



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/Director(Trf))/TRF-71/NPL-2007/41527-31

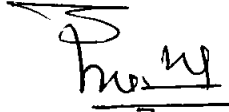
November 17, 2020

Chief Executive Officer,
Nishat Power Ltd.,
1-B Aziz Avenue,
Canal Bank, Gulberg-V,
Lahore

Subject: **Decision of the Authority in the Matter of Fuel Price Adjustment for Nishat Power Ltd. (Case No. NEPRA/TRF-71/NPL-2007)**

Enclosed please find herewith the subject decision of the Authority along with Schedule of Fuel Cost Part of Energy Charge, applicable for the month of **September 2020** (Annex-I) (03 pages) regarding the adjustment in fuel portion of energy charge part of tariff on account of variation in **Furnace Oil** prices in respect of Nishat Power Ltd.

Enclosure: As above


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(Syed Safeer Hussain)

CC:

1. Secretary, Ministry of Energy (Power Division), 'A' Block, Pak Secretariat, Islamabad
2. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
3. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
4. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited, Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad.

**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL PRICE
ADJUSTMENT FOR NISHAT POWER LIMITED (NPL)**

1. Pursuant to the Authority's Decision(s) dated October 15, 2010 regarding Tariff Adjustment at Commercial Operation Date (COD) notified vide S.R.O. 1078(I)/2010 dated November 29, 2010 and in the matter of Motion for Leave for Review against the Authority's Decision at COD Stage dated March 22, 2011, based on information submitted by NPL, the fuel portion of the energy charge part of NPL's tariff has been adjusted for variation in furnace oil price for the month of September 2020. The revised energy charge part of NPL's tariff relating to fuel indicated hereunder shall be immediately applicable to the units delivered during the month:

Period	Fuel Cost Component (Rs./kWh)	
	Reference	Revised
September 2020	9.1200	12.0951

2. The Authority has observed that as per the provision of Power Purchase Agreement (PPA), thirty (30) days fuel inventory is required to be maintained and fuel availability is the responsibility of the power producer. NPL purchased furnace oil from Byco Petroleum on 6.6% OMC margin as against the allowed OMC margin of 3.5% due to short availability of the fuel in the market and the fact that NPL has not maintained the required inventory level, therefore, the Authority has decided to assess the cost of Byco supplies on the basis of 3.5% margin. NPL is further directed to maintain the required inventory level to avoid any adverse financial implications.
3. The Authority has also observed that the fuel purchased from Attock Petroleum Ltd (APL) from NRL has been delivered on a freight of Rs. 5800/ton as against the OCAC benchmark freight of Rs. 5,748.92/ton. Accordingly, the same has been assessed on the basis of Rs. 5,748.92/ton.
4. The cost of imported furnace oil purchased from APL during September 2020 includes an amount of Rs. 347.37/ton on account of cost actualization associated with previous import of vessel SOPHIE. No justification was given by APL for inclusion of the same in the current invoice of vessel FELICITY, when the same was well known at the time of invoice of previous delivery. In response to an enquiry in the matter, NPL clarified that APL invoiced lesser amount as against the actual landed cost+OMC Margin + Freight and the same was requested from NEPRA. Accordingly, the cost of imported fuel on the basis of invoice from APL was considered and fuel cost components

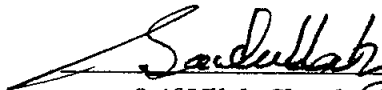



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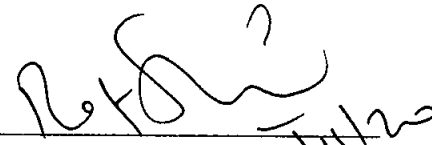
were approved in July & August 2020. Keeping in view these facts, the Authority has decided not to consider the amount of Rs. 347.37/ton in the cost of imported fuel purchased from APL during September 2020.

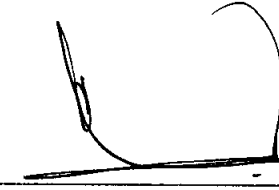
5. The above referred revised fuel cost component attached as **Annex-I** is to be notified in the official gazette in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.
6. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

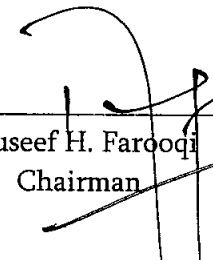
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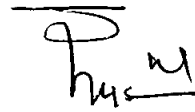

Saif Ullah Chattha 9.11.2020
Member


2/9/11/2020
Rehmatullah Baloch
Member


Engr. Rafique Ahmed Shaikh
Member


Engr. Bahadur Shah
Member


Tauseef H. Farooqi
Chairman


17.11.20



NISHAT POWER LIMITED

Schedule of Fuel Cost Part of Energy Charge

Adjustment on account of Fuel Price Variation for Furnace Oil

Period	Reference Price Rs./M.Ton	Previous Price Rs./M.Ton	Revised Price Rs./M.Ton	Reference FCC Rs./kWh	Previous FCC Rs./kWh	Revised FCC Rs./kWh
September 2020	46,363.97	59,476.42	61,488.89*	9.1200	11.6993	12.0951

* Revised price is calculated in accordance with the details of consumption provided as under:

Fuel Source	Quantity (M.Ton)	Fuel Rate (Rs./M.Ton)	Total Amount (Rs.)
PSO (PARCO) Aug 16, 2020	537.530	58,095.33	31,227,983
Rawal (BYCO) Aug 16, 2020	1,141.540	64,011.95	73,072,201
My Energy (BYCO) Aug 16, 2020	264.160	64,011.95	16,909,397
Be Energy (Imported) Aug 16, 2020	46.845	64,524.10	3,022,631
The Fuelers (BYCO) Aug 16, 2020	290.350	64,011.95	18,585,869
Rawal (BYCO) Sep 1, 2020	358.650	64,101.44	22,989,981
PSO (PARCO) Sep 1, 2020	184.355	60,192.66	11,096,818
Total PARCO (PARCO) Sep 1, 2020	463.220	60,467.00	28,009,524
Attock (ARL) (LSFO) Sep 1, 2020	962.400	61,650.43	59,332,373
The Fuelers (BYCO) Sep 1, 2020	487.130	64,101.44	31,225,734
The Fuelers (BYCO) Sep 1, 2020	135.645	64,101.44	8,695,040
Attock (NRL) Sep 1, 2020	463.335	64,226.42	29,758,348
Attock (Imported) Sep 1, 2020	3,289.995	60,839.72	200,162,379
PSO (Imported) Sep 16, 2020	988.527	59,432.85	58,750,977
Attock (Imported) Sep 16, 2020	2,883.259	60,839.72	175,416,674
Rawal (BYCO) Sep 16, 2020	91.770	64,101.44	5,882,589
Attock (ARL) (LSFO) Sep 16, 2020	182.910	61,091.53	11,174,252
	12,771.621		785,312,772
Weighted Average Revised Price (Rs./ M.Ton)			61,488.89

