



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/TRF-72/EPQL-2007/5601-5603
April 04, 2019

Subject: Decision of the Authority in the Matter of Adjustment in Insurance Component of Capacity Charge Part of Tariff for Engro Powergen Qadirpur Ltd. (Case No. NEPRA/TRF-72/EPQL-2007)

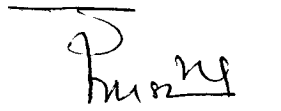
Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised Tariff Scheduel (Annex-I) (02 pages) regarding adjustment in Insurance Component of Capacity Charge Part of tariff on account of Actual Insurance Premium for the period from 23.04.2018 to 23.04.2019 in respect of Engro Powergen Qadirpur Ltd. in Case No. NEPRA/TRF-72/EPQL-2007.

2. The decision is being intimated to the Federal Government for the purpose of notification of adjustment in the approved tariff through the official Gazette pursuant to Section 31 (7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

3. The revised tariff schedule attached as Annex-I is to be notified in the official Gazette.

Enclosure: As above


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(Syed Safeer Hussain)

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

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.

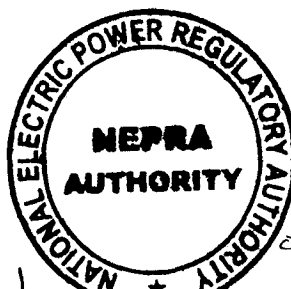


Decision of the Authority in the Matter of Adjustment in Insurance Component of Capacity Charge Part of Tariff for Engro Powergen Qadirpur Limited (EPQL)

1. Pursuant to decisions of the Authority dated 1st April 2011 and 17th September 2013, Engro Powergen Qadirpur Limited (EPQL) vide letter dated July 31, 2018 filed application for adjustment of insurance component of capacity charge part of tariff for the period 23rd April 2018 to 23rd April 2019 on the basis of insurance premium of Rs. 230,833,870/- net of Federal Excise Duty/Sales Tax on Services.
2. NEPRA vide letter No. NEPRA/SAT-I/TRF-72/EPQL-2007/18725 dated November 29, 2018 indicated EPQL that the requested insurance premium is substantially on higher side as compared to other similar IPPs and directed to justify the requested cost vis a vis other IPPs. EPQL was also directed to provide details of No Claim Bonus received from the insurer during the preceding years.
3. EPQL vide letter No. EPQL/HO/C/NEPRA/111 dated December 12, 2018 submitted that as per the Authority's Determination the company is permitted the adjustment of the actual insurance cost, not exceeding 1.35% of the EPC cost, whereas the insurance amount claimed in request equates to 1.23% of the EPC (USD 153,414000 at USD/PKR rate of 121.6). EPQL further submitted that the company shall endeavor to ensure alignment of its future insurance policies (as far as practicable) with those of the referenced IPPs for subsequent periods.
4. The Authority has considered the submissions made by EPQL and decided to allow Rs. 216,841,506/- after adjusting the No Claim Bonus of Rs. 13,992,364. Accordingly, the insurance component of capacity charge part of tariff for the period 23rd April 2018 to 23rd April 2019 has been revised. The revised insurance component of capacity charge part of tariff indicated hereunder shall be immediately applicable:

Period	Plant Operation	Revised Insurance Component Rs./Kw/Hour
23 rd April, 2018 to 23 rd April, 2019	Gas	0.1139
	HSD	0.1163

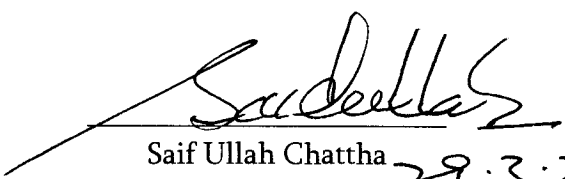
5. The revised tariff schedule attached as Annex-I is to be notified in the official gazette, in







accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

AUTHORITY

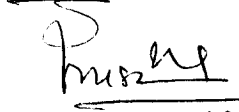

Saif Ullah Chattha
Member

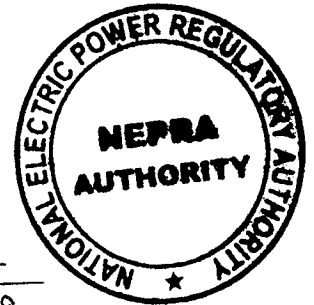
29.3.2019


Rafique Ahmed Shaikh
Member


Rehmatullah Baloch
Vice Chairman

23/4/2019

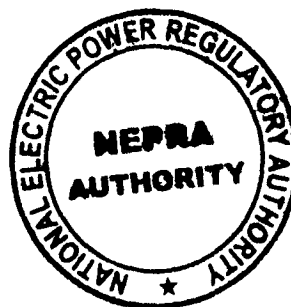

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Engro Powergen Qadirpur Limited
(Formerly Engro Energy Limited)
Schedule of Insurance Component of Capacity Charge
Adjustment on account of Actual Insurance Premium

Period	Reference Insurance Premium	Revised Insurance Premium	Plant Operation	Reference Insurance Component	Revised Insurance Component
	Rs.	Rs.		Rs./kW/Hour	Rs./kW/Hour
23rd April, 2018 to 23rd April, 2019	119,908,673	216,841,506	Gas	0.0630	0.1139
			HSD	0.0643	0.1163

Description	Rs.
Insurance premium for the period 23rd April, 2018 to 23rd April 2019	230,833,870
Less: No Claim Bonus	(13,992,364)
Total Amount	216,841,506



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