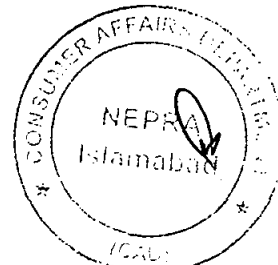
Mr. Abrar Ahmed PD (Construction), FESCO
Mr. Muhammad Ahmed XEN, FESCO
Mr. Muhammad Arif XEN, FESCO

SUBJECT: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. GHULAM QADIR 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. Ghulam Qadir (hereinafter referred to as the "Complainant or Sponsor") 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 wherein the issue agitated by the Complainant was that he applied for external electrification of housing society i.e. Allied Block, Faisalabad whereby FESCO issued a demand notice amounting to Rs. 19,864,640/- which was paid by the Complainant during the month of August, 2022. FESCO completed the electrification work except installation of transformers despite the lapse of considerable time period due to maladministration of the concerned FESCO officials. Subsequently, FESCO issued revised/second demand notice for payment on account of revision of the capital cost of transformers. Being aggrieved with the revised/second demand notice, the Complainant requested NEPRA to issue directions to FESCO for completion of remaining work without charging of revised demand notice.



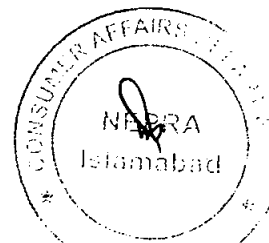
3. The subject matter was taken up with FESCO and a hearing was held on June 06, 2023 at NEPRA Head Office Islamabad whereby FESCO was inter alia directed to provide the complete record of availability and corresponding rate list of the transformers pertaining to the relevant timeline. FESCO vide a letter dated July 04, 2023 submitted that the revised demand notice was issued on the basis of difference of the capital cost for required material. To further examine the matter, subsequent hearings were held on August 15 & September 27, 2023 and the matter was again deliberated at length.

4. 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 external electrification of a housing scheme i.e. Allied Block located at Chak No. 420-GB, Tandlianwala, District Faisalabad having ultimate load of 730 kW. In response, FESCO approved the application vide office order dated July 22, 2022 and accordingly issued a demand notice amounting to Rs. 19,864,640/- which was paid in full by the Complainant on August 19, 2022 within the prescribed time period. Later, another/second demand notice amounting to Rs. 4,568,912/- dated March 01, 2023 was issued to the Complainant for payment while the work for the external electrification remained incomplete despite the lapse of considerable time period.
- (ii) Perusal of the documentary evidence submitted by FESCO reveals that the major work was completed by FESCO excluding the installation of transformers due to its non-availability in FESCO stores. FESCO charged the revised demand notice on the basis of difference of cost of seven (07) Nos. transformers and cost of difference of already drawn/installed material which is illegal.
- (iii) According to time frame for new connection 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 seventy six (76) days after payment of demand notice in case of load between 500-5000 kW. In the instant matter, the demand notice was paid in full on August 19, 2022 and the electrification work for society having ultimate load of 730 kW should have been completed by November 03, 2022.
- (iv) According to clause 2.7.1 of 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 the DISCOs. In the instant case, if there was any shortage/non availability of material, FESCO should have informed the Complainant for procurement of the same on its own, however, FESCO neither completed the external electrification nor informed the Complainant for the procurement of unavailable material.
- (v) FESCO has based its understanding on the fact that the revision of rates of material etc. in a force majeure event is preconceived and essentially conveyed while approving the housing scheme to the Complainant through the excerpt mentioned as clause (j) of the office order which is as follows:

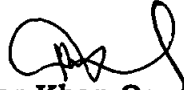
'The sponsor of this housing scheme will have to pay (if any) extra amount due to revision, change in estimate, audit observation, increase in cost of material, outstanding arrears and omission in estimate.'

However, there is no force in argument 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 i.e. FESCO and 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. In view of the said, penalizing the Complainant



through additional/revised demand notice on account of negligence etc. of the concerned FESCO officials or any force majeure event is unwarranted and the same is not liable to be paid by the Complainant. Moreover, the CSM and NEPRA Performance Standard (Distribution) Rules, 2005 provide certain time period for installation of connection after payment of demand notice.

5. Foregoing in view, FESCO is directed to revise the demand notice to charge difference of cost of 08 Nos. of transformers (5×100 kVA & 3×200 kVA) only as per the rates applicable as on November 03, 2022 (the date when FESCO was obligatory to complete the external electrification of the society). Compliance report be submitted within thirty (30) days.



(Lashkar Khan Qambrani)

Member, Consumer Complaints Tribunal/
Director (CAD)



(Muhammad Irfan-ul-Haq)

Member, Consumer Complaints Tribunal/
Assistant Legal Advisor



(Naveed Nadeem Shaikh)

Convener, Consumer Complaints Tribunal/
Director General (CAD)

Islamabad, November 07, 2023

