



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-71/NPL-2007/3230-3232
February 22, 2023

Subject: **Decision of the Authority in the matter of Adjustment in Insurance Component of Capacity Charge Part of Tariff for Nishat Power Limited for the period of July 1, 2022 to June 30, 2023 (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 at 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, 2022 to 30th June, 2023 in Case No. NEPRA/TRF-71/NPL-2007.

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.

3. The revised tariff schedule attached as Annex-I is to be notified in the official Gazette.

Enclosure: As above


(Engr. Mazhar Iqbal Ranjha)

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

Copy to: (alongwith copy of subject Decision):

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.

DECISION OF THE AUTHORITY IN THE MATTER OF ADJUSTMENT IN INSURANCE COMPONENT OF CAPACITY CHARGE PART OF TARIFF FOR NISHAT POWER LIMITED FOR THE PERIOD OF JULY 1, 2022 TO JUNE 30, 2023.

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 requested to approve insurance component of Rs. 0.2134/kW/h for the period July 1, 2022 to June 30, 2023. NPL in support of its request provided copies of insurance policies, premium calculations, endorsement notes, 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:

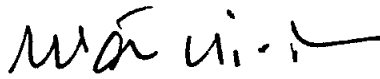
Policy Name	Net Amount (Rs.)
All Risks and Business Interruption	233,508,261
Terrorism & Sabotage	110,986,959
General Liability	6,709,060
Motor insurance	4,197,015
Marine Insurance	708,941
Hospitalization Insurance	8,734,855
Head Office Assets	283,744
Cash	33,956
Total	365,162,791

2. Schedule VIII of PPA does not provide for hospitalization, head office assets 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 not been considered.
3. Accordingly, on the basis of documentary evidences provided by NPL, Schedule VIII of PPA and remaining insurance premium of Rs. 355,401,295/- (exclusive of sales tax on services), the insurance component of capacity charge part of tariff has been revised pertaining to coverage period from July 1, 2022 to June 30, 2023. The revised insurance component of capacity charge part of tariff as indicated hereunder shall be immediately applicable:

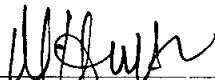
Period	Insurance Component Rs./kW/Hour	
	Reference	Revised
July 1, 2022 to June 30, 2023	0.1220	0.2077

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



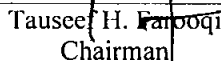
Mathar Niaz Rana (nsc)
Member



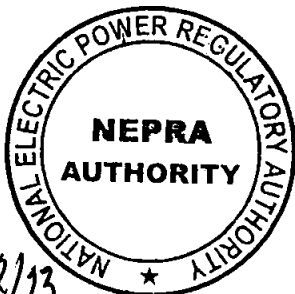
Engr. Maqsood Anwar Khan
Member




Engr. Rafique Ahmed Shaikh
Member



Tauseef H. Farooqi
Chairman

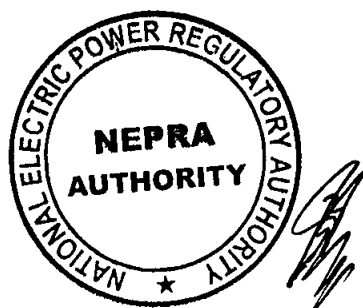



22/02/23

Nishat Power Limited
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 1.35%	Reference Insurance Component	Revised Insurance Component
	Rs.	Rs.		Rs./kW/Hour	Rs./kW/Hour
July 1, 2022 to June 30, 2023	208,757,119	355,401,295	0.95%	0.1220	0.2077

Note: Based on the data declared by Nishat Power Limited.



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