



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/DG(Lic)/LAD-05/ 12529

August 08, 2025

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

Subject: - **AUTHORITY PROPOSED MODIFICATION IN THE DISTRIBUTION LICENCE OF LESCO**

The Authority in terms of Sections 20 and 21 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the "NEPRA Act"), had granted a Distribution Licence (No. DL/03/2023 dated May 09, 2023) to LESCO, setting the various terms and conditions of the same.

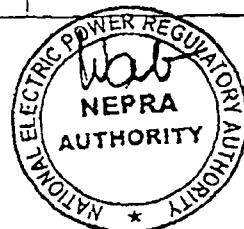
2. An Authority Proposed Modification (APM) is being communicated in terms of Regulation-11 of the NEPRA Licensing (Application, Modification Extension and Cancellation) Procedure Regulations, 2021 (the "Regulations") read with Section-26 of the NEPRA Act, for making modification in the existing terms 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 Distribution Licence of LESCO consistent with GEPSCO, which has recently been modified while deciding its Review Motion. 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, LESCO 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 LESCO 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
(Wasim Anwar Bhinder)

Article-3
(Grant of Licence)

Article	As per Issued Distribution Licence	Revised/Modified	Remarks
	This Licence is granted to the Licensee to provide Distribution Services within its Service Territory, as provided in Schedule-I of this Licence on a non-discriminatory and non-exclusive basis, in accordance with the Act and relevant provisions of the Applicable Documents in a prudent, safe, reliable and efficient manner.	This Licence is granted to the Licensee to provide Distribution Services within its Service Territory, as provided in Schedule-I of this Licence on a non-discriminatory and non-exclusive basis, in accordance with the Act and relevant provisions of the Applicable Documents in a prudent, safe, reliable and efficient manner:	No Change.
3		Provided that the Authority may grant a Distribution Licence to any Entity, in the Service Territory of the Licensee and upon grant of such licence, the Service Territory of the Licensee shall stand automatically modified.	Addition.
	Provided that the Service Territory of the Licensee shall not include the area where the Entities other than the Licensee have laid down their distribution network at the time of issuance of this Licence and opt to apply for the grant of Distribution Licence from the Authority:		Omitted.



Annexure-I

Article-3
(Grant of Licence)

Article	As per Issued Distribution Licence	Revised/Modified	Remarks
	Provided further that if the Entities do not approach the Authority for grant of Distribution Licence within twelve (12) months of issuance of this Licence, the Authority may extend the Service Territory of the Licensee to include the area of Entities for providing Distribution Services.		



Article-33
Functional and Legal Separation

Article	As per Issued Distribution Licence	Revised/Modified	Remarks
33.1	The functional and legal separation of 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.	The functional and legal separation of 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.	No Change.
33.2	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 Distribution Company and Supplier of Last Resort 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 in 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, and also issue such directions as may be deemed appropriate that may include appointment of an administrator	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



Annexure-II

Article-33

Functional and Legal Separation

	in respect of functions of the Licensee.		
33.3	Until such time the functions of the Licensee as Distribution Business and Electric Power Supply are not separated in 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

