

ISLAMIC REPUBLIC OF PAKISTAN
NEPRA TOWER
Attaturk Avenue (East) Sector G 5/1, Islamabad.

Consumer Affairs
Department

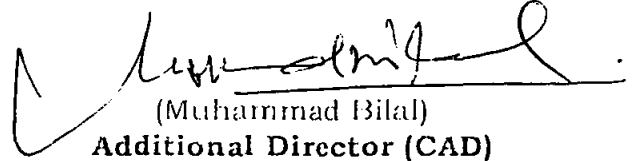
TCD.05/ 48/0 2022
September 6, 2022

Chief Executive Officer
Multan Electric Power Company (MEPCO)
MEPCO Complex, WAPDA Colony,
Khanewal Road, Multan.

Subject: COMPLAINT FILED BY MR. ALLAH BAKHSH S/O SHARAF DIN UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST MEPCO REGARDING ISSUANCE OF ADDITIONAL DEMAND NOTICE. MEPCO-NHQ-11613-03-22

Please find enclosed herewith the decision of the Complaints Tribunal dated September 6, 2022 regarding the subject matter for necessary action and compliance within twenty (20) days, positively.

Encl: As above


(Muhammad Bilal)
Additional Director (CAD)

Copy to:

1. Chief Engineer/Customer Services Director,
Multan Electric Power Company (MEPCO),
MEPCO Complex, WAPDA Colony,
Khanewal Road, Multan.
2. Mr. Allah Bakhsh S/o Sharaf Din
C/o Abdul Majeed & Sons, Ghalla Mandi
Tehsil Hasilpur, District Bahawalpur.
Cell # 0300 8698436



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No. MEPCO-NHQ-11613-03-22

Mr. Allah Bakhsh S/o Sharaf Din
C/o Abdul Majeed & Sons, Ghalla Mandi
Tehsil Hasilpur, District Bahawalpur.

..... **Complainant**

VERSUS

Multan Electric Power Company (MEPCO)
MEPCO Complex, WAPDA Colony,
Khanewal Road, Multan.

..... **Respondent**

Date of Hearing: June 09, 2022

On behalf of
Complainant: Mr. Allah Baksh

Respondent: 1) Mr. Muhammad Asghar Khan Manager (MM), MEPCO
2) Mr. Muhammad Hayat Tunio XEN (Operations), MEPCO

SUBJECT: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. ALLAH BAKSH
UNDER SECTION 39 OF THE REGULATION OF GENERATION,
TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997
AGAINST MEPCO REGARDING ISSUANCE OF ADDITIONAL DEMAND
NOTICE

DECISION

This decision shall dispose of the complaint filed by Mr. Allah Baksh (hereinafter referred to as the "Complainant") against Multan Electric Power Company (hereinafter referred to as the "Respondent" or "MEPCO"), under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act").

2. NEPRA received a complaint from Mr. Allah Bakhsh s/o Sharaf Din wherein the issue agitated by the Complainant was that he applied to MEPCO for provision of new agricultural connection whereby a demand notice dated May 25, 2021 amounting to Rs. 334,660/- was issued by MEPCO which was subsequently paid by him during May, 2021. The Complainant further submitted that MEPCO issued revised/second demand notice on January 26, 2022 for payment amounting to Rs. 237,990/-, however, being aggrieved with revised/second demand notice, he requested to direct MEPCO to install the connection as per the already paid demand notice in accordance with the relevant provisions of Consumer Service Manual (CSM).

3. The subject matter was taken up with MEPCO. In response, MEPCO vide a report dated April 04, 2022 stated that the Complainant submitted an application for an agricultural connection with 19 KW for which a demand notice amounting to Rs. 319,660/- was issued and the same was paid by the Complainant on May 31, 2021. MEPCO further submitted that the connection remained pending for installation as material rates were



revised w.e.f. October 01, 2021. In order to recover the difference of capital cost; an additional demand notice amounting to Rs. 237,990/- was issued to the Complainant for payment. MEPCO added that connection will be energized after payment of second/revised demand notice. The report submitted by MEPCO was forwarded to the Complainant, however, the Complainant raised objection and apprised that report of MEPCO is based on mala fide intentions:

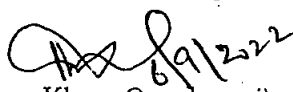
4. In order to finalize the matter, a hearing was held on June 09, 2022 at NEPRA Head Office, Islamabad which was attended by both the parties (MEPCO officials & the Complainant) whereby they advanced their respective arguments. During the hearing MEPCO officials submitted that the connection was not installed due to non-availability of required material in stock balance of MEPCO and before allocation of the required material, rates were revised, therefore, revised demand notice was issued to the Complainant to recover difference of cost of material. During the hearing MEPCO was directed to provide stock balance record of material in stores of MEPCO. In compliance MEPCO submitted monthly stock balance record vide letter No. 422-26/CE(SP)/APS dated June 17, 2022. The Complainant apprised that in order to avoid further delay in provision of connection, he paid Rs. 50,000/- as 1st installment of additional demand notice on May 31, 2022 and MEPCO energized his connection accordingly. However, he requested that MEPCO may be directed to withdraw amount of additional demand in full and Rs. 50,000/- be refunded being unjustified.

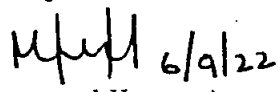
5. The case has been examined in detail in light of the record made so available by parties, arguments advanced during the hearing and applicable law. Following has been observed:


- (i) The Complainant approached MEPCO for a new agricultural connection on May 18, 2021 for 19.00 kW load. In response, MEPCO approved the application and accordingly issued a demand notice amounting to Rs. 334,660/- on May 25, 2021 which was paid by the Complainant on May 31, 2021 within prescribed time period. However according to MEPCO, the connection remained pending for installation due to non-availability of required material. Later, another/second demand notice amounting to Rs. 237,990/- was issued to the Complainant for payment on January 26, 2022.
- (ii) MEPCO did not commence execution work on the plea that material was not available in its store. The Complainant paid the demand notice in full on May 31, 2021. MEPCO should have arranged material however, the same was not done. In the meanwhile, material rates were revised during October, 2021. MEPCO issued revised demand notice to the Complainant as per the rates applicable vide price bulletin effective from October 01, 2021. However, in order to avoid further delay in provision of connection, the Complainant paid Rs. 50,000/- on May 31, 2022 as 1st installment of the additional demand notice and connection was energized by MEPCO on July 07, 2022.
- (iii) Clause 2.7.1 of Consumer Service Manual (CSM) provides that in case where work is required to be carried out by DISCO and there is shortage of material or the material is not available due to any reason; DISCO may ask the sponsor/applicant to procure required material as per the specifications of DISCO at its own from the approved vendors of DISCO. In such case, material procured by the applicant shall be inspected/approved and installed by DISCO and the applicant will be charged 2.5% of the total cost of material as inspection fee and 8% of the material cost as installation charges.
- (iv) MEPCO is of the view that stock balance of MEPCO store was not sufficient for the allocation of material against the said connection. During 2021-22 numerous tenders were issued but scrapped due to non-participation and escalation in raw material rates. Resultantly, material was not timely procured by MEPCO. This point of view of MEPCO is baseless. MEPCO should have asked the Complainant to procure material as per the specifications of MEPCO, as provided in CSM, however, the same was not done by MEPCO.

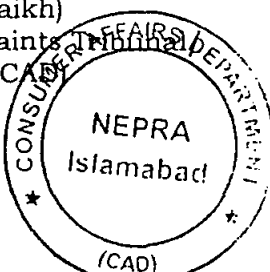
- (v) The load of the connection is 19.00 kW. According to time frame for new connections given in NEPRA Performance Standards (Distribution) Rules-2005 read with Consumer Service Manual (CSM) DISCOs are required to provide electricity connection for load above 15 kW but not exceeding 70 kW within thirty four (34) days after payment of demand notice. According to the provision of law; the connection should have been provided by July 04, 2021. However, the connection was provided after lapse of one year upon payment Rs. 50,000/- as 1st installment of additional demand notice.
- (vi) The Complainant is liable to pay the cost of escalation of material if occurred during thirty four (34) days of payment of first demand notice and not liable for escalation cost if occurred after the prescribed time frame. In this case, the demand notices were paid on May 31, 2021, therefore, the Complainant is liable for payment (if any) on account of escalation of material if occurred by July 04, 2021. In view of the said, penalizing the Complainant through additional/revised demand notice on account of mismanagement on part of MEPCO officials is unwarranted and illegal.

6. Foregoing in view, MEPCO is directed to withdraw the revised/second demand notice amounting to Rs. 237,990/-, standing in violation of the relevant provision of Consumer Service Manual (CSM) & NEPRA Performance Standards (Distribution) Rules, 2005. The Complainant is only liable to pay the difference of capital cost if enhancement in material cost occurred upto July 04, 2021. Therefore, amount (Rs. 50,000/-) received by MEPCO in lieu of 1st installment of additional demand notice be adjusted in future bills of the Complainant. Compliance report be submitted within twenty (20) days.


(Lashkar Khan Qambrani)
Member Consumer Complaints Tribunal
Director (CAD)


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


(Naweed Illahi Shaikh)
Convener Consumer Complaints Tribunal
Director General (CAD)



Islamabad, September 06, 2022

