

## **National Electric Power Regulatory Authority**



### **NOTIFICATION**



Islamabad, the 23<sup>rd</sup> day of April, 2024

**S.R.O. 621 (I)/2024.-** 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 dated 7<sup>th</sup> March, 2024 along with schedule of Insurance Component of Capacity Charge regarding Indexation/Adjustment of Insurance Component of Capacity Charge Part of Tariff of Huaneng Shandong Ruyi (Pakistan) Energy Private Limited for the period **October 28, 2022 to October 27, 2023** in Case No. NEPRA/TRF-308/HSRPEL-2015.

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 OF INSURANCE COMPONENT OF CAPACITY CHARGE PART OF TARIFF OF HUANENG SHANDONG RUYI (PAKISTAN) ENERGY (PRIVATE) LIMITED FOR 6<sup>TH</sup> AGREEMENT YEAR.**

1. Pursuant to the Decisions of the Authority dated March 31, 2015 in the matter of approval of upfront coal tariff for 2x660 MW coal power plant of Huaneng Shandong Ruyi (Private) Company Limited (HSRPEL) and dated January 17, 2019 in the matter of tariff adjustment at Commercial Operation Date (COD), the insurance component of tariff is subject to annual adjustment as per actual cost.
2. HSRPEL requested to approve insurance component of Rs. 0.1743/Kw/h for the 6<sup>th</sup> agreement year. HSRPEL in support of its request provided copies of insurance policies, premium invoices, sales tax invoices and payment instruments.
3. HSRPEL paid total insurance premium of Rs. 1,899,212,824 including sales tax of Rs. 255,778,475/- and the same was requested for calculation of revised insurance component. The detail of requested insurance premium is provided hereunder:

Insurance	Premium (Rs.)
Business Interruption Following Machinery Breakdown	614,800,934
Business Interruption Following Property All Risk	327,900,899
Employers Liability-Chinese	57,191,967
Employer's Liability-Pakistani	3,550,000
General & Product Liability	41,341,718
Group Hospitalization Policy	28,832,072
Machinery Breakdown	293,555,591
Political Violence Insurance and Business Interruption	268,726,459
Property All Risk	259,742,684
Vehicle Insurance-Cars	2,370,500
Vehicle Insurance-Commercial	1,200,000
<b>Total</b>	<b>1,899,212,823</b>

4. Schedule VIII of the Power Purchase Agreement does not provide for health insurance, therefore, in line with other power plants, health insurance of Rs. 28,832,072/- has not been considered.
5. HSRPEL has also included Sales tax in the calculation of requested insurance cost component of tariff which is not in line with previous decisions and decisions in other similar cases. Therefore, the sales tax amount of Rs. 255,778,475/- has not been considered. However, in case FBR declares sales tax on insurance as non-adjustable, the same may be claimed as pass-through item under Section 11.3(c) of Schedule I of the PPA from the power purchaser in line with Authority's decision in a similar case.

*Handwritten signature*

6. The Authority in its collective and joint wisdom considering all aspects decided with consensus as under; which will hereafter called as decision of the Authority in the matter:-

“Based on the information and documentary evidence(s) by HSRPEL and in accordance with Schedule VIII of Power Purchase Agreement, the insurance cost component of capacity charge part of tariff has been revised for the period October 28, 2022 to October 27, 2023 on the basis of insurance cost of Rs. 1,614,602,277/- for the 6<sup>th</sup> agreement year.”

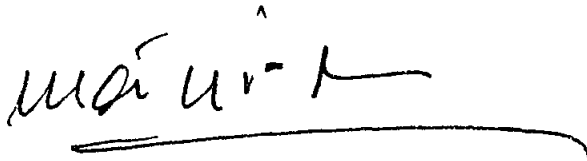
7. The revised insurance component of capacity charge part of tariff indicated hereunder shall be immediately applicable:

Period	Insurance Component Rs./kW/Hour	
	Reference Jan 17, 2019	Revised
October 28, 2022 to October 27, 2023	0.0896	0.1482

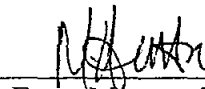
8. The revised tariff schedule attached as **Annex-I** is to be notified in the official gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

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

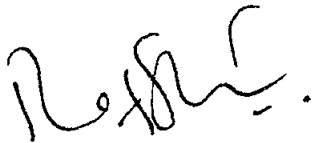
**AUTHORITY**



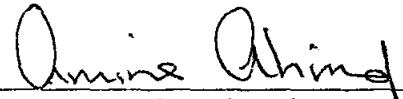
Mathar Niaz Rana (nsc)  
Member



Engr. Maqsood Anwar Khan  
Member



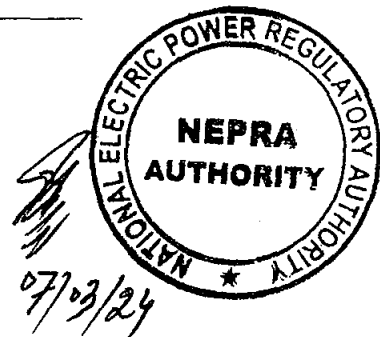
Engr. Rafique Ahmed Shaikh  
Member



Amina Ahmed  
Member



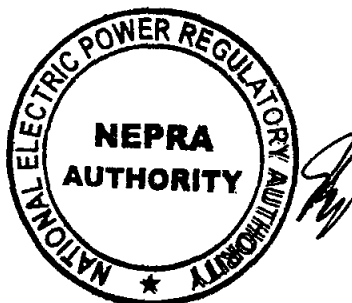
Waseem Mukhtar  
Chairman



**Huaneng Shandong Ruyi (Pakistan) Energy Private 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	1% of 70% of Capital Cost	Revised Insurance Component
	Rs.	Rs.	Rs./kW/Hour		Rs./kW/Hour
October 28, 2022 to October 27, 2023	976,067,995	1,614,602,277	0.0896	0.71%	0.1482

-Based on data declared by Huaneng Shandong Ruyi (Pakistan) Energy Private Limited





REGISTRAR

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

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No. NEPRA/TRF-100/Notifications/5385-87

April 23, 2024

The Manager  
Printing Corporation of Pakistan Press (PCPP)  
Khayaban-e-Suharwardi,  
Islamabad


Subject: **NOTIFICATION REGARDING DECISIONS OF THE AUTHORITY**

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 following Decisions of the Authority as per following detail for immediate publication in the official Gazette of Pakistan:

S. No.	Decision	Issuance No. and Date
1	Decision of the Authority in the matter of Annual Adjustment of Sinusure Component of Capacity Charge Part of Tariff for Port Qasim Electric Power Company (Private) Ltd. for the period <b>November 24, 2023 to November 23, 2024</b>	3279-3283 07.03.2024
2.	Decision of the Authority regarding Indexation/Adjustment of Insurance Component of Capacity Charge Part of Tariff of Huaneng Shandong Ruyi (Pakistan) Energy Private Limited for the period <b>October 28, 2022 to October 27, 2023</b>	3291-3295 07.03.2024
3.	Decision of the Authority in the matter of annual adjustment of insurance component of Quaid-e-Azam Thermal Power Private Limited for the period <b>May 20, 2018 to May 19, 2023</b>	3285-3289 07.03.2024

2. Please also furnish thirty five (35) copies of the Notifications to this Office after its publication.

Encl: 03 Notifications

  
(Engr. Mazhar Iqbal Ranjha)

CC:

1. Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Limited, 73 East, AK Fazl-e-Haq Road, Block H, G-7/2, Blue Area, Islamabad
2. **Syed Mateen Ahmed**, Section Officer (T&S), Ministry of Energy – Power Division, 'A' Block, Pak Secretariat, Islamabad