



National Electric Power Regulatory Authority

NEPRA Tower

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

Ph:051-2013200, Fax: 051-2600021

Consumer Affairs Department

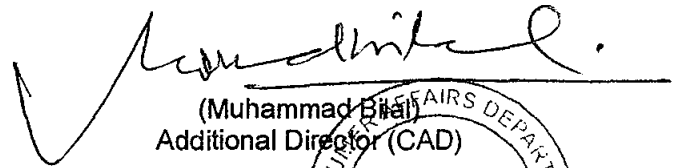
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April 16, 2024

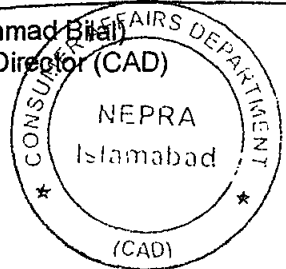
Chief Executive Officer
Islamabad Electric Supply Company (IESCO)
Street No 40, G-7/4
Islamabad.

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MANAGER M/S SAMAMA STAR CONSTRUCTION COMPANY UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST IESCO REGARDING DELAY IN EXECUTION/PROVISION OF ELECTRICITY CONNECTION:-**

Complaint # IESCO-NHQ-26785-07-23

Please find enclosed herewith the decision of NEPRA Consumer Complaints Tribunal, dated April 16, 2024 regarding the subject matter for necessary action and compliance within twenty (20) days, positively.


(Muhammad Bilal)
Additional Director (CAD)



Copy:-

1. C.E./Customer Services Director
Islamabad Electric Supply Company (IESCO)
Street No 40, G-7/4
Islamabad.
2. Manager,
M/s Samama Star Marketing Company,
Samama Gulberg Mall & Residency, Plot No.20 & 21,
Business Avenue, Block-A, Gulberg Green (IBECHS),
Zone-V, Islamabad.



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

Complaint No. IESCO-NHQ-26785-07-23

Manager, M/s Samama Star Construction Company **Complainant**
Samama Gulberg Mall & Residency, Plot No.20&21,
Business Avenue, Block-A, Gulber Green (IBECHS),
Islamabad.

VERSUS

Islamabad Electric Supply Company (IESCO) **Respondent**
Street No 40, G-7/4, Islamabad.

Date(s) of Hearing(s): August 31, 2023, October 17, 2023,
February 14, 2024

Complainant: Manager, M/s Samama Star Construction Company

Respondent:

1. Mr. Arif Mehmood Sadazai, CSD, IESCO
2. Mr. Kamran Aftab, CE(P&E), IESCO
3. Mr. Faisal Sharif, CE(MM), IESCO
4. Mr. Nasir Hanif, Director (MM), IESCO
5. Syed Ghazanfar, DD(P), IESCO

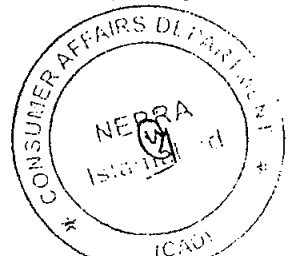
SUBJECT: DECISION IN THE MATTER OF COMPLAINT FILED BY MANAGER M/S SAMAMA STAR CONSTRUCTION COMPANY UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST IESCO REGARDING DELAY IN EXECUTION/PROVISION OF ELECTRICITY CONNECTION

DECISION

This decision shall dispose of the complaint filed by Manager, M/s Samama Star Construction Company (hereinafter referred to as the "Complainant" or "Consumer") against Islamabad Electric Supply Company (hereinafter referred to as "Respondent" or "IESCO"), 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, NEPRA received a complaint from Manager, M/s Samama Star Construction Company dated July 14, 2023 wherein, the Complainant stated that IESCO is carrying out unnecessary delay in execution of his electrification works even after paying the cost in full on January 6, 2021 against provision of electricity connection for an ultimate load demand of 3069 kW. On December 30, 2020, IESCO sanctioned eight (08) Nos. of 630KVA Pad Mounted Transformer (PMTs) to cater the load

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demand but only 05 Nos. transformers have been installed, whereas, the remaining 03 Nos. transformers are still required to be installed. The Complainant requested NEPRA to intervene in the matter for speedy completion of his pending electrification work since 29 months.

3. The matter was taken up with IESCO, and a hearing was also held on August 31, 2023. In response, IESCO vide a letter dated August 30, 2023 informed that the Complainant's connection was sanctioned on December 30, 2020 through an independent 11KV feeder from the 132KV Gulberg Grid Station. The accumulated load of his two (02) plots is 3.069MW which were to be fed through eight (08) numbers of 630 KVA capacity of Pad Mounted Transformers (PMTs) i.e. (04 Nos. PMTs for Plot No. 20 & 04 No. of PMTs for plot No. 21). After payment of demand notice, out of the total 8 PMTs, 5 have been installed at site i.e. (04 Nos. PMT's for Plot No. 20 & 01 No. of PMTs for plot No. 21), whereas 3 Nos. PMTs are pending due to unavailability in the store. IESCO further stated that a revised estimate and No Objection Certificate (NOC) has already been issued to the sponsor from PD office (CO) IESCO to self purchase the remaining 03 PMTs and will be installed once received. The balance amount of 1,689,623/- (1.689 Million) is available with IESCO which will be refunded to the sponsor.

4. The report of IESCO was forwarded to the Complainant for information/rejoinder. In response, the Complainant vide a letter dated September 28, 2023 reiterated its earlier version. The complainant did not agree with the stance of IESCO and stated that during the past 32 months, numbers of 630KVA transformers were issued to different consumers of IESCO by depriving them from their legitimate right. The Complainant further requested NEPRA to direct IESCO for installation of remaining 03 Nos. of 630 kVA PMTs.

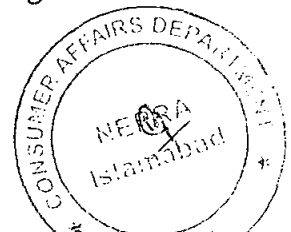
5. Another, hearing was held on October 17, 2023 which was attended by both the parties wherein the parties reiterated their arguments based on their earlier written responses. IESCO submitted that the remaining work of Samama Star will be expedited subject to condition that the Complainant will pay the escalation charges of the same through additional demand notice. The Complainant was insisting for prompt execution of his pending electrification work in accordance with the relevant provisions of CSM.

6. In order to further investigate the matter, IESCO was directed vide this office letter, dated November 8, 2023 to submit details of 630KVA transformers available with IESCO store at the time of issuance of demand notice and record of availability of same capacity of transformers 630 kVA received in IESCO store and issuance after January 6, 2021. In response, IESCO vide its letter dated January 12, 2024 submitted the requisite information, from which, it reveals that sufficient stock/quantity of material was available in IESCO's store at the time of issuance of DN in December 30, 2020 and thereafter as well. Despite availability of sufficient material, IESCO failed to execute the remaining electrification work and did not issue any NOC within the specified time frame for the self-purchasing of 03 Nos remaining transformers.

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

- i. The Complainant approached IESCO for provision of an electricity connection for ultimate load demand of 3069 KW. Subsequently, a demand notice was issued and the same was paid by the complainant on January 6, 2021. After receipt of the payment, IESCO was under an obligation to execute the work within the specified time frame as defined in the relevant provisions of Consumer Service Manual (CSM) and NEPRA Performance Standard Distribution Rules, 2015. According to these

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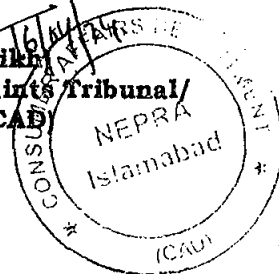
provisions, the execution work of electricity connection of the Samama Star Construction Company should have been executed within seventy six (76) days after payment of the demand notice. IESCO did not fulfill these obligations and also failed to issue any NOC to the Complainant for purchase of material within the specified time period, if the same were not available in IESCO stores.

- ii. IESCO installed only five (05) transformers. Remaining three (03) transformers were not installed despite their availability in store as per record of IESCO. The record provided by IESCO clearly shows that there was no any shortage of material and sufficient stock/quantity of material was available in IESCO's store at the time of issuance of demand notice in December 30, 2020 and afterwards.
 - iii. Following the fulfillment of all formalities and the Complainant's payment of the demand notice, IESCO was obligated to execute the electrification within the stipulated timeframe mandated by the law. The delay in executing the work is not attributable to the complainant, rather, it falls within the responsibility and duty of IESCO. Consequently, the current issue is pending on the part of IESCO since January 6, 2021 without any reasonable justification. IESCO has issued additional demand notice on August 24, 2023 for payment of escalation charges.
 - iv. Please note that in Clause 2.4.6 of the CSM, it is explicitly stated that "if escalation in cost of material takes place within the time 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 take place after the lapse of time period given for installation of connection.
 - v. If there was any issue of material, it should have been informed to the Complainant soon after payment of demand notice. IESCO has claimed that it informed the Complainant about the non-availability of material, however, the said requirement was raised by IESCO after a lapse of the specified time of 76 days required for energization of connection after payment of demand notice.
8. Foregoing in view, IESCO is directed to withdraw the additional demand notice issued to the Complainant in respect of escalation of material charges and complete the electrification work/energize the electricity connection(s), immediately. Escalation, if any will only be applicable upto 76 days after the payment of demand notice.
9. Compliance report be submitted within twenty (20) days.


(Ubed Ullah Memon)
Member Consumer Complaints Tribunal/
Director (CAD)


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


(Naveed Hani Shaikh)
Convener, Consumer Complaints Tribunal/
Director General (CAD)



Islamabad, April 16, 2024