



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/ADG(Trf)/TRF-92/HUBCO-2008/ 1879-83

February 12, 2024

Subject: **Decision of the Authority in the matter of Adjustment in Insurance Component of Capacity Charge Part of Tariff for the Period of July 01, 2023 to June 30, 2024 for Narowal Energy Limited (Case No. NEPRA/TRF-92/HUBCO-2008)**

Dear Sir,

Please find enclosed herewith the subject decision of the Authority along with **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 **July 01, 2023 to June 30, 2024** 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.

Enclosure: As above

(Engr. Mazhar Iqbal Ranjha)

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

CC:

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 THE PERIOD OF JULY 1, 2023 TO JUNE 30, 2024 FOR NAROWAL 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 November 24, 2023 requested to approve insurance component of Rs. 0.2698/kW/h for the period of July 1, 2023 to June 30, 2024. NEL in support of its request provided copies of debit note of insurance premium, copy of approval from the State Bank of Pakistan for remittance, Bank statement and SWIFT transfer evidence. The details of requested insurance cost is as under:

Policy Name	Insurance Premium (Rs.)
All Risks and Business Interruption	483,886,554
Public & Product Liability	2,637,084
Terrorism & Sabotage	19,223,037
Total	505,746,675

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 NEL 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 from July 1, 2023 to June 30, 2024 (366 days) on the basis of net insurance cost of Rs. 505,746,675.”

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

Period	Insurance Component Rs./kW/Hour	
	Reference	Revised
July 1, 2023 to June 30, 2024	0.0821	0.2693

4. The decision of the Authority along with 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 determination.

AUTHORITY

Mathar Niaz Rana

Mathar Niaz Rana (nsc)
Member

Engr. Maqsood Anwar Khan

Engr. Maqsood Anwar Khan
Member

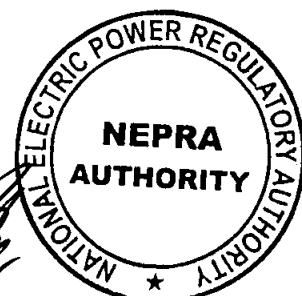
Engr. Rafique Ahmed Shaikh

Engr. Rafique Ahmed Shaikh
Member

Amina Ahmed
Member

Waseem Mukhtar

Waseem Mukhtar
Chairman



Narowal Energy Limited (Formerly, Hub Power Company Ltd-Narowal)
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 Limit of 1.35%	Reference Insurance Component	Previous Insurance Component	Revised Insurance Component
	Rs.	Rs.	Rs.		Rs./kW/Hour	Rs./kW/Hour	Rs./kW/Hour
July 1, 2023 to June 1, 2024	153,870,314	621,488,679	505,746,675	0.81%	0.0821	0.3316	0.2693

* Based on data declared by Narowal Energy Limited.

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