

# NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

\*\*\*NEPRA\*\*\*

## PRESS RELEASE

### NEPRA imposes fine on KEL and directs to complete earthing/grounding of its distribution System

**Islamabad, December 10, 2019 (Tuesday):** NEPRA has imposed fine of 50 million rupees on Karachi Electric Limited (KEL) and directed to complete earthing and grounding of its distribution system by April 2020 and also carry out third party verification of its distribution system.

02. On July 29-31, 2019 and August 10-12, 2019, the city of Karachi experienced heavy rain fall. It came into the knowledge of NEPRA through print and electronic media that scores of people lost their lives due to electrocution and the supply remained suspended for long durations. In view of forging, the Authority initiated formal investigation to ascertain the facts and causes of fatalities and determine whether any violation of NEPRA laws has been committed by KEL.

03. Investigation revealed among other violations of terms and conditions of KEL's license and NEPRA laws that 19 fatalities occurred due to lack of earthing of LT/HT poles and leakage of current from the distribution facilities of KEL. Therefore, the Authority decided to initiate legal proceedings against KEL and a Show Cause Notice was issued to KEL under Section 27B and Section 28 of the NEPRA Act, 1997. KEL was also given an opportunity of hearing. Based on the evidence available on the record, submissions of KEL and relevant provisions of the laws the Authority passed an order on 09-12-19.

04. In the Order the Authority has observed that KEL has failed to discharge its statutory obligation to maintain safety standards and ensure that distribution facilities do not cause leakage of current. Design of distribution network of KEL does not meet the design requirements as laid down in the relevant Code and Manual. Moreover, KEL allowed telephone/TV/internet cable operators to use its distribution network in a hazardous manner for their purposes. Further, KEL failed to report fatalities immediately after occurrence to the Authority in a prescribed manner and also failed to restore supply of electricity within the prescribed time limits.

05. The Authority has imposed fine of 50 million rupees on KEL and directed to complete earthing and grounding of its distribution system by April 2020 and carry out third party verification of its distribution system. Also, KEL has been directed to complete its internal investigation and fix the responsibilities on its employees/management and submit its final report to the authority.

06. The Authority has also considered the submissions of KEL to give reasonable compensation to bereaved families in good faith and that details of such compensation paid to families of victims shall be shared with the Authority in due course of time. The Authority has required KEL to fulfil its commitments to provide compensation to bereaved families at the earliest and in this regard provide documentary evidence to the Authority.