

National Electric Power Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN
NEPRA Head Office Ataturk Avenue (East),
Sector G-5/1, Islamabad.
Ph:051-2013200, Fax: 051-2600021

Consumer Affairs Department

TCD.05/ $\frac{5089}{\text{November 03, 2023}}$

Chief Executive Officer (CEO), Lahore Electric Supply Company (LESCO), 22-A, Queen's Road <u>Lahore</u>.

Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. MUNEEB AKBAR,
M.A PROCESSING PRIVATE LIMITED THROUGH LEGAL COUNSEL MR.
KHALIL-UR-REHMAN ADVOCATE HIGH COURT UNDER SECTION 39 OF THE
REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF
ELECTRIC POWER ACT, 1997 AGAINST LESCO REGARDING INCREMENTAL
CONSUMPTION PACKAGE (A/C# 24 11162 9031600).
LESCO-NHQ-21923-05-23

Please find enclosed herewith the decision of NEPRA Consumer Complaints Tribunal dated November 03, 2023 regarding the subject matter for necessary action and compliance within fifteen (15) days, positively.

Encl: As above

Copy to:

1. Chief Engineer/Customer Services Director, LESCO, 22-A, Queen's Road, <u>Lahore</u>.

Engr. Dr. Bilal Masood, (Incharge/Additional Director),
 NEPRA Provincial Office, 1st Floor, Link Arcade,
 54B, GECH Society, Phase 3, Link Road, Model Town, <u>Lahore</u>.

3. Manager (Commercial), LESCO, 22-A, Queen's Road, <u>Lahore</u>.

 Ms. Masooma Adil, Manager/ Incharge Complaint Cell, (Focal Person to NEPRA) LESCO, 22-A, Queens Road, <u>Lahore</u>. Email: <u>dmcs1lesco@gmail.com</u>

 Mr. Khalil-ur-Rehman, Advocate High Court, SKB Law Associates, 3rd Floor, Hameed Law Chambers, Near Al-Taj Hotel, 1-Turner Road, <u>Lahore</u>. Email: <u>skblawassociates@gmail.com</u> 0321-4457240/042-37363919

Mr. Muneeb Akbar,
 M/s M.A Processing Private Limited,
 25-Km, Sheikhupura Road, Lahore.

(Muhammad Bilal)

Additional Director (CAD)



BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)

Complaint No. LESCO-NHQ-21923-05-23

Mr. Muneeb Akbar,

......Complainant

M/s M.A Processing Private Limited through Mr. Khalil-ur-Rehman, Advocate High Court, SKB Law Associates, 3rd Floor, Hameed Law Chambers, Near Al-Taj Hotel, 1-Turner Road, Lahore. Contact: <u>0321-4457240/ 042-37363919</u>

Versus

Lahore Electric Supply Company (LESCO)

22-A, Queens Road, Lahore.

....... Respondent

Date of Hearing:

June 15, 2023

On behalf of:

Complainant:

Mr. Khalil-ur-Rehman, Advocate

Respondent:

Mr. Saadat Siddique, XEN LESCO Mr. Munir Ahmed R.O LESCO

Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. MUNEEB AKBAR, M.A PROCESSING PRIVATE LIMITED THROUGH LEGAL COUNSEL MR. KHALIL-UR-REHMAN ADVOCATE HIGH COURT UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST LESCO REGARDING INCREMENTAL CONSUMPTION PACKAGE (A/C# 24 11162 9031600).

DECISION

This decision shall dispose of the complaint filed by Mr. Muneeb Akbar on behalf of M/s M.A Processing Private Limited (hereinafter referred to as the "Complainant" or 'Petitioner') against Lahore Electric Supply Company (hereinafter referred to as the 'LESCO' or 'Respondent') referred by Honorable Lahore High Court, Lahore under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act").

- NEPRA received orders dated May 23, 2023 passed by the Honorable Lahore High Court, Lahore in the Writ Petition No. 34371-2023. The Honorable Court directed NEPRA to treat the petition as an application on behalf of the Petitioners and decide the grievance, after giving hearing opportunity of hearing to all the concerned, through reasoned and speaking order, strictly in accordance with law and applicable policy.
- The Complainant in the complaint submitted that in pursuance to recommendation of the Federal Government Incremental Support Package (ISP-2) for industrial consumers was approved by NEPRA on December 01, 2020. The Complainant was not granted the benefit of said ISP in March, 2023 whereas relief was granted to other consumers of LESCO in billing month of March, 2023. According to the Complainant they are entitled for ISP-2 relief because there is no restriction regarding the relief to net metering consumers.



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- .4. In pursuance of the said directions of Honorable Lahore High Court, Lahore the matter was taken-up with LESCO for submission of report. Accordingly, LESCO vide report dated June 14, 2023 submitted that incremental relief to all eligible industrial consumers was being afforded in pursuance of Ministry of Energy (Power Division) notification vide SRO 1292(1)/2020 dated December 03, 2020, however, according to guide lines issued by Power Information Technology Board (PITC) relief was not allowed to Net Metering Consumers. Since the Complainant is being billed under Net Metering arrangement since December 22, 2022, therefore, in the light of PITC guidelines incremental relief was not provided.
- 5. In order to proceed further, a hearing was held on June 15, 2023 at NEPRA Head Office, Islamabad. The hearing was attended by representatives of LESCO and the Complainant. During the hearing, the issue was discussed in detail wherein the parties reiterated their arguments based on their earlier submissions.
- 6. The case has been examined in detail in light of the record made so available by parties, arguments advanced during the hearing and applicable documents. Following has been concluded:
 - i) NEPRA vide decision in the matter of Motion filed by the Ministry of Energy (Power Division) with respect to recommendations of Support Package for Additional Consumption and Abolishment of Time of Use Tariff Scheme for Industrial Consumers of XWDISCOs, issued vide No. NEPRA/R/ADG(Tariff)/TRF-100/XWDISCOs/43673-43675 dated 01-12-2020, has approved following proposals of Ministry of Energy (Power Division) for industrial consumers of XWDISCOs:
 - a) "Rate of Rs.12.96/kWh may be charged for industrial consumer categories (B1, B2 & B3) from 1st July 2021 to 31st October 2023 for off-peak hours on incremental consumption basis over their consumption in corresponding months of the period March, 2019 to February, 2020. In this case, there is no subsidy requirement.
 - b) Discount of Rs. 4.96/kWh would be offered from the incremental marginal rate (Rs. 12.96/kWh) for industrial consumer categories (B1, B2 & B3) from 1st November, 2020 to 30th June 2021 for off-peak hours on incremental consumption basis over their consumption in corresponding months of the period March 2019 to February 2020 (the reference period is adjusted to exclude COVID months). In this case, an estimated subsidy requirement shall be approximately Rs.14 billion which shall be provided by the Finance Division from COVID Economic Stimulus Package on actual consumption basis for each month.
 - c) Rate of Rs.12.96/kWh may be charged for industrial consumer category B4 from 1st November 2020 to 31st October 2023 for off-peak hours on incremental consumption basis over their consumption in corresponding months of the period March, 2019 to February, 2020. In this case, there is no subsidy requirement.
 - d) New industrial consumers having no reference consumption available in the period of March, 2019 to February, 2020 shall be offered the same package through slab-wise consumption structure.
 - e) Impact of the Fuel Price Adjustment (FPA) shall be passed on to the industrial consumers on incremental consumption basis."
 - ii) NEPRA, in the similar nature of cases has solicited clarification regarding applicability of ISP on the net-metering consumers from the Ministry of Energy



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(Power Division) vide letter dated August 16, 2023, followed by a reminder dated September 15, 2023, however, no response from the Ministry has yet been received. Moreover, NEPRA has also solicited the said clarification from Power Information Technology Company (PITC) vide letter dated September 20, 2023, and in response PITC has also requested to Ministry of Energy (Power Division), for clarification vide letter dated September 26, 2023, however response from any of the parties is awaited.

- 7. The decision of the Authority is very clear that package is applicable to all industrial consumers and no discrimination has been made between net-metering and non net-metering consumers. Thus, we are of the view that package shall be uniformly applicable to all Industrial consumers including consumers having net-metering facility. However, effect of units exported through net metering must be deducted. PITC itself framed a formula whereby Industrial Support Package was not provided to net metering consumers, however, upon enquiry by this office, the PITC management was not clear regarding non-applicability of Industrial Support Package to net metering consumers.
- 8. Foregoing in view, LESCO is directed to provide applicable relief to the Complainant subject to submission of undertaking by the Complainant to the effect that relief so granted will be reversed if any clarification regarding non-applicability of support package to net metering consumers is received from the Ministry of Energy (Power Division) at any stage as the said relief involves provision for subsidy which is the prerogative of the Government of Pakistan. Please note that the relief will be applicable on the units sold by LESCO after deducting units received back through net metering. It may further be noted that the relief pending for previous months (if any) will be granted / adjusted in future bills of the Complainants.

9. Compliance report be submitted within fifteen (15) days.

🗼 (Lashkar Khan Qambrani)

Member (Consumer Complaints Tribunal)/
Director (CAD)

(Muhammad Irfan Ul Haq)

Member Consumer Complaints Tribunal
Assistant Legal Advisor (CAD)

(Naweed Illahi Shaikh)

Convener Consumer Complaints Tribunal

Director General (CAD)

Islamabad, November 07, 2023