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National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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REGISTRAR

No. NEPRA/CAD/TCD.02/ 1284

February 12, 2010

Chief Executive Officer
Islamabad Electric Power Company (IESCO)
Street No. 40, G-7/4,
Islamabad.

Subject: Decision on Show Cause Notice to IESCO on the Complaint of Main Akram Farid, Managing Director, Pak Iron Factory against IESCO

1. Through this decision the Authority will dispose off the Show Cause Notice issued to IESCO pursuant the complaint of Mian Akram Farid, Managing Director, Pak Iron Factory against IESCO regarding change of name and extension of load (A/c No.412400820407).
2. The brief facts of the case are that Mian Akram Farid filed a complaint with National Electric Power Regulatory Authority (the Authority) on 23rd August 2007 against IESCO regarding change of name and extension of load from 1676 KW to 4,000 KW (B-3) industrial connection. The complainant informed that change of name and extension of load was accorded by IESCO on 1st November 2004. The security deposit demand notice amounting to Rs.3,640,000/- was issued on 1st November 2004, which was deposited on 29th January 2005, but IESCO delayed issuance of demand notice for capital cost.
3. On inquiry of the Authority, IESCO reported through their letter dated 16th February 2008 that capital cost demand notice could not be issued due to technical constraints and the same will be issued after commissioning of 132 KV Satellite Town grid station. On intervention of the Authority, the demand notice for capital cost was issued on 12th June 2008 and was paid on 26th June 2008. The complainant vide their letter dated 12th March 2009 informed that the matter has not yet been settled and their feeder is yet to be energized. The matter was again taken up with IESCO and a meeting on the matter was arranged for 10th June 2009. In the meeting, IESCO informed that change of name has been made in May 2009 and extension of load has been allowed and the feeder has been energized two days back i.e. 8th June 2009.
4. The complainant in the meeting informed that due to this attitude and delay in extension of load by IESCO they have suffered loss of more than fifty million rupees. Moreover, the cases which were registered later were granted power connections.
5. The Authority considered the facts of the case, the contentions of the complainant and the response of the licensee and issued a Show Cause Notice under Rule 9 (3) of the NEPRA Performance Standards (Distribution) Rules, 2005 to the licensee on 21 July 2009. The licensee was required to show cause within 15 days of receipt of the notice as to why a penalty of fine upto the maximum of Rs.300,000/- should not be imposed

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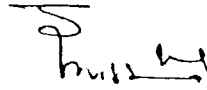
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on IESCO in terms of Rule 9(1) of the NEPRA Performance Standards (Distribution) Rules, 2005 for inefficient performance in providing the electricity connection to the complainant within the stipulated time of 106 days from the date of application which constitutes violation of Rule 4(c)(4) of NEPRA Performance Standards (Distribution) Rules, 2005.

6. The licensee vide its letter No.169/CEO/IESCO/CSD dated 25 August 2009 submitted its reply to the Show Cause Notice. The licensee, *inter alia*, submitted that as per explanation to the Rule 4(c)(4) of the NEPRA Performance Standards (Distribution) Rules, 2005 the limits of this standard shall not include any time required that is beyond the control of the distribution company. The licensee also submitted that the energization of the 11KV feeder was delayed because this activity required the shut down on Power Transformer whereby the supply of 8 Nos. KV feeders had to be interrupted. Since these were industrial connections, these consumers were not permitting shut down due to their own constraints. The licensee, finally, submitted that the complainant is satisfied with the response of IESCO as intimated in his letter to IESCO. In lieu of the above, the licensee requested the Authority to withdraw the Show Cause Notice.
7. The Authority considered all aspects of the case and keeping in view the fact that this is the first complaint of its kind against IESCO, decided to take a lenient view. The licensee is therefore, advised to strictly adhere to the NEPRA Rules and Regulations in its true letter and spirit and avoid such violations of NEPRA laws in future. In case, such violations are reported, the matter shall be dealt in accordance with the NEPRA Rules and Regulations.


(Syed Safer Hussain)
(Registrar)