

National Electric Power Regulatory Authority M Islamic Republic of Pakistan

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No. NEPRA/DG(M&E)/LAD-01/14761-63

August 16, 2019

Chief Executive Officer, Karachi Electric Supply Company (KESC), House No 39-B, Sunset Boulevard Phase-II, Defense Housing Authority, Karachi.

Subject: Investigation under Section 27A of the NEPRA Act against K-Electric

The Authority has passed an order under Section 27A of the NEPRA Act, 1997 to conduct investigation against K-Electric on prima facie violation of the NEPRA Act, rules, regulations and codes made thereunder and the conditions of License granted to K-electric under NEPRA Act, 1997 during the monsoon seasons of July and August 2019. The Order of the Authority and the Terms of Reference for the Investigation are attached herewith for your information. The Investigation Team comprises of following Officers:

- i) Mr. Nadir Ali Khoso, Director General (M&E)
- ii) Hafiz Irfan, Deputy Director (M&E)
- iii) Mr. Shahzad Anwar, Deputy Director (Tech)

2. K-Electric is therefore, directed to arrange and make available the relevant data, information and staff to assist NEPRA Investigation Team.

3. Matter most important.

(Syed Safeer Hussain) Registrar

CC:

- 1. Secretary, Cabinet Division, Government of Pakistan, Cabinet Secretariat Islamabad
- 2. Secretary, Ministry of Energy, Power Division, 'A' Block, Pak Secretariat Islamabad

National Electric Power Regulatory Authority Islamabad

NEPRA has been established under the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997 (the NEPRA Act) for the regulations of the provision of electric power services in Pakistan. K-Electric is a distribution company that has been granted a distribution licence by NEPRA under sections 21 and 25 of the NEPRA Act, namely licence No. 09/DL/2003 granted on 21.07.2003, to undertake distribution of electric power. There are a number of legal and regulatory obligations on K-Electric under various statutory instruments, such as the NEPRA Act itself, NEPRA Licensing (Distribution) Rules, 1999 (the Distribution Rules), the NEPRA Performance Standards (Distribution) Rules, 2005 (the Performance Standards), the Distribution Code, NEPRA "Consumer Eligibility Criteria" 2003 (the Eligibility Criteria), the Consumer Service Manual (the CSM) and KE's own distribution licence.

1. Recently Karachi has witnessed precipitous monsoon rains from 29th to 30 July and 10th to 12th of August 2019, which has caused havoc due to flooding and water accumulation particularly in low-lying areas of Karachi. Due to this situation, there have been a large number of fatal/non-fatal accidents mainly due to electrocution caused by defective distribution system of K-Electric. Further as reported, there were prolonged outages of power supply and K-Electric failed to restore the supply to the consumers within specified time.

Order of the Authority

2. The Authority, after detailed deliberation of the matter, hereby orders an investigation under section 27A of the NEPRA Act to be conducted against K-Electric on prima facie violation of the NEPRA Act, Rules, Regulations and Codes made thereunder and the conditions of Licenses granted to K-Electric under NEPRA Act, 1997during the monsoon seasons of August 2019. The Terms of Reference for the Investigation (attached at Annexure 1) are hereby approved and the following officers are appointed as investigation officers in the matter:

Sr No.	Designation of Investigating Officer
1.	Nadir Ali Khoso, Director General (M&E)
2.	Hafiz Irfan, Deputy Director Standards (M&E)
3.	Shahzad Anwar, Deputy Director (Tech)
Ň	Engr. Bahadur Shah Member Tauseef H. Faroqi Chairman Tusy 16 08 19