

**National Electric Power Regulatory Authority**

**NOTIFICATION**



Islamabad, the 13<sup>th</sup> day of July, 2023

S.R.O. 929 (I)/2023.- In pursuance of Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), NEPRA hereby notifies the Decision of the Authority along with schedule of Insurance Component of Capacity Charge regarding adjustment in insurance component of capacity charge part of Halmore Power Generation Company Ltd.'s tariff on account of Actual Insurance Premium for the period June 15, 2022 to June 14, 2023 in Case No. NEPRA/TRF-85/HPGCL-2007.

2. While effecting the Decision, the concerned entities including Central Power Purchasing Agency Guarantee Limited (CPPAGL) shall keep in view and strictly comply with the orders of the courts notwithstanding this Decision.

  
(Engr. Mazhar Iqbal Ranjha)  
Registrar





**DECISION OF THE AUTHORITY IN THE MATTER OF ADJUSTMENT/INDEXATION IN INSURANCE COMPONENT OF CAPACITY CHARGE PART OF TARIFF FOR HALMORE POWER GENERATION COMPANY LIMITED (HPGCL)**

1. Pursuant to the decision of the Authority dated January 8, 2014 in the matter of tariff adjustments at Commercial Operations Date (COD), decision of the Authority dated November 6, 2014 read with corrigendum dated December 4, 2014 in the matter of Motion for Leave for Review regarding Halmore Power Generation Company Limited (HPGCL), the insurance component of capacity charge part of tariff is subject to adjustment as per actual. HPGCL requested to approve insurance component of Rs. 0.2756/kW/h for the period June 15, 2022 to June 14, 2023. HPGCL in support of its request provided detail of No Claim Bonus, copies of premium invoices, insurance policies and quotations from three different insurance companies for current year i.e. 2022-2023. The details of requested insurance cost net of Federal Exercise Duty is as under:

Insurance Policy	Amount (PKR)
All risk of direct loss or damage including Machinery Breakdown, Boiler Explosion and Business Interruption	490,118,839
Sabotage and Terrorism, Strikes, Riots, Civil Commotion and Malicious Damage	12,222,031
Public and Product Liability	2,068,580
<b>Total</b>	<b>504,409,450</b>

2. As per the approved mechanism, HPGCL is allowed to adjust its insurance component annually on the basis of actual premium or 1.35% of EPC cost whichever is lower. Accordingly, 1.35% of the EPC cost i.e. US\$ 2,332,733 translates into Rs. 479,726,439 at the exchange rate of Rs. 205.65/USD prevailing on the 1<sup>st</sup> day of the insurance coverage period. The requested insurance premium works out 1.42% of EPC cost at the prevailing exchange rate and is higher than the approved limit. The Authority has decided to approve maximum insurance premium of Rs. 479,726,439 for the period June 15, 2022 to June 14, 2023.
3. In accordance with Schedule VIII of the Power Purchase Agreement and on the basis of maximum insurance premium of Rs. 479,726,439, the insurance component 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	Revised
June 15, 2022 to June 14, 2023	0.0983	0.2620

4. 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.
5. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

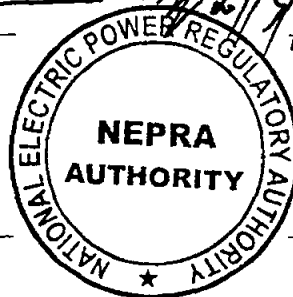
**AUTHORITY**

*Mathar Niaz Rana*

Mathar Niaz Rana (nsc)  
Member

*Engr. Rafique Ahmed Shaikh*

Engr. Rafique Ahmed Shaikh  
Member



*29/7/23*

*Engr. Maqsood Anwar Khan*

Engr. Maqsood Anwar Khan  
Member

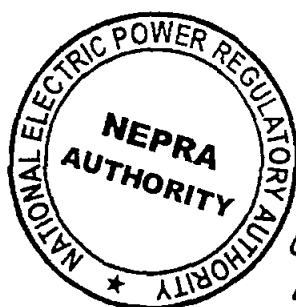
*Amina Ahmed*

Amina Ahmed  
Member

*Auseef H. Farooqi*  
Chairman

**Halmore Power Generation Company 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/1Hour	Rs./kW/Hour
June 15, 2022 to June 14, 2023	179,889,000	479,726,439	0.0983	0.2620



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*[Signature]*



REGISTRAR

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

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No. NEPRA/TRF-85 / 17757-59

July <sup>13</sup>, 2023

The Manager  
Printing Corporation of Pakistan Press  
Shahrah-e-Suharwardi  
Islamabad

Subject: **DECISION OF THE AUTHORITY ALONG WITH SCHEDULE OF INSURANCE COMPONENT OF CAPACITY CHARGE REGARDING ADJUSTMENT IN INSURANCE COMPONENT OF CAPACITY CHARGE PART OF HALMORE POWER GENERATION COMPANY LTD.'S TARIFF ON ACCOUNT OF ACTUAL INSURANCE PREMIUM FOR THE PERIOD JUNE 15, 2022 TO JUNE 14, 2023**

In pursuance of Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), enclosed please find herewith '*Decision of the Authority along with schedule of Insurance Component of Capacity Charge regarding adjustment in insurance component of capacity charge part of Halmore Power Generation Company Ltd.'s tariff on account of Actual Insurance Premium for the period June 15, 2022 to June 14, 2023*' for immediate publication in the official gazette of Pakistan. Please also furnish thirty five (35) copies of the Notification to this Office after its publication.

Encl: Notification [03 pages]

(Engr. Mazhar Iqbal Ranjha)

CC:

1. Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Limited, 73 East, AKM Fazl-e-Haq Road, Block H, G-7/2, Blue Area, Islamabad
2. **Syed Mateen Ahmed**, Deputy Secretary (T&S), Ministry of Energy – Power Division, 'A' Block, Pak Secretariat, Islamabad [w.r.t. NEPRA's Decision issued vide No.13478-13482 dated May 29, 2023]