

Ref: PILAP/HO/2020/360

July 23, 2020

**The Chairman,
National Energy Power Regulatory Authority (NEPRA)
NEPRA Tower, Attaturk Avenue (East), G-5/1,
Islamabad**

APPLICATION UNDER THE RIGHT OF ACCESS TO INFORMATION ACT, 2017

Dear Sir,

The Public Interest Law Association of Pakistan (PILAP) is a public interest association concerned with the primary objective of enabling the citizens of Pakistan to attain the realization of their civil, human, economic, social and political rights, as guaranteed by the Fundamental Rights laid down in the Constitution of Pakistan. PILAP addresses matters of public interest by means of advocacy and by seeking redress for the people of Pakistan through the justice system. It respectfully submits as under:

1. That the details of the authorized person on behalf of PILAP are as under:

2. That attention is drawn to the recently surfaced alleged 2009 Agreement (the "Agreement") between the Federal Government in power at the time and K-Electric, as reported by various news media outlets. A news article published on the Samaa TV news website on 19th July titled "PPP Govt. Wrote Off Rs. 31 Billion For K-Electric Under 2009 Agreement" is attached herewith as reference.

PUBLIC INTEREST LAW ASSOCIATION OF PAKISTAN

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3. That the Federal Government is reported to have written off Rs. 31 billion owed by the power distribution company to the national exchequer. In addition, the Federal Government agreed to act as K-Electric's guarantor for loans taken from private banks.
4. That it must be pointed out that all loans granted or written-off by the Federal Government in any agreement are monies belonging to the tax payers meant for, *inter alia*, the development of the country, including an already crippling infrastructure, healthcare and education, to name a few sectors.
5. That it is alarming that the Agreement allegedly allowed K-Electric to act contrary to the laws of Pakistan and further, sanctioned the Federal Government to circumvent the law in order to "aid" the company.
6. That, under the laws of Pakistan, any agreement that has an unlawful purpose as it's consideration or objective, including terms that permit the parties to act contrary to the law of the land, are in themselves void and hence, unenforceable.
7. That any agreement in which the Federal Government is a party and which unreasonably writes-off public debt and allows for circumvention of the law is contrary to the public interest and requires a full inquiry to hold the parties accountable.
8. That in view of the above, PILAP respectfully submits this application under the right granted by the Right of Access to Information Act, 2017 and Article 19A of the Constitution as under:
 - i) Has NEPRA required K-Electric to provide information under Section 44 of the NEPRA Act, 1997 regarding the terms of the Agreement with the erstwhile Federal Government?
 - ii) Was NEPRA aware of the 2009 Agreement between the Federal Government and K-Electric at the time the parties entered the agreement?
 - iii) If the answer to the above question is affirmative, did NEPRA take steps to ensure that K-Electric, as it's licensee, was not contravening the NEPRA Act, 1997 or the rules and regulations enacted thereunder by entering into such an agreement?

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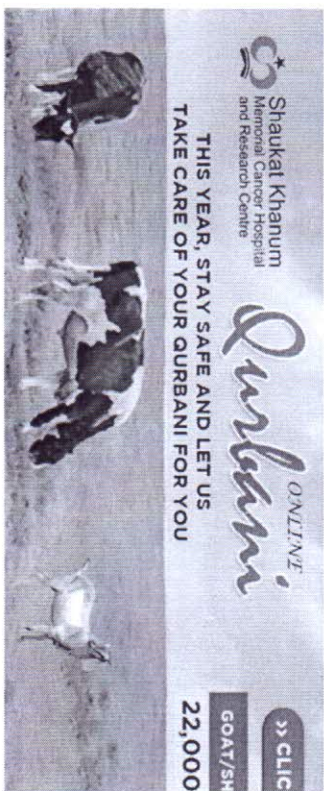
9. That in the circumstances, PILAP would be grateful for a reply at the earliest.

Thank you.

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'PPP gov't wrote off Rs31b for K-Electric under 2009 agreement'

SAMAA | Wahab Kamran (<https://www.samaa.tv/author/wahabkamran/>) - Posted: Jul 19, 2020 | Last Updated: 3 days



Photo: K-Electric

<https://www.samaa.tv/news/pakistan/2020/07/ppp-k-electric-agreement/>

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An agreement between K-Electric and the PPP government has emerged through which the government wrote off billions owed by the power utility.

The amended 2009 agreement allowed for Rs31 billion in arrears to be written off as government losses.

The government also acted as a guarantor for K-Electric to take loans from private banks.

The agreement also allowed for the company to pass orders contrary to the country's laws. In the agreement it's written that if the company submits a request, the government could circumvent certain regulations in order to aid it.

Under this agreement, K-Electric had to submit a quarterly report to the government. It also allowed for the federal government to give K-Electric an additional 650 megawatts of electricity from the national grid. Today, that amount has been increased to 850MW.

Related: Karachi electricity prices not increasing as PM postpones hike decision (<https://www.samaa.tv/money/2020/07/karachi-electricity-prices-not-increasing-as-pm-postpones-hike-decision/>)

The incumbent power secretary and K-Electric CEO's signatures are on the agreement.

Sindh Energy Minister Imtiaz Sheikh told SAMAA TV that he has called meetings with the management of K-Electric and invited NEPRA and the

L-O federal government to join. **ATEST** (<https://www.samaa.tv/latestnews/>) **URDU**, **SAMAA** (<https://www.samaa.tv/>) **LIVE** (<https://www.samaa.tv/live/>) **2009** (<https://www.samaa.tv/2009/>) **SPORTS** (<https://www.samaa.tv/sports/>) **TECHNOLOGY** (<https://www.samaa.tv/technology/>) **PROGRAMS** (<https://www.samaa.tv/programs/>)

Subsidies are given to K-Electric every tenure, he said. We must now sit together and fix this, he said. He invited the NEPRA chairman and federal government to help.

He said the agreement must be examined properly and they must check how much development K-Electric has done and how much it has improved its system under the agreement.