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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-342/CPHGCL-2016/35211-15

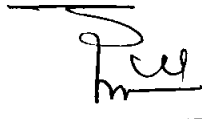
August 27, 2021

Chief Executive Officer
China Power Hub Generation Company (Pvt.) Ltd.
10th Floor, Ocean Tower,
Block 9, Main Clifton Road, Karachi
Tele: 021 – 3530 3531

Subject: **Decision of the Authority in the matter of Fuel Price Adjustment for China Power Hub Generation Company (Private) Limited (CPHGCL) [Case No. NEPRA/TRF-342/CPHGCL-2016]**

Enclosed please find herewith the subject decision of the Authority along with Schedule of Fuel Cost Part of Energy Charge (Annex-I), Details of Shipment (Annex-II), Marine Freight Calculation (Annex-III) and Coal Transshipment Services Charges Calculation (Annex-IV) (05 pages) regarding the fuel price adjustment on account of Coal price variation for the month of **August 2021** in respect of China Power Hub Generation Company (Private) Limited.

Enclosure: As above


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(Syed Safeer Hussain)

CC:

1. Secretary Ministry of Energy (Power Division), 'A' Block, Pak Secretariat, Islamabad
2. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
3. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
4. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited, Shaheen Plaza, 73-West, Fazl-e-Haq Road, Blue Area, Islamabad

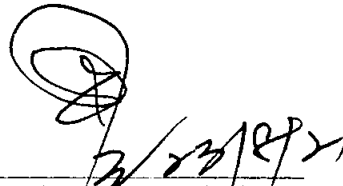
**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL PRICE
ADJUSTMENT FOR CHINA POWER HUB GENERATION COMPANY PRIVATE
LIMITED**

1. Pursuant to the decision of the Authority dated February 12, 2016 in the matter of Approval of Upfront Coal Tariff for 2x660 MW coal power plant of China Power Hub Generation Private Limited (hereafter "CPHGCL") and decision dated September 23, 2016 regarding Suo Moto Review Proceedings in the matter of Fuel Price Adjustment Mechanism determined in Upfront Coal Tariff, the fuel portion of the energy charge part of CPHGCL's tariff needs to be adjusted for variation in coal price. CPHGCL requested weighted average coal price of US\$ 97.31/ton for coal consumed during the month of August 2021. CPHGCL requested fuel cost component of Rs. 6.2390/kWh for the month of August 2021. The requested weighted coal price and fuel cost component were found on higher side.
2. In accordance with the prescribed mechanism, the revised coal price for the shipment has been worked out and is attached as Annexure to this decision. The revised fuel cost component of energy charge part of CPHGCL's tariff indicated hereunder shall be immediately applicable to the units delivered during the month:

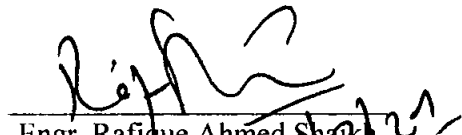
Period	Reference Fuel Cost Component Rs./kWh	Revised Fuel Cost Component Rs./kWh
August 2021	4.2913	6.2323

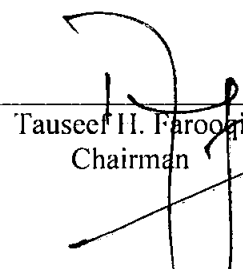
3. The variable coal transshipment services (CTS) charges have been worked out in accordance with the decisions of the Authority dated July 28, 2017 and March 10, 2021.
4. The revised fuel cost component along with revised coal price, marine freight charges and variable CTS charges attached as **Annex-I, Annex-II, Annex-III & Annex-IV** respectively are 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).

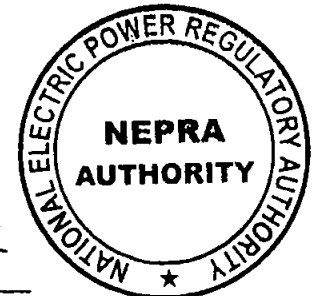
AUTHORITY


Rehmatullah Baloch
Member


Engr. Maqsood Anwar Khan
Member


Engr. Rafique Ahmed Shah
Member


Tauseef H. Farooq
Chairman



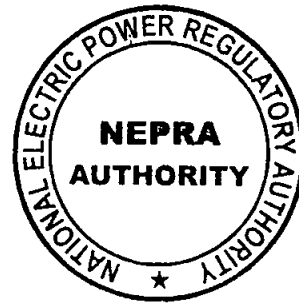
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China Power Hub Generation Company Private Limited
Schedule of Fuel Cost Part of Energy Charge
Adjustment on Account of Coal Price Variation for the Month of August 2021

Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg.	US\$/Ton	Rs/Ton	Rs./US\$
Consumption from Stock:					
Consumption from Shipment No. 53	89,540	5,456	95.91	15,334	159.88
Consumption from Shipment No. 54	11,953	5,698	106.91	16,773	156.88
Total Consumption	101,493	5,485	97.20	15,503	159.49

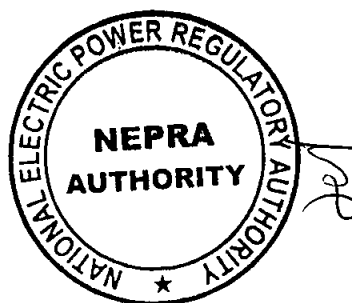
Description	Unit	Reference	Previous	Revised
Avg. Price of stock consumed during the month	Rs./Ton	12,532	16,002	15,503
Avg. net calorific value of stock consumed during the month	kCal/Kg	6,441	5,551	5,485
Avg. net calorific value of stock consumed during the month	BTU/Kg	25,556	22,026	21,764
Net Heat Rates	BTU/kWh	8,749	8,749	8,749
Revised Fuel Cost Component	Rs./kWh	4.2913	6.3562	6.2323

Note: The above adjustment of fuel cost component on coal shall be subject to verification by a consultant/Independent third party to be appointed for the purpose by the Authority. In case the verified delivered coal price is different, the fuel cost component shall be revised accordingly.



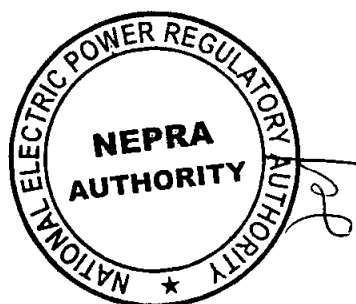
China Power Hub Generation Company Private Limited
Detail of Shipmnet
For the month of August 2021

Shipment Number		54
Vessel Name		MV NAVIOS CANARY
Bill of Lading (B/L) Date		8-Mar-21
L/C Number		-
Origin of Coal		South Africa
API-4 Index for the month of B/L Date	US\$/Ton	94.73
Base Calorific Value	kCal/Kg	6,000
Actual Calorific Value	kCal/Kg	5,698
Quantity	MT	164,998
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	89.96
Discount	US\$/Ton	-
Marine Freight Charges	US\$/Ton	8.80
Marine Insurance	US\$/Ton	0.02
CIF Coal Price	US\$/Ton	98.78
Other Charges:	US\$/Ton	7.75
(i) CTS Charges/Port Handling Charges	US\$/Ton	1.36
(ii) Customs Duties & Cess	US\$/Ton	5.98
(iii) PDA Charges at Load Port	US\$/Ton	0.34
(iv) PDA Charges at Discharge Port	US\$/Ton	0.04
(v) Pilotage Charges	US\$/Ton	0.02
(vi) Custom Clearance	US\$/Ton	0.01
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	106.53
Handling Loss 1% or actual whichever is minimum	US\$/Ton	0.38
Delivered Coal Price with losses at Power Plant	US\$/Ton	106.91
Exchange Rate	Rs./US\$	156.88
Delivered Coal Price with losses at Power Plant	Rs./Ton	16,773



China Power Hub Generation Company Private Limited
Marine Freight Calculation
For the month of August 2021

Description		Ship # 54
		MV NAVIOS
		CANARY
		CPHGC - CTS
Delivery Days:		
Voyage	Days	40.17
At Port	Days	11.42
Total Delivery Days	Days	51.60
Average Time Charter Rate	US\$/Day	10,956
Time Charter Cost	US\$	565,328
Bunker Consumption:		
Bunker during Voyage	Ton	1,727.48
Bunker during Port Days	Ton	62.84
Total	Ton	1,790.32
Bunker Price	US\$/Ton	495.60
Bunker Cost	US\$	887,282
Total Voyage Expense	US\$	1,452,610
Quantity	Tons	164,998
Marine Freight	US\$/Ton	8.80



China Power Hub Generation Company Private Limited
Coal Transshipment Services Charges Calculation

Description	Reference	Handling Month	
		March 2021	April 2021
O&M Cost (USD/ton)	0.36	0.40	0.40
Bunker Cost (USD/ton)	0.79	0.96	0.97
Total Variable CTS Cost	1.15	1.36	1.37
Index Value:			
CPI Local for O&M Base Year 2015-16	130.9	141.83	141.83
Light Diesel Oil (Rs./Ltr.) for Bunker	43.35	79.23	79.86
Exchange Rate (Rs./USD)	160.76	156.88	156.88

* With effect from 1st January 2021, the reference CPI (Base Year 2007-08) of 207.3 has been replaced with N-CPI (Base Year 2015-16) of 130.9 for the month of November 2019 and accordingly the reference O&M Cost of US\$ 0.43/Ton has been replaced with US\$ 0.36/Ton and reference exchange rate for O&M Cost of Rs. 104.7/US\$ has been replaced with Rs. 160.76/US\$. In case of Bunker Cost reference exchange rate of Rs. 104.7/US\$ will remain applicable.

