

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/Dir(Trf)/TRF-71/NPL-2007/40387-40389 November 12, 2021

Subject: Decision of the Authority in the matter of Adjustment in Insurance Component of Capacity Charge Part of Tariff for Nishat Power Ltd. (Case No. NEPRA/TRF-71/NPL-2007)

Dear Sir,

Please find enclosed herewith the Decision of the Authority along with schedule of Insurance Component of Capacity Charge Annexure-1 (02 pages) regarding adjustment in insurance component of capacity charge part of Nishat Power Ltd.'s tariff on account of Actual Insurance Premium for the period 1st July, 2021 to 30th June, 2022 in Case No. NEPRA/TRF-71/NPL-2007.

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

اک ۱۱ کر (Syed Safeer Hussain)

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

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Secretary, Cabinet Division, Cabinet Secretariat, Islamabad

Secretary, Ministry of Finance, Islamabad.



DECISION OF THE AUTHORITY IN THE MATTER OF ADJUSTMENT IN INSURANCE COMPONENT OF CAPACITY CHARGE PART OF TARIFF FOR NISHAT POWER LIMITED

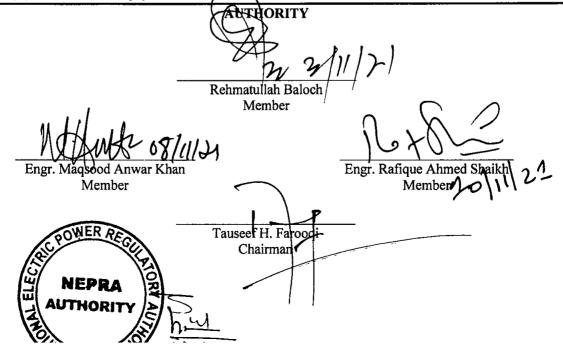
 Pursuant to the decision of the Authority dated March 22, 2011 in the matter of Motion for Leave for Review filed by NPL against the decision of the Authority at COD dated October 15, 2010 regarding Nishat Power Limited (NPL), the insurance component of tariff is subject to adjustment as per actual annually. NPL vide its letter No. Ins/NPL/0821-16189 dated August 12, 2021 requested to approve insurance component of Rs. 0.1674/kW/h for the period July 1, 2021 to June 30, 2022. NPL in support of its request provided copies of insurance policies, premium calculations, endorsement notes. NPL further vide dated October 9, 2021 provided payment evidences of previous year and detail of no claim bonus. The details of requested insurance cost net of sales tax on services is as under:

| Policy Name | Net Amount (Rs.) | |
|-------------------------------------|---------------------|--|
| All Risks and Business Interruption | 174,007,320 | |
| Terrorism & Sabotage | 95,399,797 | |
| General Liability | 5,245,483 | |
| Motor insurance | 5,307,000 | |
| Marine Insurance | 84,386 | |
| Hospitalization Insurance | 5,955,001 | |
| Head Office Assets | 406,564 | |
| Cash | 33,956 | |
| Total | 286,439,507 | |

- 2. Schedule VIII of PPA does not provide for hospitalization, head office and cash insurances, therefore, the same have not been considered. Further, Schedule VIII of PPA does not provide for marine insurance during operational phase of the project, therefore, the same has also not been considered.
- 3. Accordingly, on the basis of documents provided by NPL, Schedule VIII of PPA and remaining insurance premium of Rs. 279,959,600/- (exclusive of sales tax on services), the insurance component of capacity charge part of tariff has been revised pertaining to coverage period July 1, 2021 to June 30, 2022.. The revised insurance component of capacity charge part of tariff as indicated hereunder shall be immediately applicable:

| Period | Insurance Component Rs./kW/Hour | | |
|-------------------------------|------------------------------------|---------|--|
| | Reference | Revised | |
| July 1, 2021 to June 30, 2022 | 0.1220 | 0.1636 | |

- 4. The 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(s).



Annex-I

| Nishat Power Limited |
|--|
| Schedule of Insurance Component of Capacity Charge |
| Adjustment on account of Actual Insurance Premium |

| Adjustment on account of Actual Insurance Tremium | | | | | | |
|---|-------------|-------------|-------------|-------------|--|--|
| Period | Reference | Revised | Reference | Revised | | |
| | Insurance | Insurance | Insurance | Insurance | | |
| | Premium | Premium | Component | Component | | |
| | Rs. | Rs. | Rs./kW/Hour | Rs./kW/Hour | | |
| July 1, 2021 to June 30, 2022 | 208,757,119 | 279,959,600 | 0.1220 | 0.1636 | | |

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