



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Tariff)/TRF-322/CPGCL-2015/ 2277-81

February 12, 2025

Subject: Decision of the Authority in the matter of Adjustment/Indexation in Insurance Component of Capacity Charge Part of tariff for the period of August 10, 2023 to August 03, 2024 for Central Power Generation Company Limited for its 747 MW combined cycle power project at Guddu

Dear Sir,

Please find enclosed herewith the 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 August 10, 2023 to August 03, 2024 in respect of Central Power Generation Company Limited 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 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

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, 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 AUGUST 10, 2023 TO AUGUST 3, 2024 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. 0.1166/kWh on the basis of insurance premium of Rs. 725,848,304/- for the period of August 10, 2023 to August 3, 2024. CPGCL-Guddu in support of its request provided copies of premium invoices and payment evidences.
2. CPGCL-Guddu has included sales tax of Rs. 83,710,972/- in its 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 this sales tax against its 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). Further, CPGCL requested insurance cost component as 'take & pay' basis i.e. Rs./kWh contrary to tariff determined in the decision dated April 7, 2017, therefore, insurance cost component has been calculated as 'take or pay' basis i.e. Rs./kW/h. Subsequently, CPGCL-Guddu on November 19, 2024 also requested to treat insurance cost as pass-through item and allow the insurance premium cost in a single month as pass-through. The Authority has considered this request of CPGCL-Guddu and it is noted that the Authority provided mechanism for the adjustment/indexation of insurance cost which is that insurance premium to be spread-out over the entire covering period rather than claimed for one month. Therefore, CPGCL-Guddu's request has not been considered.
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 information and documentary evidences provided by CPGCL-Guddu, the insurance component of capacity charge part of tariff of Rs. 0.1031/kW/hour has been revised on basis of net insurance cost of Rs. 642,137,328/- for the coverage period of August 10, 2023 to August 3, 2024."
4. 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.
5. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

AUTHORITY

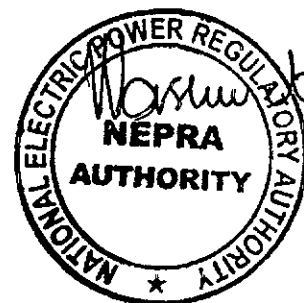
Mathar Niaz Rana (nsc)
Member

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 |
| August 10, 2023 to August 3, 2024 | 605,310,500 | 642,137,328 | 0.37% | 0.0959 | 0.1031 |

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

Jan 7

