Registrar

# National Electric Power Regulatory Authority
## Islamic Republic of Pakistan

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No. NEPRA/DG(Trf)/TRF-71/NPL-2007/ 22094-98 November 17, 2026

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, 2026 to June 30, 2027**

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority along with **Annex-1** (total 02 pages) regarding adjustment in insurance component of capacity charge part of tariff on account of Actual Insurance Premium for Nishat Power Limited for the period of **July 01, 2026 to June 30, 2027** 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 Calendar 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**

Wasim Anwar

**(Wasim Anwar Bhinder)**

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

Copy to:

1. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
2. Deputy Secretary (RA), Cabinet Division, Cabinet 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, 2026 TO JUNE 30, 2027.**

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) and the decision of the Authority dated May 27, 2025 in the matter of joint application filed by CPPA-G and NPL for reduction in tariff components notified vide S.R.O. No. 1324(I)/2025 on July 14, 2025, the insurance component of tariff is subject to annual adjustment based on the actual premium or 0.9% of EPC cost at exchange rate prevailing on the first day of insurance coverage period, whichever is lower. NPL requested to approve insurance component of Rs. 0.3215/kW/h for the period July 1, 2026 to June 30, 2027. NPL in support of its request provided premium calculations and endorsement notes of current year while payment evidences and detail of no claim bonus of previous year. The details of requested insurance cost net of sales tax on services are as under:

| Policy Name | Net Amount (Rs.) |
|---|---|
| All Risks and Business Interruption | 427,731,268 |
| Terrorism & Sabotage | 92,381,851 |
| General Liability | 9,856,880 |
| Motor insurance | 6,927,832 |
| Marine Insurance | 7,317 |
| Hospitalization Insurance | 12,741,067 |
| Head Office Assets | 669,831 |
| Cash | 33,976 |
| **Total** | **550,350,022** |

2. Schedule VIII of Power Purchase Agreement (PPA) does not provide for Hospitalization, Head office assets and Cash insurances, therefore, these insurance costs have not been considered. Further, Schedule VIII of PPA does not provide for Marine insurance during the operational phase of the project, therefore, the same has also been excluded.

3. After excluding the above-mentioned insurance costs, the net admissible insurance cost amounts to Rs. 536,897,831, which works out to 1.06% of EPC cost at the exchange rate of Rs. 278.55/US$. However, the Authority through its decision dated May 27, 2025 revised the insurance adjustment mechanism, wherein, NPL is allowed to adjust its insurance component annually on the basis of actual premium or 0.9% of EPC cost, whichever is lower. Accordingly, 0.9% of the EPC cost i.e. US$ 181,071,000 translates into Rs. 453,935,943 at the prevailing exchange rate and same has been allowed.

4. The Authority in its collective and joint wisdom considering all aspects decided with consensus as under; which will be hereinafter called as the 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 to Rs. 0.2653/kW/h for the coverage period of July 1, 2026 to June 30, 2027 on the basis of net insurance cost of Rs. 453,935,943."

5. 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 (XL of 1997).

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

**AUTHORITY**

Amina Ahmed
Member

Engr. Maqsood Anwar Khan

Ghulamullah Shaikh
Member

Waseem Mukhtar
Chairman

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA AUTHORITY

Annex-I

**Nishat Power Limited**

**Schedule of Insurance Component of Capacity Charge**

**Adjustment on account of Actual Insurance Premium**

| Period | Reference Insurance Premium | Previous Insurance Premium | Revised Insurance Premium | Actual Premium of EPC Against the Allowed Limit of 0.9% | Reference Insurance Component | Previous Insurance Component | Revised Insurance Component |
|---|---|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | | Rs./kW/Hour | Rs./kW/Hour | Rs./kW/Hour |
| July 1, 2026 to June 30, 2027 | 208,757,119 | 462,980,440 | 453,935,943 | 0.9% | 0.1220 | 0.2706 | 0.2653 |

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA AUTHORITY