



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

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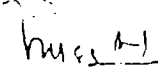
June 22, 2010

Chief Executive Officer
Lahore Electric Supply Company (LESCO)
22-A, Queen's Road
Lahore.

Subject: COMPLAINT OF SYED ASHIQ HUSSAIN NAQVI AGAINST
LESCO: ISSUANCE OF EXCESSIVE DEMAND NOTICE

Reference is made to the complaint filed by Syed Ashiq Hussain Naqvi against
LESCO regarding the subject matter.

2. Please find enclosed herewith the decision of the Member (Consumer Affairs) for
further necessary action and compliance within 30 days.


(Syed Safer Hussain)

D/A
As stated

CC:

1) Director Admin/ Registrar
Wafaqi Mohtasib (Ombudsman's)
Secretariat Regional Office
15-A, Davis Road, Lahore

{ w.r.t No-F-II.REG/WMS/ROL (13) 2009
dated 5-10-2009 }

2) Mr. Azhar Amin Chaudhary
Section Officer
Law and Justice Division
Government of Pakistan, Islamabad

{ w.r.t No. 458/07-Law (WM)
dated July 30, 2009 }

3) ✓ Syed Ashiq Hussain Naqvi
229- Ali Town Raiwind Road, Lahore



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

CCR No.59-2009

Syed Ashiq Hussain Naqvi Complainant

Versus

Lahore Electric Supply Company Respondent

Date of Hearing: March 15, 2010

Date of Decision: June 18, 2010

Before: Mr. Shaukat Ali Kundi (Member Consumer Affairs)

ON BEHALF OF.

Complainant: Syed Ashiq Hussain Naqvi

Respondent: 1) Mr. Farasat Zaman, CE/Customer Services Director, LESCO
2) Mr. Muhammad Qasim, Manager Commercial, LESCO
3) Syed Mubashir Masood, Director Legal, LESCO

**IN THE MATTER OF
COMPLAINT FILED BY SYED ASHIQ HUSSAIN NAQVI AGAINST LESCO
REGARDING ISSUANCE OF EXCESSIVE DEMAND NOTICE**

ORDER

1. This Order shall dispose of the complaint of Syed Ashiq Hussain Naqvi Son of Syed Haider Hussain Shah (hereinafter referred to as "the complainant") against LESCO (hereinafter referred to as "Respondent") referred to National Electric Power Regulatory Authority (hereinafter referred to as "the Authority") by Wafaqi Mohtasib on direction of President of Islamic Republic of Pakistan, for decision.

2. Originally the complaint of Syed Ashiq Hussain Naqvi Son of Syed Haider Hussain Shah, Resident of House No. 229 Ali Town Rai Wind Road, Lahore was referred to NEPRA on the instructions of the President of Islamic Republic of Pakistan conveyed through Wafaqi Mohtasib (Ombudsman) vide letter No. F.H.PEG/WMS/ROL (13)/2009 dated October 05, 2009 advising the Authority to take appropriate decision in the said complaint under intimation to them.

3. Precisely, the complainant in his complaint submitted that LESCO in the end of the year 2005 issued Standing Operating Procedure (SOP) for electrification of Ali Town, Lahore. In the year 2006 LESCO installed 02 additional LTs in Ali Town on cost deposit basis; one through discretionary funds of Mrs Shazia Chand, then MPA Punjab Assembly and the other from the grant allocated by the Government of Punjab through Mian Saif ur Rehman. The houses to be electrified through the grant allocated by Government of Punjab through (Mian Saif ur Rehman) were notified for grant of connections, while houses to be electrified through the allocated funds of Mrs. Shazia Chand, MPA were not notified for grant of connections and were treated as per above said SOP. The complainant further submitted that LESCO provided connections to two houses (i.e. Houses No. 155 & 157) by recovering amounts of Rs. 3100.00 and Rs. 8000.00 respectively. The complainant further submitted that when he requested for a second connection in the other portion of his house where a regular connection provided by LESCO already existed, LESCO asked him to deposit a Demand Notice worth Rs. 73189/- whereas earlier he had paid only Rs. 3700.00 for the Demand Notice for the original connection. The complainant, therefore, requested for refund of the extra amount charged by LESCO for the 2nd electric connection of his house.

4. The matter was still in process in the Consumer Affairs Division (CAD) of NEPRA when on October 13, 2009 it received a request from Syed Ashiq Hussain Naqvi pursuant to the letter of Law and Justice Division letter No. 458/07-Law (WM) dated July 30, 2009 with the contentions as explained above at para-3.

5. In order to proceed further in the matter, CAD of NEPRA through its communication of October 21, 2009 referred the complaint to LESCO for offering its comments. In response, LESCO vide its letter of November 12, 2009 reported that the complainant had applied for new 3-phase connection but due to the fact that his house was situated in an area which was not electrified was served a demand notice amounting to Rs. 73189/ (Rs.70089.00 and Rs. 3100.00 as per SOP issued earlier in this regard. The respondent LESCO further stated that the complainant instead of making payment filed a complaint before Honorable Wafaqi Mohtasib and the case was decided in favor of LESCO. It was further submitted that instead of complying with the decision of the Wafaqi Mohtasib (Ombudsman) the complainant preferred to make a

representation to the President of Islamic Republic of Pakistan. In the meantime complainant deposited the demand notice amounting to Rs. 64725/- issued by LESCO and accordingly the new 3-Phase connection was installed on May 25, 2009.

6. The above response of LESCO was examined by CAD NEPRA in light of Section 4 (I) (part-II) of Eligibility Criteria for Consumers of Distribution Companies, 2003 (ECR) and found it unsatisfactory and incomplete. The matter was therefore referred back to LESCO by CAD NEPRA through a letter dated November 18, 2009 saying that the information furnished by LESCO was incomplete and further asked LESCO to respond as to under what circumstances the complainant was issued a huge demand notice for Rs.64,725 for his 2nd connection when LESCO had earlier provided a connection to the complainant in the same house against payment of a Demand Notice for Rs.3700/- and especially when the distribution system of LESCO was already existing in the area where the house of the complainant is situated. In response to this query of CAD NEPRA, LESCO responded that an electric connection was given by LESCO for the first portion in the year 2002 prior to issuance of the said mentioned SOP framed particularly for the said housing scheme (Ali Town) as the sponsor of the Housing Society had left the inhabitants without providing the electricity, and that demand notice for Rs.64, 725/- was issued for the 3-phase connection for the second portion which was paid by the applicant and the connection was installed on 29.05.2009. And, that LESCO had allowed connection quite according to the SOP and did not violate any of the rule, law or policy.
7. Finding the matter controversial CAD NEPRA decided to arrange a hearing to afford an opportunity to both; the complainant and the LESCO to offer their point of view. Hearing was accordingly arranged on March 15, 2010 which was attended by officials of LESCO and the complainant both. In the hearing the complainant stated at the outset that injustice has been done to him by LESCO as he was charged huge amount for the second connection of his house, as he got first connection of his house from LESCO against payment of a regular Demand Notice amounting to Rs. 3700.00 and especially where a distribution system of LESCO already existed. The complainant further informed that quite a few more connections had already been provided to the inhabitants in the same housing colony on payment of demand notices at lower rates having regular terms and conditions. He requested for the refund of the amount paid in excess by him to the Respondent LESCO for the second electric connection of his house.
8. LESCO officials stated that the house of the complainant was situated in a sponsored colony and the complainant managed to get the first connection in the year 2002 from another adjacent already electrified locality illegally through a Line Superintendent who facilitated the complainant in providing the connection who has already been suspended. Regarding the existence of distribution system and violation of Eligibility Criteria, 2003, LESCO submitted that the

question of existence of distribution system did not arise in this particular case because the parts of the Housing Colony were electrified either through the deposit work or under the SOP especially framed by LESCO for this colony, because the sponsor had left the colony un-electrified.

- 9. LESCO after the hearing sent its written arguments dated March 25, 2010 and stated therein that the first connection was illegally managed by the complainant in connivance with the field staff of LESCO in the year 2002 from the adjacent housing society namely "Lalazar Judicial Colony". Further that, Ali Town in which the house of the complainant is located is an abandoned Housing society and the sponsor had run away without electrifying the colony and, that other connections in the colony were provided through a fund received from Government of Punjab amounting to Rs910,842/- for electrification of some portion of the society which covered 27 houses and that the house of the complainant was not covered in this electrification because the distance of his residence from the transformer / LT line was more than 650 feet.
- 10. In light of the explanation given in the preceding paragraphs, it is obvious that distribution system of LESCO had existed in the vicinity of the complainant and that a connection in the same premises was already provided to the complainant by LESCO at the nominal demand notice for Rs. 3700/-. The justification of LESCO that concerned Line Superintendent which facilitated the complainant in getting the 1st connection of his house was suspended does not form any nexus to the non-existence of the distribution system as the connection was factually provided and is operational without any constraints even now.
- 11. Relevant portion of Section 4 (1) of the Eligibility Criteria for Consumers of Distribution Companies - 2003 lays down as under:

" if an extension / reinforcement is required to be made in the common distribution system with in the service territory of the licensee in order to provide an applicant with electric power, the licensee shall carry out the required extension / reinforcement at its own cost in accordance with its development plan approved by the Authority".
- 12. Since the distribution system of LESCO stood extended to the colony as well as the premises where complainant is residing, LESCO under the circumstances was obliged to provide 2nd connection to the complainant on the same-terms and conditions on which LESCO has already provided 1st connection to the complainant in the same premises for which he has paid a Demand Notice for Rs. 3700.00. Applicability of SOP issued by LESCO in this case does not make logic and sound well because LESCO issued SOP in the year 2005, whereas it provided 1st electric connection to the complainant in the same premises in the year 2002, as such LESCO

was obliged to provide the 2nd 3- phase electric connection on regular rates and not more than that. Moreover, under Section 21 (2) b of the NEPRA Act, DISCOs are obligated to provide electric services to all the consumers on a non discriminatory basis who meet the Eligibility Criteria laid down by the Authority. In light of this explanation one can easily draw an inference that LESCO did a wrong by charging the complainant a huge amount of Rs. 64, 725/- for the 2nd electric connection of his house in which LESCO already provided the 1st electric connection against payment of demand notice for Rs.3700/- in the year 2002, and violated Section 4 (1) (part-II) of Eligibility Criteria for Consumers of Distribution Companies - 2003.

13. Taking into consideration that the Distribution System of LESCO already existed in the colony as well in the premises of the complainant and in light of the fact that LESCO having already provided an electric connection to the complainant in the said premises at normal rates i.e. Rs.3700.00, LESCO is hereby directed as under:

- i) To refund the extra amount charged from the complainant for provision of second connection at his premises after deduction of amount for which LESCO was required to charge at that time for a regular / normal 3 phase electric connection.
- ii) To submit a compliance report within 30 days of the receipt of this decision.

Shaukat Ali Kundi
Shaukat Ali Kundi 18.06.2010
(Member Consumer Affairs)

Islamabad, June 18, 2010