



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.04/1170-2025
March 20, 2025

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. MUHAMMAD TARIQ S/O ZAHOOR-UL-HASSAN UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST FESCO REGARDING ISSUANCE OF ADDITIONAL DEMAND NOTICE.**

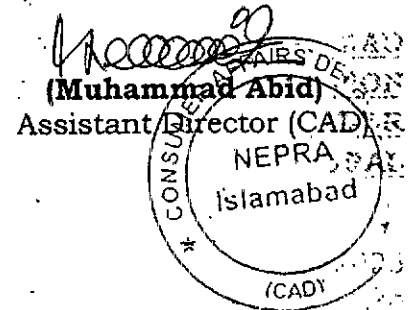
Complaint No. FESCO-NHQ-49066-01-25

Please find enclosed herewith decision of NEPRA Complaints Resolution Committee (CRC), dated March 20, 2025 regarding the subject matter for necessary action.

Encl: As above

Copy to:

1. GM (Customer Services & Commercial)
FESCO, Abdullah Pur, Canal Bank Road Faisalabad.
2. Director Customer Services
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. Muhammad Tariq
Park City Housing Scheme, Bypass Road, Gojra.
Cell: 0300-8666394.





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

Complaint No. FESCO-NHQ-49066-01-25

Mr. Muhammad Tariq
Park City Housing Scheme,
Bypass Road, Tehsil Gojra, District Toba Tek Singh.

..... **Complainant**

VERSUS

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

..... **Respondent**

Date of Hearing: February 26, 2025

**On behalf of
Complainant:** Mr. Muhammad Tariq

Respondent: Mr. Muhammad Binyamin, XEN (Operation), FESCO

SUBJECT: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. MUHAMMAD TARIQ 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

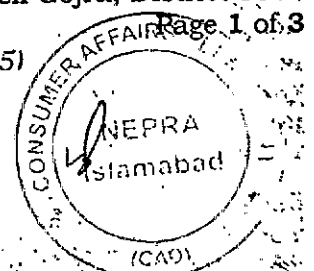
This decision shall dispose of the complaint filed by Mr. Muhammad Tariq (hereinafter referred to as the "Complainant") against Faisalabad Electric Supply Company (hereinafter referred to as the "Respondent" or "FESCO") under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act").

2. Brief facts of the case are that the Complainant applied to FESCO for the external electrification of a housing society i.e. Park City against which a demand notice amounting to Rs. 31,975,438/- was issued by FESCO during September, 2021 which was paid by the Complainant within the stipulated time period. Later, another demand notice amounting to Rs. 10,874,416/- was issued to the Complainant during the month of February, 2022 while the work excluding installation of poles and conductor stringing remained pending and the Complainant paid the same as well. The Complainant further submitted that FESCO issued third revised demand notice amounting to Rs. 2,874,090/- during the month of June, 2024 for payment on pretext of balance of payment while the electrification work of the said society was already completed by FESCO during the month of February, 2023. Being aggrieved with third revised demand notice, the Complainant filed the instant complaint and requested NEPRA to direct FESCO to withdraw the third revised demand notice.

3. The matter was taken up with FESCO and a hearing was held on February 26, 2025 at NEPRA Head Office, Islamabad wherein both the parties participated and advanced their respective arguments. The case has been examined in detail in light of the record made so available, arguments advanced by the parties and applicable law. Following has been observed:

- (i) The Complainant approached FESCO for external electrification of a housing scheme i.e. Park City located in Chak No. 371 J.B, Tehsil Gojra, District Toba

CRC Decision: Muhammad Taria vs FESCO (FESCO-NHO-49066-01-25)



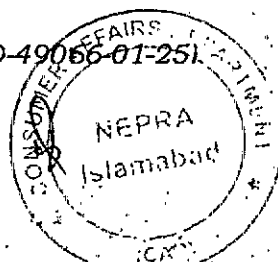
Tek Singh. In response, FESCO approved the application vide letter dated September 13, 2021 and issued a demand notice amounting to Rs. 31,975,438/- which was paid by the Complainant on October 13, 2021. Later, another (second) demand notice amounting to Rs. 10,874,416/- dated February 10, 2022 was issued by FESCO due to rates escalation and the same (revised demand notice) was also paid by the Complainant on June 03, 2022 and subsequently FESCO completed 100% work during the month of February, 2023 by installing the last remaining 1x100 KVA transformer. Later on, FESCO issued a third revised demand notice amounting to Rs. 2,874,090/- dated June 14, 2024 to the Complainant for payment on the pretext of balance of payment while the electrification work was already completed by FESCO during the month of February, 2023.

- (ii) Perusal of the documentary evidence submitted by FESCO reveals that the electrification work related to the installation of poles was predominantly completed by FESCO during the year 2021. Later, the Complainant was also charged difference of capital cost of the remaining material i.e. transformers and its allied equipment etc. in the form of second (revised) demand notice on the pretext of revision of material rates during the month of December, 2021 which was paid by the Complainant on June 03, 2022. Following the energization of project during the month of February, 2023 the Complainant was charged another (third) demand notice in lieu of difference of capital cost of relevant material as per actual store rates during on June 14, 2024.
- (iii) Sanctioned load of the society is 2267.32 KW and according to time frame for new connection given in NEPRA Performance Standards (Distribution) Rules, 2005 read with the Consumer Service Manual (CSM) for load above 500 kW but not exceeding 5000 kW, DISCOs are required to provide electricity connection within time period of seventy six (76) days from the date of payment of demand notice in full. In the instant matter, the demand notice was paid in full on October 13, 2021 and the society should have been electrified by December 28, 2021.
- (iv) FESCO has based its understanding on the fact that revision of rates of material in a force majeure event is preconceived & conveyed to the Complainant while approving the application thorough the excerpt mentioned as clause (i) of the demand notice which is as follows:


'Any excess expenditure over and above the estimated amount experienced for any reason shall be payable by the sponsor before energization of the system'.


However, there is no force in the argument of FESCO as the same is in violation of relevant provisions of CSM.


- (v) According to Clause-2.4.6 of Consumer Service Manual (CSM), no escalation charges shall be applicable if enhancement in rates of material takes place after the lapse of time period given for installation of connection. The same is reflected in instant matter through the documentary evidence on record wherein the original and even the second (revised) demand notice issued to the Complainant was paid in full by the Complainant and subsequently the connection was also energized during the month of February, 2023. Therefore, penalizing the Complainant through third demand notice based on the escalated material cost after lapse of approximately thirty two months (32) months of payment of first demand notice i.e. October 13, 2021; twenty four (24) months of payment of second (revised) demand notice and after sixteen (16) months of energization of connection is unwarranted. Moreover, FESCO issued the revised/additional demand notices contrary to Clause 2.4.6 of CSM, therefore, the same is not liable to be paid by the Complainant.

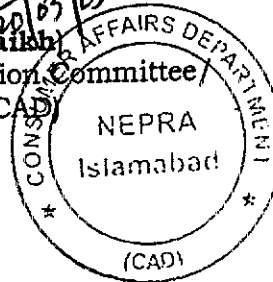


4. Foregoing in view, FESCO is directed to withdraw the revised (third) demand notice amounting to Rs. 2,874,090/- issued to the Complainant during the month of June, 2024. Further proceedings in the matter are being closed in above terms.


(Lashkar Khan Qambrani)
Member Complaints Resolution Committee/
Director (CAD)


(Muhammad Irfan ul Haq)
Member Complaints Resolution Committee
/Assistant Legal Advisor


(Naveed Illahi Shaikh)
Convener Complaints Resolution Committee/
Director General (CAD)



Islamabad, March 20, 2025