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National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/ADG(Trf)/TRF-92/HUBCO-2008/ 17160-64

October 24, 2025

Subject: **Decision of the Authority in the matter of Adjustment of Calorific Value from April 2023 to June 2024 for Narowal Energy Limited (Formerly Hub Power Company Limited-Narowal) (NEL)**

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority alongwith **Annex-I** (total 02 Pages) in the matter of adjustment of Calorific Value for the period **April 2023 to June 2024** for Narowal Energy Limited (Formerly Hub Power Company Limited-Narowal) (NEL) 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 Calendar days from the intimation of this Decision. In the event the Federal Government fails to notify the subject tariff Decision 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**

(Iftikhar Ali Khan)

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

Copy to:

1. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
2. Mr. Shehriyar Abbasi, Deputy Secretary, Cabinet Division, Cabinet 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 2023 TO JUNE 2024 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 also directed on March 22, 2018 to get CV tested from Hydrocarbon Development Institute of Pakistan (HDIP) and SGS labs and IPPs after some reservations started complying the directions of Authority w.e.f. February 1, 2020. Further, the Authority replaced HDIP lab with FFBL Lab and IPPs were directed to get CV tested from FFBL and SGS labs from May 2023 onwards vide letter dated May 9, 2023. NEL got CV tested from SGS & FFBL Labs. However, some of the other similar IPPs raised reservations on the CV tested from FFBL Lab and requested the Authority to maintain the existing mechanism.
3. Accordingly, 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 HDIP and SGS Labs for the period covered from April 1, 2023 to May 31, 2023 and test reports of FFBL and SGS Labs for the period covered from June 1, 2023 to June 30, 2024. NEL claimed **Rs. 93,031,282/-** (Ninety Three Million Thirty One Thousand Two Hundred and Eighty Two) payable to the power purchaser for the period of April 1, 2023 to June 30, 2024.
4. The Authority in its collective and joint wisdom decided with consensus as under; which shall be hereafter called as decision of Authority in the matter:-

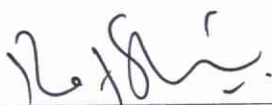
“In-line with other similar IPPs, CV adjustments of NEL has been approved on the basis of NEL’s request and with effect from fifteen days of issuance of this decision, NEL shall be required to submit CV adjustments on the basis of SGS Lab test report only.

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. 93,077,117/-** (Ninety Three Million Seventy Seven Thousand One Hundred and Seventeen) payable by NEL to the power purchaser for the period of April 1, 2023 to June 30, 2024 has been assessed and approved on account of adjustment of actual monthly weighted average CV of HDIP/FFBL & SGS Labs against the reference CV of 18,364 Btu/lb. The detailed calculations are attached as **Annex-I**.

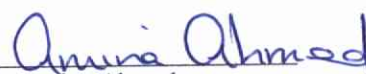
The Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) is hereby directed to deduct/adjust **Rs. 93,077,117/-** (Ninety Three Million Seventy Seven Thousand One Hundred and Seventeen) against the outstanding amount of NEL on account of adjustment of CV for the period of April 1, 2023 to June 30, 2024. 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



Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Engr. Maqsood Anwar Khan
Member



Waseem Mukhtar
Chairman

24/x/25

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-23	18,364	21.4930	18,457	21.3845	(0.1085)	55,284,324	(5,998,349)
2	May-23	18,364	26.9054	18,492	26.7195	(0.1859)	27,144,539	(5,046,170)
3	Jun-23	18,364	28.3093	18,533	28.0517	(0.2576)	66,397,672	(17,104,040)
4	Jul-23	18,364	28.5401	18,541	28.2675	(0.2726)	6,609,755	(1,801,819)
5	Aug-23	18,364	31.5976	18,510	31.3481	(0.2495)	66,652,931	(16,629,906)
6	Sep-23	18,364	39.4280	18,588	38.9522	(0.4758)	30,888,583	(14,696,788)
7	Oct-23	-	-	-	-	-	-	-
8	Nov-23	-	-	-	-	-	-	-
9	Dec-23	18,364	40.9185	18,518	40.5777	(0.3408)	7,112,016	(2,423,775)
10	Jan-24	18,364	37.3817	18,517	37.0728	(0.3089)	68,687,121	(21,217,452)
11	Feb-24	-	-	-	-	-	-	-
12	Mar-24	-	-	-	-	-	-	-
13	Apr-24	-	-	-	-	-	-	-
14	May-24	-	-	-	-	-	-	-
15	Jun-24	18,364	30.7299	18,599	30.3416	(0.3883)	21,011,635	(8,158,818)
Total (Payable)/Receivable by IPP							349,788,576	(93,077,117)

- Based on the data declared by Narowal Energy Limited.



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