



**National Electric Power Regulatory Authority**

ISLAMIC REPUBLIC OF PAKISTAN  
NEPRA Head Office Attaturk Avenue (East),  
Sector G-5/1, Islamabad.  
Ph:051-2013200, Fax: 051-2600021

**Consumer Affairs  
Department**

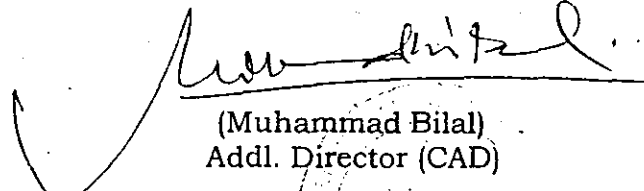
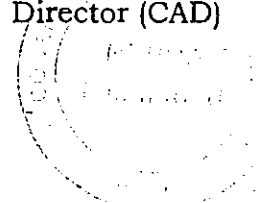
TCD. 7/ <sup>4564</sup> -2024  
October 11, 2024

**Chief Executive Officer,**  
Hyderabad Electric Supply Company (HESCO),  
WAPDA Water Wing Complex, Hussainabad,  
Hyderabad.

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY M/S. POPULAR CEMENT INDUSTRY (PVT.) LIMITED UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION, AND DISTRIBUTION OF ELECTRIC POWER ACT 1197 AGAINST HESCO REGARDING RECOVERY OF FIXED CHARGES DURING TEMPORARY DISCONNECTION**  
Complaint No.HESCO-NHQ-38298-05-24

Please find enclosed herewith the decision of NEPRA Consumer Complaints Resolution Committee, dated October 11, 2024 and submit compliance report be submitted within twenty (20) days.

**Encl: As above**

  
(Muhammad Bilal)  
Addl. Director (CAD)  


Copy to:

1. C.E/Customer Services Director,  
Hyderabad Electric Supply Company (HESCO),  
WAPDA Water Wing Complex, Hussainabad,  
Hyderabad.
2. Mr. Kamran Hussain Mughal, Director Coordination,  
M/s Papular Industry (Pvt.) Limited, 5th Floor, Chapal Plaza,  
Hasrat Mohani Road, Off.I.I. Chandrigar, Road, Karachi  
021-32420222-4



**BEFORE THE**  
**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)**  
**Complaint No.HESCO-NHQ-38298-05-24**

**Mr. Kamran Hussain Mughal,**  
M/s Popular Industry (Pvt.) Ltd.,  
5<sup>th</sup> Floor, Chapal Plaza, Hasrat Mohani Road,  
Off I.I. Chandrigar Road, Karachi.

..... **Complainant**

**VERSUS**

**Hyderabad Electric Supply Company (HESCO)**  
WAPDA Water Wing Complex, Hussainabad,  
Hyderabad.

..... **Respondent**

**Date(s) of Hearing:** July 23, 2024

**Complainant:** M/s Popular Cement Industry Pvt. Ltd.

**Respondent:** Mr. Akhtar Latif Siddiqui, Add. Manager Commercial  
Mr. Iqbal Memon, Revenue Officer, HESCO

**Subject:** COMPLAINT FILED BY M/S. POPULAR CEMENT INDUSTRY (PVT.) LIMITED  
UNDER SECTION 39 OF THE REGULATION OF GENERATION,  
TRANSMISSION, AND DISTRIBUTION OF ELECTRIC POWER ACT 1197  
AGAINST HESCO REGARDING RECOVERY OF FIXED CHARGES DURING  
TEMPORARY DISCONNECTION

**DECISION**

Through this decision, the complaint filed by M/s. Popular Cement Industry Pvt. Ltd. (hereinafter referred to as the "Complainant") against Hyderabad Electric Supply Company (hereinafter referred to as "HESCO") under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act") is being disposed of.

2. As per the facts of the case, the Complainant is an industrial consumer of HESCO bearing Ref No.24-37225-0000014 R having a sanctioned load of 10 MW and the applicable tariff category is B-4. Connection of the Complainant was sanctioned by HESCO on 24.02.2022. Subsequently, the Complainant filed two applications dated 29.11.2022 and 20.12.2022 before HESCO for temporary disconnection of electricity till November 2023 for repair and maintenance work. HESCO vide letter dated 31.01.2023 accorded approval for the temporary disconnection of the electricity of the Complainant's premises till 30.11.2023.

3. The Complainant again approached HESCO vide application dated 23.11.2023 for the extension of temporary disconnection of electricity of the premises for further eleven months. In this regard, HESCO vide letter dated 04.01.2024 solicited guidelines from NEPRA regarding the extension of temporary disconnection beyond eleven months. In response, NEPRA vide letter dated 28.02.2024 clarified that the Complainant's connection be restored for at least one month before proceeding for the temporary disconnection for further eleven months. Accordingly, the electricity connection of the Complainant was

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reconnected by HESCO in April 2024 and the bill amounting to Rs.4,226,800/- was debited to the Complainant by HESCO in April 2024 on account of fixed charges, which was paid by him on 25.04.2024. HESCO charged the bill of Rs.2,726,750/- for 5,000 kW MDI to the Complainant in May 2024.

4. Being aggrieved with the action of HESCO, the Complainant filed a complaint dated 29.05.2024 before the NEPRA and challenged the bill of Rs.2,726,750/- charged in May 2024. Meanwhile, the complainant made payment of the first installment amounting to Rs.1,000,000/- on 01.06.2024 against the disputed bill of May 2024. The aforesaid complaint was referred to HESCO with the directions to defer the disputed arrears till 31.07.2024 and HESCO was refrained from disconnection of the electric supply of the Complainant's premises.

5. Subsequently, a hearing was held on 23.07.2024 wherein both parties were in attendance. The Complainant repeated the same arguments as contained in the complaint and contended that the temporary disconnection was granted by HESCO till 30.11.2023 upon his request. The Complainant further contended that HESCO was approached for extension in temporary disconnection for further eleven months vide application dated 23.11.2023. After soliciting guidelines from NEPRA, HESCO restored the electricity of the premises in April 2024 and charged a bill amounting to Rs.4,226,890/- in the said month, which was paid on 29.04.2024. As per the Complainant, HESCO was required to grant the extension in temporary disconnection for further eleven months w.e.f May 2024 but instead of that HESCO debited another bill of Rs.2,726,750/- for 5,000 kW MDI to the Complainant in May 2024 on account of fixed charges against which an amount of Rs.1,000,000/- was paid as installment under protest. To investigate further into the matter, HESCO was directed vide letter, dated 01.08.2024 to submit the necessary documents in support of the case i.e. (date of initial disconnection request made by the Complainant, date of reconnection, date of reconnection of supply request submitted by the Complainant & detail of fixed charges included in the bill for May 2024). In response, HESCO submitted report dated 09.08.2024 that the Complainant applied for extension of temporary disconnection for further period of eleven (11) months on 29.04.2024, while the same connection was again temporarily disconnected in the billing month of May 2024. The bill for May 2024 has been issued to the Complainant as the month of April 2024 was closed and billing for the month of April 2024 was made in the month of May 2024 as per rule which is justified.

6. Arguments were heard and the record was perused. Following has been observed:-

- (i) The Complainant is an industrial consumer of HESCO having sanctioned load of 10 MW under B-4 tariff category since 24.02.2022 with Ref No.24-37225-0000014 R. Upon the Complainant's request, the said connection was temporarily disconnected by HESCO for eleven months i.e.31.01.2023, to 30.11.2023. Subsequently, the Complainant filed another application dated 23.11.2023 before HESCO for an extension in temporary disconnection of electricity for further eleven months. After seeking guidelines from NEPRA on 28.02.2024, HESCO fed the Reconnection Order (RCO) in April 2024 and debited a bill of Rs.4,226,890/- in April 2024 on account of fixed charges calculated based on 50% of the sanctioned load, which was paid by the Complainant on 25.04.2024. The Complainant filed an application dated 29.04.2024 to grant further extension of eleven months in temporary disconnection before HESCO. However, HESCO instead of granting further extension in temporary disconnection, charged another bill of Rs.2,726,750/- to the Complainant in May 2024 on account of fixed charges calculated based on 50% of the sanctioned load, which was challenged before the NEPRA.
- (ii) In the instant case, NEPRA vide letter dated 28.02.2024 has clarified that if the consumer intends to avail the temporary disconnection beyond eleven months, he has to apply for reconnection and shall pay all charges i.e. reconnection fee, fixed charges, etc. at least for one month. Accordingly, HESCO fed the RCO in April 2024 and debited a bill of Rs.4,226,890/- in

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April 2024, which includes the RCO fee and fixed charges calculated on 50% of the sanctioned load. The Complainant made payment of the aforesaid bill on 25.04.2024 and filed another application dated 29.04.2024 before HESCO to grant further extension of eleven months in temporary disconnection.

(iii) As per the above-said clarification, HESCO is under obligation to grant extension in temporary disconnection of electricity for further eleven months upon the request of the Complainant, however, HESCO failed to do so. In May 2024, HESCO debited another bill of Rs.2,726,750/- to the Complainant on account of fixed charges despite the disconnection status, as evident from the bill for May 2024. HESCO failed to produce material evidence to justify the above bill.

(iv) The below clauses of Chapter 8 of the CSM-2021 provide a complete mechanism for the temporary disconnection process:

*"8.3.1 That the consumer has paid the final bill up to the day immediately preceding the intended date of the request for temporary disconnection.*

*8.3.2 That exemption in payment of minimum/fixed charges will be admissible for the actual period of disconnection.*

*8.3.3 That no reconnection fees shall be charged if the consumer applies for reconnection within seven days after the expiry of the disconnection period.*

*8.3.4 After the expiry of the period allowed for disconnection, the minimum/fixed charges will be applicable even if the consumer does not apply for reconnection and does not use electricity. In case the consumer defaults in payment of the future bills, the connection may be disconnected and equipment installed at the premises may be removed after service of notice as per disconnection procedure. Restoration of supply to such premises shall also be governed as per the Reconnection Policy and payment of minimum! Fixed charges will be admissible for the entire period of disconnection."*

(v) In addition to the above provisions of the CSM-2021, NEPRA has given clarification dated 23.06.2023 regarding the delay in disconnection/restoration of electricity in case of temporary disconnection, the operative portion of which is reproduced below:

*"3. In order to facilitate the consumers, Distribution Companies are directed to ensure disconnection/reconnection of the electricity supply on priority basis as per Clause 8.3 of the Consumer Service Manual DISCO shall reconnect/restore the supply within four (4) working days after completion of codal formalities."*

7. In view of the above provisions of CSM-2021 read with clarification dated 23.06.2023 of NEPRA regarding temporary disconnection/reconnection policy, HESCO was required to feed the temporary disconnection within four days i.e. 02.05.2024 from the date of application dated 29.04.2024 of the Complainant. However, HESCO failed to do so and debited the impugned bill of fixed charges to the Complainant in May 2024 as per the reading dated 06.05.2024, which is utter violation of the provisions of the CSM-2021 as well as the abovementioned clarifications communicated vide NEPRA letters dated 23.06.2023 and 28.02.2024, therefore, the Complainant cannot be held responsible for the payment of fixed charges included in the bill for May 2024 due to negligence on the part of HESCO after four (04) days of submission of the application dated 29.04.2024 by the Complainant for temporary disconnection i.e. 03.05.2024.

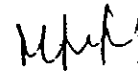


8. Foregoing in view, HESCO is directed to withdraw the fixed charges included in the bill for May 2024 with immediate effect in light of the above discussion. Moreover, the disconnection status of the Complainant's connection will remain intact for a period of eleven months i.e. 03.05.2024 and onwards, or an application for reconnection of supply is submitted earlier under the prevailing policy. HESCO is further directed to adjust the payment made (if any) against the amount of fixed charges debited after the effective date i.e. 03.05.2024 for the temporary disconnection.

9. Compliance report be submitted within twenty (20) days.

  
(Ubaidullah Memon)

Member Complaints Resolution Committee/  
Director (CAD)



(Moqees Ul Hassan)

Member Complaints Resolution Committee  
/Assistant Legal Advisor (CAD)

  
(Naweed Niaz Shaikh)

Convener Complaints Resolution Committee/  
Director General (CAD)

Islamabad, October 11, 2024

