



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/ 17601 -2025
October 24, 2025

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

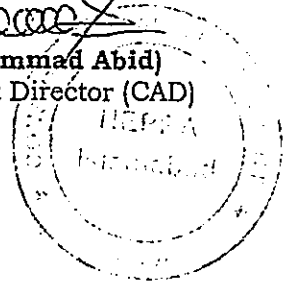
Subject: DECISION IN THE MATTER OF ORDER OF THE HONORABLE LAHORE
HIGH COURT LAHORE IN THE MATTER OF COMPLAINT FILED BY MR.
UZAIR KARAMAT BHANDARI, UNDER SECTION 39 OF THE REGULATION
OF GENERATION, TRANSMISSION & DISTRIBUTION OF ELECTRIC
POWER ACT, 1997, AGAINST MODEL TOWN SOCIETY LIMITED
REGARDING CHARGING OF HIGH TARIFF.
LESCO-NHQ-59692-08-24

Please find enclosed herewith the decision of the NEPRA Complaints
Resolution Committee (CRC) dated October 23, 2025, regarding the subject matter
for necessary action and compliance.

Encl: As above

Copy to:

1. Chief Engineer/Customer Services Director,
LESCO, 22-A, Queen's Road, Lahore.
2. Incharge Central Complaint Cell, LESCO & -
Focal Person to NEPRA,
LESCO, 22-A, Queens Road, Lahore.
042-99204859
3. Mr. Uzair Karamat Bhandari,
President - M/s The Cooperative Model Town Housing
Society Ltd, 135-C/2, Model Town, Lahore.
Cell: 0300-9446456


(Muhammad Abid)
Assistant Director (CAD)




**BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)**

Complaint No. LESCO-NHQ-59692-08-25

Mr. Uzair Karamat Bhandari
Advocate, Supreme Court of Pakistan
R/O 177-C, Model Town Lahore,

..... **Petitioner**

Versus

The Cooperative Model Town Society Limited
163/C, Model Town Lahore,
Punjab

..... **Respondent No. 01**

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

..... **Respondent No. 02**

Date of Hearing: September 24, 2025

**On behalf of
Petitioner:** Mr. Nasir Mehmood, Advocate

Respondent: Mr. Faisal Zakria Chief Engineer, (P&D) LESCO

Subject: DECISION IN THE MATTER OF ORDER OF THE HONORABLE LAHORE HIGH COURT LAHORE IN THE MATTER OF WRIT PETITION NO. 80792/24 FILED BY MR. UZAIR KARAMAT BHANDARI S/O KARAMAT NAZIR BHANDARI VS FEDERATION OF PAKISTAN AND OTHERS REGARDING UNJUSTIFIED ELECTRICITY BILL (A/C# N-3298031126).

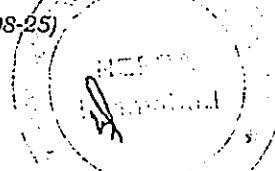
DECISION

This decision shall dispose of the complaint/petition referred by the Honorable Lahore High Court, Lahore in Writ Petition No. 80792/2024: Mr. Uzair Karamat vs FOP, NEPRA, the Cooperative Model Town Society Limited & LESCO, wherein the Complainant/petitioner sought Court's intervention to direct NEPRA to decide his complaint. The Honorable Court vide its Order dated June 11, 2025 directed NEPRA for a decision in accordance with law. Mr. Uzair Karamat shall be referred to as the "Complainant" or "Petitioner" & Distribution Company i.e. Lahore Electric Supply Company as "LESCO" and the Cooperative Model Town Society Limited (hereinafter referred to as the "Respondent No. 01" or "MTS").

2. NEPRA received a directive from the Lahore High Court through Writ Petition No. C.M.No.5/2025 dated June 11, 2025, referring key issues for determination, specifically regarding the permission granted to MTS by LESCO and its regulatory compliance. Given NEPRA's expertise, the Court remitted the petition to NEPRA for a thorough decision. Meanwhile, the Court directed that no coercive measures be taken against the petitioner, no disconnection be effected, and full credit be given for solar export units, all subject to NEPRA's final decision and subsequent adjustments.

3. The Petitioner in the petition has alleged that MTS is involved in distribution of electricity and the same is unlawful. The Petitioner's premises has a three-phase meter under consumer No. 30367, installed on February 9, 2021, and a 20 kW solar system with

CRG Decision - Mr. Uzair Karamat VS. MTS (LESCO-NHQ-59692-08-25)



net metering enabled. With only ordinary household appliances in use and a small family, the Petitioner claimed that their electricity consumption from the grid is minimal, especially during the day and early evening. The Petitioner alleged that MTS has been issuing flawed electricity bills since April 2021, citing issues such as unapproved tariff charges, including unlawful deductions like Use of System Charge (UoSc) and Fixed Monthly Running Cost (F/MRC), buying back excess solar electricity at lower rates in violation of Net Metering Regulations, collecting unjustified arrears, and overbilling, including excessive GST charges FPA, and FC surcharges. Despite repeated objections, MTS has failed to address these concerns.

4. In order to proceed further into the matter, a hearing was held on September 24, 2025 wherein all the parties, LESCO, Petitioner and MTS were invited to attend however representatives of LESCO and the Petitioner attended the same whereas MTS failed to attend the hearing. During the hearing, the case was discussed and examined in detail in light of the record made so available by the parties, submissions of the parties and applicable law. The following has been observed:

- i. The Petitioner is a resident of Model Town, Lahore. A three phase meter against consumer No. 30367 is installed at his premises and the same is billed by the MTS. The Petitioner alleged that MTS has been issuing flawed electricity bills since April 2021, citing issues such as unapproved tariff charges, including unlawful deductions like Use of System Charge (UoSc) and Fixed Monthly Running Cost (F/MRC), buying back excess solar electricity at lower rates in violation of Net Metering Regulations, collecting unjustified arrears, and overbilling, including excessive GST charges. Despite repeated objections, MTS has failed to address these concerns.
- ii. MTS receives bulk electricity supply from LESCO at one point and then resale it to its residents. The petitioner contested the involvement of MTS in distribution of electricity as unlawful activity.
- iii. Further, MTS purchases electricity in bulk from LESCO and charges the cost to the residents along with other allied charges i.e. road maintenance, sewerage, sanitation etc. through electricity bill. These service charges are in addition to electricity cost and non-payment of these counts as default on part of resident(s) and electricity supply to the residents is disconnected in case of non-payment of the same.
- iv. The sale and purchase of electricity is a licensed activity. Section 20(1) of the NEPRA Act, 1997 (to be read with successive amendments) stipulates that no person shall, except under the authority of a license issued by the Authority under the Act and subject to the conditions specified by the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018, engage in the distribution of electric power.
- v. Earlier, it came to the notice of the Authority that illegal resale of electricity is taking place by housing societies/complex/high rise building in clear violation of the NEPRA Act, Rules & Regulations. Subsequently, NEPRA issued a letter to all DISCOs dated June 13, 2017 regarding illegal/exorbitant charging of high rates and resale of electricity by bulk supply consumers/plaza/housing societies. In response, LESCO vide a letter dated February 09, 2018 submitted a list of consumers involved in illegal resale of electricity. It is noticeable that the Cooperative Model Town Society Limited (MTS) was included in the list submitted by LESCO.
- vi. Accordingly, NEPRA issued an explanation dated March 05, 2018 to LESCO and Model Town Housing Society for illegal distribution/resale of electricity to its consumers. In response, LESCO vide letter dated March 09, 2018 submitted that most of the connections fall outside the exclusivity clause of LESCO's distribution license, as the entities were operating prior to grant of distribution license to LESCO. LESCO further stated that a few entities have applied to the Authority for distribution license, while in some cases, LESCO

is in process of regularization for the resale activity through the O&M arrangement. However, Model Town failed to submit any response on NEPRA's explanation letter.

- vii. Section 23E of the NEPRA Act, 1997 (to be read with successive amendments) stipulates that no person shall, unless licensed by the Authority under the NEPRA Act, engage in supply of electric power to a consumer.
- viii. Regulation 3 of the National Electric Power Regulatory Authority Licensing (Electric Power Supplier) Regulations, 2022 stipulates that any person who fulfills the eligibility criteria prescribed under section 23E of the Act, may make an application to the Authority in accordance with the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021 for grant of an electric power supply license. The application shall specify whether the applicant is desirous of obtaining the license for competitive supplier or supplier of last resort.
- ix. Regulation 3 of the National Electric Power Regulatory Authority Licensing (Distribution) Regulations, 2022 stipulates that any person who fulfills the eligibility criteria prescribed under section 20 of the Act, may make an application to the Authority in accordance with the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021 for grant of a distribution license.
- x. Section 23F(2)(b) of the NEPRA Act, 1997 (to be read with successive amendments) stipulates that all licensees shall be responsible to make sales of electric power within its territory on a non-discriminatory basis to all the consumers who meet the eligibility criteria laid down by the Authority. Additionally, NEPRA Licensing (Electric Power Supplier) Regulations, 2022 imposes an obligation on electric power supplier/ licensee to provide safe, secure, reliable and efficient electric power supply on a non-discriminatory basis to all persons who meet the consumer eligibility criteria.
- xi. MTS is not a distribution company/licensee of NEPRA and is involved in illegal distribution and supply of electric power. National Electric Power Regulatory Authority (Alternative & Renewable Energy) Distributed Generation and Net Metering Regulations, 2015 (to be read with successive amendments) stipulates the billing mechanism of Distributed Generation Facility to the Distribution System of the Distribution Company. The petitioner alleged that the MTS does not "net off" the exported units however it sells the electricity to the petitioner at higher rate and buy back at much lower rate. The MTS is not a distribution licensee of NEPRA as such the ibid regulations may not be invoked.
- xii. The Cooperative Model Town Society Limited, Lahore (MTS) is in clear contravention of NEPRA Act and other enabling rules and regulations by reselling and distributing electricity without obtaining the necessary distribution license from NEPRA.

5. In view of the above, it is concluded that Model Town Society is involved in illegal distribution and supply of electric power. Foregoing in view, the concerns raised by the petitioner shall be addressed once the distribution and supply of electric power is regularized in light of NEPRA Act and other enabling rule and regulations. Accordingly, LESCO is directed to provide two options to MTS:

- i. Handover its electricity distribution system to LESCO for maintenance, operation, metering, billing, etc.

OR

- ii. Apply to NEPRA for grant of a Distribution License and Supply License, as mandated by law.

6. Further, till regularization of distribution and supply of electricity at MTS, LESCO is directed to conduct audit of billing of MTS to verify that the rates charged by MTS are at par with other societies which are having one point supply to ensure that the electricity is supplied at no profit no loss basis and is not being used as a source of income by MTS. Moreover, MTS is directed to deal other allied charges separately and not to link with the electricity bill. In case of default of the service/allied charges, no electricity supply to the residents be disconnected.

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

(Muhammad Irfan ul Haq)
Member, Complaints Resolution Committee/
Legal Advisor (CAD)

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

Islamabad, October 23, 2025.

