



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

NEPRA Tower, Ataturk Avenue (East) G-5/1, Islamabad
Ph: +92-51-2013200, Fax: +92-51-9210215, +92-51-2600050
Web: www.nepra.org.pk, E-mail: Office@nepra.org.pk

PRESS RELEASE

September 27, 2018

NEPRA IMPOSES RS. 5 MILLION FINE ON K-ELECTRIC LIMITED

NEPRA has imposed a fine of **Rs. 5 Million** on K-Electric Limited on account of its failure to provide reliable power supply to consumers of Karachi on a non-discriminatory basis.

2. Pursuant to media reports regarding prolonged hours of load shedding by K-Electric during the month of Ramadan in 2017 and direction of Honorable Sindh High Court to NEPRA to ensure compliance with NEPRA's earlier order dated 25-03-2016 to provide electricity to all consumers on non-discriminatory basis, the Authority constituted a committee to verify facts and implementation of aforementioned order.

3. The committee visited the generation, transmission and distribution facilities of K-Electric from June 01, 2017 to June 05, 2017, in order to monitor and verify load shedding in different areas of Karachi, current generation capacity of K-Electric and its utilization, number of interruptions/faults and implementation of investment plans.

4. The committee submitted a comprehensive report to the Authority which raised serious concerns on the performance of K-Electric and the Authority decided to initiate legal proceedings against K-Electric. Explanation followed by Show Cause Notice was issued to K-Electric. Two opportunities of hearing were also provided, wherein, the representatives of K-Electric made their submissions, however failed to provide any satisfactory response to the alleged violations.

5. The Authority observed that different units of Bin Qasim Power Station-I tripped frequently during the month of May, 2017 owing to improper maintenance by K-Electric. In addition, a huge number of unplanned interruptions of prolonged duration occurred due to K-Electric's weak and fragile distribution network. All this cumulatively resulted in extended load shedding, ranging from 14 to 16 hours in Karachi during the month of May, 2017.

6. In view of above, the Authority has imposed a fine of **Rs. 5 Million** on K-Electric Limited due to non-compliance of Performance Standards, Distribution Code and direction of the Authority as given in the order dated 25.03.2016 regarding provision of electricity to all consumers without any discrimination who meet the consumer eligibility criteria.

*******End*******