



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/DG(CAD)/TCD-05/6801-08

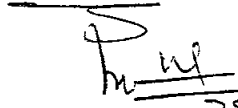
April 29, 2022

Chief Executive Officer, Lahore Electric Supply Company (LESCO). 22-A Queens Road, <u>Lahore</u> .	Mr. Muhammad Ali Siddiqui, Advocate Supreme Court of Pakistan, Zakariya Law Chamber, 2 nd Floor, Golden Heights Plaza, Opp. Public Gate High Court, <u>Multan</u> .
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Subject: **DECISION IN THE MATTER OF WRIT PETITION NO. 10534/2022**
M/S. COLONY TEXTILE MILLS VERSUS FEDERATION OF PAKISTAN
AND OTHERS REFERRED BY THE LAHORE HIGH COURT
REGARDING INDUSTRIAL SUPPORT PACKAGE
LESCO-NHQ-11222-03-22

Please find enclosed herewith decision of the Authority dated April, 29, 2022 (03 Pages) regarding the subject matter for necessary action. Moreover, the earlier directions of NEPRA issued vide this office letter No. NEPRA/DG(CAD)/TCD 05/4378-4384 dated March 18, 2022 are hereby withdrawn.

Encl: As above


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(Syed Safeer Hussain)

Copy to:

1. **Chief Executive Officer,**
Multan Electric Power Company (MEPCO), (for similar action w.r.t NEPRA
Letter dated March 30, 2022)
2. **Chief Engineer/Customer Services Director,**
LESCO, 22-A, Queen's Road, Lahore.
3. **Manager (Commercial),**
LESCO, 22-A, Queen's Road, Lahore.
4. **Rana Rizwan Sibghatullah,**
Addl. Manager, LESCO Complaint Cell,
LESCO, 22-A, Queen's Road. Lahore.
5. **Mr. Bilal Ahmad Khan Niazi,**
M/s Colony Textile Mills Limited,
Ismail Aiwan-e-Science, 4-KM Manga Road,
Ferozpur Road, Lahore.
6. **Assistant Registrar (Writ),** (With reference to Writ Petition No. 10534/2022)
Lahore High Court, Lahore



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No. LESCO-NHQ-11222-03-22

M/s Colony Textile Mills Limited
Ismail Awan-e- Science, Ferozepur Road
Lahore.

..... Complainant/Petitioner

VERSUS

Lahore Electric Supply Company (LESCO)
22-A, Queens Road, Lahore.

..... Respondent

Date of Hearing: March 11, 2022

**On behalf of
Complainant:**

- 1) Mr. Muhammad Ali Siddiqui Advocate
- 2) Mr. Muhammad Adil
- 3) Malik Ijaz

Respondent: - Rai Muhammad Asghar CSD, LESCO



Subject: DECISION IN THE MATTER OF WRIT PETITION NO. 10534/2022: M/S COLONY TEXTILE MILLS (PVT.) LIMITED VS. FOP & OTHERS REFERRED BY THE LAHORE HIGH COURT, LAHORE REGARDING INDUSTRIAL SUPPORT PACKAGE

DECISION

This decision shall dispose of the matter referred by the honorable Lahore High Court, Lahore in pursuance of writ petition filed by M/s Colony Textile Mills Limited, vide order dated February 21, 2022.

2. The petitioner in its petition inter alia submitted that M/s Colony Textile Mills (Pvt.) Limited is a zero-rated industry situated within jurisdiction of LESCO having reference Nos. 24119199008000 and 24119199007900. On December 16, 2021, Ministry of Energy (Power Division) issued a letter to PITC regarding revised billing/discontinuation of ISP for zero-rated industries for fiscal year 2022 in light of decision of the Economic Coordination Committee (ECC) dated August 16, 2021. The petitioners submitted that NEPRA issued a decision on January 11, 2022 in pursuance to the decision of ECC and motion filed by the Ministry of Energy (Power Division) which was endorsed by NEPRA, whereas the motion was only related and applicable to the industrial consumers of K-Electric and B-1 consumers of X-WAPDA DISCOs. It cannot be made applicable to the petitioner who is a consumer of LESCO and does not fall within the category of B-1 Consumers. According to Section 31(7) of the NEPRA Act; notification of approved tariff, rates, charges and other terms and conditions be issued by the Federal Government. In the instant case, petitioner has argued that notification has not been issued by the Federal Government in the official gazette, despite the lapse of statutory

15 days, thus, in the absence of such notification, no billing can be made on the basis of said impugned decision of NEPRA dated January 11, 2022.

3. The Petitioner has prayed to set aside the decision of ECC dated August 16, 2021, its ratification by Federal Cabinet vide decision dated August 24, 2021 and decision of NEPRA dated January 11, 2022 whereby industrial support package to Zero Rated Industries (ZRIs) has been discontinued/withdrawn. Furthermore, the petitioner also requested to issue directions to LESCO for issuance of bills in accordance with ISP alongwith correction of already issued bills by refunding the already recovered amount by future adjustments.

4. The Honorable Lahore High Court vide order dated February 21, 2022 disposed of the petition. The operative part of the decision is as under:

"This petition is converted into representation and sent to Chairman NEPRA. Petitioners to approach the office of Chairman NEPRA, within two days, with copy of this Court's order. If so approached, petitioners and similarly placed persons be provided opportunity of being heard and grievance highlighted in this petition be addressed through an order in writing. If contentions of the petitioners to the extent of the grievance are not accepted, the reasons be communicated, without fail, within ten days. Needless to observe that in case of decision favorable to the petitioners, appropriate instructions shall be issued to the relevant DISCOS for extending the relief package to the petitioners."

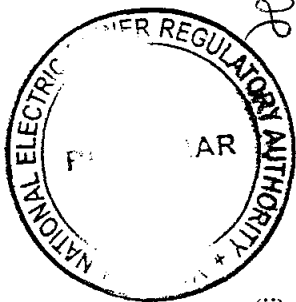
5. In order to comply with the directions of the Lahore High Court, a hearing was held on March 11, 2022 at NEPRA Head office Islamabad. The hearing was attended by representatives of the petitioner in person and LESCO representatives through video link wherein the matter was discussed in detail. During the hearing, the Complainant argued that approval of NEPRA dated January 11, 2022 is not applicable in their case considering the fact that the same has not been notified by the Federal Government as per relevant section of the NEPRA Act. The complainant further argued that the decision of the Authority is not applicable in their case being B-4 category consumer of LESCO whereby the decision was with particular reference to the consumers of K-Electric and B-1 category consumer of other distribution companies.

6. NEPRA issued an interim order on March 18, 2022 whereby LESCO was directed not to recover the earlier granted relief and issue current bills till finalization of the case by NEPRA. In order to arrive at an informed decision NEPRA sought clarification from Minister of Energy (Power Division) vide letter dated April 01, 2022. The Power Division vide letter dated April 18, 2022 has clarified that industrial support package for incremental package is not applicable for all the categories of ZRI consumers of XWDISCOs and K-Electric and the said decision is applicable for FY 22 i.e. 1st July, 2021 to 30th June, 2022.

7. The case has been examined in detail in light of written/ verbal arguments of both the parties and available documents. 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 wherein a subsidy on incremental consumption of electricity units was offered to all industrial consumers for the period i.e. November 01, 2020 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, 2020. The same was intimated to Ministry Energy (Power Division) for notification.

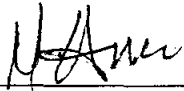
(ii) The ECC vide decision dated August 16, 2021 extended industrial support package for KE w.e.f. July 01, 2021 to October 30, 2023. Accordingly, the Power Division approached NEPRA through its motion dated September 14,



2021 wherein it was submitted to abolish the Incremental Consumption Package for zero-rated industries (ZRIs) for FY 2022 and extension of the incremental consumption package for industrial consumers of KE for the period from July 01, 2021 to October 30, 2023. The same was approved by NEPRA vide decision dated January 11, 2022 and intimated to the Federal Government for notification.

- (iii) Ministry of Energy (MoE), Power Division vide letter dated December 16, 2021 intimated the approval of ECC & Federal Cabinet to Power Information Technology Company (PITC) and recommended to review for billing procedure in light of abolishment of ISP for ZRIs. In response, PITC also issued revised billing procedure wherein ISP was reverted for ZRIs for fiscal year, 2022. Subsequently, LESCO issued the bills to the Complainant based on abolishment of ISP and adjusted the already provided relief.

8. Considering the above circumstances, it is important to clarify that NEPRA has nothing to do with the grant of any industrial support package or subsidy on consumption of electricity as the same is prerogative of the Federal Government. The Incremental Consumption package was granted by the Federal Government and subsequently the same was withdrawn by the Federal Government for ZRIs, therefore, the Authority is of the affirm view that the Federal Government is appropriate forum for redressal of grievances of the Industrial Consumers/Petitioners.



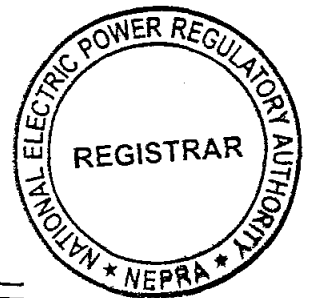
Engr. Maqsood Anwar Khan
Member

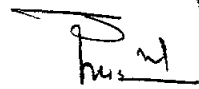


Engr. Rafique Ahmed Shaikh
VC/Member



Engr. Tauseef H. Farooqi
Chairman




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