

Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/DG(CAD)/TCD-04/2202-07

February 11, 2022

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

Subject: **Decision on Advice sought by FESCO dated January 07, 2022 regarding Utilization of Idle 11kV Independent Feeder (DDS) for other Industrial Consumers**  
FESCO-NHQ-01-01-2022

Please find enclosed herewith the Decision of Member (Consumer Affairs) dated February 10, 2022 (3 Pages) regarding the subject matter for further necessary action.

Encl: As above

( Iftikhar Ali Khan )

Copy to:

1. C.E/Customer Services Director, FESCO, Abdullah Pur, Canal Bank Road, Faisalabad.
2. Chief Engineer (P&D), FESCO, Abdullah Pur, Canal Bank Road, Faisalabad
3. Director (Commercial), FESCO, Abdullah Pur, Canal Bank Road, Faisalabad
4. M/s Ahmed Jamal Textile Mills Ltd., 4-KM, Jhumra Road, Khurrianwala, Faisalabad
5. M/s Zafar Fabrics Pvt. Ltd., Samaana Road, Faisalabad



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

**No. FESCO-NHQ-01-01-2022**

**Date of Hearing:** -January 27, 2022

**On behalf of**

M/s Zafar Fabric Ltd	- Mr. Ghulam Murtaza, GM M/s Zafar Fabric Ltd
M/s Ahmad Jamal Textile Mills	- Mr. Naeem Hayat, Manager M/s Ahmad Jamal Textile Mills

**FESCO:** -Mr. Itrat Hussain, Chief Engineer (Planning), FESCO

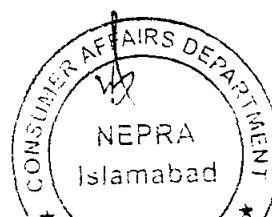
**Subject:** **DECISION ON ADVICE SOUGHT BY FESCO DATED JANUARY 07, 2022 ON UTILIZATION OF IDLE 11KV INDEPENDENT FEEDER (DDS) FOR OTHER INDUSTRIAL CONSUMERS**

**DECISION**

This decision shall disposed of the request of Faisalabad Electric Supply Company (hereinafter referred to as "FESCO") submitted vide letter No. 5286-88 dated January 07, 2022 whereby advice was sought regarding utilization of an idle 11 kV independent feeder.

2. Brief facts of the case are that FESCO in its above referred letter has submitted that an industrial consumer namely M/s Ahmad Jamal Textile Mills Ltd was running through 11 kV independent feeder which was emanating from 132 kV Khurrianwala Grid Station, however, on request of the consumer the said connection was shifted to 132 kV VAC Grid Station by constructing another independent 11 kV feeder on cost deposit basis. Hence, old 11 kV Independent feeder became idle. Another consumer namely M/s Zafar Fabric Ltd applied for extension of load from 450 kW to 2500 kW for which 11 kV independent feeder is required. M/s Zafar Fabric Ltd requested FESCO for energization of their factory from idle feeder of M/s Ahmad Jamal Textile Mills as they have settled the cost mutually with M/s Ahmad Jamal Textile Mills. Prior to proceeding in the matter, FESCO requested NEPRA for advice / clarification for the following:

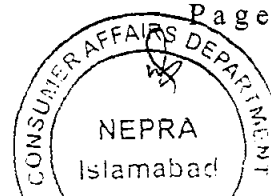
- (i) Whether the consumer M/s Ahmad Jamal Textile Mills has the right to entrust their idle 11 kV line for other industrial connection in the name of M/s Zafar Fabrics Ltd through mutual cost settlement without involving FESCO.
- (ii) Whether FESCO has the right to utilize the said idle 11 kV line without consent of the M/s Ahmad Jamal Textile Mills for any other industrial



3. In order to probe into the matter, a hearing was held on January 27, 2022 at NEPRA Head Office, Islamabad which was attended by all the three parties i.e. FESCO, M/s Zafar Fabric Ltd & M/s Ahmad Jamal Textile Mills wherein the matter was discussed in detail.

4. The case has been examined in detail in light of written/verbal arguments of the parties and applicable law. The following has been concluded.

- i) 11kV independent feeder of M/s Ahmad Jamal Textile Mills became spare upon shifting to another new 11kV independent feeder. The feeder was energized in the year 2020.
- ii) According to Clause-7 of NEPRA Consumer Eligibility Criteria - 2003, upon removal or replacement of a dedicated distribution or any part thereof on account of permanent disconnection modification or enhancement of load, the DISCO shall retain the dedicated distribution system or any part thereof as the case may be, upon compensation to the original owner. In view of the said, the distribution company has right to retain the spare line and the original consumer cannot entrust distribution line to any other consumer at its own.
- iii) In the instant case M/s Ahmad Jamal Textile Mills cannot settle the cost of the existing feeder with M/s Zafar Fabric Ltd at their own which is illegal.
- iv) According to relevant provisions of Consumer Eligibility Criteria - 2003, FESCO is required to provide compensation to M/s Ahmad Jamal Textile Mills for spared feeder. Since the old independent feeder of M/s Ahmad Jamal Textile Mills has become spare, therefore, FESCO has right to retain the same for its own utilization as common Distribution System or provide electricity supply to any other applicant. This feeder was energized in the year 2020 and it is in good working condition. Upon inquiry FESCO representatives submitted that at present they cannot use this spared feeder for provision of supply to other consumers as Common Distribution System. In the given circumstances dismantling of the said spared feeder is wastage of resources.
- v) Upon retention of the 11 kV feeder of M/s Ahmad Jamal Textile Mills by FESCO, monetary value of the said 11kV line shall be determined on the basis of present book value for reimbursement to the original owner/consumer. The useful life of the distribution system is twenty (20) years as determined vide clarifications made on Consumer Service Manual (CSM) by NEPRA vide letter dated 26.03.2021. FESCO is required to pay compensation to M/s Ahmad Jamal Textile Mills after depreciating its value @ 5% per annum keeping in view the exact date of energization.
- vi) In the present case M/s Zafar Fabrics is interested to utilize the spared independent feeder for extension of their load from 450kW to 2500kW and FESCO has worked out the estimate amounting to Rs. 7,748,566/- for capital cost (which includes installation charges, dismantling charges, inspection charges and meter testing charges) and Rs. 61,989/- as consultancy charges for the spared 11kV feeder.
- vii) Earlier, in a similar nature of case in the jurisdiction of LESCO an independent 11 kV feeder was spared by M/s Sapphire Textile Mills. M/s Sapphire Textile Mills gave rights to M/s Siara Textile Mills at its own. Accordingly, M/s Siara textile Mills approached LESCO for



energization of their load from the spared feeder of M/s Sapphire Textile Mills Limited. In this regard, LESCO issued demand notice to M/s Siara Textile Mills on current rates in vogue at that time which included installation charges, store charges etc. Accordingly, M/s Siara textile Mills paid the demand notice, utilized the feeder and also filed complaint against LESCO for issuance of demand notice on new rates. The said complaint was decided by NEPRA whereby LESCO was directed to withdraw store charges and installation charges which were recovered from the Complainant against already installed feeder. LESCO was also directed to provide compensation to M/s Sapphire Textile Mills as per provisions of Consumer Eligibility Criteria-2003. The said decision was implemented by LESCO.

5. Foregoing in view, FESCO is directed as under:

- i) To provide compensation to M/s Ahmad Jamal Textile Mills in accordance with relevant provisions of Consumer Eligibility Criteria, 2003 and Consumer Service Manual (CSM) only on capital cost/cost of material excluding installation charges, dismantling charges, inspection charges meter testing charges and consultancy charges.
- ii) Connection of M/s Zafar Fabrics Ltd be energized from the said spared independent feeder upon recovery of capital cost according to new rates without charging installation charges, dismantling charges and consultancy charges, however, meter testing charges and material inspection charges shall be recovered. Since FESCO is charging the cost of line at new rates, therefore, the said feeder be maintained including up-gradation (if any) by FESCO for two years at its own cost. Later, if any maintenance is required, the same shall be carried out by FESCO and cost shall be recovered from M/s Zafar Fabrics Limited.

Islamabad, February 10, 2022

