



LAHORE ELECTRIC SUPPLY COMPANY LIMITED

OFFICE OF THE CHIEF EXECUTIVE OFFICER

LESCO Head Office, 22A, Queens Road, Lahore.

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E-MAIL : ceo@lesco.gov.pk

No. **917** /CEO/LESCO/

Sep **14**, 2026.

✓ The Registrar NEPRA,
NEPRA Tower, Ataturk (East)
G-5/1, Islamabad.

Subject: **ADDITIONAL INFORMATION FOR ANNUAL DISTRIBUTION MARGIN ADJUSTMENTS/INDEXATION REQUEST OF LESCO FOR DOP & SOP FOR THE CY 2027.**

- Ref: 1. This Office Letter NO. 475-78/LESCO Dated: 11.02.2026.
2. This Office Letter No. 763/CEO/LESCO Dated: 11.09.2026.

It is submitted that NEPRA, vide its Consumer End Tariff Determination No. NEPRA/R/ADG(Trf)/TRF-603 & TRF-604/237-44 dated 07.01.2026, decided to defer the upfront allowance of the cost pertaining to PPMC at that stage and directed that the same may be considered as part of the PYA, subject to the Petitioner furnishing complete details along with proper justification and supporting documentary evidence, and fulfillment of the process prescribed under S.R.O. No. 1358(I)/2025.

2. In this regard, LESCO, vide letter referred to at Sr. No. 1 above, forwarded the response of PPMC regarding the services being provided by PPMC to LESCO/DISCOs for consideration of the Authority.

3. It is further submitted that PPMC has now issued a Debit Note amounting to Rs. 93.946 million against PPMC fee pertaining to FY 2023-24 to FY 2025-26. A copy of the Debit Notes is enclosed herewith as supporting documentary evidence **Annex-A**.

4. In view of the above, the Authority is kindly requested to allow an amount of Rs. 93.946 million as an additional O&M cost in the Annual Distribution Margin/Indexation Request of LESCO for CY 2027, over and above the O&M cost already claimed. Accordingly, the updated Revenue Requirement for CY 2027, incorporating the aforesaid PPMC cost, is attached herewith as **Annex-B** for consideration and approval of the Authority, in accordance with its earlier decision and the applicable regulatory provisions.

DA/As Above

(ENGR. MUHAMMAD RAMZAN BUTT)
CHIEF EXECUTIVE OFFICER,
LESCO.



LAHORE ELECTRIC SUPPLY COMPANY LIMITED

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LESCO HQ 22-A Queens Road Lahore.
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No. 475-78/CFO/LESCO/CONSD:

Dated: February, // ,2026.

✓ The Registrar NEPRA
NEPRA Tower Ataturk Avenue,
G-5/1, Islamabad.

Sub: **REQUEST FOR REVIEW - INCORPORATION OF PPMC (FORMERLY PEPCO)
FEE IN O&M EXPENSES.**

1. NEPRA has determined consumer end tariff vide No. NEPRA/R/ADG(Trf)/TRF-603 & TRF-604/237-44 dated 07-01-2026 wherein the Authority has decided to pend upfront allowing such cost on account of PPMC at this stage and to consider the same as part of the PYA, subject to the Petitioner furnishing the details with proper justification and supporting documentary evidence, along with fulfillment of the process prescribed in the SRO No. 1358(1)/2025.
2. In this regard, it is submitted that after approval of the National Electricity Policy-2021 (NE Policy) by the Council of Common Interests (CCI) and National Electricity Plan (2023-2027) (NE Plan), PPMC was entrusted the role of the Designated Entity by Ministry of Energy (Power Division) under Sections 5.3.5 and 6.2 of the NE Policy and Clause 3.1(c)(iii) of NE Plan, made pursuant to Section 14A of the NEPRA Act.
3. The Federal Cabinet through its decision dated 27-10-2021 also directed that PPMC may continue to charge a fee from DISCOs for the services rendered as may be approved by the Board of Directors of the company. In accordance with Clause 3.1(c)(iii) of Part B of the National Electricity Plan, the Designated Entity is entitled to charge a regulatory fee for the performance of its functions, which shall be allowed by the Authority.
4. Accordingly, in compliance with the Cabinet Decision read with NE Policy and NE Plan, Ministry of Energy issued SRO No 1358(1)/2025 dated July 29, 2025, instructing all stakeholders including XW-DISCOs and CPPA-G regarding the designated role of PPMC and collection of the subject fee.
5. Previously, in the absence of appropriate structure, the Authority had not included the same in O&M Expenses of DISCOs. However, SRO # 1358(1)/2025 dated 29-07-25 and Clause 3.1(c)(iii) of the NE Plan read with Section 14 A (5) of the NEPRA Act has now provided appropriate framework for the Authority to include the said fee as part of the O&M Expenditure.

6. Keeping the foregoing in view, the Authority is respectfully requested to reconsider and allow the PPMC Management Fee as part of O&M Expenses in rebasing of Revenue Requirement for FY 2025-26 at an average amount of Rs. 25 million (subject to adjustment based on the actual fee charged by PPMC). Furthermore, the accumulated amount of Rs. 73.56 million pertaining to the period from July 2022 to June 2025 may kindly be allowed as Prior Year Adjustment (PYA) in respect of FY 2025-26 to LESCO.

DA/As Above

Chief Executive Officer
LESCO

CC:

1. The Joint Secretary (CAD), Ministry of Energy (Power Division), Islamabad.
2. The Managing Director, PPMC, Evacuee Trust Complex, Blue Area, Islamabad.
3. Company Secretary, LESCO.

TO BE PUBLISHED IN THE OFFICIAL GAZETTE
GOVERNMENT OF PAKISTAN

Government of Pakistan
Ministry of Energy
(Power Division)

Islamabad, the, July 29, 2025

NOTIFICATION

S.R.O: 1358-I (2025). National Electricity Policy, 2021 (the "Policy"), as approved by Council of Common Interests (CCI), mandates that the Federal Government may designate an entity to perform the tasks assigned in Sections 5.3.5 and 6.2 of the Policy. Such functions, inter alia, include the monitoring of implementation of the Policy and the National Electricity Plan, as formulated from time to time, and formulation, implementation and monitoring of strategic roadmap for state-owned distribution companies.

2. In pursuance thereof as well as the National Electricity Plan (2023-27) (the "Plan"), the Federal Government, inter alia, designated Power Planning and Monitoring Company (Pvt.) Limited (the "Company") as a designated entity for the implementation of Priority Areas of the Plan.

3. Federal Cabinet, through its decision dated 27-10-2021, also approved the functions to be performed by the Company. Such functions, inter alia, also include management, planning, monitoring in respect of various functions, and business of power sector entities as well as to act as support for the Ministry of Energy in monitoring, coordination and policy formulations in respect of DISCOs, GENCOs and NTDC.

4. Federal Cabinet also directed that the Company may continue to charge a fee from DISCOs, for the services rendered as may be approved by the Board of Directors of the Company, from time to time.

5. The purpose of these SOPs is to ensure an efficient and transparent structure for the allocation of the fee between DISCOs, as decided by the Board of Directors of the Company, from time to time, in the following manner:

(a) Board of Directors of the Company may, on annual basis, approve the annual budget and allocation of fees to DISCOs.

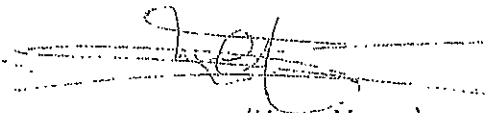
(b) The allocated amount for DISCOs shall be distributed and met as per approved ratio based on Distribution Margin of the respective DISCO.

(c) The invoice by the Company for the payment of the allocated amount for each respective DISCO shall be made to DISCOs through CPPA-G.

(d) Upon receipt of such invoice, the amount shall be paid by CPPA-G, on behalf of the respective DISCO, to the Company directly by making adjustment in relevant account of the concerned DISCO. Such payment shall be, accordingly, reflected by the respective DISCO in its accounts.

(e) Invoice(s) shall be issued by the Company on quarterly basis, in advance, and payment shall be made accordingly.

(f) A reconciliation exercise shall be conducted on quarterly basis, between the Company, CPPA-G and the respective DISCO for settlement of any excess / under-payment of the fee amount.


(Umer Vaqar)

Section Officer (Corporate Affairs)

REGISTERED No. M - 302
L.-7646

The Gazette of Pakistan

EXTRAORDINARY
PUBLISHED BY AUTHORITY

ISLAMABAD, WEDNESDAY, MAY 2, 2018

PART I

Acts, Ordinances, President's Orders and Regulations

GOVERNMENT OF PAKISTAN

NATIONAL ASSEMBLY SECRETARIAT

Islamabad, the 30th April, 2018

No. F. 22(23)/2017-Legis.—The following Act of *Majlis-e-Shoora* (Parliament) received the assent of the President on the 27th April, 2018 is hereby published for general information:—

ACT NO. XII OF 2018

An Act further to amend the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997

WHEREAS it is expedient further to amend the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997) for the purposes hereinafter appearing;

(223)

Price: Rs. 30.50

[5821(2018)/Ex. Gaz.].

- (2) The Appellate Tribunal may call for and examine any record, information or documents from any person in relation to the matter under appeal before it for the purposes of enabling it to come to a decision.

12J. **Panel of experts.**—The Appellate Tribunal may maintain a panel of national and international experts in power sector to assist it in performance of its functions under this Act as and when deemed fit by the Appellate Tribunal.

12K. **Budget.**—The Appellate Tribunal shall have an independent budget which shall comprise—

- (a) an initial grant from the Federal Government; and
- (b) fees and costs associated with appellate procedures as may be prescribed.”.

15. **Amendment of section 13, Act XL of 1997.**—In the said Act, in section 13, in sub-section (1), in clause (b), the words “by it as prescribed from time to time” shall be omitted.

16. **Insertion of Chapters IIB and IIC, Act XL of 1997.**—In the said Act, after section 14, the following shall be inserted, namely:—

“CHAPTER IIB

NATIONAL ELECTRICITY POLICY AND PLAN

14A. **National electricity policy and plan.**—(1) The Federal Government shall, from time to time, with approval of the Council of Common Interests, prepare and prescribe a national electricity policy for development of power markets:

Provided that in development of policies under this section, the Federal Government may seek such input and assistance from the Authority as may be required.

(2) The policies referred to in sub-section (1) shall provide for, *inter alia*,—

- (a) development of systems based on optimal utilization of resources such as coal, natural gas, nuclear substances or materials, hydro and renewable sources of energy;

(b) the location of the generation facility; and

(c) the expected life of the generation facility.

(3) The Authority may, after such enquiry as it may deem appropriate and subject to the conditions specified in this Act and as it may impose, grant a licence authorizing the licensee to construct, own or operate a connected generation facility.

(4) In the case of a generation facility connecting directly or indirectly to the transmission facilities of the national grid company, the licensee shall make the generation facility available to the national grid company for the safe, reliable, non-discriminatory, economic dispatch and operation of the national transmission grid and connected facilities, subject to the compensation fixed by the Authority for voltage support and uneconomic dispatch directed by the national grid company.

(5) The Federal Government may, after consultation with the Authority and by notification in the official Gazette, provide a mechanism for gradual cessation of the generation licences for various classes of generation licence holders, which shall not extend beyond a period of five years from the coming into effect of the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 and thereafter, any generation company may establish, operate and maintain a generation facility without obtaining a licence under this Act if it complies with the technical standards relating to connectivity with the grid as may be specified:

Provided that a generation company intending to set up a generating facility shall prepare and submit a detailed scheme covering all financial, geological, hydrological, technical, safety and environmental aspects to the Authority for its concurrence:

Provided further that, while considering the scheme submitted by a generation company intending to set up a hydro-generating facility, the Authority shall consider whether or not in its opinion the proposed river work will prejudice the prospects for the best ultimate development of the river or its tributaries for power generation and are consistent with the requirements of drinking water, irrigation, flood control and other public purposes and shall satisfy itself that necessary approvals have been sought from the concerned authorities of the Federal Government and Provincial Governments.

14C. Captive generation.—(1) Notwithstanding anything contained in this Act, a person may construct, maintain or operate a captive generating plant and dedicated transmission lines:

3. Monitoring, Evaluation & Reporting

3.1. Monitoring & Evaluation

- a) Monitoring & Evaluation mechanism of NE-Plan pivots around gauging the compliance of each strategic directive provided in the respective priority areas. All such strategic directives, based on their specific characteristics, may be classified into one of the following three (3) categories:
- i) **Timebound Strategic Directives** provide for timebound actions and associated entity(ies) responsible for the completion of the said actions. Accordingly, all such strategic directives have been accompanied by specific "Key Performance Indicators (KPI)", for the purpose of performance measurement of respective entity. For example, Strategic Directive 067 and its associated KPI provide for roadmap with specific timebound milestones to enable disbursement of subsidies for protected category of domestic consumers by FY-2026.
 - ii) **Perpetual Strategic Directives** have been provided to bring discipline in specific areas / processes. Such directives shall be monitored over the entire control period of this NE-Plan.
For example, Strategic Directive 005 provides for necessary stipulations to be followed during the development of IGCEP each year.
 - iii) **Triggering Strategic Directives** provide for overarching principles / mechanisms to be applicable based on specific triggering events.
For example, proposal for qualification of strategic project shall be evaluated pursuant to the stipulations of Strategic Directive 010.
- b) For effective Monitoring & Evaluation of NE-Plan, a dedicated web-based Monitoring Evaluation System (M&ES) has been developed and deployed. Moreover, all the strategic directives, as provided in this NE-Plan, have been mapped in the M&ES. Accordingly:
- i) focal designations from all the Responsible Entities have been solicited and the same shall be utilized for future coordination;
 - ii) dedicated user interface has been created for each Responsible Entity. Provide further, each Responsible Entity shall provide its compliance status of all the assigned strategic directives in M&ES;
 - iii) initial training shall be conducted with all relevant stakeholders prior to enactment of this NE-Plan. Moreover, subsequent support shall be provided by the Designated Entity on a need basis.
- c) Roles & responsibilities of different entities in the NE-Plan are provided below:
- i) **Responsible Entity**
 - 1) devise strategies and ensure compliance with the respective strategic directives
 - 2) coordinate with Supporting Entities;
 - 3) periodically update compliance status on M&ES;
 - 4) provide focal nomination to the Monitoring & Coordinating Entity.

LESCO
PPMC Fee Detail

Date	Debit Memo No.	PPMC Fee
Amount in PKR		
07.04.2026	PPA-129/LESCO-11	38,286,375
28.10.2024	PPA-50/LESCO-6	13,800,000
04.04.2024	PPA-264/LESCO-31	20,930,000
19.12.2023	PPA-158/LESCO-19	20,930,000
Total		93,946,375





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OFFICE OF THE
CHIEF FINANCIAL OFFICER CPPA-G
SHAHEEN PLAZA, BLUE AREA, FAZAL-E-HAQ ROAD, ISLAMABAD

No. 3914 /CFO/GMF(CA&T)/B&R/Rec

Dated: 4-4-2024

FINANCE DIRECTOR,
LESCO, LAHORE.

SUBJECT: DEBIT MEMO FOR MAR-2024

Please find enclosed herewith Debit note details as below pertains to your company for necessary and early adjustment at your end.

[illegible]

Manjula GPC / AM Confirmed ✓
Date 18/4


 DY: MANAGER (RECOVERY)
 CPPA-G

CHIEF FINANCIAL OFFICER
LEACO
Diary No: 1141



CHIEF FINANCIAL OFFICER

Diary No: 6209

Date: 26 DEC 2023

Lahore Electric Supply Company Limited
Revenue Requirement-Updated
CY 2027

Rs. Mln.

Sr.No.	Description	Dist:	Supply	Total
A:	Power Purchase Price			
	UOSC+MOF		33,654	33,654
	Capacity Charges		373,003	373,003
	Energy charges		239,972	239,972
	Total		646,629	646,629
B:	Dist. Margin			
	O&M cost	62,828	6,116	68,944
	RORB	14,952		14,952
	Depreciation	6,947	676	7,624
	Total	84,727	6,792	91,519
C:	Less: Other Income	(11,164)	(1,087)	(12,251)
D:	Net Dist. Margin	73,563	5,705	79,269
E:	Transport Policy	700		700
F:	Prior Year Adjustment		32,876	32,876
	Total (A to F)	74,263	685,211	759,474

Projected Units Sold	GWh	23,928
Average Sale Rate	Rs./kWh	31.74