



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/ADG(Trf)/TRF-359/NPPMCL-2016/ 15890-94

October 22, 2024

Subject: **Decision of the Authority in the matter of Annual Adjustment of Insurance Component for the Period July 29, 2024 to July 28, 2025 of National Power Parks Management Company (Private) Limited for its Power Project at Balloki**

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, 2024 to July 28, 2025** 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 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**

(Syed Zawar Haider)

Secretary  
Ministry of Energy  
'A' Block, Pak Secretariat  
Islamabad

Copy to:

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



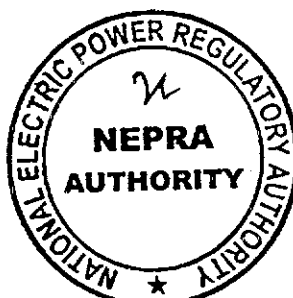
**ANNUAL ADJUSTMENT OF INSURANCE COMPONENT FOR THE PERIOD JULY 29, 2024 TO JULY 28, 2025 OF NATIONAL POWER PARKS MANAGEMENT COMPANY (PRIVATE) LIMITED FOR ITS POWER PROJECT AT BALLOKI.**

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. 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. 0.1684/kW/h and Rs. 0.1855/kW/h respectively for the period of July 29, 2024 to July 28, 2025. 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	1,695,750,383
2.	Political Violence	75,438,956
3.	Third Party Liability	4,611,610
Total		1,775,800,949
Total (US\$)		6,382,034

2. 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 1<sup>st</sup> 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, 2024 to July 28, 2025 works out Rs. 1,489,375,587 at prevailing exchange rate of Rs. 278.70/US\$.
3. The requested insurance premium works out 1.19% 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.
4. 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 information/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 for coverage period of July 29, 2024 to July 28, 2025 has been revised on the insurance premium of Rs. 1,489,375,587."





5. 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, 2024 to July 28, 2025	0.0539	0.0594	0.1411	0.1555

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**

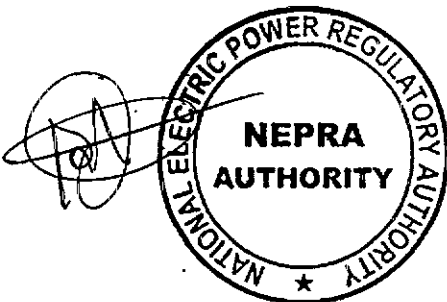
Mathar Niaz Rana (nsc)  
Member

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, 2024 to July 28, 2025	568,494,720	1,489,375,587	RLNG	0.0539	0.1411
			HSD	0.0594	0.1555

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



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