



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/DG(Trf)/TRF-92/HUBCO-2008/16902-06

July 6, 2023

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 2022 to 30th June 2023 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 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 Schedule attached as Annex-I is to be notified in the official Gazette.

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, Narowal Energy Ltd. [formerly Hub Power Co. Ltd. (HUBCO)], 11th Floor, Ocean Tower, Block 9, Main Clifton Road, Karachi Tele: 021 - 3587 4677



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 requested to approve insurance component of Rs. 0.3316/kW/h for the period July 1, 2022 to June 30, 2023. NEL in support of its request provided copies of debit invoices of insurance premium, credit invoice of premium rebate for renewal incentive bonus & no claim bonus, Marsh ltd fee, copy of approval from the State Bank of Pakistan for remittance, Bank statement and CPR of withholding tax on Marsh ltd fee. The details of requested insurance cost is as under:

Policy Name	Insurance Premium (Rs.)
All Risks and Business Interruption including Marsh's Fee	622,935,535
Public and product Liability	2,615,150
Terrorism & Sabotage	16,768,125
Renewal Incentive Bonus (2021-22) & No Claim Bonus 2022	(20,830,130)
Total	621,488,679

2. Accordingly, on the basis of insurance cost of Rs. 621,488,679 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, 2022 to June 30, 2023. 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 2022 to 30 th June 2023	0.0821	0.3316

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

Mathar Niaz Rana (nsc)
Member

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh
Member

Amina Ahmed
Member



06/07/23

Tauseef H. Farooqi
Chairman

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	Actual Premium of EPC Against the Allowed Limit of 1.35%	Revised Insurance Premium	Reference Insurance Component	Revised Insurance Component
	Rs.		Rs.	Rs./kW/Hour	Rs./kW/Hour
1st July 2022 to 30th June 2023	153,870,314	1.05%	621,488,679	0.0821	0.3316
Description				Rs.	
Insurance premium for the period 1st July 2022 to 30th June 2023				642,318,810	
Less: Renewal Incentive & No Claim Bonus				(20,830,130)	
Total Amount				621,488,679	

