



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-125/SECL-2009/ 33596-33600 October 2, 2023

Subject: **Decision of the Authority in the matter of Adjustment/Indexation in Insurance Component of Capacity Charge Part of Tariff for Sapphire Electric Company Ltd. (Case No. NEPRA/TRF-125/SECL-2009)**

Dear Sir,

Please find enclosed herewith the subject decision of the Authority along with Annex-I (total 02 pages) in the matter of Adjustment/Indexation in Insurance Component of Capacity Charge Part of Tariff for the period from October 5, 2023 to October 4, 2024 in respect of Sapphire Electric Company Ltd. in Case No. NEPRA/TRF-125/SECL-2009.

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.

Enclosure: As above

Secretary,  
Ministry of Energy,  
Government of Pakistan  
'A' Block, Pak Secretariat  
Islamabad.

  
(Engr. Mazhar Iqbal Ranjha)

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, Sapphire Electric Company Ltd., 7-A/K, Main Boulevard, Gulberg-II, Lahore

**DECISION OF THE AUTHORITY IN THE MATTER OF ADJUSTMENT/INDEXATION IN INSURANCE COMPONENT OF CAPACITY CHARGE PART OF TARIFF FOR SAPPHIRE ELECTRIC COMPANY LIMITED**

1. Pursuant to the decision of the Authority dated November 23, 2012 in the matter of Motion for Leave for Review filed by Sapphire Electric Company Limited (SECL) against the decision of the Authority at COD dated September 21, 2011, the insurance component of tariff is subject to adjustment as per actual annually. SECL requested to approve insurance component of Rs. 0.1397/kW/h for the 13<sup>th</sup> year of operation. SECL in support of its request provided premium invoices, premium acknowledgments and bank account statements. The details of requested insurance cost net of Federal Excise Duty is as under:


Insurance Policy Name	Net Amount (Rs.)
All Risk and Business Interruption	240,730,116
Political Violence	16,059,050
Public and Product Liability	2,867,440
<b>Total</b>	<b>259,656,606</b>

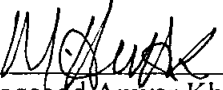
2. Accordingly, on the basis of information/documents provided by SECL and in accordance with the Schedule VIII of Power Purchase Agreement, the insurance component of capacity charge part of tariff has been revised. The revised insurance component of capacity charge part of tariff indicated hereunder shall be immediately applicable:


Period	Insurance Component Rs./kW/Hour	
	Reference (Nov 23, 2012)	Revised
October 5, 2023 to October 4, 2024	0.0876	0.1397

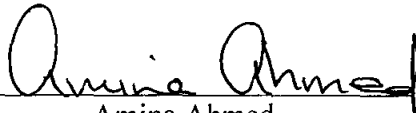
3. The revised tariff schedule attached as **Annex-I** is to be notified in the official Gazette in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.


**AUTHORITY**

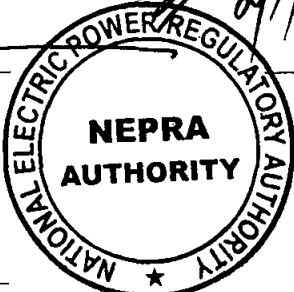
  
 Mathar Niaz Rana (nsc)  
 Member

  
 Engr. Maqsood Anwar Khan  
 Member

  
 Engr. Rafique Ahmed Shaikh  
 Member

  
 Amina Ahmed  
 Member

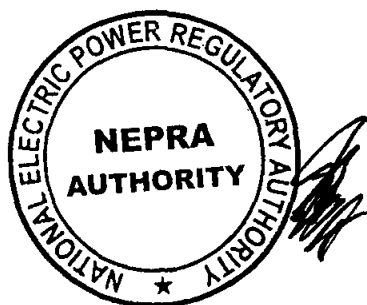
  
 Waseem Mukhtar  
 Chairman



**Sapphire Electric Company 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 (Nov 23, 2012)	Revised Insurance Component
	Rs.	Rs.		Rs./kW/Hour	Rs./kW/Hour
5th October 2022 to 4th October 2023	162,781,000	259,656,606	0.72%	0.0876	0.1397

-Based on data declared by Sapphire Electric Company Limited



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