

National Electric Power Regulatory Authority


NOTIFICATION



Islamabad, the 15th day of March, 2023

S.R.O. 369 (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 in the matter of adjustment in insurance component for the 147 MW Patrind Hydropower Project of Star Hydro Power Ltd. for the period November 8, 2018 – November 7, 2019, November 8, 2019 – November 7, 2020, November 8, 2020 – November 7, 2021 and November 8, 2021 – November 7, 2022 in Case No. NEPRA/TRF-172/SHPL-2011.

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 IN THE INSURANCE COMPONENT FOR THE 147 MW PATRIND HYDROPOWER PROJECT (STAR HYDRO LIMITED)

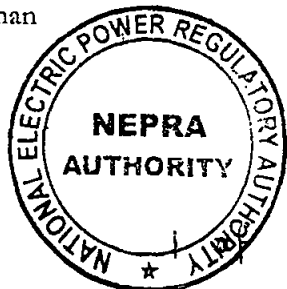
1. Pursuant to the Authority's Determination in case No.NEPA/R/SA(Tariff)TRF-172/SHPL-2011/19480-19482 dated July 29, 2020, notified vide S.R.O. 962/(I)/2021 dated July 29, 2021, in the matter of adjustment at commercial operation date, the insurance component is required to be adjusted annually as per actual incurred prudent costs, subject to a maximum of 1.35% of the EPC cost, on annual basis upon production of authentic documentary evidence.
2. CPPA (G) forwarded the request of SHPL for indexation of insurance components on annual basis for 04 years falling in the period starting from November 08, 2018, to November 07, 2022.
3. Normally the IPPs submit annual insurance adjustment for each operational year, however, after the COD adjustment tariff adjustment, the IPPs submits annual insurance adjustment request for more than one year due to the reason that COD tariff adjustments decision approval from the Authority is a time taking process. Similarly, SHPL submitted the annual insurance adjustment request after its COD decision for four years. (For Nov 08, 2018-November 07, 2019, November 08, 2019 – November 07, 2020, November 08, 2020 – November 07, 2021, and November 08, 2021 –November 07, 2022).
4. The submitted documents regarding the annual insurance adjustment were reviewed and it was found that SHPL has also claimed the sales tax @ 16% on the insurance premiums as a pass-through for all four years. The sales tax is an adjustable tax and shall be reimbursable by the entity imposing it and the same has not been allowed by the Authority for any IPPs during the operational phase, therefore, the same has been excluded.
5. It was also noted that the marine Hull insurance has been claimed by SHPL as part of operational insurance without any details of the items. According to the scheduled 8 part II (operational period), the scope of the operation period insurance does not include Marine Hull insurance, therefore the same has also been excluded. After excluding the sales tax and Marine Hull insurance, the following components have been revised.
6. The revised tariff components attached as **Annex-I** are 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.
7. CPPA (G) to ensure that all payments are consistent with tariff determination(s).

Authority

Mathar Niaz Rana (nsc)
Member

Engr. Rafique Ahmed Shaikh
Member

Engr. Maqsood Anwar Khan
Member

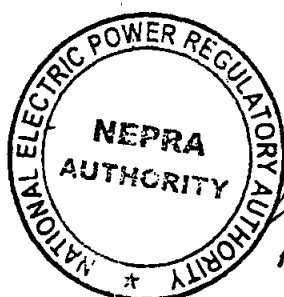


01/02/23

Tauseef H. Farooqi
Chairman

Star Hydropower Limited
Schedule of Adjustment of Insurance Components

Period	Revised Insurance Premium	Revised Insurance Component	Revised Insurance Premium as %age of EPC	Applicable Exchange Rate. Rs./US\$
	Rs.	Rs./kW/M		
Nov 8, 2018 - Nov 7, 2019	329,232,079	186.64	0.92%	138.87
Nov 8, 2019 - Nov 7, 2020	409,159,112	231.95	1.02%	155.28
Nov 8, 2020 - Nov 7, 2021	440,774,501	249.87	1.07%	159.26
Nov 8, 2021 - Nov 7, 2022	520,666,801	295.16	1.14%	176.90





REGISTRAR

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Islamic Republic of Pakistan

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No. NEPRA/TRF-172/6338-40


March 15, 2023

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Subject: **DECISION OF THE AUTHORITY IN THE MATTER OF
ADJUSTMENT IN INSURANCE COMPONENT FOR THE 147 MW
PATRIND HYDROPOWER PROJECT OF STAR HYDRO POWER
LTD. FOR THE PERIOD NOVEMBER 8, 2018 – NOVEMBER 7, 2019,
NOVEMBER 8, 2019 – NOVEMBER 7, 2020, NOVEMBER 8, 2020 –
NOVEMBER 7, 2021 AND NOVEMBER 8, 2021 – NOVEMBER 7, 2022**

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 in the matter of adjustment in insurance component for the 147 MW Patrind Hydropower Project of Star Hydro Power Ltd. for the period November 8, 2018 -- November 7, 2019, November 8, 2019 – November 7, 2020, November 8, 2020 – November 7, 2021 and November 8, 2021 – November 7, 2022*' 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. 1534-1536 dated February 01, 2023]