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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/ADG(CAD)/TCD 05/4/198-07

November 13, 2020

Chief Executive Officer,
Lahore Electric Supply Company (LESCO)
22-A, Queen's Road,
Lahore.

Subject: DECISION IN PURSUANT TO THE ORDERS OF THE HONORABLE LAHORE HIGH COURT DATED SEPTEMBER 30, 2020 IN WRIT PETITION NO. 72952/2017; CANAL VIEW CO-OPERATIVE HOUSING SOCIETY LIMITED VS FEDERATION OF PAKISTAN ETC. IN THE MATTER OF COMPLAINT FILED BY CANAL VIEW CO-OPERATIVE HOUSING SOCIETY LIMITED AGAINST LESCO REGARDING REPAIR AND MAINTENANCE ISSUES
Complaint # LESCO-144/08/2020

Please find enclosed herewith the decision of the Member (Consumer Affairs) (04 pages) regarding the subject matter for further necessary action and compliance within thirty (30) days.

Encl: As above


(Hafeez Ullah Khan)
Deputy Registrar

Copy to:

1. Assistant Registrar (Writ),
Judicial Department,
Lahore High Court (LHC),
Lahore.
[with reference to the Order dated September 30, 2020 in Writ Petition No. 72952/2017]
2. C.E./Customer Services Director,
Lahore Electric Supply Company (LESCO)
22-A, Queen's Road, Lahore.
3. President,
Canal View Co-operative Housing Society Limited,
Multan Road, Lahore.



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

Complaint No. LESCO-144/08/2020

Canal View Cooperative Housing Society Limited,
Multan Road,
Lahore-53700.

Petitioner

Versus

Lahore Electric Supply Company (LESCO),
22-A, Queen's Road,
Lahore.

Respondent

Date of Hearing: November 04, 2020

On behalf of:

Petitioner:

- | | |
|-----------------------------|---------------|
| 1) Engr. Rana Faqir Hussain | Ex-President |
| 2) Mr. Shahid Iqbal Qureshi | Legal Counsel |
| 3) Mr. Rao Fahim Akhtar | Legal Counsel |

Respondent:

- | | |
|----------------------|--------------------------|
| 1) Mr. Faisal Zakria | Additional Manager (P&D) |
| 2) Mr. Nasir Ali | Deputy Manager (P&D) |
| 3) Mr. Muhammad Zia | Legal Counsel |

Subject:

**DECISION IN PURSUANT TO THE ORDERS OF THE HONORABLE LAHORE
HIGH COURT DATED SEPTEMBER 30, 2020 IN WRIT PETITION NO. 72952/2017;
CANAL VIEW CO-OPERATIVE HOUSING SOCIETY LIMITED VS FEDERATION
OF PAKISTAN ETC. IN THE MATTER OF COMPLAINT FILED BY CANAL VIEW
CO-OPERATIVE HOUSING SOCIETY LIMITED AGAINST LESCO REGARDING
REPAIR AND MAINTENANCE ISSUES**

DECISION

In pursuance of the Orders of the Honorable Lahore High Court, Lahore dated September 30, 2020, in W.P.No.72952/2017 (received on October 27, 2020), this decision shall dispose of the petition filed by M/s Canal View Co-operative Housing Society Limited, Lahore (hereinafter referred to as the "Petitioner" or "Society") regarding implementation of NEPRA's directives dated March 09, 2016. The operative part of the Order of the Honorable Lahore High Court is as under:-

"To decide pending application for implementation of decision strictly in accordance with law, after hearing petitioner and all concerned, within a period of fifteen days from the date of receipt of certified copy of this order."

2. The brief facts of the case are that NEPRA received a complaint on April 15, 2015 from the Petitioner against the Respondent, wherein the Petitioner submitted that the Society was electrified by WAPDA in late 1970s as per prevalent Law/Rules in vogue at that time on full cost deposit basis and the entire expenditure was borne by the Society itself. The Petitioner further submitted that after taking over charge of the external electrification, WAPDA provided new connections to the inhabitants of the Society on full deposit basis and earned revenue in millions of rupees, but now the LESCO's staff is discharging their duties of attending consumers' complaints regarding failure of supply, maintenance of HT/Local Distribution System, etc half-heartedly due to which the Society has undergone huge monetary losses. In addition to this, the Petitioner submitted that the staff of LESCO has given impression to the inhabitants of the Society that it is the responsibility of Canal View Management to attend the complaints. Foregoing in view, the Petitioner requested to direct the Respondent to realize the gravity of the situation and attend consumers' complaints without any delay and replace the damaged transformers.
3. The matter was taken up with LESCO and finally it was directed on March 09, 2016 that since the electrification system of the Society has already been taken over by LESCO and bills are being issued by LESCO to individual consumers, therefore repair and maintenance of distribution system is the responsibility of LESCO and asking to the Society for payment of charges for repair/maintenance of distribution system at this stage has no legal justification and is in violation of NEPRA rules and regulations, however LESCO failed to comply with the directives of NEPRA.
4. Subsequently, the Petitioner filed the Writ Petition bearing No. 72952/2017 in the Honorable Lahore High Court, wherein the Petitioner requested that the Respondent be directed to comply with the NEPRA's directives dated March 09, 2016 for repair and maintenance of the distribution system of the Society. Since the Petitioner approached the Honorable Lahore High Court, therefore further proceedings in the matter were suspended by this office.
5. The Honorable Lahore High Court vide its Order dated September 30, 2020 referred the matter to NEPRA for decision. Accordingly, an opportunity of hearing was provided to both the parties on November 04, 2020. During the hearing, both the parties advanced their arguments. The Petitioner reiterated its earlier stance and added that LESCO has upgraded the distribution network of the Society in past but now it is reluctant to do so. LESCO submitted that the Society was electrified in 1978-79 and since then, the Petitioner/consumers in the Society have illegally extended the load without approaching LESCO.



6. 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. Canal View Cooperative Housing Society, Lahore was established about 40 years back. The electrical distribution network was electrified on cost deposit basis. The electrification system of the Society has already been taken over by LESCO and bills are being issued by LESCO to individual consumers. In past, LESCO has upgraded the distribution system of the Society at its own. The electrification system of Canal View Cooperative Housing Society is part of Common Distribution System of LESCO.
- ii. LESCO is of the view that the Petitioner/consumers in the Society have illegally extended the load without approaching LESCO. In this regard, it is pertinent to highlight that LESCO should have followed the proper procedure as laid down in the Consumer Service Manual and issued notices to the Petitioner/consumers for extension of load, however LESCO did not do so.
- iii. According to Regulation 4 (1) of Consumer Eligibility Criteria, 2003 extension/reinforcement in the Common Distribution System is the responsibility of Licensee.
- iv. Moreover, the Authority vide letter dated February 04, 2019 issued the following directives to all distribution companies including LESCO:

"That all operation, maintenance, upgradation, extension or reinforcement of distribution systems being undertaken by persons other than the concerned distribution company is to cease and forthwith be assumed by the concerned distribution company."

- v. Being aggrieved with the above-mentioned Authority's directives, only LESCO filed a review motion, whereas none of the other distribution companies filed review motion or raised any observation. However, the same was rejected by the Authority vide its decision dated July 23, 2020 on the basis of following:

"As per the provisions of LESCO's Distribution License, the Distribution Code and NEPRA Consumer Eligibility Criteria, 2003, operation, maintenance, upgradation, extension and reinforcement of Common Distribution Systems within a service territory is the obligation of the concerned distribution company. Moreover, the Authority allows maintenance charges in tariff for upgradation, extension and reinforcement of distribution system either financed by the distribution company itself or by the consumer/sponsor. Once the billing/metering is taken over by the

distribution company then operation, maintenance, upgradation, extension or reinforcement of distribution system undertaken by a person/sponsor, other than the concerned distribution company, is unlawful and abdication of the concerned distribution company's obligations to undertake its responsibilities."

- vi. It is concluded that repair and maintenance of distribution system of Canal View Cooperative Housing Society, Lahore is the responsibility of LESCO and asking to the Society for payment of charges for repair/maintenance of distribution system has no legal justification and is in violation of NEPRA rules and regulations.

7. In view of the foregoing, LESCO is directed to implement the NEPRA's directives dated March 09, 2016 and dated July 23, 2020 in letter and spirit and carry out repair and maintenance of distribution system of Canal View Cooperative Housing Society, Lahore at its own. In case of non-compliance of the orders, no further clarity will be issued and proceedings will be initiated against LESCO under NEPRA Act and other enabling rules and regulations.

8. Compliance report in the matter be submitted within thirty (30) days.


2/13/11/2020
Rehmatullah Baloch

Member (Consumer Affairs)

Islamabad: November 13, 2020