



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/DG(Trf)/TRF-92/HUBCO-2008/ 35013-17

October 19, 2023


Subject: **Decision of the Authority in the matter of Adjustment of Calorific Value from April to June 2022 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 **April to June 2022** 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 APRIL TO JUNE 2022 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 April 1, 2022 to June 30, 2022.
4. The Authority in its collective and joint wisdom decided with consensus as under; which will be hereunder called as decision of the 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. 25,121,587/-** (Twenty Five Million One Hundred Twenty One Thousand Five Hundred and Eighty Seven) receivable by NEL from the power purchaser for the period of April 1, 2022 to June 30, 2022 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 pay **Rs. 25,121,587/-** (Twenty Five Million One Hundred Twenty One Thousand Five Hundred and Eighty Seven) to NEL on account of adjustment of CV for the period of April 1, 2022 to June 30, 2022.”

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

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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	Apr-22	18,364	24.5703	18,328	24.6180	0.0477	85,412,165	4,074,160
2	May-22	18,364	34.3103	18,299	34.4329	0.1226	68,170,215	8,357,668
3	Jun-22	18,364	34.9499	18,281	35.1081	0.1582	80,213,389	12,689,758
Total (Payable)/Receivable by IPP							233,795,769	25,121,587

- Based on the data declared by Narowal Energy Limited (Formerly HUBCO-Narowal).

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