



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad
Ph: +92-51-9206500, Fax: +92-51-2600026
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

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


12 11 21
(Syed Safer Hussain)

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

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. 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**

1. 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).

AUTHORITY

22/11/21
Rehmatullah Baloch
Member

08/11/21
Engr. Maqsood Anwar Khan
Member

20/11/21
Engr. Rafique Ahmed Shaikh
Member

Tauseef H. Farooqi
Chairman



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

Period	Reference Insurance Premium	Revised Insurance Premium	Reference Insurance Component	Revised Insurance 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

