



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad
Ph: +92-51-9206500, Fax: +92-51-2600026
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/R/Dir(Trf)/TRF-92/HUBCO-2008/40886-40888

November 18, 2021

Subject: Decision of the Authority in the matter of Adjustment in Insurance Component of Capacity Charge Part of Tariff for Narowal Energy Ltd. (Case No. NEPRA/TRF-92/HUBCO-2008)

Dear Sir,

Please find enclosed herewith the subject decision of the Authority along with Annex-I (02 pages) regarding adjustment in insurance component of capacity charge part of tariff on account of Actual Insurance Premium for the period 1st July 2021 to 30th June 2022 for Narowal Energy Ltd. in Case No. NEPRA/TRF-92/HUBCO-2008.

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
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 Norwal Energy Limited

1. Pursuant to the decision of the Authority dated June 8, 2012 in the matter of adjustment at COD regarding Narowal Energy Limited (NEL), formerly Hub Power Company Limited-Norwal project, the insurance component of capacity charge part of tariff is subject to adjustment as per actual annually. NEL vide its letter dated October 20, 2021 requested to approve insurance component of Rs. 0.1812/kW/h for the period July 1, 2021 to June 30, 2022. NEL in support of its request provided copies of debit invoices of insurance premium, credit invoice of premium rebate for renewal incentive bonus, Rushton International fee, copy of approval from the State Bank of Pakistan for remittance, Bank statement and CPR of withholding tax on Ruston International fee. The details of requested insurance cost is as under:

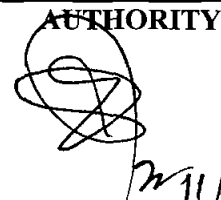
Policy Name	Insurance Premium (Rs.)
All Risks and Business Interruption including Ruston's Fee	336,471,499
Public and product Liability	2,064,000
Terrorism & Sabotage	10,432,392
Renewal Incentive Bonus	(9,294,634)
Total	339,673,257

2. Accordingly, on the basis of insurance cost of Rs. 339,673,257 and in accordance with the Schedule VIII of the Power Purchase Agreement, the insurance component of capacity charge part of tariff has been revised for the period July 1, 2021 to June 30, 2022. The revised insurance component of capacity charge part of tariff indicated hereunder shall be immediately applicable:


Period	Insurance Component Rs./kW/Hour	
	Reference	Revised
1 st July 2021 to 30 th June 2022	0.0821	0.1812

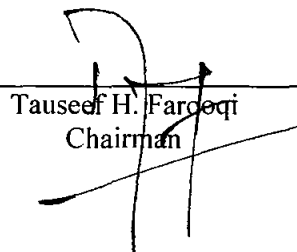
3. The revised tariff schedule attached as **Annex-I** is to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.
4. CPPA (G) to ensure that all payments are consistent with the tariff determination.

AUTHORITY


Rehmatullah Baloch
Member


Engr. Maqsood Anwar Khan
Member


Engr. Rafique Ahmed Shah
Member


Tauseef H. Farooqi
Chairman



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Narowal Energy Ltd (Formerly, Hub Power Company Ltd-Narowal)

Schedule of Insurance Component of Capacity Charge

Adjustment on account of Actual Insurance Premium

Period	Reference Insurance Premium	Revised Insurance Premium	Reference Insurance Component	Revised Insurance Component
	Rs.	Rs.	Rs./kW/Hour	Rs./kW/Hour
1st July 2021 to 30th June 2022	153,870,314	339,673,257	0.0821	0.1812

Description	Rs.
Insurance premium for the period 1st July 2021 to 30th June 2022	348,967,891
Less: Renewal Incentive Bonus	(9,294,634)
Total Amount	339,673,257

