



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-71/NPL-2007/ 446-50

January 15, 2025

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 01, 2024 to June 30, 2025

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority along with Annexure-1 (total 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 July 01, 2024 to June 30, 2025 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 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 (Power Division),
'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, Nishat Power Ltd., 1-B Aziz Avenue, Canal Bank, Gulberg-V, Lahore.



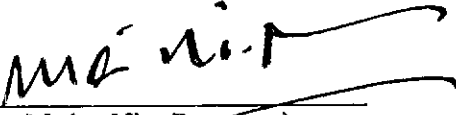
DECISION OF THE AUTHORITY IN THE MATTER OF ADJUSTMENT IN INSURANCE COMPONENT OF CAPACITY CHARGE PART OF TARIFF FOR NISHAT POWER LIMITED FOR THE PERIOD OF JULY 1, 2024 TO JUNE 30, 2025.


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. 0.2796/kW/h for the period July 1, 2024 to June 30, 2025. 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:

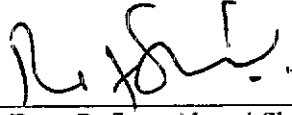
Policy Name	Net Amount (Rs.)
All Risks and Business Interruption	351,058,071
Terrorism & Sabotage	169,861,742
General Liability	10,269,087
Motor insurance	7,652,314
Marine Insurance	2,526,146
Workmen Compensation Insurance	11,967,502
Head Office Assets	571,439
Cash	39,332
Total	553,945,633

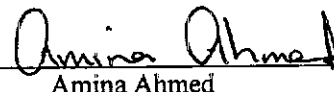
2. Schedule VIII of Power Purchase Agreement (PPA) does not provide for hospitalization, head office assets and cash insurances, therefore, the same have not been considered. Further, Schedule VIII of PPA does not provide for marine insurance during operational phase of the project, therefore, the same has not been considered.
3. The Authority in its collective and joint wisdom considering all aspects decided with consensus as under; which will be hereafter called as decision of Authority in the matter:-
“Based on information, documentary evidence(s) provided by NPL and in accordance with Schedule VIII of PPA, the insurance component of capacity charge part of tariff has been revised of Rs. 0.2719/kW/h for the coverage period from July 1, 2024 to June 30, 2025 on the basis of net insurance cost of Rs. 465,143,977.”
4. The above decision of the Authority along with revised tariff schedule attached as **Annex-I** are 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).

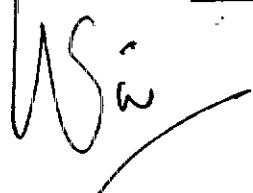
AUTHORITY

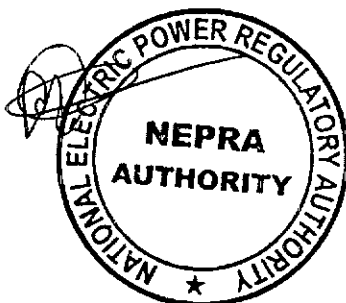

Mathar Niaz Bana (nsc)
Member


Engr. Maqsood Anwar Khan
Member


Engr. Rafique Ahmed Shaikh
Member


Amina Ahmed
Member


Waseem Mukhtar
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	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, 2024 to June 30, 2025	208,757,119	465,143,977	0.92%	0.1220	0.2719

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