



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/DG(Trf)/TRF-92/HUBCO-2008/ 20294-98

August 02, 2023


Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Narowal Energy Ltd. (formerly Hub Power Company Ltd.-Narowal) for July to September 2023 Quarter (Case No. NEPRA/TRF-92/HUBCO-2008)

Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff components (Annex-I) (02 pages) regarding quarterly indexation/adjustment of tariff of Narowal Energy Ltd. for the quarter **July to September 2023** on account of US CPI, CPI (Local), Exchange Rate and KIBOR variation in Case No. NEPRA/TRF-92/HUBCO-2008.

2. The decision is being sent to the Federal Government for intimation and action, if any, by the Federal Government under Proviso (ii) of Section 31(7) of NEPRA Act, before its notification by NEPRA pursuant to the said Proviso of Section 31(7) of NEPRA Act, 1997.

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
Tele: 021 - 3587 4677



DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF FOR NAROWAL ENERGY LIMITED (FORMERLY HUB POWER COMPANY LIMITED – NAROWAL) FOR JULY TO SEPTEMBER 2023 QUARTER.

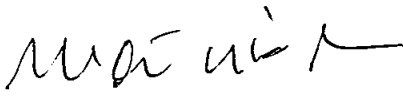
Pursuant to the decision of the Authority dated June 8, 2012 in the matter of adjustment at Commercial Operation Date (COD), decision of the Authority dated December 21, 2012 regarding change of index in the case of Narowal Energy Limited (formerly Hub Power Company Limited – Narowal) hereinafter (NEL) and decision of the Authority dated April 2, 2021 in the matter of application filed by CPPA-G for adjustment of ROE and ROEDC components of tariff pursuant to the agreement with NEL, the relevant tariff components of NEL in respect of July to September 2023 quarter has been revised on account of US CPI, CPI (Local), Exchange Rate and KIBOR variation in accordance with the requisite indexation/adjustment mechanism stipulated in the decisions of the Authority. The revised tariff indicated hereunder shall be immediately applicable:

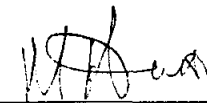
Tariff Components	Reference Jun 8, 2012, Dec 21, 2012 & Apr 2, 2021	Revised Jul to Sep 2023 Quarter
Capacity Charge (Rs./kW/Hour)		
Fixed O&M - Foreign	0.1446	0.6890
Fixed O&M - Local	0.0533	0.0928
Cost of Working Capital	0.2902	0.5024
ROE	1.0753	1.0753
ROEDC	0.2132	0.2132
Total Capacity Charge	1.7766	2.5727
Variable O&M (Rs./kWh)		
Variable O&M - Foreign	0.3543	1.6882
Variable O&M - Local	0.2888	0.5026
Total Variable O&M	0.6431	2.1908

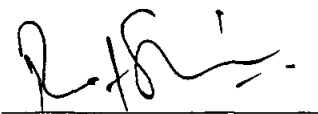
The above referred revised tariff components attached as **Annex-I** are to be notified in the official gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

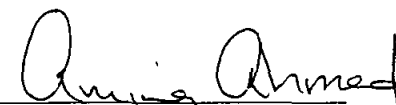
CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

AUTHORITY

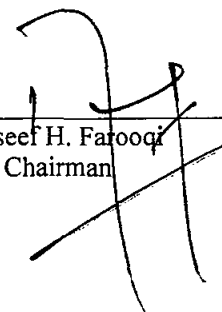

Mathar Niaz Rana (nsc)
Member


Engr. Maqsood Anwar Khan
Member


Engr. Rafique Ahmed Shaikh
Member


Amina Ahmed
Member



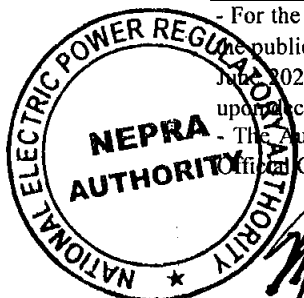

Tauseef H. Farooqi
Chairman

Narowal Energy Limited
Formerly Hub Power Company Limited (Narowal)
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Jun 8, 2012, Dec 21, 2012 & Apr 2, 2021	Revised Jul to Sep 2023 Quarter	Indexation
Capacity Charge (Rs./kW/Hour)			
Fixed O&M - Foreign	0.1446	0.6890	US CPI & Rs./US\$
Fixed O&M - Local	0.0533	0.0928	CPI
Cost of Working Capital	0.2902	0.5024	KIBOR
ROE	1.0753	1.0753	-
ROEDC	0.2132	0.2132	-
Total Capacity Charge	1.7766	2.5727	
Variable O&M (Rs./kWh)			
Variable O&M - Foreign	0.3543	1.6882	US CPI & Rs./US\$
Variable O&M - Local	0.2888	0.5026	CPI
Total Variable O&M	0.6431	2.1908	
Indexation Values			Source
Exchange Rate (Rs./USD)	84.200	287.100	NBP - Revised rate of June 27, 2023
US CPI (All Urban Consumers)	217.631	304.127	U.S. Bureau of Labor Statistics - Revised value of May 2023
CPI - Local	154.720	269.270	Pakistan Bureau of Statistics - Revised value of Jun 2020
3 Monthly KIBOR	12.34%	22.91%	SBP - Revised rate of June 27, 2023
Hours in the quarter	-	2,208	

- For the purpose of indexation of Local O&M components for Jul-Sep 2023 quarter, CPI for May 2023 was required to be used. However, Pakistan Bureau of Statistics has discontinued the publication of CPI for base year 2007-08 w.e.f. July 2020 and replaced it with National CPI for new base year 2015-16. As per relevant provision of the PPA, the latest available CPI of June 2020 for base year 2007-08 has been used for the instant indexation/adjustment. The indexation of Local O&M components is being made on provisional basis, subject to revision upon decision of new reference index value by the Authority.

- The Authority vide its decision dated March 10, 2021 replaced CPI Base Year 2007-08 with N-CPI Base Year 2015-16. The decision shall be implemented upon Notification in the Official Gazette.



9 Q. Matter
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