

**National Electric Power Regulatory Authority**

**NOTIFICATION**



Islamabad, the 30 day of May, 2023

**S.R.O.** 695 (I)/2023.- In pursuance of Proviso-ii of Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), NEPRA hereby notifies the Decision of the Authority along with revised tariff components regarding quarterly indexation/adjustment of tariff of Narowal Energy Ltd. for the quarter April to June 2023 on account of US CPI, CPI (Local), Exchange Rate and KIBOR variation in Case No. NEPRA/TRF-92/HUBCO-2008.

2. While effecting the Decision, the concerned entities including Central Power Purchasing Agency Guarantee Limited (CPPAGL) shall keep in view and strictly comply with the orders of the courts notwithstanding this Decision.

  
(Engr. Mazhar Iqbal Ranjha)  
Registrar



**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF FOR NAROWAL ENERGY LIMITED (FORMERLY HUB POWER COMPANY LIMITED – NAROWAL) FOR APRIL TO JUNE 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 April to June 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 Apr to Jun 2023 Quarter
<b>Capacity Charge (Rs./kW/Hour)</b>		
Fixed O&M - Foreign	0.1446	0.6744
Fixed O&M - Local	0.0533	0.0928
Cost of Working Capital	0.2902	0.4858
ROE	1.0753	1.0753
ROEDC	0.2132	0.2132
<b>Total Capacity Charge</b>	<b>1.7766</b>	<b>2.5415</b>
<b>Variable O&amp;M (Rs./kWh)</b>		
Variable O&M - Foreign	0.3543	1.6525
Variable O&M - Local	0.2888	0.5026
<b>Total Variable O&amp;M</b>	<b>0.6431</b>	<b>2.1551</b>

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*

Mathar Niaz Rana (nsc)  
Member

*Engr. Maqsood Anwar Khan*

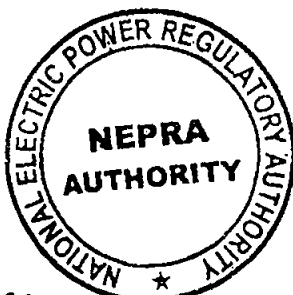
Engr. Maqsood Anwar Khan  
Member

*Engr. Rafique Ahmed Shaikh*

Engr. Rafique Ahmed Shaikh  
Member

*Amina Ahmed*

Amina Ahmed  
Member



Tauseef H. Farooqi  
Chairman

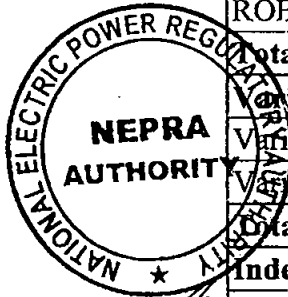
**Narowal Energy Limited**  
**Formerly Hub Power Company Limited (Narowal)**  
**Quarterly Indexation/Adjustment of Tariff**

Tariff Components	Reference Jun 8, 2012, Dec 21, 2012 & Apr 2, 2021	Revised Apr to Jun 2023 Quarter	Indexation
<b>Capacity Charge (Rs./kW/Hour)</b>			
Fixed O&M - Foreign	0.1446	0.6744	US CPI & Rs./US\$
Fixed O&M - Local	0.0533	0.0928	CPI
Cost of Working Capital	0.2902	0.4858	KIBOR
ROE	1.0753	1.0753	-
ROEDC	0.2132	0.2132	-
<b>Total Capacity Charge</b>	<b>1.7766</b>	<b>2.5415</b>	
<b>Variable O&amp;M (Rs./kWh)</b>			
Variable O&M - Foreign	0.3543	1.6525	US CPI & Rs./US\$
Variable O&M - Local	0.2888	0.5026	CPI
<b>Total Variable O&amp;M</b>	<b>0.6431</b>	<b>2.1551</b>	
<b>Indexation Values</b>			<b>Source</b>
Exchange Rate (Rs./USD)	84.200	284.100	NBP - Revised rate of Mar 31, 2023
US CPI (All Urban Consumers)	217.631	300.840	U.S. Bureau of Labor Statistics - Revised value of Feb 2023
CPI - Local	154.720	269.270	Pakistan Bureau of Statistics - Revised value of Jun 2020
3 Monthly KIBOR	12.34%	21.98%	SBP - Revised rate of Mar 31, 2023
Hours in the quarter	-	2,184	

- For the purpose of indexation of Local O&M components for Apr-Jun 2023 quarter, CPI for Feb 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.

- Based on the data declared by Narowal Energy Limited.



*[Handwritten signature]*



REGISTRAR

**National Electric Power Regulatory Authority**  
**Islamic Republic of Pakistan**

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No. NEPRA/TRF-92/13540-42

May 3<sup>rd</sup>, 2023

The Manager  
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Islamabad

Subject: **NOTIFICATION REGARDING DECISION OF THE AUTHORITY ALONG WITH REVISED TARIFF COMPONENTS REGARDING QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF OF "NAROWAL ENERGY LTD." FOR THE QUARTER APRIL TO JUNE 2023 ON ACCOUNT OF US CPI, CPI (LOCAL), EXCHANGE RATE AND KIBOR VARIATION**

In pursuance of Proviso-ii of Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), enclosed please find herewith "Decision of the Authority along with revised tariff components regarding quarterly indexation/adjustment of tariff of Narowal Energy Ltd. for the quarter April to June 2023 on account of US CPI, CPI (Local), Exchange Rate and KIBOR variation" for immediate publication in the official gazette of Pakistan. Please also furnish thirty five (35) copies of the Notification to this Office after its publication.

Encl: Notification [03 pages]

  
30/5/23  
(Engr. Mazhar Iqbal Ranjha)

CC:

1. Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Limited, 73 East, AKM Fazl-e-Haq Road, Block H, G-7/2, Blue Area, Islamabad
2. Syed Mateen Ahmed, Deputy Secretary (T&S), Ministry of Energy – Power Division, 'A' Block, Pak Secretariat, Islamabad [w.r.t. NEPRA's Decision issued vide No. 10348-10352 dated May 05, 2023]