



# 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/ 3561 -2025  
August 27, 2025

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

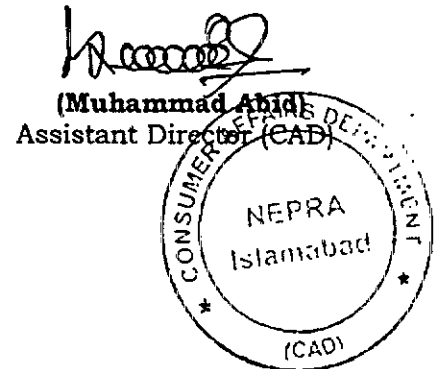
Subject: **DECISION/CLARIFICATION IN THE MATTER OF COMPLAINT FILED BY  
M/S PARAGON CITY HOUSING SOCIETY, THROUGH COUNCEL MR. ALI  
ROSHAN GILLANI, ADVOCATE HIGH COURT, UNDER SECTION 39 OF THE  
REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF  
ELECTRIC POWER ACT, 1997 AGAIST LESCO REGARDING APPROVAL OF  
ADDITIONAL LOAD**  
**LESCO-NHQ-49558-01-25**

Please find enclosed herewith the decision/clarification dated August 27, 2025 issued by NEPRA Complaints Resolution Committee (CRC), regarding the subject matter for necessary action.

**Encl: As above**

Copy to:

1. Chief Engineer/Customer Services Director,  
LESCO, 22-A, Queen's Road, Lahore.
2. Chief Engineer (P&D),  
LESCO, 22-A, Queen's Road, Lahore.
3. Incharge Complaint Cell, (Focal Person to NEPRA),  
LESCO, 22a-A, Queens Road, Lahore.
4. M/s Paragon City Housing Society,  
Barki Road, Lahore Cantt. Lahore.
5. Mr. Ali Roshan Gillani, Advocate High Court,  
Office No. 41, 1st Floor, Mir Square,  
G-6 Markaz, Islamabad.  
051-2657370





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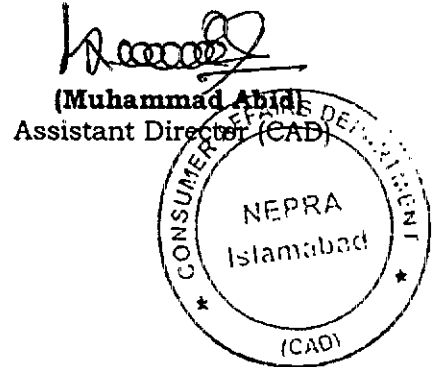
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051-2657370





**BEFORE THE**  
**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY**  
**(NEPRA)**

**Complaint No. LESCO-NHQ-49558-01-25**

**M/s Paragon Housing Society,**  
Barki Road, Lahore Cantt, Lahore.

**..... Complainant/Sponsor**

**VERSUS**

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

**..... Respondent**

**Date of Hearing:** February 04, 2025  
February 25, 2025  
April 08, 2025  
June 27, 2025  
July 17, 2025

**On behalf of  
Complainant:**

Mr. Ali Roshan Gillani,  
Mr. Nadeem Zia Pirzada, CEO, Paragon City,

**Respondent:**

Mr. Imran Mehmood Chief Engineer (P&D) LESCO  
Mr. Faisal Zakria, LESCO

**SUBJECT: DECISION IN THE MATTER OF COMPLAINT FILED BY M/S PARAGON CITY HOUSING SOCIETY, THROUGH COUNCEL MR. ALI ROSHAN GILLANI, ADVOCATE HIGH COURT, UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST LESCO REGARDING APPROVAL OF ADDITIONAL LOAD**

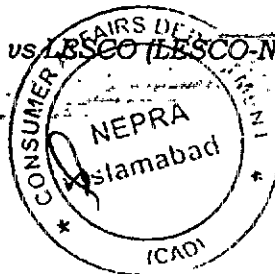
**DECISION/CLARIFICATION**

This decision/clarification shall dispose of the complaint filed by M/s Paragon City Housing Society, (hereinafter referred to as the "Complainant") through Ali Roshan Gilani Advocate, Islamabad Law Chambers against Lahore Electric Supply Company (hereinafter referred to as the "Respondent" or "LESCO"), 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 the sponsor applied to LESCO for external electrification of the housing society i.e. M/s Paragon City Housing Society for load 40.3 MW which was approved by LESCO vide letter dated October 24, 2007. In 2008 the Sponsor submitted design for 11.83 MW which was approved by LESCO for 12.04 MW load on September 27, 2008. In 2011 the Sponsor submitted revised load demand of 25.47 MW which was approved by LESCO on May 02, 2012 and accordingly the Sponsor paid a demand notice amounting to Rs. 41,816,766/-. The Complainant further added that the sponsor provided 32-Kanal land for construction of 132 kV Grid Station. The grid station was energized with two power transformer with a capacity of 20/26 MVA each on July 23, 2017. In 2017, the Sponsor submitted revised design for extension of load from 25.147 MW to 89.02 MW, however, the approved remained pending with LESCO. In 2024, the Sponsor submitted an urgent load demand of 4.5 MW to meet the immediate needs of the residents. The Sponsor further added that layout plan originally approved by TMA Aziz Bhatti Town Lahore in 2005 was subjected to additional verification requirements by Lahore Development Authority (LDA), Lahore. Following the verification of layout plan in 2024, LESCO informed that the new Consumer Service Manual

*CRC Decision: M/s Paragon Housing Society vs LESCO (LESCO-NHQ-49558-01-25)*

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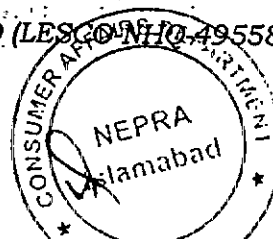


(CSM)-2021 be applied to the 2017 design submission. The Sponsor submitted that the retrospective application of CSM-2021 is arbitrary, legally unsound and contrary to the principles of justice. The Sponsor requested NEPRA to direct LESCO to enhance 64 MW load and provide 4.5 MW urgent load demand.

3. The matter was taken up with LESCO whereby LESCO vide letter dated February 03, 2025 & July 02, 2025 submitted that initially the Sponsor applied for an ultimate load of 40.25 MW during the year 2007 which was approved by LESCO vide letter dated October 24, 2007, however, the Sponsor did not make payment and requested vide letter dated June 18, 2008 for cancellation of the said case, therefore, the case was cancelled by LESCO. Later the Sponsor submitted a revised design for 12.04 MW load which was approved by LESCO on November 15, 2008. Subsequently, the sponsor submitted 2<sup>nd</sup> revised design for hybrid external electrification for an ultimate load of 25.17 MW which was approved by LESCO vide letter dated March 29, 2013 and the same is intact till now. Accordingly, the Sponsor transferred 32-Kanal land for construction of 132-kV Grid Station and paid 25% grid sharing charges alongwith other allied charges against load of 25.17 MW and 25% grid sharing charges were recovered from individual consumers of the Society. LESCO constructed 132-kV Grid Station at its own expense including the cost of transmission line and installed 2x20/26 MVA Power Transformers. Meanwhile, Lahore Development Authority (LDA) declared the society illegal vide letter dated January 04, 2016. The Sponsor submitted another revised design on March 01, 2017 for ultimate load of 65 MW but the same was not processed as LDA did not confirm the genuineness and authenticity of layout plan submitted by the Sponsor duly issued by TMA Aziz Bhatti Town. LESCO further apprised that M/s Paragon City submitted another revised design of hybrid external electrification for additional ultimate load of 64 MW on May 15, 2025. All the load calculations in the design submitted by the sponsor were as per criteria of NEPRA Consumer Service Manual (CSM). After incorporating the load of left over area in already approved load of 25.14 MW of M/s Paragon City, the total load requirement comes out to be 89.54 MW (25.14+64.3). Therefore, as per Clause - 2.6.4 of NEPRA CSM - 2021, the case of external electrification of leftover area was approved through additional 02x No. dedicated 40 MVA Power Transformers at 132 kV Paragon City Grid Station on cost deposit basis whereby a demand notice dated June 17, 2025 amounting to Rs. 973.92 Million was issued to the Sponsor. LESCO further apprised that the Sponsor has requested that 50% of this amount may be recovered from the Sponsor i.e. M/s Paragon City whereas remaining 50% amount may be recovered from the consumers. In view thereof, LESCO has solicited guidance to proceed further in the case.

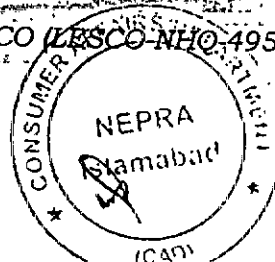
4. In order to proceed further, hearings were held at NEPRA Head Office, Islamabad wherein both the parties participated wherein they advanced arguments. The case has been examined in detail in light of the record made so available by parties, arguments advanced during the hearing and applicable law. Following has been observed:

- (i) In 2007, sponsor M/S Paragon City submitted 40.3 MW load demand for external underground electrification, which was approved by LESCO. however, the Sponsor did not make payment, therefore, the case was cancelled by LESCO.
- (ii) In 2008, the load demand was revised to 11.83 MW due to changes in underground external electrification plans, and LESCO approved 12.04 MW on November 15, 2008, however, the same was not materialized.
- (iii) In 2011, following NTDC's Hybrid Electrification System, 25.147 MW load demand was submitted to LESCO which was approved by LESCO vide letter dated March 29, 2013 and the same is intact till now.
- (iv) The Sponsor transferred 32-Kanal land for construction of 132-kV Grid Station and paid 25% grid sharing charges amounting to Rs. 30,994,244/- against load of 25.17 MW and 25% grid sharing charges were recovered from individual consumers according to load as per prevailing policy at that time. After transfer of land, LESCO constructed 132 kV Grid Station which was



energized with two power transformers with a capacity of 20/26 MVA each on July 23, 2017.

- (v) According to the Sponsor maximum plots of the society have been sold out and LESCO has provided 6157 electricity connections after recovering the 25% grid sharing charges as per sale deed/agreement between the Sponsor and the clients/owners of plots.
- (vi) During the hearing, the Sponsor apprised that the layout plan of M/S Paragon City Housing Society was approved by TMA Aziz Bhatti Town for 7,002.77 Kanals on 18-01-2005. On 04.01.2016 the Lahore Development Authority (LDA), declaring paragon city illegal. The LDA through their letter dated 12.03.2016 clarified that the approval of the Private Housing Schemes by the competent authority like TMA prior to 19.09.2013 in Lahore Region and the NOC issued by such authorities, is considered valid. On the letter dated 27.08.2018, LDA withdrawn its letter dated 04-01-16. In 2017, Paragon City submitted revised design for the remaining undeveloped pockets of its approved layout plan covering 7,002.77-Kanals. This revised design sought an extension of the previously approved load from 25.147 MW to 89.02 MW. LESCO approached to LDA for confirmation of genuineness and authenticity of layout plan for an area measuring 7002.77 Kanals issued by TMA. No response was provided by LDA to LESCO despite issuance of reminders. Therefore, case of external electrification was not processed by LESCO due to non-verification of layout plan by LDA and the case remained pending in LESCO. In the meantime, office of the Metropolitan officer (planning) vide letter No. 673.TOP&C-ABT Dated 24-03-2017 clarified the status of the scheme as approved. LDA vide letter No. LDA/DMP-III/851 Dated 27-08-2018 addressed to CEO LESCO intimated to withdraw the notice of stoppage /discontinuation of electricity connections in private housing schemes. Later LDA also verified the same approval and layout plan of 7002.7-Kanal land issued by TMA on 15.10.2024.
- \* (vii) In 2024, Paragon City submitted an urgent load demand of 4.5 MW to address the immediate electricity needs of its residents. During the hearing held on February 25, 2025 at NEPRA Head Office, Islamabad the Sponsor requested NEPRA for issuance of directions to LESCO for provision of the said load on interim basis. NEPRA vide interim order dated March 13, 2025 directed LESCO to provide interim load of 4.5 MW to the society on cost deposit basis subject to availability of load including NOC of concerned civic agency and completion of all codal formalities by recovering 100% grid sharing charges on interim basis and security deposit which will be adjustable upon outcome of final decision. However, LESCO vide letter dated July 02, 2025 sought clarification whether this interim load 4.5 MW is to be given as an external electrification of balance un-electrified area of Woods & Orchard Block out of the total remaining un-electrified area of M/s Paragon City or else. As such the said interim order was not implemented by LESCO.
- (viii) The Sponsor emphasized that the case for electrification remained pending on part of LESCO and grid station has already been constructed after provision of 32-Kanal land as per the applicable policy at that time. Further, LESCO has not rejected their case which is pending since March, 2017, therefore, LESCO may be directed to treat their case in accordance with previous policy (applicable during the year 2017). The Sponsor, further apprised that as per the previous policy (before revised CMS-2021), 25% grid sharing charges are to be borne by the Sponsor, 25% will be passed on to the prospective consumers and remaining 50% are to be afforded by LESCO, therefore, LESCO may be directed to proceed accordingly.



- (ix) The request of the Sponsor was not considered for applicability of old policy i.e. before revised CSM-2021 as the case was not approved at that time in 2017 by LESCO.
- (x) On 15-05-2025, the Paragon City had submitted the revised design for external electrification for an additional ultimate load of 64-MW in continuation of design submitted in 2017. LESCO vide letter dated June 17, 2025 issued a demand notice amounting to Rs. 973.92 Million by adding 02 x Nos. 40 MVA Power Transformers at 132 kV Paragon City Grid Station and incorporating the load of left over area in already approved 25.14 MW load (Total load, 25.14 MW already approved + 64.3 MW additional load = 89.54 MW. In response the Sponsor vide letter dated July 01, 2025 requested LESCO that out of total cost of demand notice i.e. Rs. 973.92 Million; 50% cost may be recovered from M/s Paragon City and 50% Cost may be recovered from prospective consumers directly in accordance with the applied load at the time of providing connection.
- (xi) According the Clause-2.6 of revised CSM-2021, in the case of housing societies there is a requirement of dedicated grid station and associated transmission line. However, in the instant case the Sponsor has already provided the required land (32-Kanal) and LESCO has constructed 132 kV Paragon City Grid Station along with associated transmission line.
- (xii) LESCO has issued demand notice amounting to Rs. 973.92 Million for electrification work as per the new policy (revised CSM-2021) excluding the cost of land as the land has already been provided by the Sponsor. The cost of demand notice includes only design vetting charges, supervision charges and cost of additional 02x No. 40 MVA Power Transformers at 132 kV Grid Station. However, electrification inside the society is being undertaken by the Sponsor himself. The Sponsor has agreed for payment of 50% share of total amount of the demand notice and requested to LESCO to pass on the remaining 50% share of demand notice to the prospective consumers. This transpires that there will be no loss to the National Exchequer (LESCO) as the total cost is being passed on to the Sponsor as well as to the prospective consumers/beneficiaries. On a query, the Sponsor apprised that as per the sale deed between M/s Paragon City and the client (Clause-10 of the sale deed agreement) for old sold plots and news plots; the client (consumer) shall be liable and agrees to pay all costs and expenses incurred in connection with obtaining utility services (Sui Gas, WAPDA, Water supply, Sewerage and any related services or infrastructure) including security deposits, meter costs, charges for any renovation or up-gradation, proportionate costs of grid stations etc.
- (xiii) On July 02, 2025, LESCO has forwarded the request of the Sponsor for advice regarding 50% payment by the Sponsor and 50% by the consumers; from which it is clear that LESCO has no objection on the proposal of the Sponsor. The same was confirmed by LESCO officials during the hearing. If, proposal of the Sponsor is accepted, there will be no loss to the National Exchequer (LESCO) as the total cost is being passed on to the Sponsor as well as to the prospective consumers, however LESCO may recover demand notice @50% of total amount from the Sponsor and complete the work to this effect only (up to the limit of 50% of paid amount) and remaining work may be carried out proportionately upon receipt of balance 50% amount from the prospective consumers along with escalation charges (if any) as the transactions for remaining 50% amount of demand will be made in future. The Sponsor will ensure that prospective consumer shall pay their share proportionate to their load as per the agreed terms of sponsor and consumer.



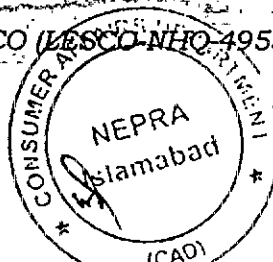
- (xiv) According to Clause-5 of NEPRA Consumer Eligibility Criteria (Distribution Licensees) Regulations, 2022 where a Common Distribution System does not exist in a specified area in the service territory of a distribution licensee, a Sponsored Dedicated Distribution System may be developed either by the Sponsor itself in accordance with the approved standards of the distribution licensee or through the concerned distribution licensee on cost deposit basis. As per the practice, the sponsors of housing schemes recover development charges from the residents/plot owners in lieu of infrastructure for provision of utility services including the electricity. The Sponsor apprised in response to a query that electrification work inside the society will be carried out by the Sponsor himself whereas 32-Kanal land has already been provided to LESCO for construction of 132 kV Grid Station.

5. In view of the above, it is concluded that:

- (i) The case of electrification of M/s Paragon City, Lahore was submitted to LESCO in 2017 which is still pending. The application by the Sponsor was submitted to LESCO in 2017, but it was not finalized due to observations raised by the Lahore Development Authority (LDA). These observations had actually been raised prior to this application and were clarified but the case was not approved by LESCO at that time, therefore, the policy prior to CSM-2021 cannot be applied.
- (ii) LESCO has now issued a demand notice of Rs. 973.92 Million under the new policy which includes cost of power transformers. The Sponsor has agreed to pay as per the new policy, subject to a 50:50 cost-sharing formula between the Sponsor and the consumers. Accordingly, the Sponsor will bear 50% of the electrification charges, while the remaining 50% will be paid by plot owners at the time of obtaining electricity connections. The Sponsor has also provided an agreement confirming that consumers have undertaken to bear the charges regarding grid station upgradation and relevant development and electrification charges.
- (iii) During the hearings, LESCO officials confirmed that they have no objection to this proposed mechanism. The electrification inside the society shall be carried out by the Sponsor itself.
- (iv) The cost of demand notice includes only design vetting charges, supervision charges and cost of additional 02x No. 40 MVA Power Transformers at 132 kV Grid Station. However, 100% electrification cost inside the society will be undertaken by the Sponsor itself.
- (v) There will be no loss to the National Exchequer (LESCO) as the total cost is being passed on to the Sponsor as well as to the prospective consumers/beneficiaries. Further in all such cases of private housing societies or Governments schemes, all development charges pertaining to electricity, gas, water, sewerage and roads etc. are to be borne by the allottees/plot owners.


6. Foregoing in view in the light of clarification sought by LESCO, LESCO may proceed as under:

- (i) To issue demand notice @50% of total amount of demand notice issued on July 01, 2025 for payment by M/s Paragon City, Lahore.
- (ii) To complete the electrification work only up to the extent of 50% of paid amount of demand notice and to carry out the remaining work proportionately upon receipt of remaining 50% amount from the prospective consumers of M/s Paragon City, Lahore. The consumer will pay their 50% share according to their proportionate load.




- (iii) Escalation charges, if any, will only be included in the remaining 50% charges to be paid by the consumers at the time of connection.
- (iv) LESCO to obtain and undertaking from the Sponsor to ensure that the plot owners/consumers shall pay their 50% share proportionate to their load.
- (v) 100% electrification cost inside the society shall be the responsibility of the Sponsor.

7. Please note that this case cannot be quoted as precedent as the instant case was filed in the year 2017 for approval but was not finalized/approved. The matter is being disposed of by this office in above terms.

  
(Lashkar Khan Qambrani)

Member, Complaints Resolution Committee/  
Director (Consumer Affairs)

  
(Muhammad Irfan ul Haq)

Member, Complaints Resolution Committee/  
Assistant Legal Advisor

  
(Naweed Ilahi Shaikh)

Convener, Complaints Resolution Committee/  
Director General (Consumer Affairs)

Islamabad, August 27, 2025

