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/ 607 -2025
February 11, 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 MS. FARYAL RIAZ CHATTHA, CHIEF FINANCIAL OFFICER, NISHAT CHUNIAN LIMITED, UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION & DISTRIBUTION OF ELECTRIC POWER ACT, 1997, AGAINST LESCO REGARDING MDI CHARGES (A/C# 24 11919 9106000) LESCO-NHQ-46475-11-24**

Please find enclosed herewith the decision of the NEPRA Complaints Resolution Committee (CRC) dated February 11, 2025, regarding the subject matter for necessary action and compliance within twenty (20) 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. Director (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. Ms. Faryal Riaz Chattha, Chief Financial Officer, Nishat Chunian Limited, 31-Q, Gulberg-II, Lahore. 042-35761730

BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)
Complaint No. LESCO-NHQ-46475-11-24

..... **Complainant**

Ms. Faryal Riaz Chattha
Chief Financial Officer
Nishat Chunian Limited, 31-Q, Gulberg-II, Lahore.

Versus

..... **Respondent**

Lahore Electric Power Company (LESCO)
LESCO, 22-A, Queen's Road, Lahore.

Date of Hearing: December 16, 2024
January 23, 2025

On behalf of Complainant: Ms. Faryal Chatha Chattha
Mr. Mahmood, Advocate
Mr. Haris Murtaza
Mr. Yasir Muhammad

Respondent: Mr. Fayyaz Hussain, XEN (Operation), LESCO

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY M/S NISHAT CHUNIAN LIMITED THROUGH MS. FARYAL RIAZ CHATTHA, CHIEF FINANCIAL OFFICER UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION & DISTRIBUTION OF ELECTRIC POWER ACT, 1997, AGAINST LESCO REGARDING MDI CHARGES**

DECISION

This decision shall dispose of the complaint filed by M/s Nishat Chunian Limited through Ms. Faryal Riaz Chattha (hereinafter referred to as the "Complainant") against Lahore Electric Supply Company (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. NEPRA received a complaint from the Complainant wherein it was submitted that industrial connection installed against reference No. 24-11919-9106000 has been charged with inflated bills by LESCO since July, 2024 due to the implementation of updated policy pertaining to the imposition of fixed charges based on historical MDI. By resting its case on disputed charging of exorbitant MDI of 28.8 MW during April, 2022 against the connection energized through 20/26 MVA transformer, the Complainant requested to redress the complaint.

3. In order to proceed further, a hearing was held on December 16, 2024 at NEPRA Head Office, Islamabad which was attended by both the parties, however, the case could not be finalized due to insufficient record with LESCO officials. Accordingly, LESCO was directed to get data of the impugned meter retrieve of in presence of representatives of the

Complainant. Another hearing was also held on January 23, 2025 at same venue and the matter was analyzed in detail. LESCO through its verbal and written arguments submitted that the Complainant's connection is being levied fixed charges as per revise tariff terms & conditions by factoring in the highest MDI i.e. 28.8 MW recorded during the month of April, 2022. LESCO further showed its inability to provide actual MDI data of the connection against the disputed period.

4. The case has been examined in detail in light of record made so available by parties, arguments advanced during hearings and applicable law. The conclusion is made as under:

i. According to tariff terms and conditions approved by the Authority and notified vide SRO No.1039 (I) dated July 14, 2024; the fixed charges shall be billed based on 25% of sanctioned load or actual MDI for the month whichever is higher. Moreover, the decision of Authority for the determination of consumer end tariff dated July 11, 2024 provides that for the purpose of fixed charges sanctioned load means maximum demand recorded during preceding (60) months. The same translates to the existing policy whereby if the recorded MDI for given month is less than 25% of sanctioned load then chargeable MDI will be 25% of maximum MDI recorded during the period of last sixty (60) months.

ii. The Complainant's industrial connection installed against reference number i.e. (24-11919-9106000) having sanctioned load of 22500 kW under B-4 tariff was charged electricity bills carrying financial implications based on the levied fixed charges since July, 2024 due to imposition of MDI i.e. 28800 kW charged during April, 2022. The Complainant disputed the charging of excessive MDI by LESCO suspiciously crossing the sanctioned load while being inconsiderate of technical incompatibility of the capacity of installed power transformer of protection system.

iii. Perusal of the documentary evidence reveals that no MDI was charged by LESCO during the month of March, 2022, however, LESCO charged 28800 kW MDI during April, 2022. It is of note that power transformer installed at the industrial premises having nameplate rating of 20/26 MVA is technically limited in terms of its operable power, thus, not compatible with recorded MDI i.e. 28.8 MW reflecting huge discrepancy on part of concerned LESCO officials. Moreover, the same discrepancy is corroborated by the fact that the commensurate protection design having settings specified for reliable operation of installed power transformer cannot accommodate such excessive surge of power.

iv. Being evident form the consistent consumption pattern of consumed units and MDI elsewhere while having contrasting and erratic MDI recorded only during March and April, 2022 in conjunction with factual incompatibility of the power transformer with the disputed MDI, it can be concluded that significant error on the face of record was made by LESCO whereby cumulative MDI of 28.8 MW over the period of two months was wrongly charged at once during April, 2022. The same was presumably induced due to the lack of resetting the MDI recorded during preceding month of March, 2022 which is also supported by the fact that zero MDI was charged during same month along with several thousand units which does not qualify as healthy MDI. Moreover, the contention of LESCO regarding actual recording MDI remained unsubstantiated.

5. Foregoing in view, LESCO is directed to segregate the MDI of 28800 kW over the period of two month i.e. March, 2022 and April, 2022 and revise the fixed charges accordingly since July, 2024 as per the segregated MDI. LESCO is also directed to update master file/historical data of the connection for the corrected/segregated MDI. Compliance report be submitted within twenty (20) days.

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

(Muhammad Irfan Ul Haq)
Member Complaints Resolution Committee
/Assistant Legal Advisor

11/02/25

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

Islamabad, February 11 , 2025