



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-308/HSRPEL-2015/ *111 88-92*

July 22, 2025

Subject: **Decision of the Authority in the matter of Adjustment of Insurance Component of Capacity Charge Part of Tariff of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited for 8th Agreement Year (October 28, 2024 to October 27, 2025) for Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited**

Dear Sir,

Please find enclosed herewith Decision of the Authority alongwith **Annex-I** (total 03 pages) regarding adjustment in insurance component of capacity charge part of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited tariff on account of Actual Insurance Premium for the period from **October 28, 2024 to October 27, 2025** in Case No. No. NEPRA/TRF-308/HSRPEL-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)

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

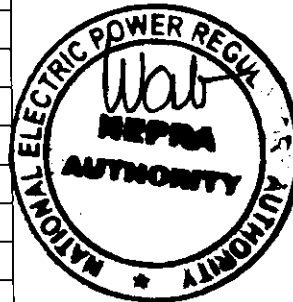
Copy to:

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, Huaneng Shandong Ruyi (Pakistan) Energy (Pvt.) Ltd. House No. 4, A, Street No.20, F-8/2, Islamabad

DECISION OF THE AUTHORITY IN THE MATTER OF ADJUSTMENT OF INSURANCE COMPONENT OF CAPACITY CHARGE PART OF TARIFF FOR 8TH AGREEMENT YEAR (OCTOBER 28, 2024 TO OCTOBER 27, 2025) FOR HUANENG SHANDONG RUYI (PAKISTAN) ENERGY (PRIVATE) LIMITED.

1. Pursuant to the decisions of the Authority dated March 31, 2015 in the matter of approval of upfront coal tariff for 2x660 MW coal power plant of Huaneng Shandong Ruyi (Private) Company Limited (HSRPEL) and dated January 17, 2019 in the matter of tariff adjustment at Commercial Operation Date (COD), the insurance component of tariff is subject to annual adjustment as per actual cost.
2. HSRPEL requested to approve insurance component of Rs. 0.1766/Kw/h for the 8th agreement year i.e. October 28, 2024 to October 27, 2025. HSRPEL in support of its request provided copies of insurance policies, premium invoices, sales tax invoices and payment instruments.
3. HSRPEL paid total insurance premium of Rs. 1,923,437,558/- including sales tax of Rs. 258,106,262/- and the same was requested for calculation of revised insurance component. The detail of requested insurance premium is provided hereunder:

Insurance	Premium (Rs.)
Business Interruption Following Machinery Breakdown	436,660,095
Business Interruption Following Property All Risk	296,406,396
Employers Liability-Chinese	57,328,257
Employer's Liability-Pakistani	3,232,868
General & Product Liability	41,947,510
Group Hospitalization Policy	36,030,507
Machinery Breakdown	350,273,451
Political Violence Insurance and Business Interruption	387,594,912
Property All Risk	309,927,762
Vehicle Insurance-Cars	2,633,300
Vehicle Insurance-Commercial	1,402,500
Total	1,923,437,558

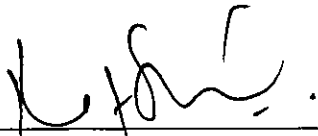


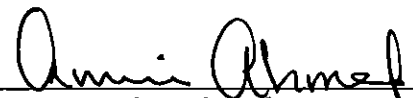
4. Schedule VIII of the Power Purchase Agreement does not provide for health insurance, therefore, in line with other power plants, health insurance of Rs. 36,030,507/- has not been considered.
5. HSRPEL has also included sales tax in the calculation of requested insurance cost component of tariff which is not in line with previous decisions and decisions in other similar cases. Therefore, the sales tax amount of Rs. 258,106,262/- has not been considered. However, in case FBR declares sales tax on insurance as non-adjustable, the same may be claimed as pass-through item under Section 11.3(c) of Schedule I of the PPA from the power purchaser in line with Authority's decision in a similar case.
6. The Authority in its collective and joint wisdom decided with consensus as under; which will be hereafter called as decision of the Authority in the matter:-

"Based on the information and documentary evidence(s) provided by HSRPEL and in accordance with Schedule VIII of Power Purchase Agreement, the insurance component of capacity charge part of tariff of Rs. 0.1496/kW/h has been revised pertaining to coverage period of 8th agreement year i.e. October 28, 2024 to October 27, 2025 on the basis of net of sales tax insurance cost of Rs. 1,629,300,789."

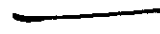
7. The above decision of the Authority along with revised tariff schedule attached as **Annex-I** are to be notified in the Official Gazette in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.
8. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

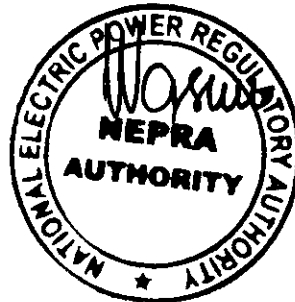
AUTHORITY


Engr. Rafique Ahmed Shaikh
Member


Amina Ahmed
Member


Engr. Maqsood Anwar Khan
Member


Waseem Mukhtar
Chairman





Huaneng Shandong Ruyi (Pakistan) Energy Private Limited
Schedule of Insurance Component of Capacity Charge
Adjustment on Account of Actual Insurance Premium

Period	Reference Insurance Premium	Revised Insurance Premium	Reference Insurance Component	1% of 70% of Capital Cost	Revised Insurance Component
	Rs.	Rs.	Rs./kW/Hour		Rs./kW/Hour
October 28, 2024 to October 27, 2025	976,067,995	1,629,300,789	0.0896	0.56%	0.1496

-Based on data declared by Huaneng Shandong Ruyi (Pakistan) Energy Private Limited

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