

EXCLUSIVE INTERVIEW



Shahid Haider

CEO, Lahore Electric Supply Company (LESCO)

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ICMA: Can you elaborate on LESCO's role in ensuring reliable electricity supply to its consumers?

Shahid Haider: LESCO is responsible for the distribution of electricity within its jurisdiction, which includes Lahore, Sheikhpura, Kasur, Nankana, and Okara. The company ensures a reliable power supply through the rehabilitation, upgrading, and expansion of its transmission and distribution network, utilizing initiatives such as Specialized Technical Goods (STG), Distribution of Power (DOP), and Energy Loss Reduction (ELR) programs. Furthermore, key measures include the deployment of Aerial Bundled Cable, efficient operations

and maintenance, enhanced customer service through strict adherence to safety protocols, and the provision of a 24/7 Rapid Response Team at each subdivision to promptly resolve power supply issues.

ICMA: How does LESCO plan to reduce power losses and combat electricity theft in its jurisdiction?

Shahid Haider: As the CEO of LESCO, addressing power losses and combating electricity theft within our jurisdiction is a top priority. We have implemented a comprehensive strategy focused on both technical loss reduction and theft prevention, utilizing modern technologies and targeted initiatives.

For **technical loss reduction**, we are executing Specialized Technical Goods (STG) projects, which include the development and augmentation of grid stations, the installation of new and upgraded transmission lines, and the addition of capacitor banks to enhance system efficiency. High Tension (HT) proposals are also being implemented, such as feeder rehabilitation through area planning, bifurcation, and reconductoring. Additionally, we are optimizing load distribution by shifting it to new grid stations and installing 11kV capacitors. On the Low Tension (LT) side, our initiatives involve the augmentation and addition of distribution transformers and the rehabilitation of the LT network to improve reliability and reduce losses.

To **combat electricity theft**, we are leveraging advanced technologies and robust enforcement measures. We have begun installing scanning meters and Advanced Power Management Systems (APMS) on high-loss transformers to monitor and control unauthorized consumption. On high-loss feeders, we are deploying Aerial Bundled Cable (ABC) to minimize illegal connections and tampering. The introduction of Advanced Metering Infrastructure (AMI) and smart energy meters is further enhancing our ability to detect and prevent theft in real-time.

Additionally, LESCO is conducting an aggressive anti-theft campaign, which includes lodging FIRs against individuals involved in power theft. To strengthen these efforts, we are working in close coordination with provincial governments and other entities to address theft collectively. For feeders with persistently high losses, we are exploring outsourcing solutions to improve operational efficiency and accountability.

ICMA: What are the primary challenges LESCO faces in electricity distribution, and how are you addressing them?

Shahid Haider: LESCO faces several challenges in electricity distribution, each requiring a tailored approach to ensure reliable and efficient service delivery to our consumers.

One of the primary challenges is **high technical and administrative losses**. As previously outlined, we are addressing this through a combination of system upgrades, advanced technologies, and theft reduction measures to enhance network efficiency and reduce power wastage.

Another critical challenge is **reducing revenue-based load shedding**, which affects the reliability and continuity of supply. To tackle this, we are outsourcing high-loss feeders to improve operational efficiency and deploying Aerial Bundled Cable in high-loss areas to curb unauthorized consumption and enhance supply reliability.

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Safety remains a top priority for LESCO. We are ensuring strict compliance with NEPRA's safety protocols and conducting regular safety training for our staff to minimize workplace hazards and promote a safe operating environment.

Lastly, enhancing **customer service responsiveness** is vital for maintaining consumer trust and satisfaction. To achieve this, we have introduced advanced e-platforms, including the LESCO SMART App, CCMS+, and E-Ops App, to streamline complaint resolution and ensure timely responses to consumer issues.

ICMA: How is LESCO upgrading its infrastructure to meet increasing electricity demand?

Shahid Haider: To meet the growing electricity demand, LESCO is prioritizing the strengthening of its transmission and distribution network through comprehensive rehabilitation, upgradation, and extension programs. This includes initiatives under the Secondary Transmission & Grid (STG) and Distribution of Power (DOP) programs, complemented by digitalization efforts such as Geographical Information System (GIS) mapping. These advancements are made possible through investments approved by the Regulator, ensuring the necessary resources are in place to enhance infrastructure and service delivery.

ICMA: How does LESCO balance tariff adjustments to sustain operations while ensuring affordability for consumers?

Shahid Haider: LESCO operates under a five-year Multi-Year Tariff (MYT) mechanism, ensuring a structured and predictable approach to tariff management. The company submits tariff adjustments on a timely basis, with any over or under-recovery addressed as a prior year adjustment.

In addition, LESCO focuses on three key considerations:

- 1) **Fair Cost-Recovery Model:** Tariffs are structured to ensure equitable cost recovery while accommodating subsidies for low-income groups to support affordability.
- 2) **Operational Efficiency:** Efforts are made to reduce operational costs, thereby minimizing the need for tariff increases and ensuring efficient resource utilization.
- 3) **Stakeholder Engagement:** LESCO maintains transparency in communicating tariff changes to foster consumer trust and understanding.

Through these measures, LESCO strives to balance financial sustainability with the needs of its consumers and stakeholders.

ICMA: What role do you see renewable energy playing in LESCO's long-term strategy?

Shahid Haider: LESCO's long-term strategy aligns with the National Electricity Plan 2023–2027 (NEP), which emphasizes the integration of Distributed Energy Resources (DERs) within Distribution Companies (DISCOs) to the extent feasible. LESCO is committed to facilitating this integration through a centralized e-platform, enabling smoother adoption of DERs and contributing to a reduction in consumer-end tariffs. This approach not only supports national energy objectives but also promotes sustainability and cost efficiency for consumers.

Fiscal Year	No. of Net- Metering Connections ((No.)	Solar DG capacity installed (MW)
2022-23	20,484	310
2023-24	38,671	580
2024-25 (July-Oct)	69,339	956

ICMA: How do you plan to position LESCO as a model electricity distribution company in Pakistan?

Shahid Haider: To establish itself as a benchmark for electricity distribution in Pakistan, LESCO focuses on four key pillars:

- 1) **Customer Service:** LESCO prioritizes enhancing the consumer experience by implementing efficient

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complaint resolution and billing systems, providing the convenience of online bill payment, and introducing a user-friendly mobile application to streamline interactions.

- 2) **Technological Advancements:** The company leverages cutting-edge technologies, such as the Asset Performance Management System (APMS) for effective load management, the deployment of Aerial Bundled Cable to combat electricity theft, the implementation of an Automatic Metering Infrastructure (AMI) regime, and advanced network mapping and asset tagging using Geographical Information System (GIS).
- 3) **Human Resource Development:** Recognizing the importance of a skilled workforce, LESCO focuses on building a model HR system through capacity-building initiatives, technology-based training programs, and performance-driven employee monitoring.
- 4) **Material Management:** LESCO ensures the availability of sufficient stock to respond swiftly to emergencies, maintaining operational readiness and reliability.

ICMA: How does LESCO align with the national energy policy goals to ensure energy security and sustainability?

Shahid Haider: LESCO plays a vital role in aligning with the national energy policy goals to ensure energy security and sustainability. This commitment is demonstrated through several strategic initiatives:

First, LESCO adopts **Integrated System Planning** to identify future energy demands, network upgrades, and infrastructure requirements, ensuring proactive readiness to meet growing needs.

Second, it actively promotes the integration of **Distributed Energy Resources (DERs)**, enhancing energy security while making electricity more affordable for consumers.

LESCO also prioritizes **energy efficiency and conservation** by deploying effective Demand Side Management (DSM) strategies, empowering consumers to optimize energy use and reduce wastage.

To further enhance sustainability, the company is focused on reducing **technical and commercial losses**, a critical step toward minimizing inefficiencies within the system.

Digitalization remains a cornerstone of LESCO's strategy, enabling more efficient operations and better consumer engagement.

In line with evolving market structures, LESCO is transitioning toward a **wholesale electricity market**, ensuring competitive pricing and reliable service delivery.

Additionally, LESCO supports **renewable energy** and energy efficiency initiatives, aligning its operations with global trends and sustainability objectives.

Lastly, the company remains fully compliant with **NEPRA regulations** and national sustainability targets, ensuring that its efforts contribute meaningfully to the country's energy security and environmental goals.

ICMA: What support does LESCO require from the government or regulatory authorities to achieve its objectives?

Shahid Haider: To enhance its operations and contribute more effectively to the national energy landscape, LESCO requires the following support from the government or regulatory authorities:

- 1) Policy Reforms:** Simplifying regulations to streamline operational improvements and foster efficiency across the distribution network.
- 2) Funding Support:** Access to government grants or loans to finance critical infrastructure projects, ensuring the modernization and expansion of the grid to meet growing demand.
- 3) Technical Assistance:** Expert support for implementing advanced technologies, enabling LESCO to adopt innovative solutions for energy management and operational optimization.
- 4) Anti-Theft Measures:** The establishment of a dedicated authority with the power to take decisive action against consumers involved in electricity theft, ensuring greater enforcement capabilities.
- 5) Renewable Energy Promotion:** Specific amendments to NEPRA's Distributed Generation (DG) and net metering regulations to facilitate renewable energy adoption, along with the creation

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of a separate tariff category for net metering consumers to incentivize clean energy initiatives.

ICMA: What are LESCO's key goals for the next 5-10 years?

Shahid Haider: LESCO's strategic vision for the next decade focuses on achieving several transformative goals:

- 1) Reduction of Technical and Commercial Losses:** Bringing these losses down to below 10%, thereby improving efficiency and financial performance.
- 2) Safe and Reliable Grid Operations:** Ensuring stability and reliability in grid operations, particularly with the growing penetration of renewable energy.
- 3) Strengthening the Distribution Network:** Upgrading the network to minimize outages and tripping, which not only enhances customer satisfaction but also helps avoid revenue losses.
- 4) Integration of Advanced Technologies:** Deploying cutting-edge solutions such as the Asset Performance Management System (APMS), Advanced Metering Infrastructure (AMI), Aerial Bundled Cable (ABC), and GIS/SCADA systems. These technologies enable effective monitoring, data acquisition, and system planning.
- 5) One-Window IT Infrastructure:** Establishing a streamlined IT framework to support participants in the wholesale electricity market, ensuring seamless operations.
- 6) Paperless Operations:** Creating a paperless environment to align with national priorities for reducing carbon footprints and promoting sustainability.
- 7) Implementation of ERP Systems:** Rolling out ERP modules across all departments and integrating billing software with ERP to enhance operational efficiency and transparency.

The Editorial Board thanks Mr. Shahid Haider, CEO of Lahore Electric Supply Company (LESCO), for sparing his precious time to give an exclusive interview for the Chartered Management Accountant Journal.