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<p>ISLAMABAD: In a major decision taken days after departure of the federal cabinet, the government partially reversed on Tuesday power sector reforms by putting all the 16 corporate power companies under the control of the Wapda Chairman Syed Raghib Shah.

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nominate a member each on the boards of directors of all distribution and generation companies, the National Transmission and Distribution Company (NTDC) and the Pakistan Electric Power Company after completion of formalities.</p> <p>◆</p> <p>Mr Shah, who was appointed chairman a few months ago reportedly on the desire of President Asif Ali Zardari, will now have the powers of the federal power minister except that he will be reporting to the secretary, according to an official.</p> <p>◆</p> <p>In an unusual development, the ministry also created the post of co-chairman on the board of directors of the NTDC and the Central Power Purchasing Agency (CPPA) for the Wapda chairman.</p> <p>◆</p> <p>According to sources, the government will have to amend the Companies◆ Ordinance to make room for the post of co-chairman because existing laws provide for a board of directors headed by a

chairman.</p> <p>◆</p> <p>The government also sacked eight members of the NTDC/CPPA board and reconstituted it, reducing its strength from 12 to eight.</p> <p>◆</p> <p>Those removed from the board are Khalid Hussain Rai, Waqar Zakaria, Salman Burney, Aamir Qawi, Dr Muslehuddin, Dr Zafar Mueen Zafar, Noorul Arifeen Zuberi and Laeeq Ahmed.</p>

<p>◆</p> <p>They had been inducted from private sector through a selection process put in place by the cabinet committee on restructuring headed by former finance minister Abdul Hafeez Shaikh.</p> <p>◆</p> <p>While reconstituting the NTDC board, the government also excluded the Managing Director of the Private Power and Infrastructure Board, N. A. Zuberi,

even though the PPIB is responsible for attracting investment and signing contracts for development of all power projects.</p> <p>◆</p> <p>The newly constituted board will have four directors of the previous board ◆ Khalid Mohtadullah, Bashir Ahmad Dahar, Mohammad Qasim Khan (Wapda member power) and Asjad Imtiaz Elahi (federal flood commissioner).</p>

<p>◆</p> <p>The new members are Aziz Mujahid, Sharafat Ali Sial, additional secretary for water and power, and Ibrahim Rind.</p> <p>◆</p> <p>The sources said Wapda had been seeking re-amalgamation into the authority of the power sector that had been unbundled under the reforms under way since 1990.</p> <p>◆</p> <p>They said the newly appointed secretary in charge of the ministry, Rai Sikandar, had been able to persuade the prime minister and the president that the reform process had complicated the power system, instead of

improving its performance because of fragmentation.</p> <p>◆</p> <p>The sources said the prime minister had been informed that former secretary Nargis Sethi had played havoc with the system allegedly by inducting handpicked officers from the ministry to look after corporate companies on an ad hoc basis.</p> <p>◆</p> <p>Mr Sikandar, who is yet to be promoted to grade 22, presented his vision of revival of the power sector under a well established national

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institution of Wapda.

He convinced the prime minister that an independent and yet ad hoc set-up in the NTDC/CPPA did not have the capacity to sign power purchase agreements with private investors and created hurdles in the setting up of solar, wind and hydroelectric power projects being promoted by provincial governments, involving over 1,500mw.

Practically, the power sector's early 1990s status has been restored, an official said.

He said Wapda had been separated from the power sector in the early 1990s under a strategic plan for restructuring the power sector on the desire of international lenders to attract private investment. The reform process was approved in phases by successive federal cabinets but the sector's problems, including shortages, continued to increase.

Courtesy: Dawn