



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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

Registrar

No. NEPRA/R/ADG(Trf)/TRF-347/QATPL-2016/3285-89

March 07, 2024

Subject: Annual Adjustment of Insurance Component for the Period May 20, 2018 to May 19, 2023 of Quaid-e-Azam Thermal Power Private Limited (Case No. NEPRA/TRF-347/QATPL-2016)

Dear Sir,

Please find enclosed herewith the subject decision of the Authority along with **Annex-I** (total 03 pages) of Quaid-e-Azam Thermal Power Private Limited for the Period **May 20, 2018 to May 19, 2023** on account of revision of insurance component on RLNG and HSD in Case No. NEPRA/TRF-347/QATPL-2016.

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 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


(Engr. Mazhar Iqbal Ranjha)

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

CC:

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, Quaid-e-Azam Thermal Power (Pvt.) Ltd. First Floor, 7-C-1, Gulberg-III, Lahore

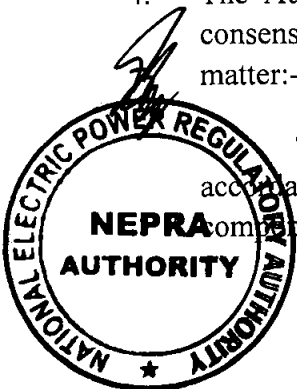
ANNUAL ADJUSTMENT OF INSURANCE COMPONENT FOR THE PERIOD MAY 20, 2018 TO MAY 19, 2023 OF QUAID-E-AZAM THERMAL POWER PRIVATE LIMITED.

1. Pursuant to the Authority's decision dated January 3, 2023 notified vide S.R.O. No. 182(1)/2023 in the matter of Commercial Operation Date Adjustment of Quaid-e-Azam Thermal Power Private Limited (QATPL), the insurance component of tariff is subject to annual adjustment as per actual cost. QATPL requested to revise the insurance component on RLNG and HSD fuels for the period of May 20, 2018 to May 19, 2023 (1st to 5th agreement year). QATPL provided copies of premium invoices and payment evidences. QATPL also vide dated November 14, 2023 provide further documentary evidences in support of its request. The detail of requested insurance premiums and cost components are provided hereunder:

Sr.	Insurance Policy	1 st Agreement Year	2 nd Agreement Year	3 rd Agreement Year	4 th Agreement Year	5 th Agreement Year
		Premium Excl. Sales Tax (Rs.)	Premium Excl. Sales Tax (Rs.)	Premium Excl. Sales Tax (Rs.)	Premium Excl. Sales Tax (Rs.)	Premium Excl. Sales Tax (Rs.)
1.	All Risks	1,436,047,349	1,447,575,194	1,230,665,175	1,117,126,089	1,625,524,565
2.	Political Violence	37,152,718	29,917,630	23,466,250	18,885,587	28,254,622
3.	Third Party Liability	4,093,015	4,270,500	4,662,671	4,161,059	6,276,413
Total		1,477,293,082	1,481,763,325	1,258,794,095	1,140,172,735	1,660,055,600
Total (US\$)		10,648,000	9,261,509	7,814,752	6,325,584	6,360,780

2. As per the approved mechanism, QATPL is allowed to adjust its insurance component annually on the basis of Actual Premium or 1% of the EPC cost at exchange rate prevailing on the 1st day of the insurance coverage period, whichever is lower. Accordingly 1% of the EPC cost of US\$ 549.067 million for the period from May 20, 2018 to May 19, 2023 (1st to 5th years) works out Rs. 635,270,519/-, Rs. 815,364,495/-, Rs. 884,546,937/-, Rs. 844,190,513/- and Rs. 1,100,604,802/- at prevailing exchange rate of Rs. 115.70/US\$, Rs. 148.5/US\$, Rs. 161.10/US\$, Rs. 153.75/US\$ and Rs. 200.45/US\$, respectively.
3. The requested insurance premium for 1st to 5th year (May 20, 2018 to May 19, 2023) works out 2.32%, 1.82%, 1.43%, 1.35% and 1.51%, respectively, of the approved EPC cost and is higher than the approved limit of insurance cost. Therefore, as per the approved mechanism maximum allowed insurance premium has been considered for adjusted insurance components.
4. The Authority in its collective and joint wisdom considering all aspects decided with consensus as under; which will be hereafter called as decision of the Authority in the matter:-

“Based on the documentary evidences and information provided by QATPL and in accordance with Schedule VIII of the Power Purchase Agreement, the insurance components of capacity charge part of tariff for 1st to 5th agreement year have been revised



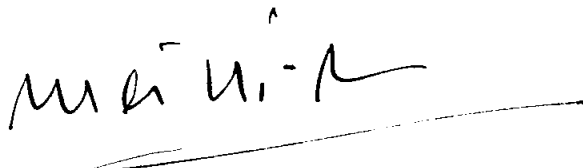
pertaining to coverage period of May 20, 2018 to May 19, 2023 (1st to 5th agreement year)."

5. The revised insurance component of capacity charge part of tariff indicated hereunder shall be immediately applicable:

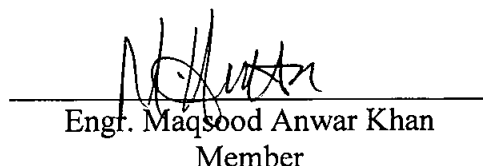
Period	Reference Insurance Component		Revised Insurance Component	
	RLNG	HSD	RLNG	HSD
	Rs./kW/Hour	Rs./kW/Hour	Rs./kW/Hour	Rs./kW/Hour
May 20, 2018 to May 19, 2019	0.0574	0.0626	0.0623	0.0679
May 20, 2019 to May 19, 2020			0.0798	0.0870
May 20, 2020 to May 19, 2021			0.0868	0.0946
May 20, 2021 to May 19, 2022			0.0829	0.0903
May 20, 2022 to May 19, 2023			0.1080	0.1177

6. The revised tariff schedule attached as **Annex-I** is to be notified in the official Gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

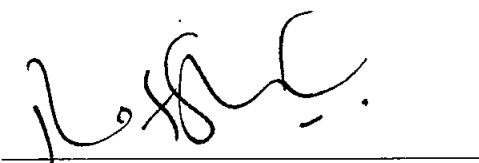
AUTHORITY



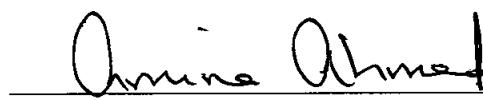
Mathar Niaz Rana (nsc)
Member



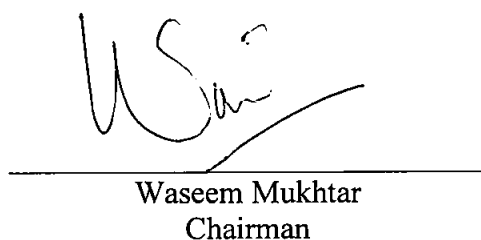
Engr. Maqsood Anwar Khan
Member



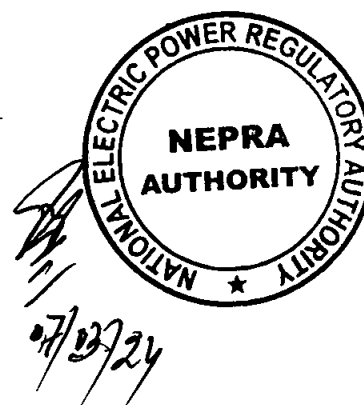
Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Waseem Mukhtar
Chairman



Quaid-e-Azam Thermal Power (Pvt) Limited
Schedule of Insurance Component of Capacity Charge
Adjustment on Account of Actual Insurance Premium

Period	Reference Insurance Premium	Revised Insurance Premium	Plant Operation	Reference Insurance Component	Revised Insurance Component
	Rs.	Rs.		Rs./kW/Hour	Rs./kW/Hour
May 20, 2018 to May 19, 2019	584,901,320	635,270,519	RLNG	0.0574	0.0623
			HSD	0.0626	0.0679
May 20, 2019 to May 19, 2020		815,364,495	RLNG	0.0574	0.0798
			HSD	0.0626	0.0870
May 20, 2020 to May 19, 2021		884,546,937	RLNG	0.0574	0.0868
			HSD	0.0626	0.0946
May 20, 2021 to May 19, 2022		844,190,513	RLNG	0.0574	0.0829
			HSD	0.0626	0.0903
May 20, 2022 to May 19, 2023		1,100,604,802	RLNG	0.0574	0.1080
			HSD	0.0626	0.1177

