



National Electric Power Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN

NEPRA Head Office

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

Ph: 051-2013200, Fax: 051-2600021

Consumer Affairs Department

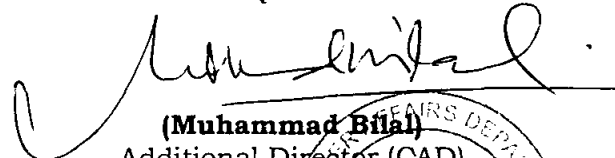
TCD.05/ 5099 -2023
November 3, 2023

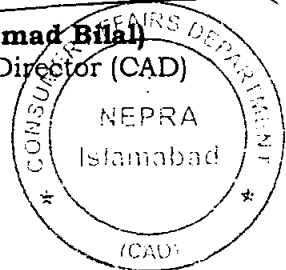
Chief Executive Officer
Faisalabad Electric Supply Company (FESCO)
Abdullah Pur, Canal Bank Road,
Faisalabad.

Subject: **DECISION IN THE MATTER OF PETITION NO. 17139-23 FILED BY M/S ZAITOON TEXTILE MILLS VS NEPRA ETC REFERRED BY THE LAHORE HIGH COURT, LAHORE UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST FESCO REGARDING INDUSTRIAL SUPPORT PACKAGE**
Complaint # **FESCO-NHQ-20667-03-23**

Please find enclosed herewith the decision of the NEPRA Consumer Complaints Tribunal dated November 03, 2023 regarding the subject matter for necessary action and compliance.

Encl: As above


(Muhammad Bilal)
Additional Director (CAD)



Copy to:

1. C.E./Customer Services Director, FESCO,
Abdullah Pur, Canal Bank Road, Faisalabad.
2. Chief Engineer (P&D), FESCO, Abdullah Pur,
Canal Bank Road Faisalabad.
3. Director (Commercial), FESCO,
Abdullah Pur, Canal Bank Road, Faisalabad.
4. Mr. Khalil Ur Rehman (Advocate)
For M/s Zaitoon Textile Mills, Chak No. 245-RB,
Abbas Pur, Faisalabad
Cell: 0321-4457240



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)
Complaint No. FESCO-NHQ-20667-03-23

M/s Zaitoon Textile Mills Private Limited
Through Mr. Khalil-ur-Rehman Advocate
Chak 245 R.B., Abbas Pur, Faisalabad.

..... **Complainant**

VERSUS

Faisalabad Electric Supply Company (FESCO)
Abdullah Pur, Canal Bank Road, Faisalabad.

..... **Respondent**

Date of Hearing: April 18, 2023

**On behalf of
Complainant:**

1) Mr. Khalil-ur -Rehman Legal Counsel .

Respondent:

1) Mr. Muhammad Iqbal Khan Director (Commercial), FESCO
2) Mr. Muhammad Naeem Javed XEN (Operation), FESCO

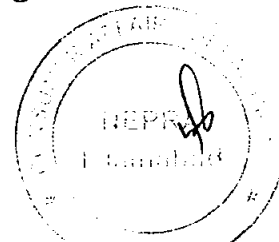
Subject: DECISION IN THE MATTER OF WRIT PETITION NO. 17139/2023: M/S ZAITOON TEXTILE MILLS PRIVATE LIMITED VS. NEPRA ETC REFERRED BY THE LAHORE HIGH COURT, LAHORE UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST FESCO REGARDING INDUSTRIAL SUPPORT PACKAGE

DECISION

This decision shall dispose of the complaint filed by M/s Zaitoon Textile Mills Private Limited (hereinafter referred to as the "Complainant") against Faisalabad Electric Supply Company Limited (hereinafter referred to as the "Respondent" or "FESCO") 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 Zaitoon Textile Mills Private Limited (the "Petitioner" or "Industry" or "Complainant") filed the subject complaint with this office and also filed Writ Petition No. 17139/2023 before the Lahore High Court, Lahore wherein it was submitted as under:

- i. The Complainant is a Zero Rated Industrial (ZRI) consumer who was provided ZRI relief by FESCO up to June 2022. However, no relief was provided to the Complainant for the month of July, 2022 and thereafter, provision of ZRI relief was resumed by FESCO w.e.f. August, 2022.
- ii. Neither ZRI relief nor industrial support package based on incremental



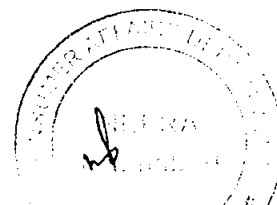
consumption was granted for the month of July 2022, therefore, the Complainant has requested for provision of relief during the month of July, 2022.

- iii. The Complainant is of the view that, if there is no notification for providing ZRI relief for the month of July, 2022 then in such a case they are entitled for industrial support package.

3. The Honorable Lahore High Court vide decision dated March 16, 2023 disposed of the complaint with directions to NEPRA to decide the subject complaint. In order to comply with the directions of the Lahore High Court, the matter was taken up with FESCO and a hearing was held on April 18, 2023 in attendance of both the parties whereby the matter was discussed in detail. FESCO through its verbal and written arguments, inter alia, stated that the Complainant was charged with NEPRA approved tariff while considering the relief packages, with exemption from charging of Fuel Price Adjustment (FPA) for the month of May, 2022 which was to be charged in the month of July, 2022 being a ZRI consumer. FESCO further informed that there is no notification for providing any package to ZRI consumers for the month of July, 2022.

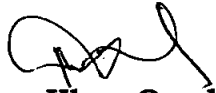
4. The case has been examined in detail in light of written/ verbal arguments of both the parties. The following has been concluded:

- i. The Authority vide order dated December 01, 2019 approved the motion forwarded by the Federal Government regarding Industrial Support package (ISP) wherein a subsidy on incremental consumption of electricity units was offered to all industrial consumers for the period i.e. November 01, 2019 to October 31, 2023 in off peak hours over their consumption in corresponding period i.e. March, 2019 to February, 2020. Further, a discount of 4.96/kWh was also extended to the B1, B2, B3 industrial consumers for the period of 08 months starting from November 01, 2019. It was also approved that rate of 12.96/kWh was applicable on all hours till April 30, 2020 initiating from November 01, 2019. The same was notified by the Federal Government in the official Gazette as per Section 31(7) of the NEPRA Act.
- ii. The Federal Government after approval from ECC and Federal Cabinet dated August 16, 2021 & August 24, 2021 respectively again approached NEPRA through its motion dated September 14, 2021 wherein it was submitted including but not limited to abolish the Industrial Support Package for zero-rated industries (ZRIs) from Fiscal Year 2022 starting from July 01, 2022. The same was approved by NEPRA after due diligence vide order dated January 11, 2022 wherein ISP was abolished for ZRIs from July, 2022.
- iii. Moreover, ECC vide its decision in case no. ECC/308/27/21 dated August 16, 2021 inter alia approved that electricity may be provided @ US (9) cents per unit all-inclusive to export oriented sectors i.e. Textile etc. during fiscal year 2021-22 up to June, 2022. Based on the above, ZRI relief was provided to the Complainant up till June, 2022 and the ISP was also abolished from July, 2022 for the Complainant being a zero rated industry.
- iv. In conclusion, the facility of extending subsidy to electricity consumers is a sole prerogative of the Federal Government. In this regard NEPRA has solicited clarification from the Ministry of Energy (Power Division) vide letter dated August 18, 2023 to ascertain the eligibility of the Complainant to obtain ZRI or ISP relief during the month of July, 2022. However, no response has yet been received from the Ministry of Energy (Power Division). It is also pertinent to



mention here no alternate relief as deemed by the Complainant has been notified to date by the Federal Government. That however, it is considered appropriate that until such clarification regarding provision of ZRI relief or ISP during July, 2022 is issued by the Ministry of Energy (Power Division), FESCO is not obligated to provide any such relief to the Complainant.

5. The complaint is disposed of in above terms.



(Lashkar Khan Qambrani)

Member, Consumer Complaints Tribunal/
Director (CAD)



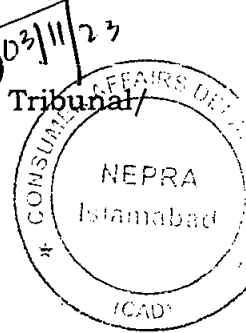
(Muhammad Irfan Ul Haq)

Member, Consumer Complaints Tribunal/
Assistant Legal Advisor



(Naweed Hani Shaikh)

Convener, Consumer Complaints Tribunal/
Director General (CAD)



Islamabad November 07, 2023