



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/ADG(Tariff)/TRF-72/EPQL-2007/ 37620-24

November 23, 2023

Subject: Decision of the Authority in the matter of Adjustment in Insurance Component of Capacity Charge Part of Tariff from April 23, 2023 to April 22, 2024 for Engro Powergen Qadirpur Limited (Case No. NEPRA/TRF-72/EPQL-2007)

Dear Sir,

Please find enclosed herewith the decision of the Authority along with Schedule of Insurance Component of Capacity Charge at **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 **April 23, 2023 to April 22, 2024** 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 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.

Copy to: (alongwith copy of subject Decision):

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, Engro Powergen Qadirpur Limited, 7th Floor, The Harbour Building, HC#3, Marine Drive, Block 4, Clifton, Karachi

DECISION OF THE AUTHORITY IN THE MATTER OF ADJUSTMENT IN INSURANCE COMPONENT OF CAPACITY CHARGE PART OF TARIFF FROM APRIL 23, 2023 TO APRIL 22, 2024 FOR ENGRO POWERGEN QADIRPUR LIMITED (EPQL).

1. Pursuant to the decision of the Authority dated April 1, 2011 in the matter of Motion for Leave Review against the Authority's COD decision dated November 3, 2010 read with Corrigendum dated May 14, 2012, decision of the Authority dated September 17, 2013 in the matter of tariff adjustments on High Speed Diesel and mixed fuel and decision of the Authority dated June 9, 2016 regarding Engro Powergen Qadirpur Limited (EPQL), formerly Engro Energy Limited, the insurance component of tariff is subject to annual adjustment as per actual cost. EPQL requested to approve insurance component of Rs. 0.2246/kW/h and Rs. 0.2293/kW/h on Gas and HSD respectively, for the period of April 23, 2023 to April 22, 2024. EPQL in support of its request provided copies of insurance policies, premium calculations and payment acknowledgment receipts of insurers. The details of requested insurance cost net of sales tax/FED is as under:

Insurance Policy	Amount (Rs.)
All Risks & Business Interruption	456,499,449
Terrorism & Political Violence	58,023,641
General Liability	10,212,413
Total	524,735,503
Less: Refund	(97,138,730)
Net Amount	427,596,773

2. The Authority in its collective and joint wisdom decided with consensus as under; which will be hereafter called as decision of Authority in the matter:-

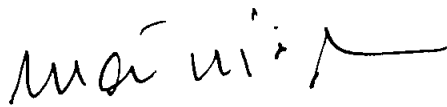
"Based on information and documentary evidence(s) provided by EPQL and in accordance with Schedule VIII of Power Purchase Agreement, the insurance component of capacity charge part of tariff has been revised for the coverage period of April 23, 2023 to April 22, 2024 (366 days) on the basis of net insurance cost of Rs. 427,596,773."

3. The revised insurance component of capacity charge part of tariff indicated hereunder shall be immediately applicable:

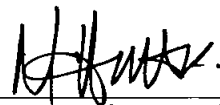
Sr. #	Period	Plant Operation	Insurance Component (Rs./Kw/Hour)	
			Reference	Revised
1	April 23, 2023 to April 22, 2024	Gas	0.0630	0.2240
2		HSD	0.0643	0.2287

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 determinations.

AUTHORITY



Mathar Niaz Rana (nsc)
Member



Engr. Maqsood Anwar Khan
Member



Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Waseem Mukhtar
Chairman



1/2

23/11/23

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	Previous Insurance Premium	Revised Insurance Premium	Actual Premium Against the Allowed limit of 1.35% of EPC	Plant Operation	Reference Insurance Component	Revised Insurance Component
	Rs.	Rs.	Rs.			Rs./kW/Hour	Rs./kW/Hour
April 23, 2023 to April 22, 2024	119,908,673	291,012,936	427,596,773	0.97%	Gas	0.0630	0.2240
					HSD	0.0643	0.2287

0.97

