



National Electric Power Regulatory Authority
ISLAMIC REPUBLIC OF PAKISTAN
Attaturk Avenue (East) Sector G-5/1, Islamabad.
Ph: 051-2013200 Fax: 051-2600021

**Consumer Affairs
Department**

2477
TCD.04/ -2025
June 26, 2025

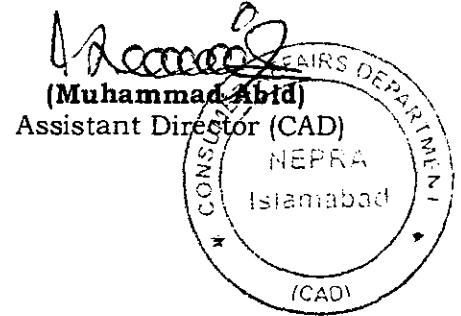
Chief Executive Officer,
Faisalabad Electric Supply Company (FESCO),
Abdullah Pur, Canal Bank Road, Faisalabad.

SUBJECT: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. RIAZ FATYANA (MNA) UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST FESCO REGARDING DELAY IN ELECTRIFICATION WORK OF VILLAGE.

Complaint No. FESCO-NHQ-47048-11-24 & FESCO-NHQ-16836-09-22

Please find enclosed herewith the decision of the NEPRA Complaints Resolution Committee (CRC), dated June 26, 2025 regarding the subject matter for necessary action and compliance within thirty (30) days.

Encl: As above



Copy to:

1. GM (Customer Services & Commercial)
FESCO, Abdullah Pur, Canal Bank Road, Faisalabad.
2. Director Commercial
FESCO, Abdullah Pur, Canal Bank Road, Faisalabad.
3. Additional Director (CAD),
NEPRA Regional Office, 1st floor, Plaza No. C-6B,
Opposite National Bank, College (Hockey Stadium) Road,
Kohinoor City, Faisalabad
4. PS to Mr. Riaz Fatyana, MNA,
Member National Assembly,
House No. 1091, Street 32, Black D, Phase-VI,
DHA, Lahore. Cell: 0300-6555555



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

Complaint No. FESCO-NHQ-47048-11-24 & FESCO-NHQ-16836-09-22

Mr. Riaz Fatyana, MNA,
Member National Assembly,
House No. 1091, Street 32, Black D, Phase-VI,
DHA, Lahore. Cell: 0300-6555555

..... Complainant

VERSUS

Faisalabad Electric Supply Company (FESCO)
Abdullah Pur, Canal Bank Road, Faisalabad.

..... Respondent

Date of Hearing: November 10, 2022
November 30, 2022
January 03, 2023
February 07, 2023
December 31, 2024
May 23, 2025

**On behalf of
Complainant:** Mr. Riaz Fityana, MNA
Mr. Sohail, PS

Respondent: Rao Muhammad Inamul-ul-Haq, Addl. XEN (Construction), FESCO
Mr. Mureed Hussain, XEN (Construction), FESCO
Mr. Imran Aslam Addl, XEN (Construction), FESCO
Mr. Liaqat Ali Awan, XEN (Construction), FESCO

SUBJECT: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. RIAZ FATYANA (MNA) UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST FESCO REGARDING DELAY IN ELECTRIFICATION OF VILLAGE.

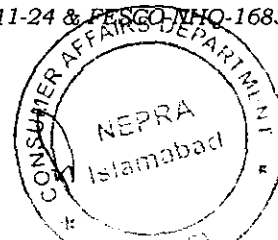
DECISION

This decision shall dispose of the complaint filed by Mr. Riaz Fatyana, Member National Assembly (MNA) (hereinafter referred to as the "Complainant") against Faisalabad Electric Supply Company (hereinafter referred to as the "Respondent" or "FESCO"), 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 an amount of Rs. 335.503 Million was deposited through SDGs SAP Programme on January 26, 2022 into FESCO's account for electrification of villages i.e. 252-Schemes. However, electrification work of almost 50% schemes has been completed and FESCO is demanding more money on account of

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CRC Decision: Mr. Riaz Fatyana, MNA vs FESCO (FESCO-NHQ-47048-11-24 & FESCO-NHQ-16836-09-22)



escalation of rates of material. Therefore, the Complainant requested NEPRA to direct FESCO for completion of remaining work without demand of any amount on account escalation of rates being in violation of relevant provisions of Consumer Service Manual (CSM). The Complainant further apprised that progress of work is also not satisfactory. The matter was taken up with FESCO whereby FESCO submitted that rates of material were increased abnormally due to increasing/fluctuating trend of prices, therefore, electrification work of all schemes cannot be completed and an amount of Rs. 120.303 Million is required for completion of remaining work.

3. In order to proceed further hearings were held at NEPRA Head Office, Islamabad and the matter was discussed at length. The case has been examined in detail in light of record made so available by parties, arguments advanced during hearing and applicable law. The conclusion is made as under:

- (i) The matter fundamentally pertains to electrification of villages i.e. 252-Schemes in District Jhang under SDGs SAP Programme. The Complainant deposited an amount of Rs. 335.503 Million on January 26, 2022 to FESCO. However, FESCO did not complete the required work within the given time period and demanded an additional amount of Rs. 120.303 Million for 100% completion of the requisite work. During the hearings FESCO submitted that out of 252-Schemes, 100% work of 181-Schemes can be completed from deposited funds and an amount of Rs. 120.303 Million is required for completion of work of remaining 71-Schemes. The said work will be completed soon after the provision of additional funds by the Complainant.
- (ii) Clause-2.4.10 of Consumer Service Manual (CSM) provides that if escalation in the cost of material takes place within the period required for installation of connection/electrification, as the case may be then in such a case additional cost due to escalation, shall be paid by the applicant. No escalation charges shall be applicable if enhancement in rates of material takes place after the lapse of the period given for installation of connection. According to the record made so available by FESCO, during the period of execution of work the funds were kept in Deposit Account of FESCO and profit was also earned by FESCO against the said deposited funds.
- (iii) Scrutiny of record reveals that energization of majority of schemes is pending due to non-provision of 48x25 KVA & 23x 50 KVA transformers by FESCO, however, allied material is available and FESCO is demanding additional amount for completion of the remaining work. According to the time frame give in Consumer Service Manual (CSM) read with Performance Standards (Distribution) Rules, 2005 DISCOs have to energize the connections within 34-days of payment of demand notice in the cases where Load is above 15 kW but not exceeding 70 kW. In the instant case individual load of every scheme is below 70 kW, however, there are 9-Schemes where transformers of 100 KVA have been proposed by FESCO. Therefore, even if maximum load of a scheme be considered on 100 KVA transformer (i.e. 80 kW) then FESCO should have completed the electrification work of the schemes upto March 13, 2022 i.e. within 46-days of provision of funds on January 26, 2022 because according to time frame mentioned above DISCOs have to energize the connections within 46-days of payment of demand notice in the cases where Load is above 70 kW but not exceeding 500 kW.
- (iv) Moreover, during the hearing held on May 23, 2025 FESCO officials apprised that out of 252-schemes, 100% electrification work of 148-schemes will be completed by June 30, 2025 from the funds already deposited by the Complainant during the year 2022. However, Rs. 120.303 Million will be required for electrification of remaining 71-schemes.

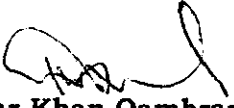


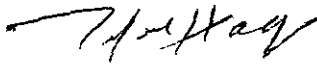
- (v) Furthermore, Clause 2.4.6 of Consumer Service Manual (CSM) stipulates that if escalation in cost of material takes place within the time period required for installation of connection, then in such a case additional cost due to escalation, shall be paid by the applicant. Since, CSM and Performance Standards (Distribution) Rules, 2005 also provide certain time period for installation of connection, hence, any financial revision of the fully paid demand notice on account of the cost escalation materializing before March 13, 2022 within the set time frame i.e. 46-days, required for the installation of connection after issuance of demand notice can be considered justified. However, according to same clause, no escalation charges shall be applicable if enhancement in rates of material takes place after the lapse of time period given for installation of connection. Thus, demand of additional amount of Rs. 120.303 Million apparently based on escalated material cost in effect after lapse of 46-days since payment of demand notice during January, 2022 is unjustified.


4. Foregoing in view, it is established that escalation has taken place after lapse of given time period for completion of work as per Consumer Service Manual (CSM) and Performance Standards (Distribution) Rules, 2005, therefore, FESCO is directed to:

- (i) Submit completion report of 148-schemes immediately as committed by FESCO during the last hearing held on May 23, 2025.
- (ii) To complete electrification work of remaining 71-schemes without charging any additional amount (cost) as the same stands in violation of relevant provisions of Consumer Service Manual (CSM).

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


(Lashkar Khan Qambrani)
Member, Complaints Resolution Committee/
Director (CAD)


(Muhammad Irfan ul Haq)
Member, Complaints Resolution Committee /
Assistant Legal Advisor (CAD)


(Naveed Illahi Shaikh)
Convener, Complaints Resolution Committee /
Director General (CAD)

26/06/25

CONSUMER AFFAIRS DEPARTMENT
NEPRA
Islamabad
(CAD)

Islamabad, June 26, 2025