



LESOTHO ELECTRICITY AND WATER AUTHORITY

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LESOTHO ELECTRICITY AND WATER AUTHORITY (LEWA)'s RESOLUTION OF THE COMPLAINT BY LENKA C. LENKA AGAINST LESOTHO ELECTRICITY COMPANY (LEC) (PTY) Ltd

1. INTRODUCTION

Mr. Lenka C. Lenka (herein referred to as 'the Complainant') is a Mosotho male residing at Ha-Qobete in the Mafeteng district who is a customer of Lesotho Electricity Company (LEC) of account No. 2029377 and Quotation Nos. QTE-S-005895 and quote QTE S-007155.

LEC (herein referred to as "the Licensee"), is a duly registered company conducting transmission, distribution and supply of electricity businesses in Lesotho pursuant to a Composite Licence issued by the Lesotho Electricity and Water Authority (herein referred to as "the Authority").

2. DESCRIPTION OF COMPLAINT AND RELIEF SOUGHT

The complaint was lodged with LEWA on 04 February 2013 and was about the use of a relatively shorter route than the one surveyed and paid for when installing the electricity connection for the Complainant. The Licensee had issued a quotation to the Complainant amounting to M28 260.67 dated 02 May, 2011, (Ref. No. QTE-S-005895), which the latter paid. Furthermore, the Complainant alleged that some materials were unused and returned to the Licensee's custody. Moreover, the Complainant maintained that he had not been consulted when the

connection route was changed. As a result, the Complainant was seeking to be refunded a difference between the amount paid for and the actual cost of connection.

Upon receipt of the complaint, LEWA assessed the complaint and concluded that the matter had been first lodged with the Licensee, and hence eligible to be dealt with by the Authority. The Authority notified the Licensee about the complaint and requested its representations. The Licensee accordingly responded by stating that the Complainant was not entitled to a refund because the new route was even more costly due to excavation of rocks in the same. Following representation from the two parties, a mediation meeting was convened.

3. MEDIATION AND SITE INSPECTION

The mediation meeting was held on 10 April, 2013. During the meeting, several issues were raised by the parties. The Complainant argued that, since the connection route was now shorter and some materials had been unused and returned to the Licensee, the connection costs must have been cheaper than the amount he had paid for. He therefore argued that he was entitled to a refund. The Complainant further argued that the quotation dated 02 May, 2011 issued by the Licensee before the connection was made be considered valid and binding as opposed to the second quotation dated 13 December, 2011.

Conversely, the Licensee argued that, although the route was shorter, it was still expensive since the Licensee had incurred more costs amounting to M 4 060.59, over and above M28 260.67, as a result of rock excavations in the new route. As a result, the Licensee stipulated that the total amount for the connection had increased to M32 321.26. The Licensee further argued that the route had been changed because the line was going to traverse over a field whose custodian could not give consent for electricity lines to be constructed. The Licensee apologised for not having consulted the Complainant prior to making the decision to change the connection route. The Licensee submitted a quotation no. QTE S-

007155 dated 13 December, 2011 as proof of having incurred more costs than what was initially quoted.

A site inspection by the Authority together with the Licensee and the Complainant was undertaken on 18 April, 2013. It was discovered that the road reserve at the site was broad enough for a distribution line to be constructed within. As such, the line would not have traversed the field. It was further found that the quoted route was indeed longer than the route used to provide connection to the Complainant's house.

4. ADMISSIONS BY BOTH PARTIES

During mediation, both the Licensee and the Complainant were agreeable on the following issues:

- a) The Licensee had changed the connection route without consulting the Complainant;
- b) There were two quotations, one issued before connection was dated 02 May, 2011 and the other issued and dated 13 December, 2011 after the connection had already been made;
- c) The prices of materials on the two quotations differed in that on the second quotation prices were higher than on the first one;
- d) The connection route used was shorter than the initially quoted route;
- e) The Complainant had paid for the first quotation and materials were accordingly delivered on-site; and
- f) Some materials delivered on-site were unused and returned to the Licensee.

No amicable solution was reached by the parties in the mediation meeting. Therefore the Authority had to consider the matter further and make a ruling on it.

5. ANALYSIS OF THE MATTER

Having heard both parties, it was found that there were no compelling reasons for the Licensee to have changed the connection route because the line was not going to traverse over any field since the road reserve was broad enough. It was further noted that a binding agreement existed between the Licensee and the Complainant from the date the Complainant paid for the quoted amount. Both the Complainant and Licensee were already implementing the terms of the agreement.

Consequently, calculations were made to determine the difference between the construction costs of the shorter route based on the original quotation and the amount paid by the Complainant for the connection. It was found out that the amount paid by the Complainant exceeded the total construction costs of the shorter route by M2 940.65.

6. THE AUTHORITY'S DECISION

On the basis of the above findings, the Authority's Board resolved as follows:

- a. That Mr. Lenka's complaint be upheld;
- b. That LEC refund him to a tune of M2,940.65;
- c. That LEC should not unilaterally change conditions of supply routes as entered into with customers; and
- d. That LEC should afford its customers a right to be heard on any decision likely to affect them in relation to agreements concluded with its customers.