



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/TRF-124 /OPCL-2009/1007-1009/3231-3233

April 5, 2012

Subject: **Decision of the Authority in the Matter of Adjustment in Insurance Component of Capacity Charge Part of Tariff of Orient Power Company (Pvt.) Ltd. (Case No. NEPRA/TRF-124/OPCL-2009(2)) - Intimation of Decision of Tariff pursuant to Section 31 (4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997)**

Dear Sir,

Please find enclosed herewith the Decision of the Authority along with schedule of tariff Annexure-1 (03 pages) regarding adjustment in insurance component of capacity charge part of tariff of Orient Power Company (Pvt.) Ltd. on account of Actual Insurance Premium for the period May 24, 2011 to May 23, 2012 in Case No. NEPRA/TRF-124/OPCL-2009(2).

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 (4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997) and Rule 16(11) of the National Electric Power Regulatory Authority Tariff (Standards and Procedure) Rules, 1998.

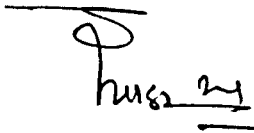
3. Please note that the schedule of revised Tariff to be notified in the official Gazette is attached as Annex-I.

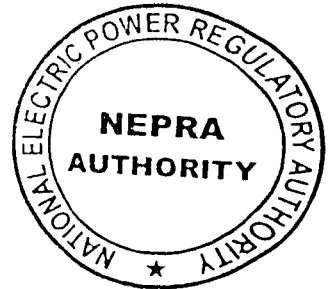
Enclosure: As above

Secretary,
Ministry of Water & Power,
Government of Pakistan
Islamabad.

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, Islamabad.


(Syed Safeer Hussain)

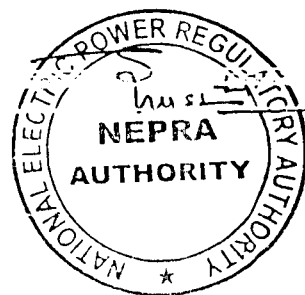




Decision of the Authority in the Matter of Adjustment in Insurance Component of Capacity Charge Part of Tariff of Orient Power Company (Pvt) Limited (OPCL)

1. According to the Para 10(I) of the decision of the Authority dated 12th January 2012 in the matter of motion for Leave for review filed by OPCL against the decision of the Authority regarding adjustments in generation tariff at COD, insurance component of reference tariff shall be adjusted as per actual on yearly basis upon production of authentic documentary evidence. In pursuance thereof, OPCL vide its letter No. OPCOL/FIN12/1014 dated 23rd January 2012 filed a request for the adjustment of Insurance Component of capacity charge part of tariff for the period from May 24, 2011 to May 23, 2012.
2. OPCL applied for the adjustment of insurance component by providing details of insurance policies and premium payments. OPCL requested to revise its insurance component on the basis of insurance cost of Rs. 123,288,101/-. According to the details of insurance cost submitted by OPCL, Rs. 4,569,193/- pertains to insurance consultancy fee for the year 2010-11, first year of operation post COD. The insurance cost component for the year 2010-11 was adjusted at the time of adjustment of tariff at COD on the basis of information provided by OPCL who did not seek review of the adjustment of insurance cost component. Therefore, the insurance consultancy fee of Rs. 4,569,193/- is not being considered for adjustment of insurance cost component for the current period. Accordingly, the insurance component of capacity charge part of tariff of OPCL has been revised on the basis of actual insurance cost of Rs. 118,718,908/- in accordance with the Schedule VIII of the Power Purchase Agreement (PPA). The revised insurance component of capacity charge part of tariff indicated hereunder shall be immediately applicable:

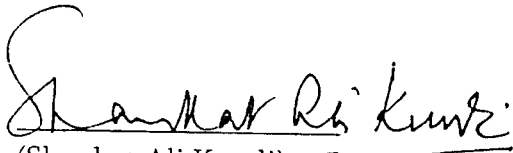
| Sr. # | Period | Revised Insurance Component Rs./kW/Hour |
|-------|------------------------------|--|
| 1. | May 24, 2011 to May 23, 2012 | 0.0637 |

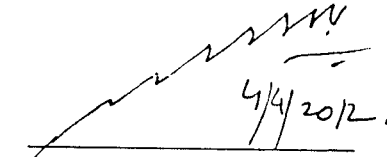


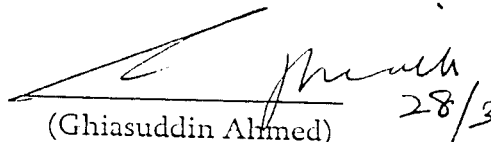


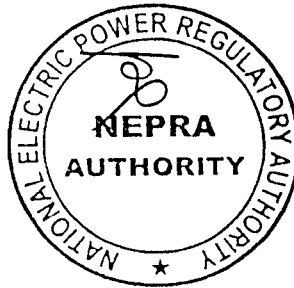
3. The revised tariff schedule attached as Annex-I is to be notified in the official gazette, in accordance with the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

AUTHORITY


(Shaukat Ali Kundi)
Member 04.04.2012


(Habibullah Khilji)
Member


(Ghiasuddin Ahmed)
Member/Vice Chairman 28/3



Orient Power Company (Pvt) 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 |
| May 24, 2011 to May 23, 2012 | 74,544,969 | 118,718,908 | 0.0400 | 0.0637 |

