



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No .NEPRA/R/ADG(Trf)/TRF-603&TRF-604/LESCO-2024/9251-57

June 23, 2025

Subject: **Decision regarding Motion for Leave for Review (MLR) filed by Lahore Electric Supply Company (LESCO) against its MYT determination for the period FY 2023-24 to FY 2027-28**

Dear Sir,

Please find enclosed herewith subject Decision of the Authority (total 03 Pages) in the matter of Motion for Leave for Review filed by Lahore Electric Supply Company Limited (LESCO) against its MYT determination for the period FY 2023-24 to FY 2027-28.

2. The Decision is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 within 30 days from the intimation of this Decision. In the event the Federal Government fails to notify the subject tariff Decision within the time period specified in Section 31(7), then the Authority shall notify the same in the official Gazette pursuant to Section 31(7) of NEPRA Act.

Enclosure: As above


(Wasim Anwar Bhinder)

Secretary,
Ministry of Energy (Power Division),
'A' Block, Pak Secretariat,
Islamabad

Copy to:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
3. Secretary, Energy Department., Government of the Punjab, 8th Floor, EFU House, Main Gulberg, Jail Road, Lahore,
4. Managing Director, National Grid Company (NGC) of pakistan, 414 WAPDA House, Shaharah-e-Quaid-e-Azam, Lahore
5. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad.
6. Chief Executive Officer, Lahore Electric Supply Company Limited (LESCO) 22-A Queens Road, Lahore
7. Chief Executive Officer, Independent System and Market Operator (ISMO) of pakistan, Pitras Bukhari Road, Sector H-8/1, Islamabad

**DECISION REGARDING MOTION FOR LEAVE FOR REVIEW (MLR) FILED BY LAHORE
ELECTRIC SUPPLY COMPANY (LESCO) AGAINST ITS MYT DETERMINATION FOR THE
PERIOD FY 2023-24 TO FY 2027-28.**

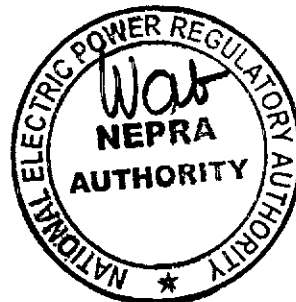
Background

1. The Authority determined tariff of Lahore Electric Supply Company Limited (LESCO) under Multi Year Tariff (MYT) Regime, for the five-year period from FY 2023-24 to FY 2027-28, vide tariff determination dated 14.03.2024. The tariff so determined was subsequently notified by the Federal Government.
2. LESCO (hereinafter also referred to as "the Petitioner" or "Company"), being aggrieved with the decision, filed a Motion for Leave for Review (MLR).
3. The Petitioner submitted in the MLR that it has reservation on Para 26.18 of the Authority decision dated 14.03.2024, where PYA has been worked out and determined as Rs.17,359 million. LESCO being aggrieved is submitting its working on the following components of PYA;
 - ✓ Distribution Margin FY 2021-22 (Under/Over recovered)
 - ✓ Quarterly Tariff Adjustments (Under/Over recovered)

Proceedings:

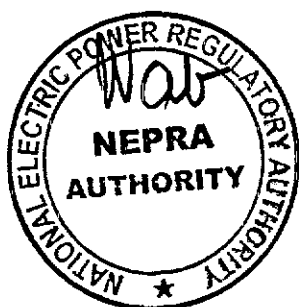
4. The MLR was admitted by the Authority. Since the prayer of the MLR, impacts the consumer end tariff, therefore, the Authority decided to conduct a hearing in the matter, to provide a fair opportunity to the Petitioner to present its case.
5. The hearing was accordingly scheduled on 07.04.2025, at NEPRA Tower & through Zoom. Notices of hearing were issued to the relevant stakeholders. Hearing was held as per the schedule. During hearing, the Petitioner was represented by its Chief Executive Officer along-with its Technical and Financial Team.
6. The Petitioner reiterated its earlier submissions during the hearing and presented its workings of PYA as under;

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PYA -2023		As Per NEPRA	As Per LESCO	
Sr. No.	Description	Rs. Mln.	Rs. Mln.	Difference
1	FY 2022-23			
	Turnover Tax	18,640		
	PM Assistance Package	842		
	Supplier Fee NEPRA 2022	48		
	Supplier Fee NEPRA 2023	72		
	GENCO Pensioners (2022 & 2023)	211	19,813	19,813
2	DM FY 2021-22			
	Under Recovered	-683	3,642	4,325
3	True Up allowed	FY 2020-21	FY 2020-22	
	Depreciation	1,013	567	
	RORB	(2,496)	(1,468)	
	Other Income	2,008	3,121	
		525	2,221	2,746
4	Negative FCA-Retained by Company			
	Jul-2020 to December 2022		(1,099)	(1,099)
5	NET AQTA's			
	2nd & 3rd Qtr 2019-20 to 1st Qtr FY 2022-23		(5,823)	(1,279)
6	PYA 2020	23	23	-
7	Sales Mix			
	FY 2021	(261)		
	FY 2021-22	2,644	2,383	2,383
	NET PYA	17,359	26,228	8,869

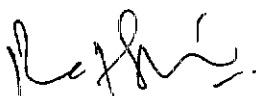
7. The Petitioner submitted that the above two components have financial impact amounting to Rs.8.8 billion, which needs Authority consideration.
8. LESCO also stated that it has already requested this differential amount under the head of Prior Year Adjustment (PYA) submitted before Authority in DM Indexation/Adjustment for Distribution of Power Tariff & Supply of Power Tariff.
9. The Authority has carefully considered the submissions of the Petitioner made in the MLR and during the hearing. The Authority noted that while working out the under / over recovery of LESCO for the allowed amounts of DM for FY 2021-22 and Quarterly adjustments from the 2nd Quarter of FY 2019-20 to 1st Quarter of FY 2022-23, the sales inclusive of incremental units was considered. However, as per the Authority's decision in the matter of ISP, quarterly adjustments are not to be charged on incremental sales. Accordingly, the actual recovery made by the Petitioner has been reworked after excluding the impact of incremental units. This has resulted in positive additional PYA. Accordingly, the Authority has decided to allow the differential amount of Rs.8,869 million to the Petitioner. The amount of Rs.8,869 million has been included as part of PYA in the annual adjustment/ indexation of the Petitioner for the FY 2025-26.



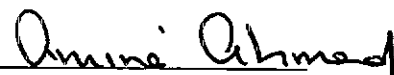
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10. The decision of the Authority is intimated to the Federal Government for notification in the official Gazette under Section 31 of the NEPRA Act, 1997.

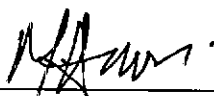
AUTHORITY



Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Engr. Maqsood Anwar Khan
Member



Waseem Mukhtar
Chairman

