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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/ 13248-52

August 27, 2025

Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for November-December 2024 to July-September 2025 Quarters for Narowal Energy Limited (formerly Hub Power Company Limited-Narowal)

Dear Sir,

Please find enclosed herewith the Decision of the Authority alongwith **Annex-I** (total 02 pages) regarding Quarterly Indexation/Adjustment of Tariff for **November-December 2024 to July-September 2025** Quarters for Narowal Energy Limited on account of US CPI, N-CPI, 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 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

Wasim Anwar Bhinder
(Wasim Anwar Bhinder)

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

Copy to:

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 INDEXATIONS/ADJUSTMENTS OF TARIFF FOR NOVEMBER-DECEMBER 2024 TO JULY-SEPTEMBER 2025 QUARTERS FOR NAROWAL ENERGY LIMITED (FORMERLY HUB POWER COMPANY LIMITED – NAROWAL).

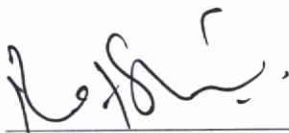
1. Pursuant to the decision of the Authority dated June 8, 2012 in the matter of adjustment at Commercial Operation Date (COD), decision of the Authority dated December 21, 2012 regarding change of index in the case of Narowal Energy Limited (formerly Hub Power Company Limited – Narowal) hereinafter (NEL), decision of the Authority dated April 2, 2021 in the matter of application filed by Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) for adjustment of ROE and ROEDC components of tariff pursuant to the agreement with NEL, decision of the Authority dated March 10, 2021 notified vide S.R.O. No. 1041(I)/2023 on August 09, 2023 in the matter of change of base year 2007-2008 to base year 2015-16 for Consumer Price Index (CPI) for indexation of fixed and variable O&M (Local) components and decision of the Authority dated May 27, 2025 in the matter of joint application filed by CPPA-G and NEL for reduction in tariff components notified vide S.R.O. No. 1330(I)/2025 on July 14, 2025, the relevant tariff components are required to be adjusted on account of US CPI, N-CPI, Exchange Rate and KIBOR variation.
2. In accordance with the Authority's decision dated May 27, 2025, NEL has submitted requests for quarterly indexations/adjustments of relevant tariff components for November-December 2024 to July-September 2025 quarters. Accordingly, the tariff of NEL in respect of November-December 2024 to July-September 2025 quarters have been revised on account of US CPI, N-CPI, Exchange Rate and KIBOR variation in accordance with the requisite indexation/adjustment mechanism stipulated in the above decision(s) of the Authority.

The Authority in its collective and joint wisdom considering all aspects decided with consensus as under; which will be hereafter called as decision of Authority in the matter:-

“Indexations/adjustments for November-December 2024 to July-September 2025 quarters have been made in the tariff components in accordance with the requisite indexation/adjustment mechanism stipulated in the decision(s) of the Authority. The revised components attached as **Annex-I** shall be immediately applicable.”

3. Further, the above decision of the Authority shall supersede the previous decisions of the Authority for November-December 2024 to April-June 2025 quarters.
4. The above decision of the Authority along with 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.
5. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

AUTHORITY



Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Engr. Maqsood Anwar Khan
Member



Waseem Mukhtar
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, Mar 10, 2021 & May 27, 2025	Revised Nov-Dec 2024 Quarter	Revised Jan-Mar 2025 Quarter	Revised Apr-Jun 2025 Quarter	Revised Jul-Sep 2025 Quarter	Indexation
Capacity Charge (Rs./kW/Hour)						
Fixed O&M - Foreign	0.6668	0.6684	0.6692	0.6777	0.6841	(i) US CPI (ii) Rs./USD (a) upto 70 % depreciation & (b) 100 % appreciation
Fixed O&M - Local	0.1734	0.1769	0.1781	0.1789	0.1792	Lower of 5 % per annum or Average N-CPI
Cost of Working Capital	0.1457	0.1405	0.1086	0.1093	0.1012	KIBOR
ROE	1.0753	1.0753	1.0753	1.0753	1.0753	-
ROEDC	0.2132	0.2132	0.2132	0.2132	0.2132	-
Total Capacity Charge	2.2744	2.2743	2.2444	2.2544	2.2530	
Variable O&M (Rs./kWh)						
Variable O&M - Foreign	1.6337	1.6376	1.6396	1.6604	1.6761	(i) US CPI (ii) Rs./USD (a) upto 70 % depreciation & (b) 100 % appreciation
Variable O&M - Local	0.9396	0.9583	0.9651	0.9695	0.9711	Lower of 5 % per annum or Average N-CPI
Total Variable O&M	2.5733	2.5959	2.6047	2.6299	2.6472	
Indexation Values						Source
Exchange Rate (Rs./USD)	278.800	278.820	278.540	278.960	279.730	NBP - Average rates
US CPI (All Urban Consumers)	314.069	314.796	315.493	319.082	321.465	U.S. Bureau of Labor Statistics - Revised values of relevant months
N-CPI (Local)	254.780	259.860	261.700	262.880	263.320	Pakistan Bureau of Statistics - Average rates
3 Monthly KIBOR	16.55%	16.13%	12.14%	12.18%	11.15%	SBP - Revised rate of relevant months
Hours in the quarter	-	1,464	2,160	2,184	2,208	

- IPP is entitled for 35% of ROE & ROEDC components as part of CPP and remaining ROE & ROEDC components are subject to generation beyond 35% of contract capacity as per the NSA.

- Based on the data declared by Narowal Energy Limited.

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