



National Electric Power Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN

NEPRA Head Office

Ataturk Avenue (East) Sector G-5/1, Islamabad.

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**Consumer Affairs
Department**

TCD 06/ *5867* -2023
December 20, 2023

Chief Executive Officer,
Multan Electric Power Company (MEPCO),
MEPCO Complex, WAPDA Colony,
Khanewal Road, Multan.

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MR. MUHAMMAD ARSLAN KHALID, PALM AVENUE (HOUSING SCHEME), UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT. 1997. AGAINST MEPCO REGARDING REHABILITATION CHARGES.**
MEPCO-NHQ-24184-05-23

Please find enclosed herewith the decision of NEPRA Consumer Complaints Tribunal dated December 20, 2023, regarding the subject matter for necessary action and compliance.

Encl: As above

(Signature)
(Muhammad Abid)
Assistant Director (CAD)

Copy: -

1. C.E/ Customer Services Director,
Multan Electric Power Company (MEPCO),
MEPCO Complex, WAPDA Colony,
Khanewal Road, Multan.
2. Executive Engineer/ XEN (Op.), Bahawalnagar Division,
Multan Electric Power Company (MEPCO),
Minchanabad Road, WAPDA, Bahawalnagar.
3. Mr. Muhammad Arslan Khalid,
Palm Avenue (Housing Scheme),
Sabzazar Road, Bahawalnagar.
0333-4044469



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

Complaint No. MEPCO-NHQ-24184-05-23

Mr. Muhammad Arslan Khalid
Palm Avenue (Housing Scheme),
Sabzazar Road, Bahawalnagar.
0333-4044469

..... **Complainant**

VERSUS

Multan Electric Power Company (MEPCO)
MEPCO Complex, WAPDA Colony,
Khanewal Road, Multan.

..... **Respondent**

Date of Hearings: July 25, 2023
October 03, 2023

**On behalf of
Complainant:** Mr. Abdul Hameed

Respondent: 1) Mr. Asghar Langah, Addl. Chief Engineer (Planning),
2) Mr. Waqar Ali, SDO (Operation).

SUBJECT: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. MUHAMMAD ARSLAN KHALID, PALM AVENUE (HOUSING SCHEME), UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997, AGAINST MEPCO REGARDING REHABILITATION CHARGES.
MEPCO-NHQ-24184-05-23

DECISION

This decision shall dispose of the complaint filed by Mr. Muhammad Arslan Khalid, Palm Avenue (Housing Scheme), Sabzazar Road, Bahawalnagar (hereinafter referred to as the "Complainant") against Multan Electric Power Company (hereinafter referred to as the "Respondent" or "MEPCO"), under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act").

2. NEPRA received a complaint from Mr. Muhammad Arslan Khalid, wherein the issue agitated by the Complainant was that the proposal for external electrification of Palm Avenue (Housing Scheme), Sabzazar Road, Bahawalnagar was submitted through the consultant Al-Badar Engineering Consultants vide letter dated 08-02-2023 for approval. MEPCO issued Demand Notice No. 5302-10/CE(P&E)/CB-4036 dated 12-05-2023. MEPCO has charged Rs. 1,56,11,392/- as Rehabilitation Charges on the basis of Load Flow Analysis of 11 KV Jail Wala Feeder emanating from 132 kV Grid Station Bahawalnagar without consideration of maximum permissible limit of 5% voltage drop and 3.5% Technical Loss. The Complainant further submitted that the results of load flow show that voltage drop and technical losses are within permissible limits before and after simulation of load on that feeder. The Complainant prayed that rehabilitation charges be withdrawn.

3. The subject matter was taken up with MEPCO. In response, MEPCO vide letter No. 2049 dated July 24, 2023 submitted that the permissible limit of voltage drop and technical loss by the complainant is not the part of current CSM 2021 issued in January 2021, despite it says that: "Rehabilitation charges on actual basis (if any) in case connection is provided from 11kV distribution feeder". Moreover; MEPCO has to serve several applications

of housing societies and general connections including B-2 and B-3 (if load is less than 1MW) connections from its own distribution system. A study carried out for housing society showing losses and voltage drop within permissible limits will be out of limit for next coming applicants (general domestic, commercial and other connections) and required to be upgraded through reconductoring and bifurcation. If Rehabilitation charges are not recovered from each and every Sponsor of housing societies that have inserted its load on the 11kV Distribution feeder considering the permissible limit of voltage drop and technical loss, it would be difficult for MEPCO to proceed with the up-gradation of the 11kV system without obtaining of funds through rehabilitation charges. Therefore, to keep 11 kV system running smoothly, it is required to charge Rehabilitation charges to each and every applicant of Housing Societies and Commercial Buildings.

4. In order to finalize the matter, a hearing was held on July 25, 2023 at NEPRA Head Office, Islamabad which was attended by both parties (i.e., MEPCO and the Complainant). During the hearing, the issue was discussed in detail. On a query; MEPCO officials informed that no up-gradation in the existing 11kV feeder has carried out to accommodate the load of the Complainant, however the feeder requires up-gradation/ rehabilitation to provide connections to upcoming applicants.


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

- (i) The Complainant applied for electrification of Palm Avenue (Housing Scheme). The ultimate load of the scheme is 1455kW. MEPCO issued Demand Notice dated May 12, 2023.
- (ii) MEPCO charged Rehabilitation charges amounting to Rs. 1,56,11,392/-.
- (iii) Clause 2.6 Sr. No. 04 of the Consumer Service Manual (CSM) provides that "Rehabilitation charges on actual basis (if any) in case connection is provided from 11kV distribution feeder." The Complainant is of the view that MEPCO has not carried out rehabilitation of the existing 11kV feeder and has charged rehabilitation charges to the Complainant which is unjustified. The load flow studies show that the existing parameters of the feeder of 11kV Jal Wala feeder got disturbed upon feeding the proposed load of the Complainant and the same feeder will require up-gradation in future upon provision of connections to next prospective applicants. If the rehabilitation charges are not recovered from the instant complainant and are recovered from prospective consumers in future, it would be discriminatory with the upcoming consumers.
- (iv) According to National Electric Power Regulatory Authority Consumer Eligibility Criteria (Distribution Licensees) Regulations, 2022, a distribution licensee shall ensure that all applicants and consumers are treated in a non-discriminatory, fair, transparent and just manner for provision of electricity.

6. Foregoing in view, MEPCO is directed to recover the rehabilitation charges from the Complainant and provide supply to the M/s Palm Avenue (Housing Scheme). MEPCO is further directed to up-grade the 11kV Jal Wala feeder on urgent basis to meet the required parameters of the feeder.


(Lashkar Khan Qambrani)

Member (Consumer Complaints Tribunal)/
Director (CAD)


(Muhammad Irfan-ul-Haq)

Member Consumer Complaints Tribunal
Assistant Legal Advisor


(Naveed Illahi Shaikh)

Convener Consumer Complaints Tribunal/
Director General (CAD)

Islamabad, December 20, 2023