



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/ADG(Trf)/TRF-322/CPGCL-2015/ 3091-95

February 29, 2024

Subject: **Decision of the Authority in the matter of Adjustment/Indexation in Insurance Component of Capacity Charge Part of Tariff for the Period of February 11, 2023 to August 09, 2023 for Central Power Generation Company Limited for its 747 MW Combined Cycle Power Project at Guddu [Case No. NEPRA/TRF-322/CPGCL-2015]**

Dear Sir,

Please find enclosed herewith subject decision of the Authority along with Annex-I (total 02 pages) regarding adjustment in Insurance Component of Capacity Charge Part of Tariff on account of Actual Insurance Premium for the period **February 11, 2023 to August 09, 2023** in respect of Central Power Generation Company Limited for 747 MW Combined Cycle Power Project at Guddu in Case No. NEPRA/TRF-322/CPGCL-2015

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.

Enclosure: As above


(Engr. Mazhar Iqbal Ranjha)

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

CC:

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, Central Power Generation Company Ltd. (CPGCL), Guddu Thermal Power Station, Guddu (Kashmore).

DECISION OF THE AUTHORITY IN THE MATTER OF ADJUSTMENT/INDEXATION IN INSURANCE COMPONENT OF CAPACITY CHARGE PART OF TARIFF FOR THE PERIOD OF FEBRUARY 11, 2023 TO AUGUST 9, 2023 FOR CENTRAL POWER GENERATION COMPANY LIMITED FOR ITS 747 MW COMBINED CYCLE POWER PROJECT AT GUDDU

1. Pursuant to the decision of the Authority dated April 7, 2017 notified vide S.R.O. No. 448(I)/2017 on May 30, 2017 in the matter of Motion for Leave for Review, the insurance component of capacity charge part of tariff of Central Power Generation Company Limited- 747 MW Combined Cycle Power Project at Guddu (CPGCL-Guddu) is subject to adjustment as per actual. CPGCL-Guddu requested to approve insurance component of Rs. 0.1157/kW/h on the basis of insurance premium of Rs. 362,396,136/- for the period of February 11, 2023 to August 9, 2023. CPGCL-Guddu in support of its request provided copies of premium invoices and payment evidences and Schedule VIII of Power Purchase Agreement.
2. CPGCL-Guddu has also included sales tax of Rs. 41,325,672/- in the requested insurance cost which is not in line with the decisions of the Authority in other similar cases and the same has not been considered. CPGCL may seek adjustment of sales tax against output tax. In case of non-adjustable sales tax, the same may be claimed as pass-through from the power purchaser under relevant section of the Power Purchase Agreement (PPA).
3. The Authority in its collective and joint wisdom considering all aspects decided with consensus as under; which will be hereafter called as decision of the Authority in the matter:-

“Based on the documentary evidences provided by CPGCL-Guddu and in accordance with Schedule VIII of the PPA, the insurance component of capacity charge part of tariff has been revised on basis of net insurance cost of Rs. 321,068,664/- for the coverage period of February 11, 2023 to August 9, 2023.”
4. The revised insurance component of capacity charge part of tariff indicated hereunder shall be immediately applicable:

Period	Insurance Component (Rs./kW/Hour)	
	Reference April 7, 2017	Revised
February 11, 2023 to August 9, 2023	0.0959	0.1031

5. The revised tariff schedule attached as **Annex-I** is to be notified in the official Gazette in accordance with the provisions 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).

AUTHORITY

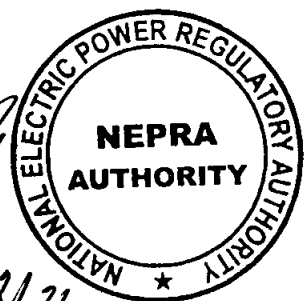
Mathar Niaz Rana (nsc)
Member

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh
Member

Amina Ahmed
Member

Waseem Mukhtar
Chairman



Central Power Generation Company Limited-747 MW Combined Cycle Power Plant, Guddu
Schedule of Insurance Component of Capacity Charge
Adjustment on account of Actual Insurance Premium

Period	Reference Insurance Premium	Revised Insurance Premium	Actual Premium of EPC Against the Allowed Limit of 1%	Reference Insurance Component	Revised Insurance Component
	Rs.	Rs.		Rs./kW/Hour	Rs./kW/Hour
February 11, 2023 to August 9, 2023	605,310,500	321,068,664	0.20%	0.0959	0.1031

-Based on data declared by Central Power Generation Company Limited-747 MW CCP Plant, Guddu

G. Q.

