



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-359/NPPMCL-2016/34560-34562
August 17, 2021

Subject: **Decision of the Authority in the matter of Annual Adjustment of Insurance Component of National Power Parks Management Company (Private) Limited for its Power Project at Balloki for 3rd Agreement Year (Case No. NEPRA/TRF-359/NPPMCL-2016)**

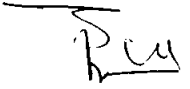
Dear Sir,

Please find enclosed herewith the subject decision of the Authority along with revised schedule of tariff (Annex-I) (**03 pages**) regarding annual adjustment of insurance component of capacity charge part of tariff on account of Actual Insurance Premium for the period July 29, 2020 to July 28, 2021 in respect of National Power Parks Management Company (Private) Limited's Balloki Power Project in Case No. NEPRA/TRF-359/NPPMCL-2016.

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
'A' Block, Pak Secretariat
Islamabad

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.



ANNUAL ADJUSTMENT OF INSURANCE COMPONENT OF NATIONAL POWER PARKS MANAGEMENT COMPANY (PRIVATE) LIMITED FOR ITS POWER PROJECT AT BALLOKI FOR 3rd AGREEMENT YEAR

1. Pursuant to the Authority's decision dated May 20, 2020 notified vide S.R.O. No. 485(1)/2021 in the matter of Review Motion against the COD decision, the insurance component of tariff is subject to annual adjustment as per actual cost. NPPMCL-Balloki vide letter dated July 13, 2021 requested to revise the insurance component on RLNG and HSD fuels as Rs. 0.1584/kW/h and Rs. 0.1745/kW/h respectively for the third agreement year. NPPMCL-Balloki provided copies of insurance policies, premium invoices, copies of cheques, copies of bank statement and payment acknowledgements of insurer.
2. The detail of insurance premium paid is provided hereunder:

Sr.	Insurance Policy	Premium Excl. Sales Tax for 3 rd Agreement Year (Rs.)
1.	All Risks	1,646,735,855
2.	Political Violence	18,971,464
3.	Third Party Liability	4,518,357
Total		1,670,225,676
Total (US\$)		10,486,380


3. As per the approved mechanism, NPPMCL-Balloki is allowed to adjust its insurance component annually on the basis of Actual Premium or 1% of the EPC cost at exchange rate prevailing on the 1st day of the insurance coverage period, whichever is lower. Accordingly 1% of the EPC cost of US\$ 5.344 million for 3rd agreement year works out Rs. 891,648,069 at prevailing exchange rate of Rs. 166.85/US\$.
4. The requested insurance premium works out 1.87% of the approved EPC cost for the 3rd agreement year and is higher than the approved limit of insurance cost. Therefore, as per the approved mechanism insurance, capped insurance amount of Rs. 891,648,069 has been considered and approved for the 3rd agreement year.
5. Accordingly, on the basis of information/documents provided by NPPMCL-Balloki and in accordance with the Schedule VIII of Power Purchase Agreement, the insurance component of capacity charge part of tariff has been revised. The revised insurance component of capacity charge part of tariff indicated hereunder shall be immediately applicable:

Period	Reference Insurance Component		Revised Insurance Component	
	RLNG	HSD	RLNG	HSD
	Rs./kW/Hour	Rs./kW/Hour	Rs./kW/Hour	Rs./kW/Hour
July 29, 2020 to July 28, 2021	0.0539	0.0594	0.0845	0.0931

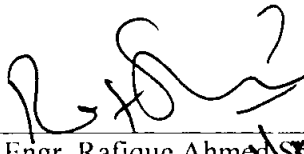


6. The revised tariff schedule attached as **Annex-I** is to be notified in the official Gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

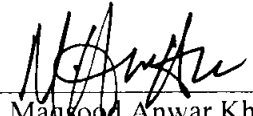
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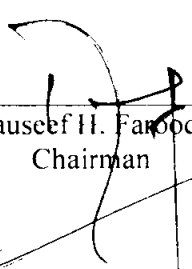
Rehmatullah Baloch
Member


1/10/21

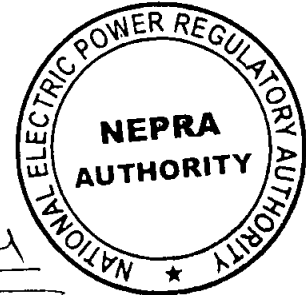
Engr. Rafique Ahmed Sheikh
Member


10/8/21.

Engr. Maqsood Anwar Khan
Member


1/10/21

Tauseef H. Farooqi
Chairman



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National Power Parks Management Company (Pvt) Limited- Balloki Power Project
Schedule of Insurance Component of Capacity Charge
Adjustment on Account of Actual Insurance Premium

Period	Reference Insurance Premium	Revised Insurance Premium	Plant Operation	Reference Insurance Component	Revised Insurance Component
	Rs.	Rs.		Rs./kW/Hour	Rs./kW/Hour
July 29, 2020 to July 28, 2021	568,494,720	891,648,069	RLNG	0.0539	0.0845
			HSD	0.0594	0.0931

