



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-70/NCPL-2007/22348-22350

November 18, 2022

Subject: **Decision of the Authority in the matter of adjustment of Calorific Value for Nishat Chunian Power Ltd. (Case No. NEPRA/TRF-70/NCPL-2007)**

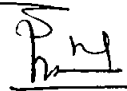
Dear Sir,

Please find enclosed herewith the decision of the Authority along with **Annex-I** (02 Pages) in the matter of adjustment of Calorific Value for the period July 1, 2020 to March 31, 2021 in respect of Nishat Chunian Power Ltd. in Case No. NEPRA/TRF-70/NCPL-2007.

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.

3. Order of the Authority along with Annex-I shall be notified in the official Gazette.

Enclosure: As above


18.11.22
(Syed Safeer Hussain)

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

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.



**DECISION OF THE AUTHORITY IN THE MATTER OF ADJUSTMENT OF CALORIFIC VALUE
FOR NISHAT CHUNIAN POWER LIMITED (NCPL)**

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. Nishat Chunian Power Limited (NCPL) 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 July 1, 2020 to March 31, 2021. NCPL also informed that in case of delivered price(s) of Low Sulphur Furnace Oil (LSFO) is greater than the High Sulphur Furnace Oil (HSFO), NEPRA has benchmarked LSFO's price(s) with HSFO prevailing in the relevant period. Therefore, in such cases, CV of HSFO fuel is benchmarked for LSFO.
3. The Authority has decided to process the CV adjustment cases on the basis of average CV value of Hydrocarbon Development Institute of Pakistan (HDIP) and SGS labs as per the decision dated September 1, 2021. The instant CV adjustment shall be subject to the final decision of the Writ Petition No. 34668/2022 filed by NCPL in the Honorable Lahore High Court.
4. The information and CV test reports of labs were analyzed in the light of the documentary evidence provided by NCPL. Accordingly, an amount of **Rs. 29,194,182/-** (Twenty Nine Million One Hundred Eighty Four Thousand and One Hundred Eighty Two) payable by NCPL to the power purchaser for the period of July 1, 2020 to March 31, 2021 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**.

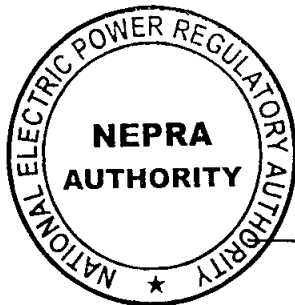
ORDER

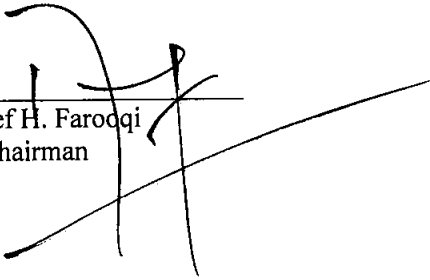
5. The Central Power Purchasing Agency Guarantee Limited (CPPA-G) is hereby directed to deduct/adjust **Rs. 29,194,182/-** (Twenty Nine Million One Hundred Eighty Four Thousand and One Hundred Eighty Two) against the outstanding amount of NCPL on account of adjustment of calorific value for the period of July 1, 2020 to March 31, 2021. CPPA-G is also directed to adjust/deduct the required amount as soon as possible.
6. 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. Maqsood Anwar Khan
Member


Engr. Rafique Ahmed Shaikh
Member




Tauseef H. Farooqi
Chairman


18.11.22

NISHAT CHUNIAN POWER LIMITED
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	Jul-20	18,364	10.7477	18,543.44	10.6437	(0.1040)	72,413,050	(7,531,340)
2	Aug-20	18,364	11.4931	18,482.63	11.4193	(0.0738)	83,888,302	(6,188,362.68)
3	Sep-20	18,364	12.2069	18,522.67	12.1023	(0.1046)	88,678,483	(9,272,969.58)
4	Oct-20	18,364	11.8764	18,389.44	11.8600	(0.0164)	18,359,964	(301,706.74)
5	Nov-20	18,364	12.1224	18,591.81	11.9739	(0.1485)	4,738,709	(703,883.88)
6	Dec-20	18,364	12.6070	18,573.72	12.4646	(0.1424)	1,800,698	(256,331.70)
7	Jan-21	18,364	10.9044	18,419.76	10.8714	(0.0330)	68,766,575	(2,269,923.83)
8	Feb-21	18,364	10.6126	18,389.38	10.5980	(0.0146)	15,267,275	(223,617)
9	Mar-21	18,364	11.7380	18,463.10	11.6750	(0.0630)	38,823,604	(2,446,048)
Total (Payable)/Receivable by IPP							392,736,660	(29,194,182)

