



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad.

Tel: +92-51-9206500, Fax: +92-51-2600026

Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/SA(M&E)/LAG-72/ 18800

September 16, 2026

Chief Executive Officer
Orient Power Company Limited,
10-Ali Block, New Garden Town,
Lahore

Subject: **ORDER OF THE AUTHORITY IN THE MATTER OF SHOW CAUSE NOTICE
ISSUED TO M/S ORIENT POWER COMPANY LIMITED UNDER
REGULATION 4(8) & 4(9) OF THE NEPRA (FINE) REGULATIONS, 2021**

Please find enclosed herewith the Order of the Authority (total 05 Pages) in the subject matter for information and record.

Enclosure: **Order of the Authority**

(Syed Zawar Haider)
Director

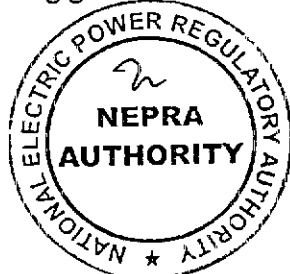


National Electric Power Regulatory Authority

In the matter of Show Cause Notice issued to M/s Orient Power Company Limited under Regulation 4(8) & 4(9) of the NEPRA (Fine) Regulations, 2021

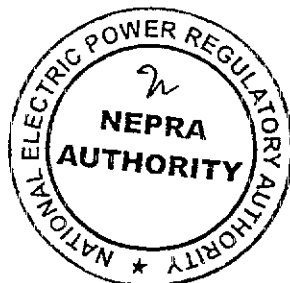
Order

1. National Electric Power Regulatory Authority (hereinafter referred to as the "Authority" or "NEPRA"), established under Section 3 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act"), is mandated to regulate the provision of electric power services.
2. Pursuant to Section 15 of the NEPRA Act (now section 14B after promulgation of Regulation of Generation, Transmission and Distribution of Electric Power Amendment Act 2018), the Authority has granted a Generation License (No. IGSP/L/03/2005, dated 22/07/2005) to Orient Power Company Limited (hereinafter referred to as the "Licensee") to engage in the generation business as stipulated in its Generation License.
3. Pursuant to Section 14B(4) of the NEPRA Act, in the case of a generation facility connecting directly or indirectly to the transmission facilities of the national grid company, the Licensee shall make the generation facility available to the national grid company for the safe, reliable, non-discriminatory, economic dispatch and operation of the national transmission grid and connected facilities.
4. According to Rule 10(6) of the NEPRA Licensing (Generation) Rules, 2000, the Licensee shall at all times comply with the provisions of the grid code, including, without limitation, in respect of the availability of the net capacity or in respect of the outages, maintenance and operation of its generation facilities, and shall provide the national grid company with all information reasonably required by the latter to enable it to dispatch the generation facilities of the Licensee.
5. Clause OC 8.1.1 of Operation Code-System Recovery of Grid Code deals with the procedures for the restoration of power supplies following a Total Shutdown or a Partial Shutdown of the System and the re-synchronization of specific parts of the System that have been Islanded.
6. Clause OC 8.1.4 of Operation Code-System Recovery of Grid Code states that OC 8 applies to the System Operator, NTDC, distribution companies, Operators of the power plants, and Users of the System. Contingency arrangements are required to be established by the System Operator with each Externally-connected Party/Consumers.
7. Clause OC 8.2.1 of Grid Code states that a Total Shutdown of the System is a situation when there is no internal generation online and operating; and there is no power supply available from external-connections. The restoration of power supply from such a situation is a Black Start Recovery. A Partial Shutdown is when there is no online operating generation or External Connection to a part of the system that has



become shutdown; and it is necessary for the System Operator to instruct Black Start Recovery procedures to restore supplies to that part of the system.

8. Clause OC 8.2.2 of Grid Code states that during restoration of power supplies following a Total Shutdown or Partial Shut Down of the System, it may be necessary to operate the system outside normal frequency and voltage as stated in OC 4. It may also be necessary for the System Operator to issue instructions that are contrary to the Balancing Mechanism or Code, and also to normal contractual obligations in order to ensure restoration of supplies.
9. Clause OC 8.2.3 of Grid Code states that following a Total Shutdown of the System designated power plants that have the ability to Start Up without any External Connection to the system shall be instructed to commence Black Start recovery procedures. These procedures, which are to be agreed in advance, may include the restoration of blocks of local load demand that can be restored in agreement with the local distribution company. Local procedures may include the restoration of power supplies via Embedded Generator. The System Operator has the responsibility for the re-energisation of the interconnected transmission system and the re-synchronization of the system blocks of islanded blocks of locally restored supplies.
10. The total power system collapse occurred on 23.01.2023 at 07:34:43:800 Hrs which plunged the whole country into darkness and the system was completely restored on 24.01.2023 after 20 hours approximately. NEPRA, being a regulator of power sector, took cognizance of the above incident and constituted an Inquiry Committee (IC) to probe into the matter. During the course of inquiry, the IC visited power houses, grid stations, sites, offices and obtained relevant documents to arrive at the right conclusion.
11. The information related to supply restoration time of power plants and synchronization of their units after complete system breakdown dated 23.01.2023 was provided by System Operator (NPCC). The submitted information revealed that the supply at Licensee's bus bar was restored at 21:35 Hrs on 23.01.2023 and the Licensee was instructed by NPCC through Notice to Synch (NTS) as per PPA to synch Unit GT-1 & GT-2 at 22:06 Hrs on 23.01.2023 and Unit STG at 23:06 Hrs on 23.01.2023. However, the Licensee had synchronized the aforementioned units at 22:26 Hrs on 23.01.2023, 00:43 Hrs on 24.01.2023 and 23:42 on 23.01.2023 respectively i.e. after a lapse of 0:20 Hrs, 2:37 Hrs and 0:36 Hrs respectively, thereby, prima facie, the Licensee failed to comply with the NPCC's instructions in a timely manner as per terms & conditions of PPA which severely hampered the restoration process of power system.
12. In view of the above, the Authority observed that the Licensee was bound to follow the instructions of the NPCC, which it failed to do. Hence, the Authority observed that the Licensee has, prima facie, failed to comply with Section 14B(4) of the NEPRA Act, Rule 10(6) of the NEPRA Licensing Generation Rules, 2000 and Clauses OC 8.1.1, 8.1.4, 8.2.1, 8.2.2 & 8.2.3 of the Grid Code. In view of the foregoing, the Authority decided to initiate legal proceedings against the Licensee under NEPRA (Fine) Regulations, 2021 (hereinafter referred to as the "Fine Regulations, 2021").



Explanation

13. Accordingly, an Explanation dated 22.09.2023 was issued to the Licensee under Regulation 4(1) & 4(2) of the Fine Regulations, 2021. The basis of Explanation included the following:

4. *WHEREAS, the information related to supply restoration time of power plants and synchronization of their units after complete system breakdown dated 23.01.2023 was provided by System Operator (NPCC). The submitted information revealed that the supply at Licensee's bus bar was restored at 21:35 Hrs on 23.01.2023 and the Licensee was instructed by NPCC through Notice to Synch (NTS) as per PPA to synch Unit GT-1 & GT-2 at 22:06 Hrs on 23.01.2023 and Unit STG at 23:06 Hrs on 23.01.2023. However, the Licensee had synchronized the aforementioned units at 22:26 Hrs on 23.01.2023, 00:43 Hrs on 24.01.2023 and 23:42 on 23.01.2023 respectively i.e. after a lapse of 0:20 Hrs, 2:37 Hrs and 0:36 Hrs respectively, thereby, prima facie, the Licensee failed to comply with the NPCC's instructions in a timely manner as per terms & conditions of PPA which severely hampered the restoration process of power system.*

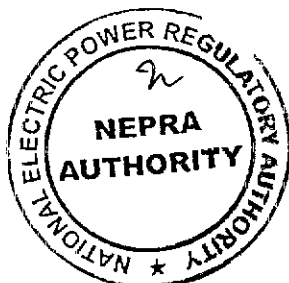
Licensee's Response

14. In response, the Licensee submitted its reply vide letter dated 06.10.2023. The Authority, after detailed deliberations, rejected the response submitted by the Licensee to the above Explanation vide Order dated December 05, 2024, recording reasons for such rejection.

Show Cause Notice

15. Accordingly, a Show Cause Notice vide letter No. NEPRA/DG(M&E)/LAG-72/18909 dated December 05, 2024 was issued to the Licensee under Regulation 4(8) and 4(9) of the Fine Regulations, 2021. The Licensee, through letter dated 04.01.2025, submitted its reply to the Show Cause Notice, the salient points of which are as follows:

- i. The Show Cause Notice (SCN) and Explanation are issued without jurisdiction, misplaced, and contrary to applicable framework. The Licensee's obligations to meet the Power Purchaser's dispatch instructions/notice to synchronise is exclusively regulated by the Licensee's Power Purchase Agreement ("PPA"), which also provides for penalties/remedies in case the Licensee is unable to meet the same. Regulation 4(1) of the NEPRA Fine Regulations covers only the 'NEPRA Act, 1997' and the applicable documents (license, rules, regulations, and Grid Code), not the PPA. No provision of the Act, Rules, or Grid Code has been cited that the Licensee has allegedly violated.
- ii. The Explanation was issued with a period of nine (09) months lapsing between the event and the Explanation. This is directly contrary to the requirements of Regulation 4 (1) of the Regulations and the requirements of the law, it is respectfully submitted that this is contrary to settled legal principles consistently upheld by the superior courts of Pakistan to the effect that where the term 'shall' is employed by the Legislature the provision is mandatory and any deviation therefrom is illegal and any proceedings commenced in this

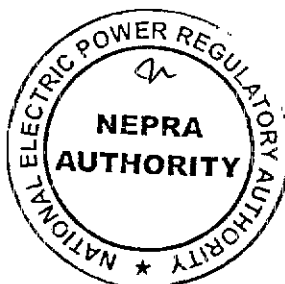


instance would be void and non est. On this basis alone, the SCN and Explanation are liable to be withdrawn.

- iii. The Power Purchaser has already penalized the Licensee for the alleged delayed synchronization; therefore, any additional penalty by NEPRA would constitute double punishment, contrary to law, the principles of natural justice, and constitutional rights.
- iv. The Licensee itself acknowledged that synchronization and loading occurred with certain delays relative to the timelines prescribed under the PPA, as the Complex had remained on standby for 119 hours from 18 January 2023 at 22:16 hours. According to the Licensee, these delays were attributable to the steam turbine entering a cold state after prolonged standby, low ambient and fuel gas temperatures requiring auxiliary heating, and operational and safety requirements in line with OEM recommendations and Prudent Utility Practices.
- v. The Licensee submitted that its actions were consistent with Prudent Utility Practices, as reflected in the relevant provisions of the Grid Code and the PPA, supported by OEM recommendations. It was contended that all reasonable efforts were made to comply with the Notice to Synchronize while adhering to applicable Technical Limits and prudent operational judgment. The Licensee attributed the delay to technical limitations associated with the steam turbine start-up process, particularly low inner casing and rotor temperatures, necessitating adherence to OEM-prescribed protocols. It was further maintained that compliance with Prudent Utility Practices and OEM guidelines is essential to ensure safe, reliable, and sustainable plant operation, and that the utilization of forced outage allowance reflects compliance within the PPA framework. Accordingly, the delay in synchronization was asserted to be consistent with prudent operational standards, necessary to maintain system and equipment integrity, and in compliance with the NEPRA Act, the Generation Licensing Rules, the Grid Code, and the PPA.
- vi. The Authority has not provided the Licensee with the comments from the Power Purchaser and System Operator as mentioned in the Order enclosed with the SCN. This omission constitutes a breach of due process, fairness, and natural justice under Regulation 4(8) of the Fines Regulations and Section 24A of the General Clauses Act, 1897. Additionally, it is noted that the Authority, while passing the Order enclosed under the SCN and issuing the SCN, has not provided the Company with an opportunity of being heard.
- vii. The SCN makes references to certain provisions of the NEPRA Act, Licensing Generation Rules and the Grid Code which are even otherwise not applicable in this particular instance.

Hearing

- 16. The Authority, after consideration of the Licensee's response, resolved to provide the Licensee an opportunity of hearing in accordance with Regulation 4(11) of the Fine Regulations, 2021. Consequently, the hearing was held on 21.08.2025, at the NEPRA



Head Office, Islamabad, wherein, the representatives of the Licensee participated and made their submissions.

Analysis/Findings of the Authority

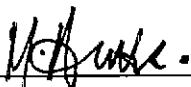
17. The Authority has carefully examined the submissions made by the Licensee and other stakeholders, the material placed on record, the applicable provisions of the regulatory framework, and the circumstances surrounding the system restoration process following the nationwide blackout of 23.01.2023. The Authority has also taken into consideration the sequence of events leading to the issuance of the Notice to Synchronize, the submissions furnished by the Licensee in response to the allegations contained in the Show Cause Notice, the nature of the obligations involved, and the overall factual context in which the events in question occurred. Having considered the matter in its entirety, the Authority is satisfied that the issues arising in the present case have been adequately explained by the Licensee and do not warrant any further regulatory intervention. In arriving at this conclusion, the Authority has also kept in view the overall circumstances attending the incident, the nature and materiality of the actions alleged, the regulatory purpose sought to be achieved, and the approach adopted by the Authority in dealing with other matters arising out of the same system event. Accordingly, the Authority is of the considered view that the instant matter does not call for imposition of any penalty under the applicable provisions of the Act and the proceedings initiated through the Show Cause Notice are hereby disposed of.

Decision of the Authority

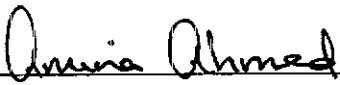
18. In view of the above, the Authority decides to accept the response submitted by the Licensee to the Show Cause Notice issued to it and order to close the matter in terms of Regulation 4(12) of the Fine Regulations, 2021.

Authority

Engr. Maqsood Anwar Khan
Member



Amina Ahmed
Member



Waseem Mukhtar
Chairman



Announced on 16th Sep, 2026 at Islamabad.

