



National Electric Power Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN

NEPRA Head Office

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

Ph:051-2013200, Fax: 051-2600021

**Consumer Affairs
Department**

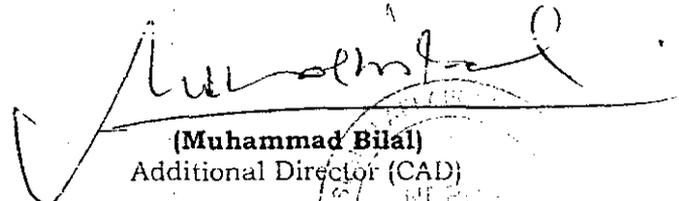
TCD 05/ 507 -2025
February 3, 2025

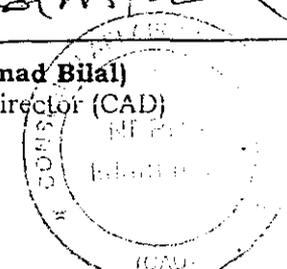
Chief Executive Officer (CEO),
Lahore Electric Supply Company (LESCO),
22-A, Queen's Road Lahore.

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MR. ZIA ALTAF,
DIRECTOR, EDEN HOUSING LIMITED, UNDER SECTION 39 OF THE
REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF
ELECTRIC POWER ACT, 1997 AGAINST LESCO REGARDING RETURN OF
12 KANAL LAND.
LESCO-NHQ-33667-01-24**

Please find enclosed herewith the decision of the NEPRA Complaints Resolution Committee (CRC) dated February 3, 2025, regarding the subject matter for necessary action and compliance with in thirty (30) days.

Encl: As above


(Muhammad Bilal)
Additional Director (CAD)



Copy to:

1. Chief Engineer/Customer Services Director,
LESCO, 22-A, Queen's Road, Lahore.
2. Chief Engineer (Planning),
LESCO, 22-A, Queen's Road, Lahore.
3. Kana Rizwan Sibghatullah,
Incharge Complaint Cell, (Focal Person to NEPRA)
LESCO, 22a-A, Queens Road, Lahore.
4. Mr. Zia Altaf, Director,
Eden Housing Limited, M-3,
Eden Tower, M-3, 82-E/1, Gulberg,
Main Boulevard, Lahore.
0300-4700060



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

Complaint No. LESCO-NHQ-33667-01-24

Mr. Zia Altaf

Director Eden Housing Limited
M-3, Eden Tower, 82-E/1, Main Boulevard Gulberg
Lahore.

.....Complainant

Versus

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

..... Respondent

Date of Hearing: March 12, 2024
November 04, 2024

On behalf of:

Complainant:

- 1) Mr. Zia Altaf
- 2) Mr. Abdullah Tarar Legal Counsel

Respondent:

Mr. Naeem Qasim, Addl. Director, LESCO

Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. ZIA ALTAF DIRECTOR EDEN HOUSING LIMITED UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST LESCO REGARDING RETURN OF 12 KANAL LAND

DECISION

Through this decision, the complaint filed by Mr. Zia Altaf Director Eden Housing Limited (hereinafter referred to as the "Complainant") 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") is being disposed of.

2. NEPRA received a complaint from Mr. Zia Altaf dated January 10, 2024 wherein the Complainant raised the issue regarding return of ownership of 12 kanal of land from LESCO earlier transferred by the Complainant in terms of sponsoring electrification process of Eden Housing Scheme, Lahore. The Complainant further elaborate as under:

- i. The electrification design for Eden Housing Scheme was approved by LESCO during the year 2009 having ultimate load demand of 3753 kW comprising of an independent 11 kV feeder. Later, another electrification design inclusive of Eden Abad Extension requiring enhancement of ultimate load to 7253 kW was proposed during year 2015 against which 32 kanal piece of land was required for the Complainant by LESCO as the total load exceeded the threshold of 5 MW as per SOP in vogue. Accordingly, the piece of land was proposed within the scheme and the same was later approved by LESCO during the year 2019.

- ii. However, the approval for electrification case remained pending until transfer of ownership of selected 32 kanal of land to LESCO and the revised extension of load i.e. 2107 kW was subsequently accorded by LESCO during year 2022. The ultimate load was further enhanced to 13154 kW through 2 Nos. of the subsequent approvals granted by LESCO during year 2023 for Block B & C and VIP Block C having loads i.e. 2460 kW and 6940 kW respectively. The Complainant while also being charged with the applicable grid sharing charges against approvals granted during year 2022 & 2023, disputed transfer of 32 kanal of land and requested LESCO to return ownership of extra 12 kanal as per the infield provision during the year 2022, however, the same request was rejected by LESCO.
- iii. The Complainant was of the view that the return of 12 kanal out of 32 kanal of total transferred land is justified considering the fact that relevant clause of CSM requiring 32 kanal piece of land against ultimate load exceeding 5 MW was not applicable during the approval year i.e. 2022 and the requirement was reduced to only 20 kanal since the revision of CSM during the year 2021. Premising his case on discriminatory approach of LESCO in recovery of grid sharing charges as per applicable provisions and requirement of size of land in accordance with the redundant SOPs, the Complainant requested to direct LESCO to return ownership of 12 kanal of land.

3. The matter was taken-up with LESCO and a hearing was held on March 12, 2024 at NEPRA Head Office, Islamabad whereby the issue was deliberated at length. LESCO in its verbal and written arguments submitted that the case of external electrification of the Eden Abad Housing Scheme was initially approved having load demand of 3753 kW which was later enhanced to 13154 kW through subsequent approvals granted during the year 2022 and 2023 while the 32 kanal of land was also got transferred to LESCO by the Complainant during the year 2022. LESCO premised its arguments on the basis that agreement for land, transferred to LESCO during the year 2022, was transpired during year 2018-19 while the Consumer Service Manual got revised during year 2021 which, thus, has none bearing upon the mutually agreed process started before such revision. Another hearing was also held on November 04, 2024 at NEPRA Head Office, Islamabad in order to finalize the matter.

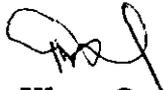
4. The case has been examined in detail in light of the record made so available by both parties, arguments advanced during the hearings and applicable law. Following has been observed:

- i. Approval for external electrification of Eden Abad Housing Scheme located at Pine Avenue, District Lahore having initial load of 3753 kW was granted by LESCO during year 2009 which, subsequently, led to ultimate load of 13154 kW during year 2023, following the approvals of additional load as applied during the series of extension of the housing scheme in different phases. Meanwhile, 32 kanal piece of land located in the scheme was got transferred to LESCO during year 2022 by the Complainant as per the requirement floated by LESCO prior to relevant approval of enhanced load. The Complainant was of the view that LESCO is obligated to return extra 12 kanal out of 32 Kanal piece of land in accordance with infield clauses of Consumer Service Manual (CSM).
- ii. Perusal of documentary evidence reveal that following the initial approval during September, 2009, the ultimate load was, later, enhanced above 5 MW as per approval accorded by LESCO against additional load of 2107 kW during September, 2022 following the transfer of 32 kanal piece of land from the Complainant during January, 2022 and after recovery of the 50% grid sharing charges. The ultimate load was, later, enhanced to 13154 kW through another approval of additional load i.e. 6940 kW during August, 2023.

- iii. According to decision of the Board of Director (BOD), LESCO dated June 21, 2015, sponsor of a housing society having ultimate load above 5 MW opting for execution of external electrification through LESCO shall provide 32 Kanal of land falling within the boundary of such housing scheme. It is matter of fact that the Complainant during year 2019 applied for the additional load of 3500 kW, later revised at 2107 kW and then at 2460 kW; in addition to existing load of 3753 kW ensuing requirement of 32 kanal piece of land within scheme as per the above mentioned SOPs. It is of important to note that during the pendency of application with LESCO until the approval of same on September 01, 2022; CSM got revised dated January 13, 2021.
- iv. Clause 2.6.4 of the revised CSM stipulates that in case of housing societies having ultimate load between 5 to 10 MW, DISCO shall recover 50% grid sharing charges including transmission line charges and 100% cost of land proportionate to load. In the instant matter, 50% grid sharing charges were duly recovered from the Complainant by LESCO, however, along with the transfer of 32 kanal piece of land in lieu of cost of land, in violation of CSM. The record reflects that 32 kanal of land was transferred to LESCO during January, 2022 leading to approval of revised load during September, 2022 having progressive load of (5.8) MW; which does not require any provision of land as per the revised CSM.
- v. Even considering contentions of LESCO that agreement/process for such transfer of land between LESCO and the Complainant was initiated prior to issuance of the revised CSM, the same does not have any legitimate or reasonable causal effect on actual transfer of land affected during January, 2022 while the revised CSM was already in field since January, 2021. It is pertinent to mention that the approval of load extension during September, 2022 was granted by LESCO after the recovery of 50% grid sharing charges from the Complainant which does pertain to the revised CSM and points towards the fact that an ill-assumed method for pick and choose between relevant clauses of CSM was opted by LESCO which is not warranted.
- vi. Moreover, according to clause 2.6.4 of the CSM, housing societies having ultimate load between 10 to 20 MW, have to be provided connection from dedicated grid station and associated transmission line or through its own grid station subject to availability of capacity/load in its grid and with mutual consent. In such case, DISCO shall recover 100% grid sharing charges including transmission line charges and a piece of land i.e. minimum 12 kanal land for GIS & 20 kanal of land for AIS within a housing society.
- vii. Taking cognizant of the above and considering the fact that ultimate load of housing scheme, as per the latest approval during August, 2023, was enhanced to (13.154) MW which now require recovery of 100% grid sharing charges and provision of 20 kanal of land for grid station i.e. predominantly AIS as per the precedent. However, it is an established fact that LESCO already owns 32 kanal piece of land within the scheme which, thus, ensues the return of 12 kanal out of 32 kanal to the Complainant as per the relevant provision of CSM as narrated above.
- viii. The detail of approved/sanctioned load is as under:
 - a. Initially, 3753 kW of load was approved on September 15, 2009.
 - b. On October 13, 2015, the Complainant applied for additional load of 3500 kW, however, extension of load was not approved by LESCO.

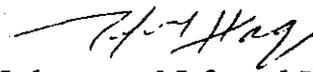
- c. Later, revised load of 2412.18 kW was applied by the Complainant on January 09, 2019 which was also not approved.
- d. Meanwhile, 32 Kanal of land located in the scheme was transferred to LESCO on January 11, 2022 by the Complainant against the already approved load of 3753 kW. Provision of land against 3753 kW load was not applicable neither in revised CSM nor in previous CSM. It is also noticeable that no record of ultimate load assessment was placed on record by LESCO which could necessitate requirement of 32 kanal land at the time of 1st approval.
- e. Later, 2107 kW of revised load was approved on September 01, 2022 which was 9130 kW subsequently revised and approved as 2460.3 kW on August 31, 2023.
- f. Consequent of above, the approved load of the scheme came to the tune of $3753+2460.3= 6213.3$ kW which does not require land as per revised CSM.
- g. Another extension of load for 6940.79 kW was approved on August 11, 2023 which made the ultimate load to $3753+2460.3+6940.7= 13,154$ kW. As per the provisions of revised CSM, 20 kanal land is applicable for the applicant having load above 10 MW to 20 MW.
- h. It is clear that LESCO has taken 12 kanal land in access from the sponsor.

5. Foregoing in view, LESCO is required to return the 12 kanal land to the Complainant taken in access in violation of CSM-2021. Compliance report be submitted within (30) days, positively.



(Lashkar Khan Qambrani)

Member, Complaints Resolution Committee/
Director (CAD)



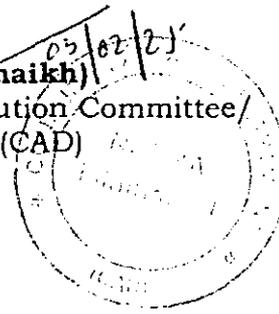
(Muhammad Irfan ul Haq)

Member, Complaints Resolution Committee/
Assistant Legal Advisor



(Naweed Ilahi Shaikh)

Convener, Complaints Resolution Committee/
Director General (CAD)



Islamabad, February 05, 2025