National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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No. NEPRA/Director(Tech)/LAD-59/ 22353 November 19, 2026

Chief Executive Officer
DHA Energy Supply Company (Pvt.) Limited 2/B East Street,
Phase-I, DHA, Karachi

Subject: **Order of the Authority in the matter of Interim Arrangement for Procurement of Electricity by DHA Energy Supply Company (DESCO) From Lucky Cement Limited (LCL) and Application of tariff to Consumers of DHA City Karachi**

Enclosed please find herewith Order of the Authority in the subject matter (total 05 pages) for information and compliance.

Enclosure: **As above**

Wasim Anwar
(Wasim Anwar Bhinder)

Copy to:

Chief Executive Officer
Lucky Cement Limited,
6-A Muhammad Ali housing society,
A. Aziz Hashim Tabba Street Karachi

National Electric Power Regulatory Authority

IN THE MATTER OF INTERIM ARRANGEMENT FOR PROCUREMENT OF ELECTRICITY BY DHA ENERGY SUPPLY COMPANY (DESCO) FROM LUCKY CEMENT LIMITED (LCL) AND APPLICATION OF TARIFF TO CONSUMERS OF DHA CITY KARACHI

Order

1. Background:

1.1. DHA Energy Supp ly Company (Private) Limited (DESCO), a company incorporated for distribution and supply of electricity to consumers within DHA City Karachi (DHACK), was granted Distribution License No. DL/11/2026 and Supplier of Last Resort (SoLR) Licence No. SOLR/11/2026 on July 24, 2026, effective from October 01, 2026.

1.2. Historically, electricity has been to DHACK under an arrangement whereby K-Electric Limited (KE) procured electricity from Lucky Cement Limited (LCL) under a Power Acquisition Contract (PAC), approved by the Authority, for supply to DHACK through the existing distribution network. The said arrangement was due to expire on September 30, 2026.

1.3. KE, vide its letter No. KE/IPP/LCL/NEPRA-1432/0820 dated September 11, 2026, requested approval for extension of its existing PAC with LCL for a further period of two (02) years. Subsequently, vide email dated September 23, 2026, KE requested provisional/interim approval, with effect from October 01, 2026, to ensure continuity of supply to DHACK pending a final decision of the Authority.

1.4. Subsequently, DHACK, vide its letter dated September 24, 2026, requested continuation of the existing electricity supply arrangements as an interim measure, including application of the existing Uniform Tariff applicable to KE and adjustment of the LCL tariff upon determination of DESCO's applicable tariff by the Authority.

1.5. Thereafter, DESCO, through its Legal Counsel, vide letter dated September 28, 2026, received in NEPRA on September 30, 2026, requested permission to procure electricity directly from LCL on an interim basis and to apply the existing KE consumer-end to DHACK consumers pending consideration and determination of its applicable tariff by the Authority.

1.6. DESCO submitted that the existing electricity supply arrangement involving KE and LCL was due to expire on September 30, 2026. In order to ensure uninterrupted

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electricity supply to consumers of DHACK following commencement of its Distribution and SoLR Licences, DESCO requested permission to procure electricity directly from LCL on an interim basis and to apply the consumer-end tariff then applicable under the existing KE arrangement until determination and approval of DESCO's applicable tariff by the Authority.

1.7. The Authority has considered the matter in light of the submissions made by KE, DHACK and DESCO, the applicable regulatory framework, and the legal and licensing position of DESCO. The Authority has also taken into consideration that, upon commencement of its Distribution and SoLR Licences, DESCO is required to assume responsibility for the distribution and supply of electricity to eligible consumers within its licensed service territory in accordance with the applicable legal and regulatory framework.

2. Deliberations and Findings of the Authority:

2.1. The Authority observes that the impending expiry of the existing KE-LCL arrangement and the commencement of DESCO's Distribution and SoLR Licences on October 01, 2026, were known well in advance. Notwithstanding the foregoing, DESCO approached the Authority vide its letter dated September 28, 2026, received on September 30, 2026, seeking approval of its proposed procurement arrangement with LCL and continuation of the existing consumer-end tariff immediately before the commencement of its licensed responsibilities. The Authority considers that such late submission of the request was avoidable and reflects inadequate advance planning for the transition to DESCO as the licensed distribution and supply entity.

2.2. The Authority further observes that DESCO is required to comply with the applicable regulatory framework and the conditions of its licences, including submission of the requisite tariff petitions, Comprehensive Power Acquisition Programme (PAP), and Distribution Investment Plan (DIP)/Investment Plan. The interim arrangement contemplated in this Order shall not dispense with, waive or otherwise prejudice any such regulatory obligation of DESCO.

2.3. Notwithstanding the above, the Authority is mindful of the paramount importance of ensuring uninterrupted electricity supply to consumers of DHACK during the transition from the existing KE-LCL arrangement to DESCO as the licensed distribution and supply entity. In the larger interest of consumers, the Authority considers it necessary to permit, (as an exceptional interim measure), direct procurement of electricity by DESCO from LCL at the tariff presently applicable under the KE-LCL arrangement, and to allow DESCO to apply the uniform consumer-end tariff presently applicable to consumers of KE. The aforesaid interim arrangement shall remain subject to the applicable legal and regulatory framework and the terms and conditions specified in this Order.

2.4. The Authority emphasizes that the arrangement allowed under this Order is strictly interim in nature and shall not be construed as final approval of DESCO's proposed power acquisition arrangement with LCL, a final determination of the applicable generation/procurement tariff, or a final determination of DESCO's consumer-end

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distribution and supply tariff. The relevant tariffs and procurement arrangements shall remain subject to consideration and determination by the Authority, as applicable, in accordance with the applicable regulatory framework. Any requisite positive or negative adjustments shall be made, where applicable, in accordance with the subsequent determinations and specific directions of the Authority.

3. **Order of the Authority:**

In view of the foregoing, the Authority hereby decides and directs as follows:

3.1 **Interim permission for procurement of electricity from LCL:**

DESCO is hereby permitted, as an interim arrangement, to procure electricity directly from Lucky Cement Limited (LCL) at the generation/supply tariff presently applicable under the existing KE-LCL arrangement for a period of six (06) months, effective from October 01, 2026, subject to the terms of this Order and adjustment, as applicable, upon determination of the relevant tariff by the Authority. The aforesaid interim arrangement shall remain subject to compliance with the applicable provisions of the NEPRA (Electric Power Procurement) Regulations, 2022, and shall not be construed as dispensing with any regulatory approval required thereunder.

3.2 **Interim consumer-end tariff**

DESCO is hereby permitted, as an interim arrangement, to apply the Uniform Tariff presently applicable to KE for distribution and supply of electricity to consumers within DHACK for a period of six (06) months, effective from October 01, 2026, subject to applicable legal and regulatory framework and adjustment, as applicable, upon determination and approval of DESCO's relevant consumer-end tariff by the Authority.

3.3 **Adjustment and reconciliation**

The interim tariffs allowed under paragraphs (i) and (ii) above shall be subject to appropriate positive or negative adjustments, wherever applicable, following determination and approval of the relevant tariffs by the Authority and in accordance with its subsequent directions. DESCO shall maintain complete, accurate and verifiable records of electricity procured from LCL, the applicable procurement charges, amounts billed to and recovered from consumers, and all related financial transactions. DESCO shall provide such records and information to the Authority as and when required to facilitate reconciliation and implementation of the requisite adjustments in accordance with the directions of the Authority.

3.4 **Filing of mandatory regulatory documents**

DESCO is hereby directed to ensure compliance with all regulatory filing requirements prescribed under its Distribution and SoLR Licences and the applicable documents. In particular, DESCO shall submit the following documents to the Authority within one (01) month from the date of this Order:

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a. Tariff petition for its distribution business;
b. Tariff petition for its supply business;
c. Comprehensive Power Acquisition Programme (PAP), in accordance with the applicable provisions of the NEPRA (Electric Power Procurement) Regulations, 2022, and other Applicable Documents; and
d. Distribution Investment Plan (DIP)/Investment Plan, as required under its licences and the applicable regulatory framework.

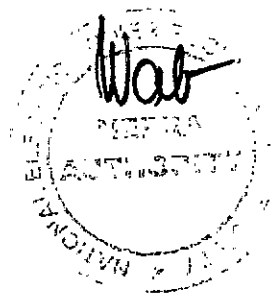
DESCO shall ensure that its proposed electricity procurement arrangements, including relevant regulatory submissions and comply with the applicable legal and regulatory requirements. The interim relief granted under this Order shall not constitute an extension or waiver of any statutory or regulatory deadline.

3.4 Consequences of non-compliance

In the event of failure by DESCO to comply with the directions contained in this Order, particularly the filing requirements specified in paragraph (iv) above within the stipulated period, proceedings may be initiated against DESCO under the Applicable Documents, without prejudice to any other action permissible under the law. In the event of failure by DESCO to comply with the directions contained in this Order, particularly the filing requirements specified in paragraph (iv) above, proceedings may be initiated against DESCO under the NEPRA Act and Applicable Documents, in accordance with the procedure prescribed thereunder, without prejudice to any other action permissible under the law.

3.5 Nature and duration of interim relief

The interim arrangement allowed under this Order is exceptional and has been approved solely in the larger interest of consumers and to ensure continuity of electricity supply within DHACK. The arrangement shall remain subject to the terms and conditions of this Order, the applicable regulatory framework, determination of the relevant tariffs by the Authority, and any further directions issued by the Authority. The interim permission shall not be construed as an exemption from DESCO's licensing obligations, a waiver of any applicable regulatory requirement, or final approval of DESCO's proposed power acquisition arrangement or tariff petitions.



4. **Implementation:**

DESCO shall ensure uninterrupted electricity supply to all eligible consumers within its licensed service territory through the interim procurement arrangement permitted under this Order, effective from October 01, 2026. DESCO shall remain responsible for compliance with all applicable licensing conditions, regulatory requirements and directions of the Authority throughout the period of the interim arrangement.

Authority

Engr. Maqsood Anwar Khan
Member

Amina Ahmed
Member

Ghulamullah Shaikh
Member

Waseem Mukhtar
Chairman

Dated: 19th Nov, 2026

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