



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/ADG(Trf)/TRF-92/HUBCO-2008/ 37341-45

November 22, 2023

Subject: Decision of the Authority in the matter of Adjustment of Calorific Value from January-March 2023 for Narowal Energy Limited (Formerly Hub Power Company Limited-Narowal) (NEL) (CASE NO. NEPRA/TRF-92/HUBCO-2008)

Dear Sir,

Please find enclosed herewith the decision of the Authority along with **Annex-I** (total 02 Pages) in the matter of adjustment of Calorific Value for the period **January-March 2023** in respect of Narowal Energy Limited in Case No. NEPRA/TRF-92/HUBCO-2008.

2. The Decision is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 within 30 days from the intimation of this Decision. In the event the Federal Government fails to notify the subject tariff Decision or refer the matter to the Authority for reconsideration, within the time period specified in Section 31(7), then the Authority shall notify the same in the official Gazette pursuant to Section 31(7) of NEPRA Act.

Enclosure: As above

(Engr. Mazhar Iqbal Ranjha)

Secretary,
Ministry of Energy (Power Division),
'A' Block, Pak Secretariat, Islamabad.

Copy to: (alongwith copy of subject Decision):

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
4. Chief Executive Officer, Narowal Energy Ltd. [formerly Hub Power Co. Ltd. (HUBCO)], 11th Floor, Ocean Tower, Block 9, Main Clifton Road, Karachi

DECISION OF THE AUTHORITY IN THE MATTER OF ADJUSTMENT OF CALORIFIC VALUE FROM JANUARY TO MARCH 2023 FOR NAROWAL ENERGY LIMITED (FORMERLY HUB POWER COMPANY LIMITED-NAROWAL (NEL)).

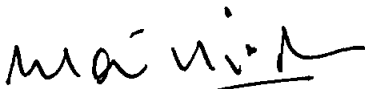
1. According to the decision of the Authority dated June 3, 2011 in the matter of calorific value adjustment mechanism, the Calorific Value (CV) of furnace oil is subject to adjustment on actual basis. The following was decided by the Authority:
 - i) To fix 18,364 Btu/lb as reference CV with no adjustment below the minimum limit agreed in the FSA.
 - ii) To direct the IPPs to maintain and submit, annually a detailed record of consignment wise CV of the oil received and consumed by IPPs for power generation for its adjustment with respect to reference calorific value duly supported with the copies of test reports.
2. The IPPs were informed vide letter dated February 7, 2017 that future CV adjustment shall be made on quarterly basis. The IPPs were further directed to get CV tested from Hydrocarbon Development Institute of Pakistan (HDIP) and SGS labs.
3. Accordingly, Narowal Energy Limited (Formerly HUB Power Company Limited-Narowal) (NEL) submitted the consignment wise record of CV for adjustment against the reference CV of 18,364 Btu/lb duly supported with the copies of test reports of Refinery, HDIP and SGS labs for the period covered from January 1, 2023 to March 31, 2023.
4. The Authority in its collective and joint wisdom decided with consensus as under; which will be hereafter called as decision of Authority in the matter:-

“The information and CV test reports of labs were analyzed in the light of the documentary evidence provided by NEL. Accordingly, an amount of **Rs. 2,792,731/-** (Two Million Seven Hundred Ninety Two Thousand Seven Hundred and Thirty One) payable by NEL to the power purchaser for the period of January 1, 2023 to March 31, 2023 has been assessed and approved on account of adjustment of actual monthly weighted average CV of HDIP & SGS labs against the reference CV of 18,364 Btu/lb. The detailed calculations are attached as **Annex-I**.

The Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) is hereby directed to deduct/adjust **Rs. 2,792,731/-** (Two Million Seven Hundred Ninety Two Thousand Seven Hundred and Thirty One) against the outstanding amount of NEL on account of adjustment of CV for the period of January 1, 2023 to March 31, 2023. CPPA-G is also directed to deduct/adjust the required amount as soon as possible.”

5. The above order of the Authority along with **Annex-I** shall be notified in the official Gazette in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

AUTHORITY



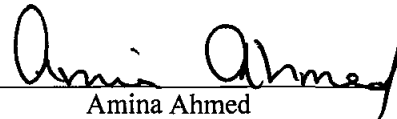
Mathar Niaz Rana (nsc)
Member



Engr. Maqsood Anwar Khan
Member



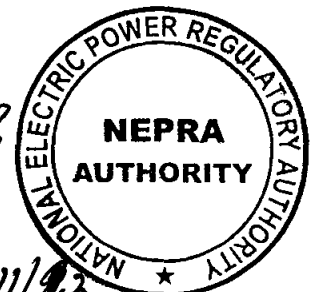
Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Waseem Mukhtar
Chairman



22/11/23

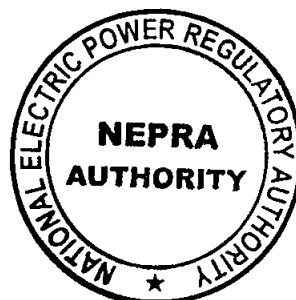
Narowal Energy Limited (Formerly HUBCO-Narowal)

Calculation of CV Adjustment

Sr. No.	Month	Reference CV (BTU/lb)	Approved FCC (Rs./kWh)	Revised CV (BTU/lb)	Revised FCC (Rs./kWh)	Difference (Rs./kWh)	Units Billed (kWh)	Differential Amount (Rs.)
1	Jan-23	18,364	29.5052	18,369	29.4971	(0.0081)	56,506,032	(457,699)
2	Feb-23	18,364	21.3694	18,420	21.3045	(0.0649)	24,855,613	(1,613,129)
3	Mar-23	18,364	19.4650	18,419	19.4064	(0.0586)	12,319,161	(721,903)
Total (Payable)/Receivable by IPP							93,680,806	(2,792,731)

- Based on the data declared by Narowal Energy Limited.

29



2/2