



Registrar

National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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No. NEPRA/R/TCD-02 *10647-48*

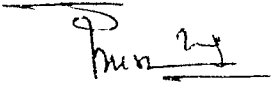
29-8-2013

Chief Executive Officer,
Islamabad Electric Supply Company
Street 40, Sector G-7/4
Islamabad

Subject: Decision of Member (Consumer Affairs) In The Matter of Complaint Filed By Mr. Asif Ali Raja, Director Al-Qadir Textile Mills Limited under Section 39 of The Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 Against IESCO Regarding Shifting of Meter From Premises to Grid Station (AC#27 14526 0110142)
Complaint # IESCO-80/2012

Please find enclosed the decision of Member (Consumer Affairs) regarding the subject matter for necessary action and compliance within 30 days of the receipt of this decision.

Encl : As Above


(Syed Safer Hussain)

Copy to:

1. C.E./Customer Services Director, Islamabad Electric Supply Company (IESCO), Street No.40, G-7/4, Islamabad.
2. Mr. Asif Ali Raja, Director, Al-Qadir Textile Mills Ltd. 6-K.M. Jhelum Road, Chakwal.



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

Complaint No: IESCO-80-2012

Mr. Asif Ali Raja Complainant
Director, Al-Qadir Textile Mills Limited,
6 km, Jhelum Road, Chakwal.

Versus

Islamabad Electric Supply Company (IESCO) Respondent
IESCO Head Office, Street # 40, Sector G-7/4,
Islamabad.

Date of Decision: August 27, 2013

Date of Hearing: February 13, 2013

On Behalf Of:

Complainant: 1. Mr. Zaheer Ahmed Akmal, CFO, Al-Qadir Textile Mills Limited, Chakwal.
2. Mr. Muhammad Bashir Raja, Director, Al-Qadir Textile Mills Limited, Chakwal.

Respondent: 1. Mian Sher Namdar, Superintending Engineer, IESCO, Chakwal.
2. Mr. Mumtaz Ali Janjua, NEN, IESCO, Chakwal.

Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. ASIF ALI RAJA, DIRECTOR AL-QADIR TEXTILE MILLS LIMITED UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST IESCO REGARDING SHIFTING OF METER FROM PREMISES TO GRID STATION (AC # 27 14526 0110142)

DECISION

1. This decision shall dispose off the complaint dated nil (received in Consumer Affairs Division NEPRA on 27th June 2012) filed by Mr. Asif Ali Raja, Director, Al Qadir Textile Mills Limited, Chakwal (hereinafter referred to as the "Complainant") against Islamabad Electric Supply Company (hereinafter referred to as the "Respondent" or "IESCO") under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

2. Precisely, the Complainant in his complaint stated that the Mill has been running since 1989 under tariff B-3 and according to special conditions of tariff B-3, the electric meter is required to be installed at consumer's premises. However, IESCO shifted the respective electric meter from the Complainant's premises to grid station. The Complainant has been paying in excess in the shape of high rates of tariff B-3 besides (transmission) line losses from grid station to his premises. The Complainant requested to shift the electric meter at his premises (Mill).

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3. The matter was taken up with HESCO for submission of para wise comments vide this office letter dated 27th June 2012. In response, HESCO sought extension in time vide its letter dated 19th July 2012 and later, HESCO vide its letter dated 31st July 2012 submitted its report, wherein it was stated that the MDI meter was installed at Grid Station with the consent of the consumer. Moreover, the case was originally approved by Chairman AEB Wapda Islamabad for provision of connection to M/s Al Qadir Textile Mills through separate 11kV feeder with dog conductor and installation of metering equipment at consumer's premises. Later on, M/s Al Qadir Textile Mills applied for extension of load from 1585 kW to 3085 kW. The case was approved with the conditions that the metering point be shifted from the consumer premises to 132 kV Chakwal Grid Station and the consumer should provide LT capacitors at his premises to improve power factor at 95%. M/s Al Qadir Textile Mills deposited Capital cost of Rs.25980/- on 16th October 1991 and extension of load was approved from existing system and billing was shifted from premises to 132 kV Grid Station Chakwal on request of the consumer. The consumer also extended unauthorized load e.g. MDI recorded for June 2012 was 3320 kW which was beyond the sanctioned limit and requires regularization of unauthorized load in the light of system parameters i.e. reconductoring of existing dog conductor with proper size of conductor according to recorded load, then his metering may be shifted to the premises.

4. HESCO's report was sent to the Complainant for comments vide this office's letter dated 7th August 2012. In response thereto, the Complainant vide his letter dated nil (received in Consumer Affairs Division on 31st August 2012) raised his observations against HESCO's report. The matter was again taken up with HESCO vide this office's letter dated 5th September 2012 and HESCO was directed to review the case and submit report in light of the following observations:

Unauthorized extension of load is a separate issue which HESCO may deal in accordance with the applicable rules. According to provisions of Consumer Service Manual, the energy meter is to be installed at consumer premises at a safe and accessible location. Billing of the meter installed at grid station will include the energy units lost in the system which is not permissible under Rules. Apparently, the installation of meter at grid station instead of consumer premises is violation of prevailing rules/ regulations.

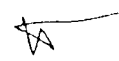
5. HESCO vide its letter dated 5th October 2012 submitted its report, whereby it was reiterated that the consumer extended his load from 1585kW to 3085kW avoiding reconductoring of 11kV line by providing affidavit/undertaking that his meter should be shifted to Grid Station. If consumer wants to avail the facility of meter reading at his premises, he will have to bear the cost of reconductoring and other technical requirements obligatory for B-3 connection. The report of HESCO was sent to the Complainant vide this office's letter dated 16th October 2012 for comments. The Complainant vide his letter dated 4th February 2013 submitted his comments on HESCO's report and raised his observations against the same.

6. To further explore the matter, it was decided to hold a hearing to finalize/settle the case. The said hearing was held on 13th February 2013 at NEPRA Office Islamabad which was attended by representatives of both the parties. Subsequent to the hearing, Consumer Affairs Division (CAD) NEPRA vide letter dated 25th February 2013 sought some information from HESCO regarding the case. In response thereto, HESCO vide letter dated 21st March 2013 submitted the requisite information. Later, NEPRA vide letter dated 27th March 2013 directed HESCO to immediately install an energy meter at consumer premises to determine the exact line losses of the feeder between grid station and consumer premises and submit the pertinent information/ data on a prescribed proforma. Upon non receipt of information, a reminder was also issued vide letter dated 23rd April 2013. Meanwhile, the Complainant vide his letter dated 26th April 2013 informed that HESCO has installed an energy meter at the Complainant's premises to determine line losses of the feeder between grid station and factory premises. Later, HESCO vide its letter dated 3rd May 2013 submitted that the energy meter was installed at consumer's premises by Technical Committee to determine the line losses of the feeder between grid station and consumer's premises and reading of both meters from 05th April 2013 to 19th April 2013 were recorded. The percentage line losses were found to be 5.5 %.

7. To further investigate the matter, NEPRA vide letter dated 22nd May 2013 sought additional information / documents from HESCO regarding the case. Upon non-receipt of information, reminders were also issued in this regard vide letters dated 28th May 2013 and 5th June 2013. In response thereto, HESCO vide its letter dated 7th June 2013 submitted that the matter is being pursued vigorously with all concerned and requires technical evaluation and analysis and requested for extension in submission of report by 25th June 2013, which was granted vide letter dated 11th June 2013. Later, HESCO vide its letter dated 24th June 2013 submitted the required information.

8. After considering the facts of the case, hearing both the parties and analyzing the documents / information provided by the parties, following is concluded:

- i. That the Complainant is consumer of HESCO having sanctioned load of 3085 kW under tariff category B-3. The connection of the Complainant was sanctioned in 1989 through independent 11kV feeder with Dog conductor with load of 1585 kW. At that time, the energy meter of the Complainant was installed at his premises.
- ii. That upon extension of load from 1585kW to 3085kW in 1991, the Complainant's meter was shifted from his premises to the grid station and an undertaking was also obtained from the Complainant for shifting of the energy meter from his premises to the grid station. As per Complainant, he was forced to submit an undertaking as he had no any other option. The consumer was also asked to provide additional capacitors to improve the power factor. Undertaking obtained by HESCO is illegal and has no legal justification as the same has been obtained in violation of prevailing rules/regulations. In such disputes, law always prevails.

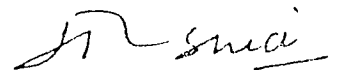




- iii. That if the conductor was required to be replaced, then it should have been replaced at initial stage i.e. at the time of extension of load in 1991. Instead of replacement of the conductor, IESCO shifted the billing meter at grid station which was violation of applicable rules and against the Law. Billing of B-3 connection is required to be made at premises.
- iv. That as per the law, B-3 consumers are required to be billed at premises because line losses are already built in the B-3 tariff, billing of the Complainant at grid station means payment of double line losses.
- v. That IESCO was directed to install an energy meter at consumer premises to determine the line losses of the feeder between grid station and consumer's premises. Accordingly, the energy meter was installed at premises of the Complainant and IESCO reported that there are 5.5% line losses. IESCO further reported that the Complainant's billing can be shifted from grid station to his premises upon replacement of the existing Dog conductor with Osprey conductor.
- vi. That the Complainant is ready to bear the cost of replacement of the conductor but he is of the view that there could be some right of way problem and if IESCO takes the responsibility for right of way issue, then he is ready to pay the amount of new conductor, whereas, IESCO is of the view that right of way is the responsibility of the Complainant.
10. In light of the foregoing, IESCO is directed as under:
- (i) Billing be made to the Complainant at the premises and losses between grid station and the premises be determined through the reading of meters installed at both ends. IESCO itself has admitted that permissible line losses of this feeder can be upto 3%, therefore, losses between the grid station and premises up to 3% be borne by the IESCO and losses beyond 3% be borne by the Complainant.
- (ii) Capacitors be installed at the expense of the Complainant to improve the technical parameters of the feeder. Once the conductor is replaced, then the Complainant will not have any billing liability for losses and all the losses between grid station and premises will be borne by IESCO.
- (iii) If the Complainant wants to replace the conductor, then he has to provide all the charges and right of way, however IESCO cannot force the Complainant for replacement of the conductor.
- (iv) This decision will be applicable from the date of the receipt of complaint to NEPRA i.e. 27th June 2012. Accordingly, IESCO shall workout the credit of 3% losses w.e.f. 27th June, 2012 which will be adjusted in the future billing of the Complainant.

11. Compliance report in this regard shall be submitted within thirty (30) days. This decision cannot be quoted as precedent for other such like cases. Such cases (if any) received in future shall be decided by NEPRA on case to case basis.

Islamabad, August 27, 2013


Maj. (R) Haroon Rashid
Member (Consumer Affairs)

