



Registrar

# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

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No. NEPRA/R/DG(Lic)/LAS-13/ 12536

August 08, 2025

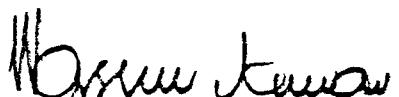
Chief Executive Officer,  
Faisalabad Electric Supply Company (FESCO)  
Abdullahpur, Canal Bank Road  
Faisalabad

Subject: - AUTHORITY PROPOSED MODIFICATION IN THE ELECTRIC POWER SUPPLY LICENCE OF FESCO

The Authority in terms of Sections-23E and 23F of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the "NEPRA Act"), had granted an Electric Power Supply Licence (No. SOLR/02/2023 dated December 27, 2023) to FESCO, setting the various terms and conditions of the same.

2. An Authority Proposed Modification (APM) is being communicated in terms of Regulation-11 of the NEPRA Licensing (Application, Modification Extension and Cancellation) Procedure Regulations, 2021 (the "Regulations") read with Section-26 of the NEPRA Act, for making modification in the existing terms and conditions of the above mentioned Electric Power Supply Licence. In consideration of the above, the text of the proposed modification is attached as Annexure-A. Regarding the statement of reasons in support of the proposed modification, it is clarified that the APM will make the Electric Power Supply Licence of FESCO consistent with GEPCO, MEPCO and LESCO, which have recently been modified while deciding their Review Motion(s). In this regard, the Authority considers that the proposed APM will be in the public interest to remove any ambiguity in the terms and conditions of the licence.

3. In consideration of the above, FESCO is required to submit its consent on the above APM being communicated either agreeing to the same or otherwise within fifteen (15) working days of this communication without any failure. If FESCO fails to respond within the said specified period, it will be assumed that it has refused the proposed APM and the Authority will decide the matter in accordance with the law.



(Wasim Anwar Bhinder)

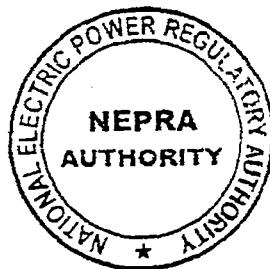
Article-3 (Grant of Licence)

Article	As per Issued Supply Licence	Revised/Modified	Remarks
3.1	<p>This Licence is granted to the Licensee to act as Supplier of Last Resort within its Service Territory, as defined in Schedule-I, to supply electric power on a nondiscriminatory basis to all the consumers who meet the Consumer Eligibility Criteria and in accordance with the Act and relevant provisions of the Applicable Documents in a prudent and efficient manner;</p>	<p>This Licence is granted to the Licensee to act as Supplier of Last Resort within its Service Territory, as defined in Schedule-I, to supply electric power on a nondiscriminatory basis to all the consumers who meet the Consumer Eligibility Criteria and in accordance with the Act and relevant provisions of the Applicable Documents in a prudent and efficient manner;</p>	No Change.
	<p>Provided that the Authority may grant electric power supply licence to any other entity to act as a Competitive Supplier in the Service Territory of the Licensee and the Licensee shall not claim any exclusivity with respect to the Service Territory in this regard:</p>	<p>Provided that the Authority may grant electric power supply licence to any other entity to act as a Competitive Supplier in the Service Territory of the Licensee and the Licensee shall not claim any exclusivity with respect to the Service Territory in this regard:</p>	No Change.
	<p>Provided further that the Authority may grant a</p>	<p>Provided further that the Authority may grant a</p>	Amended/Modified



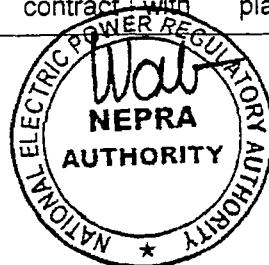
Article-3 (Grant of Licence)

	<p>a licence for Supplier of Last Resort to any Entity, holding a distribution licence or eligible to obtain a distribution licence, in the Service Territory of the Licensee and upon grant of such licence, the Service Territory of the Licensee shall stand automatically modified.</p> <p>the Licensee shall stand automatically modified.</p>	<p>Resort to any Entity, holding a distribution licence in the Service Territory of the Licensee and upon grant of such licence, the Service Territory of the Licensee shall stand automatically modified.</p>	
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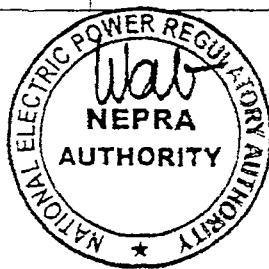
Article-14 (Obligation with Respect to the CTBCM)

Article	As per Issued Supply Licence	Revised/Modified	Remarks
14.1	The Licensee is required to participate in the development and evolution of the CTBCM and work towards its desired implementation and participate in its operations as a Market Participant as per the Applicable Documents. The Licensee shall enter into necessary agreements/contracts and fulfil its obligations under the same in good faith, ensuring non-discriminatory and fair treatment with all consumers, generation companies, and other licensees. Any variation in agreements for participation in the competitive trading arrangement shall be subject to mutual agreement and approval by the Authority.	The Licensee is required to participate in the development and evolution of the CTBCM and work towards its desired implementation and participate in its operations as a Market Participant as per the Applicable Documents. The Licensee shall enter into necessary agreements/contracts and fulfil its obligations under the same in good faith, ensuring non-discriminatory and fair treatment with all consumers, generation companies, and other licensees. Any variation in agreements for participation in the competitive trading arrangement shall be subject to mutual agreement and approval by the Authority.	No Change.
14.2	The Licensee shall establish and maintain an independent and fully functional Market Implementation and Regulatory Affairs Department or MIRAD having dedicated resources to deal with planning, contract with planning, contract	The Licensee shall establish and maintain an independent and fully functional Market Implementation and Regulatory Affairs Department or MIRAD having dedicated resources to deal with planning, contract with planning, contract	Amended/Modified



Article-14 (Obligation with Respect to the CTBCM)

	<p>management, legal, regulatory affairs headed by a senior officer of Grade-20 reporting directly to the Chief Executive Officer. Further, the Licensee shall not impede or prevent any other Licensee or market participant from engaging in their respective activities. The Licensee shall ensure that all its departments including MIRAD are fully equipped with the necessary resources to perform their functions in an efficient, effective, and timely manner. The Licensee, as part of its tariff petition, shall submit to the Authority a detailed budgetary estimate for each of its departments including MIRAD for approval.</p>	<p>management, legal, regulatory affairs headed by a senior officer of Grade-20 reporting directly to the Chief Executive Officer. The Licensee shall ensure that all its departments including MIRAD are fully equipped with the necessary resources to perform their functions in an efficient, effective, and timely manner. The Licensee, as part of its tariff petition, shall submit to the Authority a detailed budgetary estimate for each of its departments including MIRAD for approval.</p>	
14.3	<p>The Licensee shall not abuse its dominant position or engage in discriminatory or anti-competitive practices and shall always comply with the directions of the Authority and, if applicable, comply with the laws of the Competition Commission of Pakistan.</p>	<p>The Licensee shall not abuse its dominant position or engage in discriminatory or anti-competitive practices and shall always comply with the directions of the Authority and, if applicable, comply with the laws of the Competition Commission of Pakistan. Further, the</p>	Amended/Modified.



Article-14 (Obligation with Respect to the CTBCM)

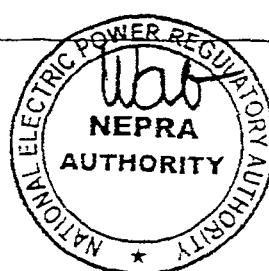
		Licensee shall not impede or prevent any other Licensee or market participant from engaging in their respective activities.	
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*[Signature]*



Article-28  
Functional and Legal Separation

Article	As per Issued Supply Licence	Revised/Modified	Remarks
28.1	The functional and legal separation of supply and distribution business of the Licensee shall be undertaken in accordance with the provisions of this Licence, determinations and directions of the Authority, as issued from time to time.	The functional and legal separation of the distribution and supply business of the Licensee shall be undertaken in accordance with the provisions of this Licence, determinations and directions of the Authority, as issued from time to time.	Amended/Modified
28.2	The Licensee shall, at the earliest but not later than two (02) years from the date of grant of this Licence, separate its functions, as Supplier of Last Resort Company and Distribution Company into two (02) distinct legal entities and apply to the Authority for transfer of the Licence to the relevant entity, if required. In the event, these two (02) functions are not separated into two (02) distinct legal entities, the same shall be treated as a persistent contravention of the terms and conditions of the Licence and the Authority may initiate legal proceedings against the Licensee accordingly,	The Licensee shall, at the earliest but not later than two (02) years from the date of grant of this Licence, ensure functional separation of distribution and supply business. In the event of non-compliance, the Authority shall initiate legal proceedings against the Licensee accordingly, and also issue such directions as may be deemed appropriate that may include appointment of an administrator in respect of functions of the Licensee.	Amended/Modified



Article-28  
Functional and Legal Separation

	and also issue such directions as may be deemed appropriate that may include appointment of an administrator in respect of functions of the Licensee.		
28.3	Until such time the functions of the Licensee as Electric Power Supply and distribution business are not separated into two (02) distinct legal entities, the Licensee shall ensure that its business is operated in such a manner that the functions, accounts, operations and management of the distribution business are segregated from the electric power supply business so that the said functions are carried out independently, transparently and impartially without any interference.		Omitted

