



National Electric Power Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN

NEPRA Head Office

Attaturk Avenue (East) Sector 3-5/1, Islamabad.

Ph: 051-2013200, Fax: 051-2600021

Consumer Affairs Department

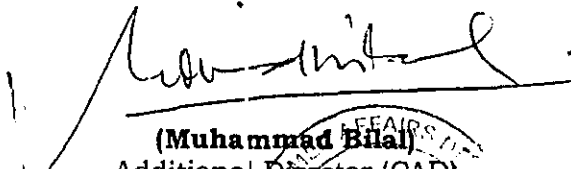
TCD.05/ 312 -2025
January 20, 2025

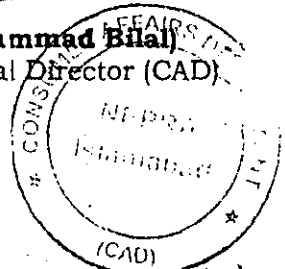
Chief Executive Officer
Faisalabad Electric Supply Company (FESCO)
Abdullah Pur, Canal Bank Road,
Faisalabad.

Subject: **DECISION IN PURSUANCE OF THE JUDGEMENT OF APPELLATE
TRIBUNAL (NEPRA) IN APPEAL NO. 420 NT/2023 FILED BY M/S
ZAITOON TEXTILE MILLS PRIVATE LIMITED AGAINST DECISION OF
NEPRA DATED NOVEMBER 3, 2023**
Complaint # FESCO-NHQ-20667-03-23

Please find enclosed herewith the decision of the NEPRA Complaints Resolution Committee dated January 20, 2025 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(s): April 18, 2023
September 25, 2024

On behalf of

Complainant: 1) Mr. Khalil-ur-Rehman, Legal Counsel

Respondent: 1) Mr. Zulfiqar Ali, Director (Commercial), FESCO
2) Mr. Muhammad Naeem Javed XEN (Operation), FESCO
3) Mr. Muhammad Ibrahim SDO (Operation), FESCO

Subject: **DECISION IN PURSUANCE OF THE JUDGEMENT OF APPELLATE TRIBUNAL (NEPRA) IN APPEAL NO. 420 NT/2023 FILED BY M/S ZAITOON TEXTILE MILLS PRIVATE LIMITED AGAINST DECISION OF NEPRA DATED NOVEMBER 3, 2023**

DECISION

In compliance with the judgement of the Appellate Tribunal NEPRA in Appeal No. 420/NT/2023 this order shall dispose of the complaint filed by M/s Zaitoon Textile Mills Private Limited through Mr. Khalil-ur-Rehman, Advocate against Faisalabad Electric Supply Company Limited (hereinafter referred to as "FESCO").

2. Brief facts of the case are that the Complainant filed Writ Petition No. 17139/2023 before the Honorable 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) The Complainant raised the issue that neither ZRI relief nor Industrial Support Package (ISP) based on incremental consumption was granted to them for the month of July 2022, therefore, the Complainant 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 incremental consumption package.

3. The Honorable Lahore High Court vide its decision dated March 16, 2023 disposed of the Complaint with directions to NEPRA to decide the complaint. In order to comply with

Page 1 of 3

CRC Decision: M/s Zaitoon Textile Mills vs FESCO (FESCO-NHQ-20667-03-23)



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 (FFA) 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 was examined in detail in light of written/verbal arguments and record made so available by both the parties. The NEPRA Consumer Complaint Tribunal in its decision dated November 3, 2023 concluded that the facility of extending subsidy to electricity consumers is the sole prerogative of the Federal Government. In this regard NEPRA solicited clarification from 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. It was further communicated to the Complainant that until such clarification regarding provision of ZRI relief or ISP for the month of July, 2022 is provided by the Ministry of Energy (Power Division), FESCO is not obligated to provide any such relief to the Complainant.

5. Being aggrieved with the above decision of NEPRA, the Complainant filed Appeal No. 420 NT/2023 dated May 27, 2024, in terms of Section 12G of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 before the Appellate Tribunal (NEPRA) wherein the Appellant assailed the decision dated November 03, 2023 given by the NEPRA Consumer Complaints Tribunal. The Appellate Tribunal (NEPRA) while passing judgment in the said appeal referred the matter back to NEPRA and directed that Consumer Complaints Tribunal will decide the complaint preferably within two months after receiving comments from relevant Ministry and affording fair right of audience to all the parties. The Appellate Tribunal (NEPRA) further directed the Ministry of Energy (Power Division) to ensure that the requisite comments are submitted before the Tribunal within two weeks positively from the date of its requisition by NEPRA.

6. In compliance with the directions of the Appellate Tribunal (NEPRA), Ministry of Energy (Power Division) was requested to provide the required comments/clarification regarding applicability of ISP relief on ZRI consumers for the month of July 2022 vide letter dated July 15, 2024, reply against which was not provided by the Ministry of Energy (Power Division). Subsequently, a hearing was held on September 25, 2024 at NEPRA Head Office Islamabad to discuss the matter wherein Ministry of Energy (Power Division) was also required to depute relevant officers to reach at an informed decision regarding the matter. The hearing was attended by the Complainant as well as FESCO while no official from Ministry of Energy (Power Division) attended the said hearing.

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

- (i) The Authority vide order dated December 01, 2019 approved the motion filed 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

(077)


through its motion dated September 14, 2021 wherein it was submitted 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 upto June, 2022 and the ISP was also abolished from July, 2022 for the Complainant being a zero rated industry.
- (iv) The facility of extending subsidy to electricity consumers is a sole prerogative of the Federal Government and the corresponding clarification was requested by from the Ministry of Energy (MoE) to ascertain the eligibility of the Complainant to obtain ZRI or ISP relief during the month of July, 2022 response against which was not provided by the Ministry.
- (v) In compliance with the directions issued by the Appellate Tribunal (NEPRA), clarification was again sought from Ministry of Energy (Power Division) vide letter dated July 15, 2024. Subsequently, a hearing was also held, wherein MoE was required to depute relevant officers to provide clarification regarding the matter, however, no representative of MoE attended the hearing to provide comments / clarification on the matter. In the light of Judgment passed by Appellate Tribunal (NEPRA) in the instant case, Secretary Ministry of Energy (Power Division) was also requested vide this office letter dated November 05, 2024 to personally intervene for provision requisite clarification, however, no response has yet been received from the MoE.

8. In view of the above it is once again reiterated that facility of extending any kind of subsidy to electricity consumers is the sole prerogative of the Federal Government, therefore, until such clarification regarding provision of ZRI relief or ISP during the month of July, 2022 is issued by Ministry of Energy (Power Division), FESCO is not obligated to provide any such relief to the Complainant.

9. The complaint is disposed of in above terms.


(Lashkar Khan Qambrani)
Member, Complaints Resolution Committee/
Director (Consumer Affairs)


(Muhammad Irfan Ul Haq)
Member, Complaints Resolution Committee/
Assistant Legal Advisor


(Naveed Illahi Shaikh)
Convener, Complaints Resolution Committee/
Director General (CAD)

Islamabad, January 20, 2025

