



National Electric Power Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN
NEPRA Tower Ataturk Avenue (East),
Sector G-5/1, Islamabad.
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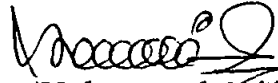
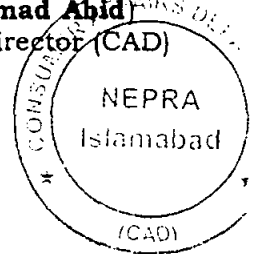
**Consumer Affairs
Department**

TCD 04/4720-2023
October 10, 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. JAVID IQBAL
RAMDAY (ADVOCATE) ON BEHALF OF MR. MUHAMMAD ZAFAR IQBAL 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-25464-06-23**

Please find enclosed herewith the decision of the NEPRA Consumer Complaints Tribunal dated October 10, 2023 regarding the subject matter for necessary action and compliance within thirty (30) days, positively.


(Muhammad Abid)
Assistant Director (CAD)


Copy to:

1. Chief Engineer/Customer Services Director,
FESCO, Abdullah Pur, Canal Bank Road, Faisalabad.
2. Director Commercial,
FESCO, Abdullah Pur, Canal Bank Road, Faisalabad.
3. Mr. Javid Iqbal Ramday (Advocate),
Office No. 003, 1st Floor, H. D. Tower, 3-Fane Road, Lahore.
4. Mr. Muhammad Zafar Iqbal S/o Aurangzeb,
63/A, Mohalla UK Town, Tayyab Block, Pir Mahal,
Tehsil Pir Mahal, District Toba Tek Singh. Cell: 0301-8602100



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No. FESCO-NHQ-25464-06-23

Mr. Muhammad Zafar Iqbal **Complainant**
House# 63/A, Mohalla UK Town, Tayyab Block, Pir Mahal,
Tehsil Pir Mahal, District Toba Tek Singh.
Cell# 0301-8602100

Versus

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

Date of Hearings: 20th July, 2023

On behalf of:
Complainant: Mr. Javed Iqbal Ramday

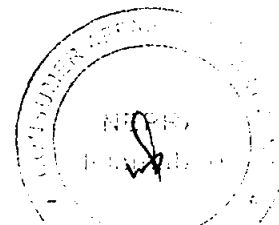
Respondent: Mr. Faisal Raza Marth, Chief Engineer (P&D)
Mr. Muhammad Abdullah, Addl. Director, FESCO

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MR. JAVED IQBAL RAMDAY (ADVOCATE) ON BEHALF OF MR. MUHAMMAD ZAFAR IQBAL UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST FESCO REGARDING ADDITIONAL DEMAND NOTICE**

DECISION

This decision shall dispose of the complaint filed by Mr. Javed Iqbal Ramday (Advocate) on behalf of Mr. Muhammad Zafar Iqbal (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 wherein the Complainant has agitated the issuance of additional demand notice issued by FESCO. The Complainant has submitted that in response to his application for external electrification of Tayyab Block U.K Town Chak No. 319/G.B, Pir Mahal, District Toba Tek Singh; FESCO conducted site survey and issued a demand notice on August 16, 2022 amounting to Rs. 9,055,956/- which was paid by the Complainant in two equal installments of Rs. 4,527,977/- whereby the first installment was paid on September 28, 2022 while the second installment was paid on October 27, 2022. Subsequently, FESCO started electrification work at site but later on FESCO issued an additional demand notice on May 03, 2023 amounting to Rs. 1,472,525/- on account of escalation of rates of material and stopped further electrification work. Being aggrieved on issuance of additional demand notice, the Complainant approached NEPRA and requested to direct FESCO to withdraw the additional demand notice issued and complete the electrification work at the site as it was against the provisions of Consumer Service Manual (CSM). The Complainant also approached Lahore High Court, Lahore vide writ petition No. 43878/2023 and requested to set-aside the additional demand notice issued by FESCO. The Court vide order dated June 26, 2023 directed NEPRA to look into the matter after providing an opportunity of hearing to the petitioner as well as all stakeholders through a speaking order, in accordance with law expeditiously.



3. The matter was taken up with FESCO for submission of report. In response, FESCO vide letter dated July 11, 2023 submitted that the case for external electrification of Tayyab Block Chak No. 319/G.B Pr Mahal was approved and a demand notice amounting to Rs. 9,055,965/- was issued, which was paid by the Complainant in two equal installments. The execution of work was started however the rates of material were enhanced due to inflation therefore an additional demand notice amounting to Rs. 1,472,525/- dated May 03, 2023 was issued. As per agreed terms and conditions the Complainant is liable to pay the amount of the demand notice. The relevant clause states that "the sponsor of the housing scheme will have to pay extra amount (if any) due to revision, change in estimate, audit observation, increase in cost of material, outstanding arrears or any omission in estimate." FESCO further submitted that the execution of work has been stopped due to non-payment of demand notice by the applicant.

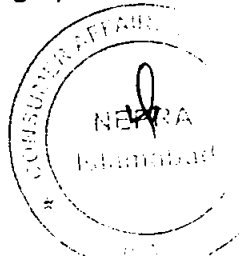
4. In order to proceed further into the matter a hearing was held at NEPRA Head Office, Islamabad on July 20, 2023 which was attended by both the parties i.e. FESCO and the Complainant wherein the case was discussed in detail.

5. The case has been examined in detail in light of the record made so available by the parties, arguments advanced during the hearings and applicable law. The following has been observed:

- (i) The Complainant applied for the external electrification of Tayyab Block Chak No. 319/GB, Pir Mahal. Subsequently, FESCO approved the case and issued a demand notice amounting to Rs. 9,055,956/- on August 16, 2022 which was paid by the Complainant in two equal installments on September 28, 2022 and October 27, 2022 respectively. FESCO started the execution of work after payment of demand notice by the Complainant, however, on May 03, 2023 issued an additional demand notice amounting to Rs. 1,472,525/- to the Complainant for payment and suspended further execution of work.
- (ii) The total load of the Tayyab Block Chak No. 319/GB, Pir Mahal is 513.83 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 cleared in full on October 27, 2022, therefore, according to the said provision of CSM; the electrification work should have been completed by January 11, 2023.
- (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 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 procurement of the unavailable material in FESCO stores. Moreover, as per Clause 2.7.2 of CSM; FESCO did not provide option of execution of electrification work to the sponsor / applicant.
- (iv) 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. The same is reflected in the instant matter through documentary evidence on record wherein the 2nd installment of demand notice was paid in full by the Complainant on October 27, 2022 within prescribed time period as per SOPs. Moreover, FESCO failed to complete the electrification work within the time period provided in CMS and (PSDR-2005). 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 and the same is not liable to be paid by the Complainant.

6. Foregoing in view, FESCO is directed to issue revised demand notice to the Complainant as per the rates applicable as on January 11, 2023 (the time period under which FESCO was obligated to energize the connection/electrification. Upon payment of difference of cost (if any) FESCO shall energize the system without further delay after completion of all other codal formalities. 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 /0 , 2023.

