



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

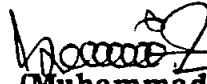
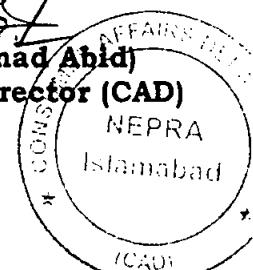
**Consumer Affairs
Department**

TCD.04/ ¹⁶⁰⁰ -2023
October 05, 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. ABDUL GHAFOOR 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-20043-02-23**

Please find enclosed herewith the decision of the NEPRA Consumer Complaints Tribunal dated October 05, 2023 regarding the subject matter for necessary action and compliance within thirty (30) days, positively.


(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. Assistant Director,
NEPRA Regional Office, 1st floor, Plaza No. C-6B,
Opposite National Bank, College (Hockey Stadium) Road,
Kohinoor City, Faisalabad
4. Mr. Abdul Ghafoor,
Sponsor of Al-Qudoos Garden, Chak-34/TDA, Bhakkar

Note: In case of any complaint, the consumers are advised to approach their respective distribution company in the first instance. In case of non-redressal of their grievances, the Consumers can file online complaint on NEPRA's website at following address:
<https://nepra.org.pk/CAD-Database/CMS-CAD/home.php>



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

Complaint No. FESCO-NHQ-20043-02-23

Mr. Abdul Ghafoor,
Al-Qudoos Garden Chak No. 34/TDA
Bhakkar.

..... Complainant

VERSUS

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

..... Respondent

Date of Hearing: June 20, 2023

**On behalf of
Complainant:** Mr. Abdul Ghafoor

Respondent: Mr. Manzoor Ahmed XEN (Construction), FESCO

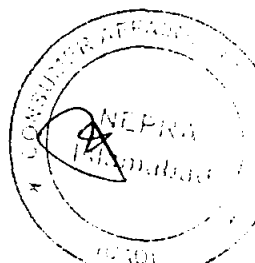
SUBJECT: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. ABDUL GHAFOOR UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST FESCO REGARDING ISSUANCE OF ADDITIONAL DEMAND NOTICE

DECISION

This decision shall dispose of the complaint filed by Mr. Abdul Ghafoor, Sponsor of Al-Qudoos Garden Housing Scheme, Bhakkar (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 the Complainant wherein the issue agitated by the Complainant was that an application for external electrification of Al-Qudoos Garden Housing Scheme, Bhakkar was submitted to FESCO which was approved and FESCO issued a demand notice amounting to Rs. 12,160,138/- which was subsequently paid by the Complainant during October, 2021. The Complainant further submitted that the required work for external electrification of the scheme remained pending for considerable time period due to maladministration of FESCO officials and subsequently FESCO issued revised/second demand notice vide Office Order dated January 10, 2023 for payment amounting to Rs. 9,063,079/- on account of the difference of capital cost due to cost escalation. The Complainant also raised observation over the priority maintained by the concerned FESCO officials regarding release and installation of the material and discriminatory behavior of FESCO in the instant matter. Being aggrieved with revised/second demand notice, the Complainant requested to direct FESCO to withdraw the revised demand notice.

3. The subject matter was taken up with FESCO, however, due to repeated submission of unsatisfactory reports, a hearing was held on June 20, 2023 at NEPRA Head Office Islamabad wherein both the parties participated and advanced their respective arguments. Prior to the hearing, FESCO vide report dated June 15, 2023 inter alia submitted that the

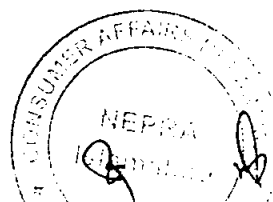


Complainant is bound to pay extra amount (if any) due to revision, change in estimate, audit observation, increase in cost of material, outstanding arrears and omission in estimate as per clause (k) of the office order dated September 29, 2021. During the hearing, FESCO officials further submitted that the work has already been completed after the payment of revised demand notice by the Complainant. In response, the Complainant submitted that there was no option except payment of demand notice to avoid further cost escalation; the complainant requested for refund of the additional/revised demand notice.

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. Al-Qudoos Garden located at Chak No. 34/TDA Tehsil & District Bhakkar having area of 93.24 kanals with ultimate load of 834 kW. In response FESCO approved the application vide office order dated September 29, 2021 and accordingly issued a demand notice amounting to Rs. 12,160,138/- which was paid by the Complainant on October 05, 2021 within prescribed time period. Later, another/second demand notice amounting to Rs. 9,063,079/- dated January 10, 2023 was issued by FESCO which was paid by the Complainant and subsequently FESCO completed the electrification work. In response of observation over the priority maintained by FESCO regarding release and installation of the material, the Complainant could not provide documentary evidence(s) in this regard.
- (ii) Perusal of the documentary evidence submitted by FESCO reveals that major part of work including installation of two (2) Nos. of 100 kVA transforms was completed by FESCO during the year 2022 but three (03) Nos. 100 kVA & four (04) Nos. 200 kVA transformers could not be installed due to non-availability. However, during the revision of demand notice FESCO charged difference of cost of all other material involved in work which had already been drawn from stores and installed at site. FESCO purchased remaining 100kVA & 200kVA transformers on enhanced rates and installed at the scheme after payment of revised demand notice by the Complainant.
- (iii) The total load of the housing society is 834 kW. According to time frame for new connections given in NEPRA Performance Standards (Distribution) Rules-2005 (PSDR-2005) read with Consumer Service Manual (CSM), DISCOs are required to provide electricity connection for load above 500 kW but not exceeding 5000 kW within seventy six (76) days after payment of demand notice. The demand notice was paid in full on October 05, 2021, therefore, according to the said provisions of CSM; the electrification work should have been completed by December 21, 2021.
- (iv) 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 material, FESCO should have informed the Complainant for procurement of the same on its own, however, FESCO neither completed the electrification work nor informed the Complainant for procurement of the 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 thorough the excerpt mentioned as Clause (k) 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.'



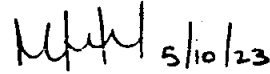
However, there is no force in argument of FESCO due to non-compliance of the same with the relevant provisions of the CSM. According to the Clause 2.4.6 of CSM, once demand notice issued by DISCO i.e. FESCO and paid by the applicant in full, no further charges/demand notice can be raised against the applicant on account of escalation of rates of material. Moreover, Consumer Service Manual (CSM) and Performance Standards (Distribution) Rules-2005 provide certain time period for installation of connection after payment of demand notice.

5. Foregoing in view, FESCO is directed to charge difference of cost of seven (07) Nos. transformers (3x 100 kVA and 4x 200 kVA) only as per the rates applicable as on December 21, 2021 (the time period under which FESCO was obligated to energize the connection/electrification) and amount charged from the Complainant on account of escalation of rates for already drawn & installed material including two (02) Nos. 100 kVA transformers be refunded to the Complainant. Compliance report be submitted within thirty (30) days.



(Lashkar Khan Qambrani)

Member, Consumer Complaints Tribunal/
Director (CAD)



(Moqees-ul-Hassan)

Member, Consumer Complaints Tribunal/
Assistant Legal Advisor (CAD)



(Naveed Illahi Shaikh)

Convener, Consumer Complaints Tribunal/
Director General (CAD)

Islamabad, October 05, 2023.

