



National Electric Power Regulatory Authority Islamic Republic of Pakistan

Registrar

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No. NEPRA/R/DG(Trf)/TRF-72/EPQL-2007/10852-10854

May 12, 2023

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)**

Enclosed please find herewith the subject decision of the Authority along with Schedule of Insurance Component of Capacity Charge (**Annex-I**) (total 02 pages) regarding adjustment in insurance component of capacity charge part of Engro Powergen Qadirpur Ltd. tariff on account of Actual Insurance Premium for the period from 23rd April 2022 to 22nd April 2023 in Case No. 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.

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

Enclosure: As above

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


(Engr. Mazhar Iqbal/Ranjha)

Copy to: (alongwith copy of subject Decision):

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 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. 0.1529/kW/h and Rs. 0.1561/kW/h on Gas and HSD respectively, for the period of April 23, 2022 to April 22, 2023. 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:

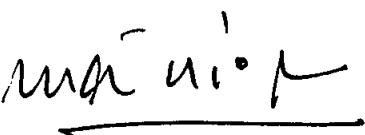
Insurance Policy	Amount (Rs.)
All Risks & Business Interruption	296,201,488
Terrorism & Political Violence	30,403,070
General Liability	7,441,351
Total	334,045,909
Less: Refund	(43,032,973)
Net Amount	291,012,936

2. Accordingly, based on information and documentary evidence(s) provided by EPQL, the insurance component of capacity charge part of tariff has been revised in accordance with Schedule VIII of PPA and on the basis of net insurance cost of Rs. 291,012,936. The revised insurance component of capacity charge part of tariff indicated hereunder shall be immediately applicable:

Sr. #	Period	Plant Operation	Insurance Component	
			Reference Rs./Kw/Hour	Revised Rs./Kw/Hour
1	April 23, 2022 to April 22, 2023	Gas	0.0630	0.1529
2		HSD	0.0643	0.1561


3. 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.
4. CPPA (G) to ensure that all payments are consistent with the tariff determinations.

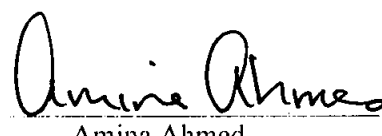
AUTHORITY



Mathar Niaz Rana (nsc)
Member


Engr. Rafique Ahmed Shaikh
Member




Engr. Maqsood Anwar Khan
Member


Amina Ahmed
Member


Tauseef H. Farooqi
Chairman

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 of EPC Against the Allowed	Plant Operation	Reference Insurance Component	Revised Insurance Component
	Rs.	Rs.	Rs.			Rs./kW/Hour	Rs./kW/Hour
April 23, 2022 to April 22, 2023	119,908,673	223,903,492	291,012,936	1.01%	Gas	0.0630	0.1529
					HSD	0.0643	0.1561

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