

## CELEBRATING 100 YEARS OF ENERGY





# KESC FROM 1913 TO 2013

## 100 YEARS OF ENERGY AND LIGHT

*"We brought about a process of change in the working of KESC so as to bring our operations in line with the thinking and expectations of our consumers and our stakeholders. We would be more confident that we have achieved our goals when our consumers demonstrate that they are satisfied with our performance."*



Tabish Gauhar, Chairman.



*"Despite hurdles and stoppages, KESC would like to assure its consumers and all stakeholders that the company is here to serve for a better Karachi and a better Pakistan and would like to thank the team and consumers for having become a part of history."*

Nayer Hussain, CEO.



KESC has completed 100 years of its evolution. This is a milestone that is seldom achieved by any organization. It was due to the hard work, dedication, honesty and non-stop efforts of KESC employees that it was possible for the organization to achieve this rare milestone.

The company was established in September, 1913, at a cost of Rs. 13 lakhs. The purpose was to light up Karachi and provide power to the city's growing industry and commerce.

The story of a hundred years is a long narrative and it is difficult to relate it completely but here are some glimpses from the organization's various phases of growth.

The population of Karachi had crossed 100,000 at the time of KESC's inception in 1913. It was in the same proportion that the number of KESC consumers were growing. By 1951, KESC consumers had reached 36,000; the number has crossed 20 lakhs today.

The demand for electricity in Karachi in 1948 had grown to 8.90 MW while today it is 2,700 MW. In 1949, KESC became the first utility to obtain registration from the Karachi Stock Exchange. By 1951, it had become an organized and profitable entity.

KESC was nationalized in 1952 but its developmental activities

continued and the organization continued to earn profits. This happy situation continued until 1971 when the price of fuel started to increase and, by 1972, KESC too started facing difficulties. As a result, the organization was placed under WAPDA in 1984 and this is when the process of deterioration started.

The Army assumed charge of KESC in 1999 and, eventually, owing to the appalling state that KESC was in at that time, the process of privatization started. But KESC affairs had assumed a sorry state by then and the organization found it impossible to lift itself out from this unfortunate dilemma.

Subsequently, it was in 2005 that Abraaj Capital took charge of KESC and the present management was inducted. As such, it was after a long time that KESC was able to see some hope.

It is a coincidence that while the foundation of KESC was laid in the month of September back in 1913, it was in the same month that the present management was confronted with a whole host of problems concerning the organization.

This included lack of production capacity, shortage of gas, old and decrepit power plants, large-scale technical and non-technical losses, lack of internal and external discipline and below par satisfaction levels of service with regard to KESC consumers.





The present management has, however, proved that it is adequately vigorous and robust in tackling these problems and has the ability to put the organization on the right track. This is amply demonstrated by the unprecedented investment of 1 billion dollars that has been made in KESC.

Furthermore, credible additions are being made to increase the power generation capacity of KESC in order to add a further 960 MW. Another 60 MW would be added after repair and modernization of the existing plants and the overall system capacity would further increase to 1,010 MW.

The utility has also constructed 9 additional grid stations to further streamline transmission and distribution of electricity, in addition to repair and extension of the HT/LT network, addition of about 300 of 11KV capacity grid stations and restructuring the system on modern lines both internally and externally through SCADA and such internationally proven software as SAP. This would make the company more organized and energetic, leading to reduction of T&D losses and bringing about a distinct improvement in the level of customer service.

Mr. Tabish Gauhar, the Chairman of the Board of Directors of KESC, has expressed his great excitement about the company having completed an epoch-making 100 years. He says: "We brought about a process of change in the working of KESC so as to bring our operations in line with the thinking and expecta-

tions of our consumers and our stakeholders. We would be more confident that we have achieved our goals when our consumers demonstrate that they are satisfied with our performance."

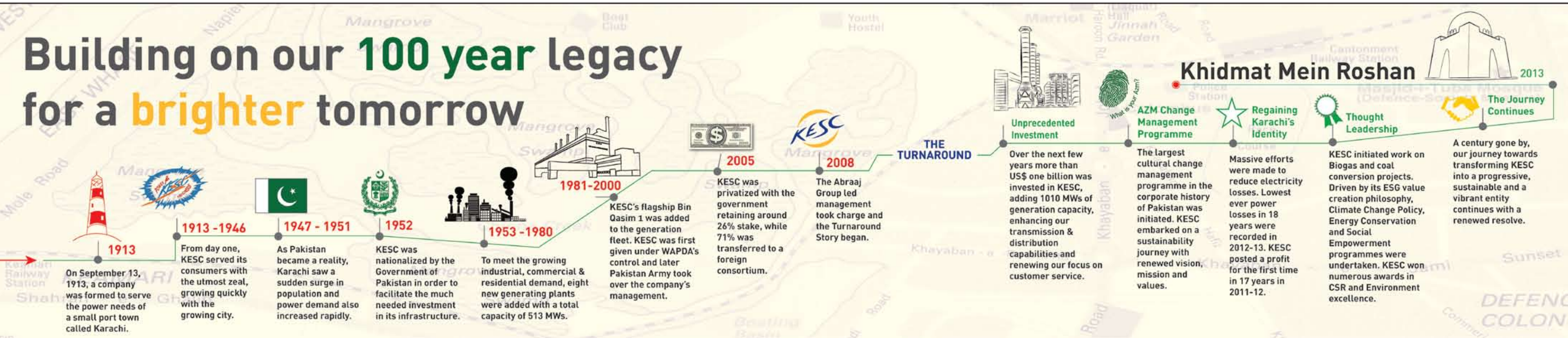
The KESC CEO Mr. Nayyer Hussain is very confident of the future of the company. He says: "Despite hurdles and stoppages, KESC would like to assure its consumers and all stakeholders that the company is here to serve for a better Karachi and a better Pakistan and would like to thank the team and consumers for having become a part of history."

With the present management in place, it was after a long gap of 17 years that the company turned into a profit-making organization. By the grace of the Almighty, local and international organizations and circles of repute have shown their confidence in the company

by expressing their appreciation for the high levels that KESC has achieved in its organizational and infrastructural turnaround.

It is hoped that KESC will progress even more rapidly and confidently under the present management. The entire KESC workforce is prepared for an even more exciting and fruitful journey in the next 100 years and is endeavouring to move with even more alacrity and fast momentum so that their future achievements are written in golden words.

# Building on our 100 year legacy for a brighter tomorrow





## KESC TO SHARE ELECTRICITY COST WITH KIDNEY CENTRE

KESC signed an MoU with The Kidney Centre under its Social Investment Program to share cost of electricity. The Kidney Centre facility provides renal care to mainly poor patients for free or minimal charges. Under the MoU, signed by the CEO TKC Mrs. Abida W. Ahmed and Ghufuran Atta Khan, Chief Engagement Officer KESC, the medical facility would get subsidized electricity. Ghufuran Atta Khan said: "Serving humanity beyond its scope of functioning is part of KESC's vision as a responsible corporate citizen."

The TKC CEO said: "We believe that everyone's assistance ensures in its own way that the welfare sector of Pakistan func-



tions." Tabish Gauhar, Chairman Board of Directors, KESC, expressed his satisfaction over the successful implementation of KESC's Social Investment Program. Under SIP, KESC pays electricity bills of welfare entities in part or full to subsidize their energy costs. Six memoranda have already been signed - with Indus Hospital, MALC, LRBT, TCF, SIUT and 'Karwan-e-Hayat'.

## GERMAN CONSUL GENERAL MEETS KESC LEADERSHIP TEAM

Dr. Tilo Klinner, Consul General of the Federal Republic of Germany in Karachi, met KESC CEO Nayyer Hussain and other senior management during his visit to the KESC head office.

Dr. Klinner expressed great interest in the functioning of KESC and appreciated the company's progress over the past few years. He invited the KESC management to a two-day business conference called "Pakistan Days", to be held in Berlin and Munich on Oct. 30 and 31. An initiative of the Pakistan-German Business Forum in cooperation with the Embassy and Consulate General of Germany, the Pakistan-specific conference will cover topics like "Investment Climate in Pakistan," "Energizing Pakistan," "Financial Solutions," etc. and would extensively provide opportunities for B2B meetings and networking.

Nayyer Hussain, CEO, Arshad Zahidi, Chief Generation and Transmission Officer and Ghufuran Atta Khan, Chief Engagement Officer, briefed the guests about the company's success story and the targets and challenges faced regarding sustainable development.

## LYARI STREET FOOTBALL MATCH FOR AFFECTEES

KESC and Azm-e-Aalishan recently held a Street Football Match to honour the affectees of the bomb blast that recently occurred in Lyari. Two teams comprising Lyari youth were formed. Of these, one represented KESC while the other represented Azm-e-Aalishan.

The competition was very tough, with the score being equal at 3-3 at close of play. The match then went into goal penalties and was decided in favour of KESC at 4-2. The affectees of the bomb blast were among the spectators and were also presented gifts.

It is a always part of the KESC policy to provide a platform of expression to those belonging to the less-privileged classes. This match was a part of the same endeavour.



## ANNUAL ENVIRONMENT EXCELLENCE AWARD FOR KESC

KESC's vision towards Environment & Sustainability was recognized at the national level, when it was awarded the "10th Annual Environment Excellence Award 2013" for the fifth year running by the National Forum for Environment and Health (NFEH), affiliated to United Nations Environmental Program (UNEP) supported by Environment Protection Department, Government of Sindh.

The award is presented annually to the companies that meet and surpass the environmental compliance requirement and demonstrate a commitment towards environmental and safety excellence. KESC's 2013 award in the fifth in the series won by it in 2009, 2010, 2011 and 2012.



## IFC SIGNS AGREEMENT WITH KESC AND AMAN FOUNDATION

IFC, a member of the World Bank Group, signed a joint development agreement with KESC, Aman Foundation and their collaborative initiative, Karachi Organic Energy Limited (KOEL), on June 28 to co-develop a waste to energy project.

Based in Landhi Cattle Colony, the project will be the largest bio-gas power plant of its kind and will be supported by IFC InfraVentures, an early-stage equity investment fund which supports infrastructure projects in developing countries.



Working with KESC and Aman Foundation, the project will provide some of the seed capital, leading to more financing later.

This waste-to-energy project will convert about 4,200 tons per day of cattle waste from Landhi Cattle Colony and 700 tons per day of organic food waste from the city to make bio-gas which will be utilized for power generation at a facility of up to 30 MW. The residual organic content will be processed into over 100,000 tons per annum of soil amendment (low nutrient organic fertilizer). With an investment of US\$ 80 million, the project will be developed in two phases, with installed capacity of 15 MW each.

This is the first time that a source of renewable energy will be utilized on a large scale in Pakistan and will serve as a model for the rest of the country. The bio-gas project has tremendous potential, as its footprint extends beyond power generation and offers positive benefits to the community and the environment.

KESC chief, Nayyer Hussain said that the green energy project was in line with KESC's Climate Change Policy and is a significant step towards clean energy. Such ventures would reduce the energy demand-supply gap and bring about a paradigm shift in the energy equation, while creating meaningful social and environmental value.

Ahsan Jamil, CEO Aman Foundation, said that the project served communities while ensured a sustainable development approach.

"This project is a prime example of how innovation can be used to tackle some of Pakistan's most pressing development issues," said Mouayed Makhoulf, IFC Director for the Middle East and North Africa. In addition to providing KOEL with seed capital, IFC is advising the company on development of the bio-gas plant.

## MOU BETWEEN KESC AND NATIONAL INDUSTRIAL PARKS

KESC signed an MoU with the National Industrial Park Management Co. (NIP) to supply 2 to 4 MW power for meeting initial power requirement of the Bin Qasim Industrial Park (BQIP) project, an Industrial Park on 930 acres.

BQIP will accommodate clusters linking the existing Down-Stream Industrial Estate and medium and small scale industries in plastics, electronics and food and beverages.



Syed Mohsin, Chief Executive Officer (NIP) and Amir Zafar, Director Distribution, Strategy & Planning (KESC)

## KESC, SIEMENS, AGA KHAN FOUNDATION START CONSTRUCTION OF NEW GRID STATION

In cooperation with Siemens Pakistan and Aga Khan Medical College Foundation, KESC has commenced construction work of a new 132-KV shared Grid Station and Underground Transmission Line to provide electricity to Aga Khan University and Hospital.

The grid station would relieve the overloaded grids of Civic Centre, Baloch Colony and Gulshan-e-Iqbal and also partially meet future load growth in PECHS, Bahadurabad, KDA Scheme-I and adjoining areas.

In this regard, a ceremony was held at the Grid Station, attended by Syed Arshad Masood Zahidi, Chief Generation & Transmission Officer, Firoz Rasul, President Aga Khan Hospital and Medical College Foundation and Guenter Zwickl, CEO Siemens as well as other executives.

The project is a significant investment for KESC and a symbol of its support for institutions like the Aga Khan University. It is in line with KESC's vision to empower and revitalize city institutions towards social value creation.



## PES CHAPTER INAUGURATED AT NED

The inaugural ceremony of the IEEE Power and Energy Society was held at the NED University of Engineering and Technology, with active participation by KESC. The core purpose of IEEE-Power & Energy Society (PES) is to provide a platform for technological advancements in power and energy. This is the largest guidance and education forum for the electric power industry and also serves elite industry members.

Currently, PES has about 30,000 + members and the number is continually increasing.



The inaugural ceremony marked the establishment of the first PES chapter in Karachi. It was aimed at the students of NEDUET, offering them the opportunity to derive substantial benefits about which they would be briefed by the PES. Speakers at the ceremony included Dr. Shoaib Zaidi, Dean ECE,

Dr. Saad Qazi, Chairman, Electrical Department, Dr. Muhammed Ali Memon, Co-Chairman Electrical Department, Junaid Ahmed Qureshi, Lecturer, Electrical Department and Asif Hussain Siddiqui, Director Energy Conservation Department, KESC.

All the speakers highlighted the importance and benefits of IEEE, they urged the youth and such societies as PES to help solve the energy issues faced by the people. KESC's Asif Hussain Siddiqui familiarized the students with the importance of energy conservation appraised them of facts about load shedding, which can be easily managed by taking strict and sensible steps. The 13 founding members of the PES NEDUET chapter were presented mementos by Asif Hussain Siddiqui and Dr. Saad Qaz.

## FACEBOOK GROUP VISITS KESC

Recently, members of a facebook group entered into an on-line discussion on issues pertaining to KESC, though this revolved around a lot of misconceptions about the organization and hard facts about the power company were mostly missing.



When KESC learnt of the discussion, it sent an invitation to all participants and asked them to visit company's facilities to see its operations firsthand.

The invitation was duly accepted and the tour began with an open and forthright Q&A session which was held at the KESC Head Office. One highlight of the tour was a visit to the SCADA Control Room.

The visitors were provided the opportunity to ask questions directly from the Chief Engagement Officer, Ghufuran Atta Khan, who said that the KESC had just completed a hundred years of service – an honour earned by very few organizations – and that its workforce was fully geared to achieving further milestones in the years to come.

“We look forward to KESC's rapid progress in the coming years under the present management. We will upgrade our facilities modern along lines to generate more electricity and serve the people of Karachi even better,” he said.

After touring the head office, the visitors were also taken to the BQPS-II Power Plant to see how electricity is produced and distributed in Karachi.



## KESC CUSTOMER SERVICE, NOW JUST A TEXT AWAY

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A nonprofit initiative by KESC - DHS-2013-02



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