

27th November, 2017

NEPRA IMPOSES HEAVY FINE ON NTDC

NEPRA has imposed a fine of Rs. 5 Million on NTDC under NEPRA (Fines) Rules 2002 (Fine Rules) due to non-compliance of Performance Standards Transmission Rules 2005 (Performance Standards) particularly with respect to voltage and frequency fluctuations.

2. NTDC, being a transmission licensee, is required to submit Annual Performance Report to NEPRA as per the Performance Standards and terms and conditions of its licence.

3. Based on the Annual Performance Reports provided by NTDC, a comprehensive analysis report was prepared by NEPRA which highlighted that the NTDC has prima facie violated the permissible voltage and frequency limits in the year 2013-14 as prescribed in the Performance Standards. Based on the findings of analysis report, the Authority decided to initiate legal proceedings against NTDC. An explanation and Show Cause Notice were issued to NTDC on 31-07-2015 and 15-02-2016 respectively. Hearings in the matter were conducted on 18-08-2016 and on 11-04-2017.

4. The Authority observed that the data submitted by NTDC in its Annual Performance Report revealed that NTDC has deviated from the permissible voltage limits, which has resulted in voltage profile as low as 180kV and 170kV instead of the nominal voltage of 220kV at Sibbi and Quetta Grid-stations, respectively. The similar level of voltages was also noted at other grid stations in different areas of Pakistan. Further, violations regarding voltage limits variation showed an increase of 13% in 2013-14 as compared to previous year. As a result, consumer end voltages were badly affected, as they get voltages as low as 170 volts instead of 220/230 volts.

5. Similarly, NTDC has failed to maintain the frequency limits as the frequency varied from 48.67 Hertz to 50.67 Hertz against the permissible frequency limits of 49.5 Hertz to 50.5 Hertz. Such variation in frequency limits resulted in partial system collapses (blackouts) and network splitting upto 10 times a year. These blackouts caused splitting of northern and southern parts of the network and areas from Guddu to Peshawar went under dark due to low frequency.

6. In view of above, the Authority issued an explanation and a Show Cause Notice to NTDC. Keeping in view the aforementioned violations, the Authority imposed a fine of Rs. 5 Million on NTDC under NEPRA Fine Rules vide its order dated 10-01-2017.

7. The NTDC proceeded to file a review motion, against the abovementioned Order of the Authority. The matter was heard on 10-04-2017.

8. After reviewing all relevant documents and applicable law, and hearing arguments forwarded by the petitioner, the Authority found that the NTDC has not provided sufficient or plausible ground that would result in modification or reversal of its order dated 10-01-2017. In view of above, the Authority decided to uphold its earlier decision to impose fine of 5 million rupees and rejected the review petition of NTDC.