



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/PAR-122/17032-17034
October 17, 2017

Subject: **Decision of the Authority in the matter of Indexation of Fuel Cost Component of Noon Sugar Mills Limited for the Year 2016-17 (Case No. NEPRA/PAR-122)**

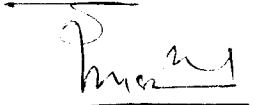
Dear Sir,

Please find enclosed herewith the subject Decision of the Authority (02 Pages) regarding adjustment in the matter of Indexation of Fuel Cost Component of Noon Sugar Mills Limited for the Year 2016-17 w.e.f. 01.10.2015 to 30.09.2016 and 01.10.2016 to 30.09.2017.

2. The subject decision is being intimated to the Federal Government for the purpose of notification of the approved tariff in the official gazette pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).

3. The indexed tariff component is to be notified in the official Gazette.

Enclosure: As above


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(Syed Saqeer Hussain)

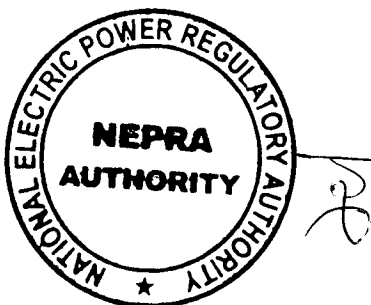
Secretary
Ministry of Energy
'A' Block, Pak Secretariat
Islamabad

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.

**DECISION OF THE AUTHORITY IN THE MATTER OF INDEXATION OF FUEL COST COMPONENT OF
NOON SUGAR MILLS LIMITED FOR THE YEAR 2016-17.**

1. Faisalabad Electric Supply Company Limited (hereinafter referred to as "FESCO") vide its letter dated June 08, 2017 requested National Electric Power Regulatory Authority (hereinafter referred to as the "Authority" or "NEPRA") to notify the revised Fuel Cost Component (hereinafter referred to as "FCC") of Noon Sugar Mills Limited (hereinafter referred to as "NSML") for the period starting from October 01, 2016 to September 30, 2017.
2. NSML is a captive Bagasse based power project located at Bhalwal, District Sargodha, Punjab. NSML was awarded a generation license for a gross capacity of 14.80 MW (Gross) on November 29, 2013 by the Authority. FESCO submitted a Power Acquisition Request (hereinafter referred to as "PAR") to the Authority for purchase of 4 MW electrical power from NSML. Subsequently, FESCO, vide letter dated October 02, 2014 requested the Authority to allow same tariff of Rs 5.15/kWh to NSML which was already allowed to comparable Bagasse based captive power projects. The said tariff was consisted of FCC of Rs. 3.62/kWh (worked out on gas price of Rs 238.38/MMBtu) and fixed component of Rs. 1.53/kWh. The aforementioned PAR was admitted by the Authority on November 18, 2014.
3. Meanwhile, the Authority initiated suo moto proceedings to bring consistency in the workings and adjustment mechanism of the FCC of bagasse based captive power plants and new bagasse co-generation projects under the Upfront Tariff, 2013. Using imported coal prices of USD 100.67 per ton and the net efficiency of 22.50%, the Authority worked out and approved Rs. 6.29/kWh as FCC of NSML vide decision dated January 27, 2015. The mechanism of annual adjustment of FCC was also prescribed in the said decision. The requested fixed component of Rs. 1.53/kWh was allowed as such. FESCO was directed to change the PAC while incorporating the revised FCC and its corresponding adjustment mechanism.
4. To process the subject request, NEPRA vide letter dated July 25, 2017 directed FESCO to submit the PAC with NSML which was submitted on August 11, 2017. It was noted that the changes with respect to revised FCC and corresponding adjustment mechanism have been made in revised PAC.



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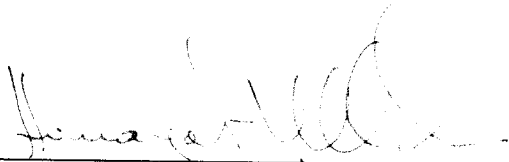
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5. In pursuance of the modified FCC adjustment mechanism specified by the Authority in its order dated January 27, 2015, the Authority hereby approves the indexed FCC of NSML which works out as tabulated hereunder,

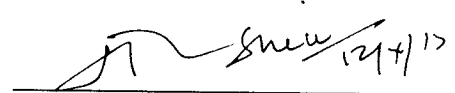
Period	FCC of NSML (Rs. / kWh)
w.e.f. October 1, 2015 to September 30, 2016	6.29
w.e.f. October 1, 2016 to September 30, 2017 (Indexed)	6.72

6. The above referred indexed tariff component is to be notified in the official gazette, in accordance with the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

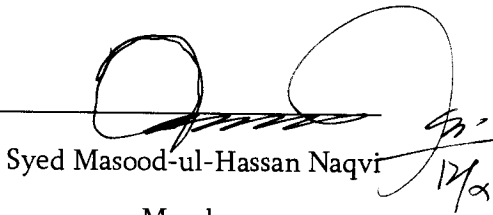
AUTHORITY


Himayat Ullah Khan

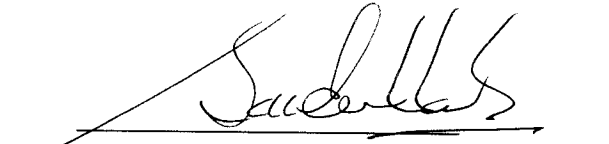
Member


Maj (R) Haroon Rashid

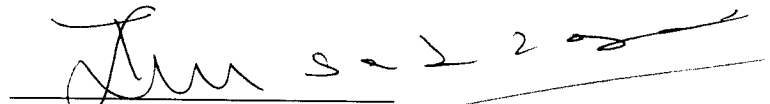
Member


Syed Masood-ul-Hassan Naqvi

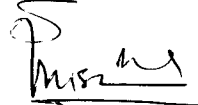
Member


Saif Ullah Chattha 13.10.2017

Member/ Vice Chairman


Brig (R) Tariq Saddozai
Chairman




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