



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/DG(Trf)/TRF-358/NPPMCL-2016/ 3463-67

October 19, 2023

Subject: **Decision of the Authority in the matter of Annual Adjustment of Insurance Component for the Period July 01, 2023 to June 30, 2024 of National Power Parks Management Company (Private) Limited for its Power Project at Haveli Bahadar Shah (Case No. NEPRA/TRF-358/NPPMCL-2016)**

Dear Sir,

Please find enclosed herewith the subject decision of the Authority along with revised schedule of tariff at **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 01, 2023 to June 30, 2024** in respect of National Power Parks Management Company (Private) Limited's Haveli Bahadar Shah Power Project in Case No. NEPRA/TRF-358/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 (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, National Power Parks Management Company (Pvt.) Ltd. Second Floor 7-C-1, Gulberg-III, Lahore [Tele: 042 – 3575 9274]

ANNUAL ADJUSTMENT OF INSURANCE COMPONENT FOR THE PERIOD JULY 1, 2023 TO JUNE 30, 2024 OF NATIONAL POWER PARKS MANAGEMENT COMPANY (PRIVATE) LIMITED FOR ITS POWER PROJECT AT HAVELI BAHADAR SHAH.

1. Pursuant to the Authority's decision dated May 20, 2020 notified vide S.R.O. No. 484(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 with maximum of 1% of EPC cost. National Power Parks Management Company (Private) Limited-Haveli Bahadar Shah (hereinafter refer as "NPPMCL-HBS") requested to revise the insurance components of Rs. 0.2367/kW/h & Rs. 0.2699/kW/h on the basis of insurance premium amount of Rs. 2,518,829,628/- for RLNG & HSD, respectively, for the period of July 1, 2023 to June 30, 2024. NPPMCL-HBS in support provided copies of premium invoices and payment evidences. The details of insurance premium paid are provided hereunder:

Sr.	Insurance Policy	Premium Excl. Sales Tax (PKR)
1.	Operations All Risk	2,410,108,989
2.	Political Violence	103,400,956
3.	Third Party Liability	5,319,683
Total		2,518,829,628
Total (US\$)		8,561,623



2. As per the approved mechanism, NPPMCL-HBS 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. 1% of the EPC cost is equal to US 5.837 million. On the basis of prevailing exchange rate of PKR 287.10/US\$ for the period from July 1, 2023 to June 30, 2024, the maximum limit for insurance cost works out PKR 1,675,814,184.
3. The requested insurance premiums works out 1.50% of the approved EPC cost for the period from July 1, 2023 to June 30, 2024 and is higher than the approved limit of insurance cost. Therefore, as per the approved mechanism insurance premium as per 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:-

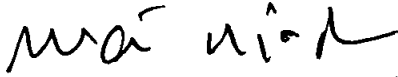
“Based the information/documents provided by NPPMCL-HBS and in accordance with the Schedule VIII of Power Purchase Agreement, the insurance component of capacity charge part of tariff for the insurance coverage period of July 1, 2023 to June 30, 2024 (366 days) has been revised on the insurance premium of Rs. 1,675,814,184.”

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

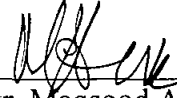
Period	Reference Insurance Component		Revised Insurance Component	
	RLNG	HSD	RLNG	HSD
	Rs./kW/Hour	Rs./kW/Hour	Rs./kW/Hour	Rs./kW/Hour
July 1, 2023 to June 30, 2024	0.0578	0.0659	0.1570	0.1792

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.
7. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

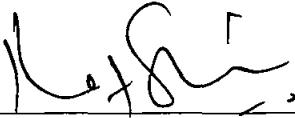
AUTHORITY



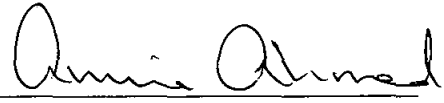
Mathar Niaz Rana (nsc)
Member



Engr. Maqsood Anwar Khan
Member



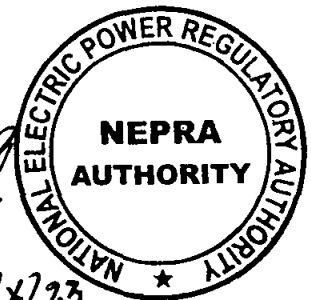
Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Waseem Mukhtar
Chairman



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

Period	Reference Insurance Premium	Revised Insurance Premium	Actual Premium of EPC Against the Allowed limit of 1.00%	Plant Operation	Reference Insurance Component	Revised Insurance Component
	Rs.	Rs.			Rs./kW/Hour	Rs./kW/Hour
July 1, 2023 to June 30, 2024	615,107,534	1,675,814,184	1.00%	RLNG	0.0578	0.1570
				HSD	0.0659	0.1792

-Based on data declared by NPPMCL-Haveli Bahadur Shah

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