



National Electric Power Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN
NEPRA Tower, Ataturk Avenue (East),
Sector G-5/1, Islamabad.
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**Consumer Affairs
Department**

6533
TCD.08/ -2022
December 22, 2022

Chief Executive Officer,
Quetta Electric Supply Company (QESCO),
Zarghoon Road, Quetta.

Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MANAGING DIRECTOR M/S SAMAD STEEL MILL UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST QESCO REGARDING DELAY IN PROVISION OF ELECTRICITY CONNECTION
Case No. QESCO-QET-9428-12-21

Please find enclosed herewith the decision of the NEPRA Complaints Tribunal dated December 22, 2022 regarding the subject matter for necessary action and compliance within thirty (30) days, positively.


(Muhammad Abid)
Assistant Director (CAD)

Encl: As above

Copy to:

1. C.E/Customer Services Director, QESCO, Zarghoon Road, Quetta.
2. C.E (Planning), QESCO, Zarghoon Road, Quetta.
3. Director Commercial, QESCO, Zarghoon Road, Quetta.
4. Superintending Engineer (Operations), Quetta Circle, Block 4, Satellite Town, Quetta.
5. Mr. Abdul Samad, Managing Director Samad Steel Mill Plot C-56, Phase-1, Industrial Area, Eastern Bypass, Quetta.
Cell # 0300-3823922, 0336-8043797, 0333-7839093



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

Complaint No. QESCO-QET-9428-12-21

Mr. Abdul Samad,

..... **Complainant**

Managing Director, Samad Steel Mill, Plot C-56,
Phase-1, Industrial Area, Eastern Bypass, Quetta.

VERSUS

Quetta Electric Supply Company (QESCO)

..... **Respondent**

Zarghoon Road, Quetta.

Date of Hearing:

January 31, 2022

April 27, 2022

August 01, 2022

October 28, 2022

On behalf of

Complainant:

1) Mr. Abdul Samad

2) Mr. Zia- Ud- Din

3) Mr. Jahanzib Khan

Respondent:

1) Mr. Muhammad Naeem, C.E (Planning), QESCO

2) Mr. Abdul Nasir, Superintending Engineer (Operations)

3) Syed Zaman Shah, Addl. SE GSO

4) Mr. Obaid-Ur-Rehman, Deputy Manager (P&I)

5) Mr. Muhammad Naeem, Executive Engineer (Operations)

6) Mr. Qamar-Ul-Hussain, Deputy Manager P&D QESCO

7) Mr. Muhammad Aurangzeb, XEN GSO

8) Mr. Naseebullah, XEN 220 KV Grid Station NTDC

9) Mr. Abrar Ahmed Shirzai, DD Technical

10) Mr. Mumtaz Sher, DD Technical (MM), QESCO

11) Mr. Ghulam Mujtaba Rind, SDO (Operations)

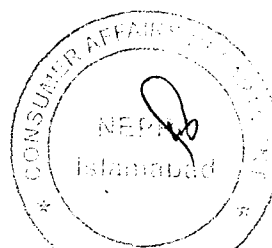
Subject:

DECISION IN THE MATTER OF COMPLAINT FILED BY MANAGING DIRECTOR M/S SAMAD STEEL MILL UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST QESCO REGARDING DELAY IN PROVISION OF ELECTRICITY CONNECTION

DECISION

Through this decision, the complaint filed by Managing Director M/s Samad Steel Mill (hereinafter referred to as "the Complainant") against Quetta Electric Supply Company (hereinafter referred to as the "Respondent" or "QESCO"), 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. NEPRA received a complaint dated December 07, 2021 wherein the issue agitated by the Complainant was that they applied to QESCO for an industrial connection along with requisite documents i.e. NOC, test report etc. on November 17, 2020, however, the same is pending with QESCO. The Complainant claimed huge financial losses due to inordinate delay on part of QESCO. The Complainant added that QESCO provided connections to other applicants who applied for connections afterward but QESCO is reluctant to provide connection to them without any justification. The Complainant requested that QESCO be directed to provide connection without further delay.

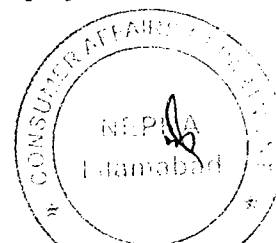


3. The subject matter was taken up with QESCO and hearings were held at NEPRA Regional Office, Quetta wherein both the parties participated and advanced their arguments. QESCO officials submitted that the Complainant's application for provision of connection in the name of M/s Samad Steel Mill is pending due to deficiency of pre-requisites i.e. delay in provision of NOC etc. from the Industrial Department, Government of Balochistan by the Complainant. Further, being a furnace mill, a dedicated feeder is required for provision of connection to M/s Samad Steel Mill in accordance with relevant provisions of Consumer Service Manual (CSM). Moreover, the Complainant has other connections as well and the consolidated load of all the connections also require an independent feeder. QESCO further added that space is also not available for installation of 11 kV panel at 220/132 kV Industrial Grid Station. Moreover, a 40 MVA power transformer is damaged which has been dispatched to Lahore for repair. QESCO is only able to process the case even from a dedicated feeder if panel room is extended by NTDC and power transformer is repaired and reinstalled. QESCO also submitted that theft of electricity has also been detected on two industrial connections of the Complainant and they have filed cases in this regard before Honorable High Court of Balochistan, therefore, further action was not taken.

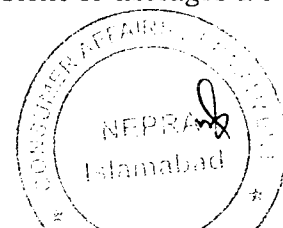
4. QESCO negated the allegation of the Complainant for provision of connections to other industrial consumers who applied later. In this regard QESCO officials submitted that three applications from i) M/s Bin Yameen Steel Industry dated December 23, 2020 for extension of load, ii) M/s Shaheen Steel Industry dated January 12, 2021 for new 11 kV dedicated feeder and iii) M/s Asia Steel Industry dated February 25, 2021 for revision/revive of 11 kV feeder against 5000 kW load (which was previously approved and later on cancelled) were received but all these three cases were initially declined due to capacity constraints at the 220/132 kV Industrial Grid Station. However, on special request of Chamber of Commerce for facilitation to industries, QESCO interlinked/shifted 3x 11 kV distribution feeders from 220/132 kV Industrial Grid Station to 132kV Darwaza Grid Station which created cushion at 220/132 kV industrial grid station and due to this special arrangements spaces for 11 kV panels got spared and these three cases were sanctioned. During the hearing; the Complainant argued that QESCO has provided industrial connections to other consumers and deliberately delayed the processing of his application for new connection and rejected the stance of QESCO regarding late submission of NOC from Industrial Department. QESCO confirmed that the NOC provided by the Complainant was submitted to Industrial Department for verification as per procedure, however, the same was awaited which caused delay in approval of the case whereas the formalities were completed by the other applicants as detailed above; therefore QESCO provided connections to those applicants on non-discriminatory basis.

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

- (i) The Complainant approached QESCO for provision of an industrial connection on November 17, 2020 at his premises located at Industrial Area, Quetta with prospective load of 995 kW. However, the same was not processed by QESCO on the pretext of procedural deficiencies in the application. The Complainant is of the view that QESCO provided connections to other industrial applicants who submitted applications to QESCO afterwards and deliberately his case was not processed. The record reveals that QESCO intimated the Complainant for completion of formalities, however, the same remained pending at the end of the Complainant. Meanwhile, other applicants approached QESCO for provision of supply i.e. M/s Bin Yameen Steel Industry dated December 23, 2020 for extension of load on 11kV dedicated feeder, ii) M/s Shaheen Steel Industry dated January 12, 2021 for new 11 kV dedicated feeder and iii) M/s Asia Steel Industry dated February 25, 2021 for 11kV dedicated feeder, however due to technical constraints and capacity issues at the 220/132 kV Industrial grid station; initially the same were not approved. Later, in order to facilitate these industrial consumers on intervention of Chamber of Commerce and Industry; 3x11 kV feeders emanating from 220/132 kV Industrial grid station were shifted to 132kV Darwaza grid station which resulted in resolution of space/capacity issue and these three connections were energized. QESCO should have played proactive role for provision of supply to the industries as done later on request of Chamber of Commerce and Industry because industries play a vital role for betterment of economic condition of the country.



- (ii) According to QESCO, the Complainant's prospective connection essentially based on steel furnace requiring an independent feeder remained pending due to non-provision of the NOC by the Complainant required to be issued from Industrial Department, Government of Balochistan which was later on submitted by the Complainant and by that time there arose technical constraints due to unavailability of required infrastructure i.e. space for 11kV panel and lack of capacity in the power transformer at 220/132 kV Industrial grid station. As per provisions of NEPRA Consumer Eligibility Criteria (Distribution Licensees) Regulations, 2022 extension/reinforcement in Common Distribution System (CDS) is responsibility of QESCO. The 132 kV system is part of QESCO's CDS; therefore QESCO should have taken steps for its extension/reinforcement.
- (iii) Moreover, the Complainant's application remained pending for further processing by QESCO on the pretext that two cases of theft/detection bills of reference Nos. 24-48134-0361203 & 24-48134-0361208 against the Complainant are under process at High Court of Balochistan. It is worth mentioning that the honourable court vide order dated June 17, 2021 directed that upon submission of the surety, the Chief Engineer/Operation Director, QESCO should constitute a committee within 24 hours and to issue direction for restoration of the electricity within next 24 hours. The Complainant submitted the surety equivalent to the amount of detection bills before Additional Registrar High Court of Balochistan which was confirmed by the Court vide Memo No. 17259/Judl:C.P No.736/2021 dated July 8, 2021 and subsequently both the electricity connections under reference Nos. 24-48134-0361203 & 24-48134-0361208 were restored by QESCO.
- (iv) On a query, the Complainant apprised that their operations/nature of business does not involve furnace activity. They argued that their earlier connections have been provided from Common Distribution System because no furnace activity is involved in their industry and this new connection will also involve the same activities, therefore, the connection can be provided from Common Distribution System (CDS). However, the Complainant submitted that they are ready for an independent feeder. On a query; QESCO officials submitted that capacity is available at 11 kV Asimabad Feeder.
- (v) QESCO further apprised that the Complainant submitted the required NOC but verification of the same was pending with the Industrial Department as the NOCs provided by the applicants are required to be verified by QESCO through its own procedure. The Industrial Department verified the same vide letter No. 318/IEQ/DIQ/1495 dated November 01, 2022.
- (vi) In order to resolve long outstanding issue, during the hearing held on October 28, 2022 QESCO officials agreed to provide connection to the Complainant upto 1000 kW from 11 kV Asimabad Feeder subject to the condition that the Complainant will not use furnace activity in their Steel Mill.
- (vii) During the hearing, QESCO officials apprised that 1500 kVA transformer are not available in stores of QESCO, therefore, QESCO will issue NOC to the Complainant for purchase of 1500 kVA transformer from approved vendors as per the approved specifications of QESCO. Moreover, as and when the capacity issue is resolved by QESCO at the respective Grid Station, the Complainant shall be given first priority for their dedicated feeder. QESCO is required to take necessary action to address the non-availability of capacity at the said 132 kV system.
- (viii) Consumer Eligibility Criteria (Distribution Licensees) Regulations, 2022 envisages that distribution licensee shall ensure that all applicants and consumers are treated in a non-discriminatory, fair, transparent and just manner.
- (ix) Moreover, provision of electricity is a Fundamental Right for all citizens under Article 9 and 14 of Constitution of Islamic Republic of Pakistan. Non supply of electricity to a citizen, tantamount to deprivation of this Fundamental Right as well as violation of Article 8 of the Constitution which says that any law, custom or usage having the force of law that is inconsistent or abridges a Fundamental



Right is void and inoperable. The provision of electricity has been interpreted as Fundamental Right by the Supreme Court of Pakistan.

- (x) The Complainant filed two other cases against detection bills issued by QESCO against reference Nos. 24-48134-0361203 & 24-48134-0361208 before High Court of Balochistan, however, the honourable court vide order dated June 17, 2021 decided that upon submission of the surety, QESCO should restore electricity and further directed the Complainant to avail his remedies before the concerned court/forum. Accordingly, the Complainant submitted the surety equivalent to the amount of detection bills before Additional Registrar High Court of Balochistan which was confirmed by the honourable court vide Memo No. 17259/Judl:C.P No. 736/2021 dated July 8, 2021 and subsequently both the electricity connection were restored by QESCO during the month of July, 2021. The Complainant further lodged his complaint against the said detection bills before NEPRA which are being decided separately.

6. Foregoing in view, QESCO is directed as under:

- (i) To provide electricity connection to the Complainant from 11 kV Asimabad Feeder after taking an undertaking from the Complainant that he will not operate furnace activity in his mill and load will remain under 1000 kW. Codal formalities for provision of connection be completed.
- (ii) To issue NOC to the Complainant for purchase of 1500 kVA transformer from the approved vendors as per specifications of QESCO due to its non-availability in stores of QESCO.
- (iii). The Complainant be given first priority for their dedicated feeder, as and when the capacity issue is resolved by QESCO at the respective Grid Station. QESCO is required to take necessary action to addresses the issue of non-availability of capacity at the 132 kV system at the earliest.
- (iv) To observe consumption of the Complainant in future and carry out periodic checking/inspections of the metering equipment.
- (v) Two other cases of detection bill are under process at NEPRA which are being decided shortly. The decisions could be in favour of the Complainant or QESCO, as the case may be, therefore, till final outcome of those cases and settlement of the disputed amount; QESCO is directed to ensure that the guarantee/surety submitted by the Complainant before Additional Registrar High Court of Balochistan shall remain intact/effective.

7. Compliance report be submitted within thirty (30) days.



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



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



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

Islamabad, December 22, 2022

