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# National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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E-mail: registrar@nepra.org.pk

Registrar

No. NEPRA/TCD 05 / 883-92

February 11, 2011

1. Chief Executive Officer,  
Lahore Electric Supply Company Ltd. (LESCO)  
22-A, Queens Road,  
Lahore
2. Mian Muhammad Iqbal  
C/O Mian Arshad Iqbal  
R/o Mian Muhammad Zaman  
1<sup>st</sup> Tehsil Road, Okara

Subject: **Complaint of Mian Muhammad Iqbal S/O Mian Fazal Muhammad under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 against LESCO regarding Issuance of Additional Demand Notice**  
Complaint # LESCO-153/3-2010

Please find enclosed herewith the decision of Vice Chairman/Member (Consumer Affairs) on the subject matter for compliance within 45 days of the receipt of this letter by LESCO.

Encl: As above

— S —  
(Syed Safer Hussain)

Copy for information:

1. Chief Executive Officer, Islamabad Electric Supply Co. Ltd., Islamabad.
2. Chief Executive Officer, Gujranwala Electric Power Company Ltd., Gujranwala.
3. Chief Executive Officer, Faisalabad Electric Supply Company Ltd., Faisalabad.
4. Chief Executive Officer, Multan Electric Power Company Ltd., Multan.
5. Chief Executive Officer, Hyderabad Electric Supply Co. Ltd., Hyderabad.
6. Chief Executive Officer, Quetta Electric Supply Company Ltd., Quetta.
7. Chief Executive Officer, Peshawar Electric Supply Company Ltd., Peshawar.
8. Chief Executive Officer, Karachi Electric Supply Company Ltd., Karachi.

No. NEPRA/TCD 05 / 893

February 11, 2011

Forwarded for information, please.

Registrar

Senior Advisor (CAD)

CC:

1. Chairman
2. Vice Chairman / Member (CA)



(56)

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

**Complaint No. LESCO:153-2010**

Mian Muhammad Iqbal	.....	Petitioner
	Vs	
Lahore Electric Supply Company Ltd (LESCO)	.....	Respondent

Date of Hearing : December 14, 2010  
 Date of Decision : January 28, 2011  
 Present : Mr Shaukat Ali Kundi  
 Vice Chairman / Member (Consumer Affairs)

**ON BEHALF OF:**

Petitioner: Mr Muhammad Tariq Latteef (Attorney)  
 Respondent: 1) Rana Muhammad Ajmal, GM(Tech) LESCO  
 2) Mr Muhammad Qasim, Additional CSD, LESCO

**IN THE MATTER OF COMPLAINT OF MIAN MUHAMMAD IQBAL S/O MIAN FAZAL MUHAMMAD UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST LESCO REGARDING ISSUANCE OF ADDITIONAL DEMAND NOTICE**

**ORDER**

1. This order shall dispose off the complaint dated June 29, 2010 of Mian Muhammad Iqbal (hereinafter referred to as "Complainant") against Lahore Electric Supply Company Limited (hereinafter referred to as "LESCO" or "Respondent").
2. The complainant in his complaint dated 29.06.2010 received in Consumer Affairs Division NEPRA on July 05, 2010 states that LESCO issued a demand notice to him for installation of Tube Well connection on December 18, 2008 amounting to Rs.292,719/- and Rs.22,680/- on account of capital cost and security deposit respectively which he paid on January 06, 2009. The complainant further states that LESCO issued an additional demand notice dated April 11, 2009 for Rs.63,671/- on account of price escalation of the material. The complainant further states that he paid this additional amount under protest and prayed for refund of the same (Rs.63,671/-) being unjustified.
3. Consumer Affairs Division took up the matter with LESCO and asked for para-wise comments. LESCO in its response dated July 23, 2010 reported that the complainant applied for agricultural tube well connection on April 12, 2008 and got priority approved from the Federal Minister for Water & power for provision of tube well connection and as such demand notice dated

December 18, 2008 for Rs.292,719/- as capital cost and Rs.22,680/- for security was issued to the complainant, which the complainant paid on January 06, 2009. The respondent LESCO further stated that estimate was prepared as per material Price Bulletin for the period July 01, 2008 to December 31, 2008 issued by the Regional Store Manager Lahore vide its memo No.2628-10 dated June 30, 2008 and the material was released by Sr. Manager (MM) LESCO vide allocation No.3-100/34026-30 dated March 24, 2009 containing instructions as under :

*"please ensure that the estimate has been prepared according to the latest price bulletin and differential cost if any be recovered to avoid audit complications."*

4. The respondent further stated that :

*"At the time of drawl of material the new price bulletin has been issued for the period January 01, 2009 to June 30, 2009 by the Dy. Manager (MM) Regional Store LESCO Lahore vide No. 70 82 dated January 09, 2009. As per latest Price Bulletin received from Regional Store Manager, Shaidpur Lahore, an additional Demand Notice amounting to Rs.63,671/- was issued as difference in both price bulletins which was paid by the complainant on April 24, 2009 and the connection of the applicant has been installed on November 26, 2009"*

5. Consumer Affairs Division preferred to send the response of the respondent to the complainant on July 27, 2010 asking the complainant to offer his comments (if any) on the response of the LESCO within 15 days. The complainant in his rejoinder on LESCO's response addressed to Consumer Affairs Division dated August 10, 2010 stated that he paid demand notice on December 18, 2008 for Rs.292,719/- as capital cost and Rs.22,680/- on account of security in the prescribed time period. Therefore, it was the duty of LESCO authorities to have purchased the material in time. The complainant in his rejoinder further stated that if the LESCO authorities failed to purchase the material in time and the price of material during the interim period January 01, 2009 to June 30, 2009 increased then it is not his fault.

6. Consumer Affairs Division while analyzing the case observed that LESCO has abnormally delayed the installation of connection by 577 days (excluding 17 days which the complainant took in payment of demand notice) as against 53 days allowed under Rule 4(C) of NEPRA Performance Standards (Distribution) Rules 2005 and therefore asked LESCO to submit reasons for delay in provision of the connection. LESCO in response to the query of Consumer Affairs Division stated that a total number of 333 tube-well applications were pending for issuance of demand notice as on April 12, 2008 and preference was given to the application where priority was allowed by the Federal Minister for Water and Power. LESCO further stated that sites of remaining applicants for tube well connections were visited during December 2008 for preparation of their estimates / site sketch and demand notices were issued on December 18, 2008.

7. A cursory glance at the complainant's complaint, response of LESCO to Consumer Affairs Division NEPRA on this complaint, the rejoinder of the complainant on the response of LESCO and reply of LESCO to the specific query of Consumer Affairs Division for submission of reasons for abnormal delay in provision of connection reveals that LESCO has violated Rule 4(C) of NEPRA Performance Standards (Distribution) Rules 2005 by providing connection after 577 days (excluding 17 days which the complainant took in payment of demand notice), wherein it is required that new connection at 400 volts with load more than 15kW upto 70kW shall be granted within 53 days. The said rule is reproduced as under :

**Time Frame for New Connections (OS3):**

Sr. No.	Description	Time limit** (Calendar days)
2.	For users at voltage level of 10KV and load above 15kW but not exceeding 70kW.	53

Regulation 4

(57)

*\*\* Time shall be counted from the date of registration of the application for a new connection to such time the consumer is provided the connection. However, the limits of this standard shall not include any time required that is beyond control of the distribution company. \*\**

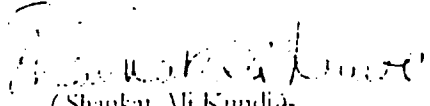
8. In the instant case, the complainant registered his application on April 12, 2008 and the electric connection was installed on November 26, 2009 after 577 days (excluding 17 days which the complainant took in payment of demand notice) in violation of aforesaid Rule. During the hearing the representative of the respondent could not give satisfactory answer for such inordinate delay in grant of tube well connection to the complainant. The only reason which the representative offered during the hearing was that there were large number of applications for tube well connections pending in LESCO and priority was given to those cases that were approved by the Federal Minister for Water and Power and all other cases were processed after that, due to which connection was delayed.

9. From the above it is amply clear that the respondent LESCO did not follow Rule 4(C) of NEPRA Performance Standards (Distribution) Rules 2005. The complainant's application for tube-well connection was registered on April 12, 2008. The connection was required to be installed within 53 days as prescribed in NEPRA Rules. Therefore, issuance of additional demand notice on April 11, 2009 by LESCO after a gap of 364 days for Rs.63,671/- on account of escalation of cost of material is not justified. LESCO by doing so has penalized the complainant on two counts i.e. one for providing delayed connection in violation of NEPRA Rules and secondly for charging of escalation of price, for no fault of the complainant. LESCO in its capacity as licensee of NEPRA is bound to follow the laws/rules/regulations/instructions framed under NEPRA Act and to provide services to all its consumers on non-discriminatory basis by observing universal principal of first-come, first-served as envisaged in Article 25 (1) of the Constitution of Islamic Republic of Pakistan which says that :

*"All citizens are equal before law and are entitled to equal protection of law."*

and that any other instruction issued against the Constitution of Islamic Republic of Pakistan and NEPRA rules/regulations/instructions are violative and void ab initio.

10. After considering all the relevant aspects of the case, it is decided that additional demand notice amounting to Rs.63,671/- issued on account of price escalation of the material is not justified. LESCO shall refund this amount to the complainant within 45 days of the receipt of this order and report compliance.

  
(Shaoukat Ali Kundi)-  
Member (Consumer Affairs) / Vice Chairman

Islamabad, January-28, 2011