

Power Division in action against KE

ISLAMABAD: The Power Division is reportedly in action against the Karachi Electric (KE), after facing unprecedented embarrassment at the Supreme Court of Pakistan.

A team comprising Prime Minister's Special Assistant on Power, Shahzad Qasim and Additional Secretary, Waseem Mukhtar, who represents GoP on KE Board, are reaching Karachi on Saturday (today) to hold meaningful parlays with the under fire power utility to streamline things in the light of SC directions. Prime Minister Imran Khan will also be in Karachi today. A couple of days ago, Chief Justice of Pakistan, Justice Gulzar Ahmed remarked that the Power Division's report was made after taking money from KE.

"The Power Division's officer who submitted the report should be hanged," the CJP observed.

"How about laying off the joint secretary for such a report? We had sought a report on the prevalent situation, but he wrote about the future. They should inform us about what they are currently doing," asserted the chief justice.

On Friday, a meeting was held in the Power Division in the light of the SC's directions and observations.

The Power Division's top brass also held a meeting with the National Electric Power Regulatory Authority (Nepra).

"Power Division has started playing a key role with respect to KE and its Board meeting is being fixed for Monday to take important decisions," the sources added.

Recently, the Nepra has imposed an Rs200 million fine on the power utility for carrying out excessive load shedding during the period June 21, 2020 to July 10, 2020, and failing to provide secured, continuous and reliable supply of power to its consumers.

Such failure occurred due to the following reasons and contraventions of the relevant Nepra laws, terms and conditions of licence(s), tariff determinations and other applicable documents, committed by the licensee.

Nepra has observed that the licensee has "failed" to ensure availability of stock of 120,000 MT at BQPS-I despite storage capacity, in breach of terms and conditions of generation licence particularly Part B, Schedule I of generation licence of the licensee as modified from time to time.

The licensee has "underutilized" BQPS-I as it could only generate 916 MW.

Underutilization of the BQPS-I is in contravention of approved net capacity as given in licensee's tariff determination of March 20, 2017.

“Failure” to carry out maintenance of the BQPS-I added to the causes of excessive load shedding, despite routine maintenance expenses allowed by the authority to the tune of Rs25.07 billion, which is non-compliance of licensee's tariff determination of March 20, 2017.

The licensee has “failed” to complete the 900MW RLNG power project to fulfill its obligation to make adequate investment in generation segment to meet load demand and, therefore, the licensee is “non-compliant” with licensee's tariff determination of October 09, 2017.

In order to meet peak demand for the storage of furnace oil at the BQPS-I to finalise the Fuel Supply Agreement with the PSO, intimating the annual estimation and monthly fixed demand report within thirty (30) days of issuance of this Order.

The Nepra has further directed KE to submit a clear plan for optimal inventory management based on economic dispatch to submit time lines for construction, financial close and completion of BQPS-III (900MX1) on the basis of submissions of the licensee during the hearing.

The licensee has been directed to finalise the terms of reference for reconciliation/settlement of dues between SSGCL and the Licensee and execute Gas Supply Agreement with the SSGCL on immediate basis, and submit the progress report within 30 days of issuance of this order and submit a cutoff date for execution of energy purchase agreements with Tapal Energy and Gui Ahmed Energy in order to ensure the availability of power on take and pay basis.

The KE has been further directed to submit a firm plan along with timelines regarding commissioning of BQPS-II and KCCPP on alternate fuel i.e. I-ISD.

The power utility will also engage the NTDC to develop cross trip protection scheme for optimal utilization from 500/220kV NIKI grid station and submit a plan in this regard; and take immediate actions for augmentation/extension of power transformers to bring them within the limits of loading as prescribed under the Distribution Code and submit plan with timelines.

On Friday, the Nepra took serious notice of deaths due to electrocution occurred in Karachi during the recent rain spells in the months of July and August 2020.

In this regard, the Authority has appointed an Investigation Committee headed by Director General (Monitoring & Enforcement) to proceed to Karachi and conduct investigation against K-Electric to ascertain the facts and possible violations of Nepra laws.

The Investigation Committee after completing the investigation shall submit a detailed report to the Authority for further appropriate action.

Meanwhile, KE, in a request to Nepra has sought further increase of Rs1.54 per unit in its consumer end tariff along with permission for an additional investment of Rs143.86 billion.

The ECC has recently allowed KE to increase tariff by Rs1.09 per unit, which was pending for the last few months.