



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/ADG(Trf)/TRF-359/NPPMCL-2016/ 36074-78

November 03, 2023

Subject: Decision of the Authority in the matter of Annual Adjustment of Insurance Component for the Period July 29, 2023 to July 28, 2024 of National Power Parks Management Company (Private) Limited for its Power Project at Balloki (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 at **Annex-I (total 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, 2023 to July 28, 2024** 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 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
'A' Block, Pak Secretariat
Islamabad

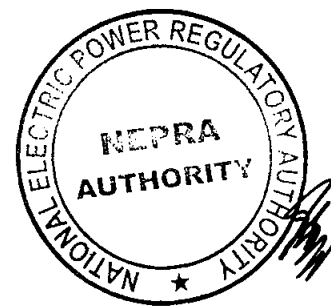
CC:

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, National Power Parks Management Company (Pvt.) Ltd. Second Floor 7-C-1, Gulberg-III, Lahore

ANNUAL ADJUSTMENT OF INSURANCE COMPONENT FOR THE PERIOD JULY 29, 2023 TO JULY 28, 2024 OF NATIONAL POWER PARKS MANAGEMENT COMPANY (PRIVATE) LIMITED FOR ITS POWER PROJECT AT BALLOKI.

- 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. National Power Parks Management Company (Pvt) Limited-Balloki (hereinafter refer as "NPPMCL-Balloki") requested to revise the insurance component on RLNG and HSD fuels as Rs. 0.1998/kW/h and Rs. 0.2202/kW/h respectively for the period of July 29, 2023 to July 28, 2024. NPPMCL-Balloki provided copies of premium invoices and payment evidences. The detail of insurance premium paid is provided hereunder:

Sr.	Insurance Policy	Premium Excl. Sales Tax (Rs.)
1.	All Risks	2,021,707,190
2.	Political Violence	80,495,660
3.	Third Party Liability	5,093,068
Total		2,107,295,918
Total (US\$)		7,264,033



- 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\$ 534.4 million for the period from July 29, 2023 to July 28, 2024 works out Rs. 1,536,135,675 at prevailing exchange rate of Rs. 287.45/US\$.
- The requested insurance premium works out 1.37% of the approved EPC cost and is higher than the approved limit of insurance cost. Therefore, as per the approved mechanism insurance premium capped limit is considered for adjusted insurance components.
- The Authority in its collective and joint wisdom decided with consensus as under; which will be hereafter called as decision of the Authority in the matter:-

“Based on the documentary evidences provided by NPPMCL-Balloki and in accordance with Schedule VIII of the Power Purchase Agreement, the insurance component of capacity charge part of tariff has been revised pertaining to coverage period of July 29, 2023 to July 28, 2024 (366 days).”

- 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, 2023 to July 28, 2024	0.0539	0.0594	0.1451	0.1599

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.

AUTHORITY



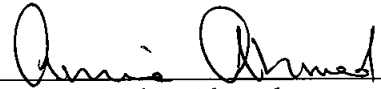
Mathar Niaz Rana (nsc)
Member



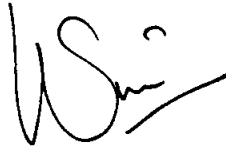
Engr. Maqsood Anwar Khan
Member



Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Waseem Mukhtar
Chairman



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, 2023 to July 28, 2024	568,494,720	1,536,135,675	RLNG	0.0539	0.1451
			HSD	0.0594	0.1599

-Based on data declared by National Power Parks Management Company (Pvt) Limited- Balloki Power Project

