



National Electric Power Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN

NEPRA Head Office

Ataturk Avenue (East) Sector G-5/1, Islamabad.

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**Consumer Affairs
Department**

TCD 05/ 4191 -2024
September 20, 2024

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

Subject: - **DECISION IN THE MATTER OF COMPLAINT FILED BY MR. ALI MUAZZAM SYED, CHIEF EXECUTIVE OFFICER, PUNJAB INDUSTRIAL ESTATE DEVELOPMENT & MANAGEMENT COMPANY (PIEDMC), UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST LESCO REGARDING REDUCTION OF LOAD FROM 32MW TO 15MW.**
LESCO-NHQ-34096-01-24

Please find enclosed herewith the decision of NEPRA Complaints Resolution Committee dated September 20, 2024 regarding the subject matter for necessary action and compliance.

Encl: As above

(Signature)
(Muhammad Abid)
Assistant Director (CAD)
NEPRA
Islamabad
CONSUMER AFFAIRS DEPARTMENT
★
(CAD)

Copy to:

1. Chief Engineer/Customer Services Director,
LESCO, 22-A, Queen's Road, Lahore.
2. Manager (Commercial),
LESCO, 22-A, Queen's Road, Lahore.
3. Rana Rizwan Sibghatullah,
Incharge Complaint Cell, (Focal Person to NEPRA)
LESCO, 22a-A, Queens Road, Lahore.
4. Mr. Ali Muazzam Syed, Chief Executive Officer,
Punjab Industrial Estate Development & -
Management Company (PIEDMC),
Commercial Area (North) Sundar Industrial Estate,
Sundar Raiwind Road, Lahore.
Email: info@pie.com.pk
Tel: 04235297205



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No. LESCO-NHQ-34096-01-24

**Punjab Industrial Estate Development &
Management Company (PIEDMC)**
Commercial Area (North) Sundar Industrial Estate,
Sundar Raiwind Road, Lahore.

..... Complainant

Versus

Lahore Electric Supply Company (LESCO)
22-A, Queens Road, Lahore.

..... Respondent

Date of Hearing: March 19, 2024

On behalf of:

Complainant: Mr. Ali Muazzam Syed, CEO (PIEDMC)
Mr. Muneeb Dar, C.E (PIEDMC)

Respondent: Mr. Imran Mehmood, CE (P&D) LESCO
Mr. Rustam Ali, Dy Manager (P&D) LESCO

Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY M/S PUNJAB INDUSTRIAL ESTATE DEVELOPMENT AND MANAGEMENT COMPANY (PIEDMC) THROUGH MR. ALI MUAZZAM SYED, CEO UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST LESCO REGARDING REDUCTION OF LOAD FROM 32MW TO 15MW.

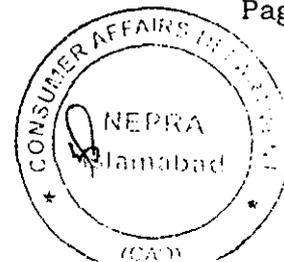
DECISION

This decision shall dispose of the complaint filed by M/s Punjab Industrial Estate Development and Management Company (PIEDMC) through Mr. Ali Muazzam, Chief Executive Office, PIEDMC (hereinafter referred to as "the Complainant" or "PIEDMC") against Lahore Electric Supply Company Limited (hereinafter referred to as the "Respondent" or "LESCO"), under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act").

2. Brief facts of the case are that the Complainant constructed 132/11 KV Grid Station in Quaid-e-Azam Business Park, Sheikhpura which is fully functional since May, 2023 with 31.05/40 MVA Power transformer. PIEDMC has engaged LESCO for operation and maintenance (O&M) of the Grid Station. LESCO started imposition of fixed charges in tariff for the electric load not used upto 50 percent of the sanctioned load @Rs. 440 per KW in the light of decision of NEPRA dated July 22, 2022 in the matter of Motion filed by the Federal Government with respect to recommendation of the Consumer-end Tariff. In order

CRC Decision: PIEDMC vs LESCO (LESCO-NHQ-34096-01-24)

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to avoid charging of amount on account of fixed charges; PIEDMC approached LESCO for reduction of load, however, LESCO vide letter dated November 20, 2023 imposed a condition for replacement of 31.5/40 MVA Power transformer with 20/26 MVA transformer. Being aggrieved with the decision of LESCO, PIEDMC approached NEPRA and requested that LESCO be directed not to replace the 31.05/40 MVA Power transformer for reduction of load. Thereafter, a hearing in the matter was held on March 19, 2024 whereby the Complainant submitted that current load of PIEDMC is 1.6 MW and being a government owned entity replacement of power transformer will cause a loss to national exchequer in the shape of replacement of power transformer as demanded by LESCO for reduction of load. Moreover, upon completion of industries in the Business Park, again 31.05/40 MVA Power transformer will be required to fulfill the demand of industries, therefore, LESCO may be directed for reduction of load without replacement of power transformer.

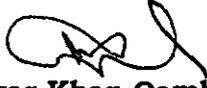
3. The case has been analyzed in the light of documents produced placed on record, argument advanced by the parties and applicable law. The following has been concluded:

- (i) Punjab Industrial Estate Development and Management Company (PIEDMC) has constructed 132 KV Grid Stations in Quaid-e-Azam Business Park, Sheikhpura and a 31.5/40 MVA Power transformer is installed at Grid Station.
- (ii) As per the decision of NEPRA issued vide letter No. NEPRA/R/ADG(Tariff)/TRF-100/X-WDISCOs/13540-13542 dated July 22, 2022 in the matter of Motion filed by the Federal Government with respect to recommendation of the Consumer-end Tariff; "Fixed charges shall be billed based on 50% of Sanctioned Load or Actual MDI for the month whichever is higher. In such case there would be no minimum monthly charges even if no energy is consumed".
- (iii) The industrial estate is currently not fully functional and current maximum demand indicator (MDI) at the said Grid Station remained 1.6 MW against the sanctioned load of 32 MW, therefore, according to the decision of the NEPRA mentioned above, LESCO started imposition of fixed charges in tariff for the electric load not used upto 50 percent of the sanctioned load @Rs. 440 per KW. In order to avoid fixed charges, PIEDMC vide letter No. PIE/CEE/CE (P&D) LESCO-2421 dated November 20, 2023 requested LESCO for reduction of load from 32 MW to 15 MW. However, LESCO vide letter No. 779395/DRW/704/SKP dated November 24, 2023 imposed a condition on PIEDMC to replace already installed 31.05/40 MVA Power transformer with a 20/26 MVA transformer on the basis that LESCO Rules do not allow a higher size Transformer i.e. 31.5/40 MVA power transformer for a reduced load of 15 MW.
- (iv) PIEDMC pointed out that keeping in view the pace of industrial development in the industrial estate, the load at Quaid-e-Azam Business Park would necessitate the installation of 31.5/40 MVA power transformer in near future. However, due to shuffling of power transformers to meet the condition imposed by LESCO, there will be a loss to the National Exchequer on account of cost of 20/26 MVA power transformer because PIEDMC is a government entity. However, transformation losses (if any) should be borne by PIEDMC due to non-replacement of higher capacity transformer.



4. Foregoing in view, LESCO is directed to reduce the load of Quaid-e-Azam Business Park, Sheikhpura from 32MW to 15MW after completion of codal formalities without replacement of power transformer. However, transformation losses (if any) in this regards due to non-replacement of higher capacity transformer will be borne by PIEDMC. Further proceedings in the matter are being closed in above terms.

Note: This decision is applicable only for the instant case and shall not be considered as precedent for other similar cases. Complaints in such like cases, if received in future shall be decided accordingly.



(Lashkar Khan Qambrani)
Member Complaints Resolution Committee/
Director (CAD)



(Moqem UI Hassan)
Member Complaints Resolution Committee
/Assistant Legal Advisor (CAD)



(Naweed Illah Shaikh)
Convener Complaints Resolution Committee/
Director General (CAD)



Islamabad, September 20, 2024