



# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

**Registrar**

NEPRA Tower, Ataturk Avenue(East), G-5/1, Islamabad  
Ph: +92-51-9206500, Fax: +92-51-2600026  
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/TRF-92/HUBCO-2008/ 2251-55

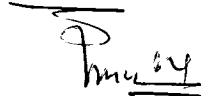
March 5, 2015

Chief Executive Officer,  
Hub Power Company Ltd.  
Islamic Chamber Building,  
Block No. 9,  
Clifton, Karachi.

Subject: **Decision of the Authority in the Matter of Fuel Price Adjustment for Hub Power Company Ltd. (HUBCO-Narowal) (Case No. NEPRA/TRF-92/HUBCO-2008)**

Enclosed please find herewith the subject decision of the Authority along with Schedule of Fuel Cost Part of Energy Charges, applicable for the month of December 2014, at Annex-I (02 pages) regarding the adjustment in fuel portion of energy charge part of tariff on account of fuel price variation for Furnace Oil in respect of Hub Power Company Ltd. (HUBCO-Narowal). The notification on the subject decision will follow.

Enclosure: As above

  
( Syed Safeer Hussain )

CC:

1. Secretary Ministry of Water & Power, Islamabad
2. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
3. Secretary, Ministry of Finance, Islamabad.
4. General Manager, CPPA, 229-WAPDA House, Shahrah-e-Quaid-e-Azam, Lahore.

## DECISION OF THE AUTHORITY IN THE MATTER OF FUEL PRICE ADJUSTMENT FOR HUB POWER COMPANY LTD (HUBCO-Narowal)

Pursuant to Para 20(III)(c) of the Order of the Authority dated 8<sup>th</sup> June 2012 in case No. NEPRA/TRF-92/HUBCO-2008 and also to the decision of the Authority dated 7<sup>th</sup> November, 2014 in the matter of Motion for Leave for Review, regarding HUB Power Company Limited Narowal, (hereinafter "HUBCO"), HUBCO submitted its Fuel Cost Component for December, 2014.

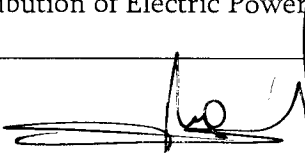
The Authority observed that recently the oil prices have been decreased considerably, whereas, the same has not been reflected in the adjustment of Fuel Cost Component (FCC) of HUBCO. The Authority, before taking any decision, decided to call HUBCO for hearing to explain and justify the same. Accordingly, hearing was held on February 3<sup>rd</sup>, 2015 which was attended by HUBCO, its legal advisors and Fuel Supplier i.e M/s Bakri Pakistan.


The Authority considered the submissions made by HUBCO during the hearing and in writing as well. The Authority, based on the comparative analysis of prices between Bakri Trading Company Pakistan (Pvt) Limited (BTCPL) and PSO, as submitted by HUBCO, observed that prices of BTCPL on average, remained slightly higher than PSO, except from the period from November 2014 onward, when the prices in international market fluctuated abnormally. The Authority also noted that price of BTCPL in February, 2015, has been reduced as compared to PSO. In view of the foregoing, the Authority decided to allow HUBCO, the fuel price variation for December, 2014 as requested by HUBCO.


Accordingly, based on the information submitted by HUBCO, the fuel portion of the energy charge part of HUBCO's tariff has been adjusted for variation in furnace oil prices for the month of December, 2014. The revised energy charge part of HUBCO's tariff relating to fuel indicated hereunder shall be immediately applicable to the units delivered during the month:


| Period         | Revised Fuel Cost<br>Component<br>Rs./kWh |
|----------------|---|
| December, 2014 | 13.1578                                   |


The above referred revised fuel cost component attached as **Annex-I** is to be notified in the official gazette in accordance with the provision of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

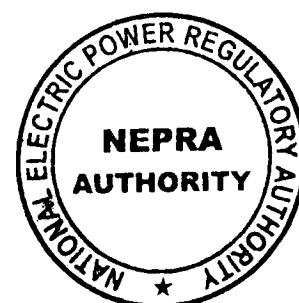
  
(Khawaja Muhammad Naeem )  
Member

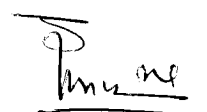
  
(Maj (R) Haroon Rashid)  
Member

  
(Himayat Ullah Khan)  
Member

  
(Habibullah Khilji)  
Vice Chairman

  
(Brig (R) Tariq Saddozai)  
Chairman



  
05.03.15

**Hub Power Company Limited**  
**Schedule of Fuel Cost Part of Energy Charge**  
**Adjustment on account of fuel price variation for furnace oil**

| Period         | Fuel Price  | Unit      | Reference | Revised    |
|----------------|-------------|-----------|-----------|------------|
| December, 2014 | Furnace Oil | Rs./M.Ton | 60,201.56 | 70,236.03* |

| Period         | Description         | Reference (Rs./kWh) | Revised (Rs./kWh) |
|----------------|---------------------|---------------------|-------------------|
|                |                     | Furnace Oil         | Furnace Oil       |
| December, 2014 | Fuel Cost Component | 11.2780             | 13.1578           |

\*Revised price is calculated in accordance with the details of consumption provided as under:

| Fuel Source                | Quantity<br>(M. Ton) | Fuel Price<br>(Rs./M. Ton) | Total Amount<br>(Rs.) |
|----------------------------|----------------------|----------------------------|-----------------------|
| Bakri (Import)(01-10-2014) | 1,785.40             | 69,828.987                 | 124,672,673           |
| Bakri (Import)(01-11-2014) | 10,248.97            | 69,799.122                 | 715,369,107           |
| Bakri (Import)(01-11-2014) | 2,505.30             | 69,799.122                 | 174,867,740           |
| Bakri (Import)(16-11-2014) | 7,168.08             | 60,986.138                 | 437,153,516           |
| <b>Total</b>               | <b>21,707.75</b>     |                            | <b>1,452,063,037</b>  |

Weighted Average Revised Price (Rs./M.Ton)

66,891.46

Adjusted for LHV-HHV Factor 1.05

70,236.03

