



**National Electric Power Regulatory
Authority**

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

**Consumer Affairs
Department**

TCD.03/ ⁵⁸⁵⁴ -2022
November 03, 2022

Chief Executive Officer,
Gujranwala Electric Power Company (GEPCO),
565/A, Model Town GT Road, Gujranwala.

Subject: **COMPLAINT FILED BY MR. FAROOQ AHMED S/O CH. MUHAMMAD
ASHRAF UNDER SECTION 39 OF THE REGULATION OF GENERATION,
TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997
AGAINST GEPCO REGARDING DELAY IN INSTALLATION OF CONNECTION
AND ISSUANCE OF THE ADDITIONAL DEMAND NOTICE**
Complaint # **GEPCO-NHQ-13022-05-22**

Please find enclosed herewith the decision of the Complaints Tribunal dated
November 03, 2022 regarding the subject matter for necessary action, please.

Encl: As above


(Muhammad Abid) 03/11/2022
Assistant Director (CAD)

Copy to:

1. C.E/ Customer Services Director,
Gujranwala Electric Power Company (GEPCO),
565/A, Model Town GT Road, Gujranwala.
2. Chief Engineer (Planning)
Gujranwala Electric Power Company (GEPCO),
565/A, Model Town GT Road, Gujranwala.
3. Mr. Ghulam Rasool
Assistant Director (CAD),
Office # 87, Block M, Trust Plaza, Gujranwala.
Ph # 055-3822766
4. Mr. Farooq Ahmed S/o Ch. Muhammad Ashraf,
Canal Valley, Malianwala, Wazirabad Road,
Tehsil Daska, District Sialkot.
Cell: 0300-6447858



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No. GEPCO-NHQ-13022-05-22

Mr. Farooq Ahmed S/o Ch. Muhammad Ashraf
Canal Valley, Malianwala, Wazirabad Road,
Tehsil Daska, District Sialkot.

..... **Complainant**

VERSUS

Gujranwala Electric Power Company (GEPCO)
565/A, Model Town GT Road, Gujranwala.

..... **Respondent**

Date of Hearing: July 19, 2022
August 24, 2022

On behalf of
Complainant:

- 1) Mr. Farooq Ahmed
- 2) Mr. Abdul Majeed

Respondent:

- 1) Mr. Tahir Amir, XEN (Construction), GEPCO
- 2) Mr. Muzaffar Ahmed Ghuman XEN (Operations), GEPCO

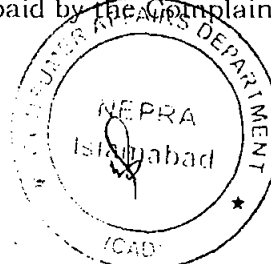
Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. FAROOQ AHMED S/O CH. MUHAMMAD ASHRAF UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST GEPCO REGARDING DELAY IN INSTALLATION OF CONNECTION AND ISSUANCE OF ADDITIONAL DEMAND NOTICE

DECISION

This decision shall dispose of the complaint filed by Mr. Farooq Ahmed S/o Ch. Muhammad Ashraf (hereinafter referred to as "the Complainant") against Gujranwala Electric Power Company (hereinafter referred to as the "Respondent" or "GEPCO"), under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act").

2. The Complainant in his complaint submitted that he applied to GEPCO for electrification of his housing scheme "Canal Valley" whereby a demand notice dated October 06, 2021 amounting to Rs. 6,846,000/- was issued by GEPCO which was subsequently paid by him during October, 2021. The Complainant further submitted that GEPCO issued revised/second demand notice amounting to Rs. 3,378,000/- on March 22, 2022 for payment, however, being aggrieved with additional demand notice, he requested to direct GEPCO for execution of work as per the already paid demand notice in accordance with the relevant provisions of Consumer Service Manual (CSM).

3. The subject matter was taken up with GEPCO. In response, GEPCO vide a report dated July 05, 2022 stated that the Complainant submitted an application for electrification work of his housing scheme for which a demand notice amounting to Rs. 6,846,000/- was issued and the same was paid by the Complainant on October 07, 2021.

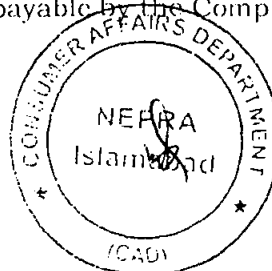


GEPCO further submitted that the work remained pending as material rates were revised w.e.f. November 01, 2021. In order to recover the difference of capital cost; an additional demand notice amounting to Rs. 3,378,000/- was issued to the Complainant for payment. GEPCO added that work will be completed after payment of additional demand notice. GEPCO further submitted that additional demand notice was issued in accordance with conditions mentioned in the approval letter dated October 06, 2021 which provides that *"in case of variation in material due to escalation or additional material if required to be used or any other charges if detected at any stage, by audit or any other agency; the applicant will be liable to pay the same to GEPCO"*. The Complainant raised objection and apprised that report of GEPCO is based on mala fide intentions.

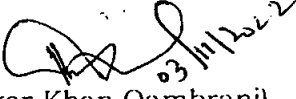
4. In order to finalize the matter, hearings were held at NEPRA Head Office, Islamabad which were attended by both the parties (GEPCO officials & the Complainant) whereby they advanced their respective arguments. During the hearings GEPCO officials submitted that before completion of work; material rates were enhanced, therefore, work was executed partially equivalent to the amount paid by the Complainant in lieu of demand notice and additional demand notice amounting to Rs. 3,378,000/- was issued in accordance with revision of rates w.e.f. November 01, 2021, however, the same has not yet paid. Once the demand notice is paid by the sponsor, the electrification work will be completed accordingly.

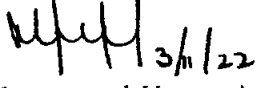
5. The case has been examined in detail in light of the record made so available by parties, arguments advanced during the hearing and applicable law. Following has been observed:


- (i) The sponsor of "Canal Valley" (Housing Scheme), Daska applied for external electrification of the scheme in the year 2021. Accordingly, GEPCO approved the case and issued a demand notice amounting to Rs. 6,846,000/- (on account of capital cost, design vetting charges and grid sharing charges). The sponsor paid the demand notice in full on October 07, 2021. The rates of material were revised w.e.f. November 01, 2021, therefore, in order to recover the difference of capital cost; an additional demand notice amounting to Rs. 3,378,000/- was issued to the Complainant for payment on March 22, 2022.
- (ii) The total load of the society is 445 kW. According to time frame for new connections given in NEPRA Performance Standards (Distribution) Rules-2005 read with Consumer Service Manual (CSM) DISCOs are required to provide electricity connection for load above 70 kW but not exceeding 500kW within forty six (46) days after payment of demand notice. The first demand notice was paid on October 07, 2021, therefore, according to the provision of CSM; the electrification work should have been completed by November 22, 2021.
- (iii) GEPCO has based its understanding for issuance of additional demand notice in accordance with its letter dated October 06, 2021 wherein additional demand notice will be served to the applicant for payment if actual expense is found in excess than the already approved/paid estimated amount. According to the Clause 2.4.6 of Consumer Service Manual (CSM), once demand notice is issued by DISCO and is 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, therefore, GEPCO's understanding is violation of above mentioned provisions of CSM.
- (iv) The Complainant is liable to pay the cost of escalation of material if occurred during forty six (46) days of payment of first demand notice and not liable for escalation cost if occurred after the prescribed time frame. In this case, the demand notice was paid on October 07, 2021, therefore, the Complainant is liable for payment on account of escalation of material because revision of rates were occurred w.e.f. November 01, 2021 which is within forty six (46) days of payment of first demand notice. In view of the said, additional demand notice amounting to Rs. 3,378,000/- on account of escalated rates of materials is justified and payable by the Complainant.

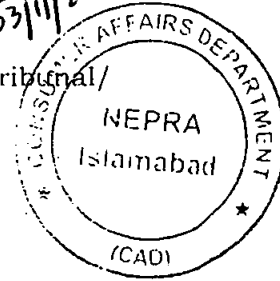


6. Foregoing in view, it is concluded that the additional demand notice issued by GEPCO is payable by the Complainant. However, the Complainant is not liable to pay the difference of capital cost if enhancement in material cost occurred after forty six (46) days of payment of first demand notice in full.


(Lashkar Khan Qambrani)
Member Consumer Complaints Tribunal
Director (CAD)


(Moqcem ul Hassan)
Member Consumer Complaints Tribunal
Assistant Legal Advisor (CAD)


(Naweed Illahi Shaikh)
Convener Consumer Complaints Tribunal/
Director General (CAD)



Islamabad, November 3, 2022