



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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**OFFICE OF THE
REGISTRAR**

No. NEPRA/R/TCD-05/4158-60

25-4-2014

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

Subject: **Decision in the Matter of Complaint Filed by Major General (R) Javid Iqbal, Chief Executive Officer, Punjab Industrial Estate Development & Management Company (PIEDMC), Lahore under Section 39 of The Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 Against LESCO Regarding Extension of Load**
Complaint # LESCO-64/2013

Please find enclosed the decision of Member (Consumer Affairs) in the subject matter for necessary action and compliance within 30 days of the receipt of this letter.

Encl : As Above

-sd-

(Iftikhar Ali Khan)
Deputy Registrar

Copy to:

1. Chief Engineer / Customer Services Director, Lahore Electric Supply Company (LESCO)
22-A, Queens Road, Lahore.
2. Major General (R) Javid Iqbal, Chief Executive Officer, Punjab Industrial Estate, Development & Management Company (PIEDMC), Commercial Area (North) Sundar Industrial Estate, Raiwind Road, Lahore.

No. NEPRA/R/TCD-05/4161

Forwarded for information and further necessary action, please.

25-4-2014
N
25/4/14
Deputy Registrar

1. Director (CAD)
2. Master File [w.r.t. M (CA) D#1166 dated 25.04.2014]

CC:

1. Vice Chairman / Member (Tariff)
2. Member (M&E)
3. Member (C.A)



BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)

Complaint No: LESCO-64-2013

Major General (R) Javid Iqbal, Complainant
Chief Executive Officer,
Punjab Industrial Estate
Development & Management Company (PIEDMC)
Lahore.

Versus

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

Date of Hearings: March 06, 2014

Date of Decision: April 25, 2014

On behalf of:

Complainant

- 1) Mr. Fareed Ahmed, Chief Engineer PIEDMC
- 2) Col. Naveed Mushtaq Gill, GM Technical PIEDMC
- 3) Mr. Nadir Altaf, RIAA LAW, Advocates & Corporate Counsellors

Respondent:

- 1) Mr. Khalid Mehmood, CSD LESCO
- 2) Mr. M. Ramzan Ghumman, Director P&D LESCO

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY MAJOR GENERAL (R) JAVID IQBAL, CHIEF EXECUTIVE OFFICER, PUNJAB INDUSTRIAL ESTATE DEVELOPMENT & MANAGEMENT COMPANY (PIEDMC), LAHORE, UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST LESCO REGARDING EXTENSION OF LOAD**

DECISION

1. This decision shall dispose of the complaint dated April 29, 2013 filed under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 by Major General (R) Javid Iqbal, Chief Executive Officer, Punjab Industrial Estate Development & Management Company (PIEDMC), Lahore (hereinafter referred to as the



“Complainant”) against Lahore Electric Supply Company (hereinafter referred to as the “Respondent” or “LESCO”).


2. The Complainant in his complaint stated that the sanctioned load of Sunder Industrial Estate (SIE) is 36 MW and the demand for electrical connections has now reached critical level. Due to procedural delays, industrialization is slowing down, therefore, LESCO should grant a provisional sanction from 36 MW to 68 MW as final decision by NEPRA is already in process. It will only be a continuation of the existing 36 MW one point supply already under operation by PIEDMC. The Complainant prayed that LESCO be directed for extension of load from 36 MW to 68 MW on the same provisional tariff of B-4 till the final decision of NEPRA.
3. The case was taken up with LESCO vide letter dated May 9, 2013 for submission of detailed report. In response, LESCO vide its letter dated June 27, 2013 reported that the extension of load from 4.8 MW to 10 MW and further extension of load from 10 MW to 36 MW was approved provisionally under tariff B-4 and PIEDMC was required to get No Objection Certificate (NOC) from NEPRA for appropriate tariff for resale of power supply to Industrial Park / Sunder Industrial Estate which is still awaited. The matter is under consideration with Legal Directorate for seeking applicable tariff to PIEDMC. As soon as the matter regarding application of appropriate tariff to PIEDMC is decided, the case of extension of load from 36 MW to 68 MW will be proceeded as per rules. The report of LESCO was sent to the Complainant for information / comments; however, no comments were received from the Complainant.
4. The case was pursued with LESCO for submission of final comments. Finally, LESCO vide its letter dated January 27, 2014 reported that the case of extension of load is still pending due to the non determination of applicable / appropriate tariff. In the meanwhile, the Complainant through letter dated January 15, 2014 approached NEPRA and stated that their request for extension of load from 36 MW to 68 MW is still pending and they have requested LESCO that if it is not possible to extend load by 32 MW (i.e. from 36 MW to 68 MW) then at least 10 MW load be enhanced in the existing system immediately.
5. To resolve the issue, a hearing in the matter was held on March 6, 2014 at NEPRA Head Office, Islamabad which was attended by both the parties. During the hearing, Customer Services Director, LESCO stated that the appropriate tariff for PIEDMC is C-4 for which they have applied to NEPRA, however, their request was not considered. Both the parties stated that they will accept decision of NEPRA whatsoever w.r.t issuance of distribution license, application of tariff and extension of load.
6. Subsequent to the hearing, the Legal Counsel of PIEDMC vide letter dated March 24, 2014 submitted an undertaking to the effect that it will accept NEPRA's decision on both



LESCO tariff petition as well as PIEDMC distribution license petition and will implement decision/orders of the Authority fully and completely in true letter and spirit and shall not take any action which is not available within the framework of law and regulatory principle.

7. From the perusal of the record and arguments advanced during the hearing, following has been observed:
- i) Sundar Industrial Estate (SIE) is a project of Punjab Industrial Estate Development and Management Company (PIEDMC) which is situated at Raiwind Road, Lahore, i.e. service territory of LESCO as per the Distribution License of LESCO. PIEDMC is a bulk power consumer of LESCO and is being billed under B-4 tariff category.
 - ii) Initially, a connection was sanctioned for SIE for 4.8 MW load in July 2006. At present, load of PIEDMC is 36 MW and they intend to further enhance their load from 36 MW to 68 MW for which they have already applied to LESCO in 2011. PIEDMC is involved in resale of electricity and their application for grant of Distribution License is pending with the Authority since April 4, 2011 due to the reason that LESCO has opposed to the grant of Distribution License to PIEDMC as it holds exclusivity for providing distribution service in its service territory as per the Distribution License granted by NEPRA.
 - iii) LESCO is of the view that appropriate tariff for PIEDMC is C-4 for which they applied to NEPRA, however, their request was not considered.
 - iv) Both the parties are ready to accept the decision of NEPRA whatsoever w.r.t extension of load, issuance of distribution license and application of tariff.
8. Foregoing in view, LESCO is hereby directed to allow extension of load to PIEDMC from 36 MW to 68 MW subject to completion of all codal formalities and furnishing of an undertaking by PIEDMC to LESCO to the effect that PIEDMC will accept any decision of NEPRA w.r.t grant of Distribution License and application of tariff.
9. Compliance report be submitted within thirty (30) days.

Islamabad, April 25, 2014


(Maj (R) Haroon Rashid)
Member (Consumer Affairs)

