

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/ADG(CAD)/TCD-05/9/30 - 34

March 19, 2020

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

Subject:

DECISION IN THE MATTER OF COMPLAINT FILED MR. **MUHAMMAD** AMJAD UNDER SECTION 39 OF THE REGULATION **OF** GENERATION, TRANSMISSION. DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST LESCO REGARDING NON-PROVISION OF ELECTRICITY CONNECTION

Complaint # LESCO-60/04/2018

Please find enclosed herewith the subject Decision of NEPRA dated March 18, 2020 (04 Pages) regarding the subject matter for necessary action and compliance within fifteen (15) days, please.

Encl: As above

Iftikhar Ali Khan) **Director** Registrar Office

Copy to:

- 1. Chief Engineer/Customer Services Director, LESCO, 22-A, Queen's Road Lahore.
- 2. Manager (Commercial), LESCO, 22-A, Queen's Road Lahore.
- 3. Muhammad Amjad S/o Haji Ghulam Muhammad, Shah Khalid Town, Mouza Ferozwala, Tehsil Ferozwala, Lahore.
- 4. Muhammad Younas Chaudhry Advocate High Court 4-Begum Road, Lahore. Cell # 0333-4254538



BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA) Complaint No. LESCO-60/04/2018

Mr. Muhammad Amjad S/o Haji Ghulam Muhammad...... Complainant Shah Khalid Town, Mouza Ferozwala, Tehsil Ferozwala, Lahore.

VERSUS

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

..... Respondent

Dates of Hearings:

December 08, 2018 February 22, 2019 July 13, 2019 October 18, 2019

On behalf of Complainant:

- i) Mr. Muhammad Amjad
- ii) Mr. Muhammad Younas, Advocate

Respondent:

i) Mr. Mahboob Alam	Addl. XEN
ii) Mr. Tassaduq Hussain	SDO
iii) Mr. Saghir Ahmed	SDO
iv) Mr. Muhammad Arif Malhi	Counsel

Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. MUHAMMAD AMJAD UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION, AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST LESCO REGARDING NON-PROVISION OF ELECTRICITY CONNECTION

DECISION

This Decision shall dispose of the complaint filed by Mr. Muhammad Amjad (hereinafter referred to as the "Complainant") against Lahore Electric Supply Company (hereinafter referred to as the "Respondent" or "LESCO"), 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 LESCO for provision of connection for 495 kW load under B-2 tariff category. Accordingly, two (2) demand notices amounting to Rs. 9,46,179/- & Rs. 9,94,950/- were issued by LESCO for capital cost and security deposit respectively on May 21, 2013 which were paid by the Complainant on May 29, 2013. Subsequently, LESCO officials visited the site for installation/ energization of connection. However, LESCO officials refused to provide connection as in their opinion the new connection was in addition to an already installed connection within the same premises. Consequently, the Complainant filed a complaint before Provincial Office of Inspection/Electric Inspector, Lahore which was decided in favor of the Complainant on July 11, 2017. Being aggrieved, LESCO filed an appeal before NEPRA Appellate Board against the decision of Provincial Office of Inspection (POI)/Electric Inspector, Lahore. NEPRA Appellate Board vide its decision dated January 17, 2018 set aside the decision of POI/Electric Inspector, Lahore and advised the Complainant to file a fresh compliant with NEPRA under section 39 of the NEPRA Act.
- 3. The Complainant, thereafter, approached NEPRA for redressal of the grievances under NEPRA rules, whereby, he contested that he had requested LESCO for a new connection of a separate premises, however, LESCO officials considered it as a part of the premises which already had a connection. Accordingly, the matter was taken up with LESCO. In response, LESCO vide letter dated June 21, 2018 reported that an industrial connection under tariff B-2 with sanctioned load of 450 kW in the name of real brother of the applicant is already installed in the same premises. LESCO officials further anticipated that the new connection will be required only as duplicate source of electricity.
- 4. In order to look into the matter, two hearings were conducted on December 08, 2018 and February 22, 2019, at NEPRA Regional Office, Lahore. The hearings were attended by both the parties. The site inspection was conducted on February 27, 2019, wherein, it revealed that the premises of the Complainant was entirely separate and surrounded by a boundary having separate gate. Moreover, there was no wires/circuitry available in the premises. LESCO officials raised observation that the Complainant is supplying steam to the premises of his real brother. The Complainant clarified that he is selling steam to the adjacent premises and unfortunately the said premises belongs to his real brother, whereas both businesses are separate legal entities. The Complainant further clarified that the steam is being produced on waste wood and he is also supplying steam to other consumers in different areas of Lahore. In light of said, LESCO was directed to provide a separate connection (subject to completion of all codal formalities) to the Complainant. In response, LESCO vide letter dated September 11, 2019 informed that under departmental rules, it is not possible to provide second connection under tariff B-2 in the same premises as no proper separation between the said premises has been made as well as no motive load is installed in the premises. The premises is only used for providing steam to

adjacent mill where industrial connection already exists. According to LESCO, the Complainant applied for second industrial connection just to avoid the conversion of tariff from B-2 to B-3.

- 5. In order to cover all aspects of the matter, another hearing was held on October 18, 2019 and a site inspection was also conducted on October 19, 2019 in presence of both the parties. During the site inspection, LESCO agreed to provide a separate connection to the Complainant subject to the removal of steam pipes. The issue was also discussed with CEO LESCO who assured to resolve the matter. He conducted an inquiry but the result was the same. The connection was refused on the basis of steam pipes.
- 6. The case has been analyzed in the light of verbal/written arguments submitted by the parties. The following has been concluded.
 - (i). The Complainant applied for industrial connection under B-2 tariff for 495 kW load on May 07, 2013. Accordingly, LESCO issued demand notices on May 21, 2013 which were paid by the Complainant on May 29, 2013. According to NEPRA Performance Standard (Distribution) Rules, 2005; a period of (58) days is required for energization of new connection after payment of demand notice for load above 70 kW and not exceeding 500 kW. However, LESCO has failed to provide connection even after lapse of more than six (6) years.
 - (ii). The machinery is available at site but the same has not yet been installed due to non-availability of electricity connection at site. The Complainant is doing business of steam production and has applied for B2 tariff connection. The Complainant has made contract to the adjacent factory (his brother's) for supplying steam. LESCO is of the view that the Complainant is required to consolidate the load of both the plots. LESCO has considered that both the plots are a single premise, whereas, the ground reality revealed that both are separate plots having different ownerships. Both plots have separate main entrance and having boundary wall, with different modes of businesses. The situation was same at the time of applying to LESCO for connection. At that time no objection was raised by LESCO and accordingly, demand notices were issued; which the Complainant paid. LESCO is unnecessarily delaying the provision of connection due to unknown reasons and the Complainant is being deprived of the basic rights provided to him under the applicable law.
 - (iii). Initially, LESCO informed that the Complainant intends to get dual supply, therefore, the connection was not provided. Later on, LESCO informed that the Complainant wants to avoid installation of B-3 connection; therefore, he applied for second B-2 connection at the same premises. Further, if we consider LESCO's point of view, and

proceed in the case by enhancing load from B2 category to B3 category, it will cause

further loss to LESCO as B3 tariff is cheaper as compared to B2.

(iv). The issue was also discussed with CEO LESCO who assured to resolve the matter.

He conducted an inquiry but the result was the same. The connection has been

refused on the basis of steam pipes.

(v). Although, it is not concerned with the instant case as the premises of the Complainant

is separate, however, it is clarified that Consumer Service Manual is being amended

and it has been decided in principle in consultation with all the DISCOs that in same

premises, more than one industrial connection can be allowed subject to following

conditions:

a. Having different nature of industries.

b. Having same tariff category.

c. Having same source of supply i.e. feeder.

d. In case the consolidated load of the premises approaches the threshold

required for an independent feeder, then connection will be provided

through an independent feeder on cost deposit basis.

e. Applicant having load above 8kW shall be provided through an

independent transformer. If capacity is available in the existing dedicated

transformer; other connection(s) will be provided from the same

transformer at the same premises. In case the capacity is not enough; either an additional transformer will be installed or the capacity of the

existing transformer will be enhanced on cost deposit basis.

The above directions have been conveyed vide letter dated March 12, 2020, to all the

DISCOs.

(vi). As per Consumer Eligibility Criteria (2003) every person has the right to be provided

with electric power subject to fulfillment of the requirements laid down in the

applicable documents.

7. Foregoing in view, LESCO is directed to install/energize the connection of the

Complainant without further delay after completion of other codal formalities and submit

compliance report within fifteen (15) days.

Rehmatallah Baloch

Member (Consumer Affairs)

Islamabad, March 18, 2020