



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-342/CPHGCL-2016/ 7642-46

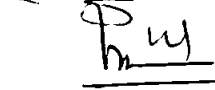
May 17, 2022

Chief Executive Officer  
China Power Hub Generation Company (Pvt.) Ltd.  
10<sup>th</sup> 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 the month of April 2022 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 Transmission Services Charges Calculation (Annex-IV) (06 pages) regarding the fuel price adjustment on account of Coal price variation for the month of April 2022 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 THE MONTH OF APRIL 2022 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\$ 160.80/ton for coal consumed during the month of April 2022. CPHGCL requested fuel cost component of Rs. 11.4940/kWh for the month of April 2022.
2. It has been observed that Argus/McCloskey's published coal price index also specifies price differentials to API 4. It has been provided in the index report that to calculate a fixed price, apply the differential to the API 4 contract. Following differentials are applicable for the month of December 2021 and January 2022:

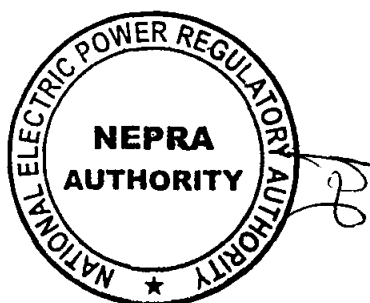
Description	Heat kcal/kg	Unit	December Average	January Average
5,500 differential	5,500	US\$/ton	(14.43)	(6.77)

3. In accordance with the above differentials, the API 4 price for each shipment from Richards Bay has been calculated and fixed as under:

Ship No.	API 4 Price (US\$/ton)	Differential (US\$/ton)	Fixed Price (US\$/ton)	Heat kcal/kg	Actual Heat kcal/kg	Heat Adjusted Price (US\$/ton)	Requested Price (US\$/ton)	Difference (US\$/ton)
65	135.82	(14.43)	121.39	5,500	5,420	119.62	122.69	(3.07)
67	135.82	(14.43)	121.39	5,500	5,501	121.41	124.52	(3.11)
68	172.41	(6.77)	165.64	5,500	5,526	166.42	158.79	7.63

4. The requested coal price of shipment No. 68 is less than the calculated coal price as per price differential, therefore, the requested price has been considered.
5. Accordingly, the revised coal price for each shipment has been worked out and is attached as Annexure to this decision. The revised Fuel Cost Component (FCC) 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
April 2022	4.2913	11.2902



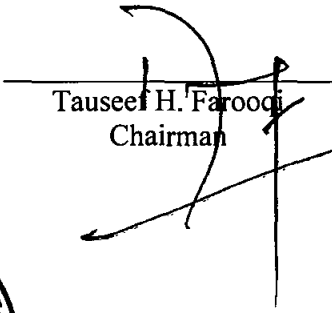
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6. The revised fuel cost component along with revised coal price, marine freight charges and variable CTS charges attached as **Annex-I, Annex-II, Annex-III & Annex-IV** respectively are to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.
7. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

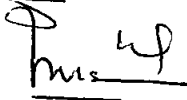
**AUTHORITY**

  
Engr. Maqsood Anwar Khan  
Member

  
Engr. Rafique Ahmed Shaikh  
Member

  
Tauseef H. Farooqi  
Chairman



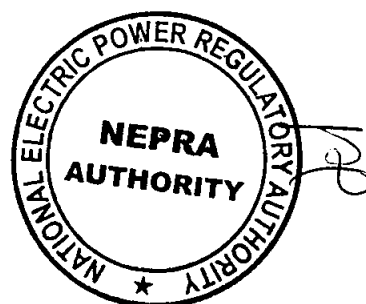
  
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**China Power Hub Generation Company Private Limited**  
**Schedule of Fuel Cost Part of Energy Charge**  
**Adjustment on Account of Coal Price Variation for the Month of April 2022**

Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg.	US\$/Ton	Rs/Ton	Rs./US\$
<b>Consumption from Stock:</b>					
Consumption from Shipment No. 66	36,924	5,655	153.85	27,381	177.97
Consumption from Shipment No. 65	77,739	5,420	149.79	26,659	177.97
Consumption from Shipment No. 67	160,643	5,501	152.47	27,134	177.97
Consumption from Shipment No. 68	68,776	5,526	185.33	32,801	176.99
<b>Total Consumption</b>	<b>344,082</b>	<b>5,504</b>	<b>158.58</b>	<b>28,186</b>	<b>177.74</b>

Description	Unit	Reference	Previous	Revised
Avg. Price of stock consumed during the month	Rs./Ton	12,532	27,785	28,186
Avg. net calorific value of stock consumed during the month	kCal/Kg	6,441	5,718	5,504
Avg. net calorific value of stock consumed during the month	BTU/Kg	25,556	22,689	21,842
Net Heat Rates	BTU/kWh	8,749	8,749	8,749
<b>Revised Fuel Cost Component</b>	<b>Rs./kWh</b>	<b>4.2913</b>	<b>10.7141</b>	<b>11.2902</b>

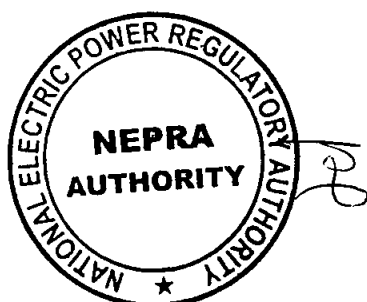
**Note:** The above adjustment of fuel cost component on coal shall be subject to verification by a consultant/Independent third party to be appointed for the purpose by the Authority. In case the verified delivered coal price is different, the fuel cost component shall be revised accordingly.



**China Power Hub Generation Company Private Limited**  
**Detail of Shipmnet**  
**For the month of April 2022**

Shipment Number		65	67	68
Vessel Name		MV GRIZZLY	MV NEW LEONIDAS	MV DONG YUAN
Bill of Lading (B/L) Date		24-Dec-21	28-Dec-21	22-Jan-22
L/C Number		-	-	LC28801C200015
Origin of Coal		South Africa	South Africa	South Africa
API-4 Index for the month of B/L Date	US\$/Ton	135.82	135.82	172.41
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	(14.43)	(14.43)	-
Fixed Price	US\$/Ton	121.39	121.39	172.41
Base Calorific Value	kCal/Kg	5,500	5,500	6,000
Actual Calorific Value	kCal/Kg	5,420	5,501	5,526
Quantity	MT	78,197	161,121	167,277
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	119.62	121.41	158.79
Marine Freight Charges	US\$/Ton	18.41	19.64	13.08
Marine Insurance	US\$/Ton	0.05	0.06	0.07
CIF Coal Price	US\$/Ton	138.09	141.10	171.94
Other Charges:	US\$/Ton	11.01	10.93	12.82
(i) CTS Charges/Port Handling Charges	US\$/Ton	1.59	1.59	1.63
(ii) Customs Duties & Cess	US\$/Ton	8.82	8.94	10.70
(iii) L/C Charges	US\$/Ton	-	-	0.10
(iv) PDA Charges at Load Port	US\$/Ton	0.51	0.32	0.32
(v) PDA Charges at Discharge Port	US\$/Ton	0.05	0.03	0.03
(vi) Custom Clearance	US\$/Ton	0.02	0.01	0.01
(vii) Pilotage Charges	US\$/Ton	0.03	0.03	0.03
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	149.10	152.04	184.75
Handling Loss 1% or actual whichever is minimum	US\$/Ton	0.69	0.43	0.57
Delivered Coal Price with losses at Power Plant	US\$/Ton	149.79	152.47	185.33
Exchange Rate	Rs./US\$	177.97	177.97	176.99
<b>Delivered Coal Price with losses at Power Plant</b>	<b>Rs./Ton</b>	<b>26,658.70</b>	<b>27,134.33</b>	<b>32,800.87</b>

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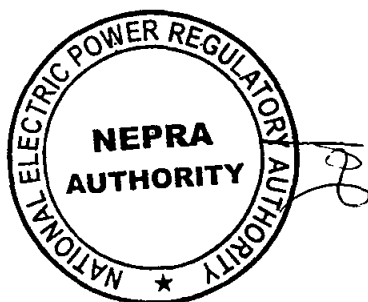
**China Power Hub Generation Company Private Limited**  
**Marine Freight Calculation**  
**For the month of April 2022**

Description	Unit	MV GRIZZLY	MV NEW LEONIDAS	MV DONG YUAN
Loading Port Name		RBCT	RBCT	RBCT
Discharge Port		CPHGC-CTS	CPHGC-CTS	CPHGC-CTS
Delivery Days:				
Voyage	Days	27.04	40.17	40.17
At Port	Days	6.86	11.19	11.57
Total Delivery Days	Days	33.90	51.36	51.74
Average Time Charter Rate	US\$/Day	26,993.40	40,948	20,881
Time Charter Cost	US\$	915,138	2,103,060	1,080,360
Bunker Consumption:				
Bunker during Voyage	Ton	811.13	1,727.48	1,727.48
Bunker during Port Days	Ton	34.32	61.52	63.61
Total	Ton	845.45	1,789.00	1,791.09
Bunker Price	US\$/Ton	620.80	593.00	618.40
Bunker Cost	US\$	524,855	1,060,879	1,107,611
Total Voyage Expense	US\$	1,439,992	3,163,940	2,187,971
Quantity	Tons	78,197	161,121	167,277
Marine Freight	US\$/Ton	18.41	19.64	13.08



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

Description	Reference	Handling Month		
		Jan 2022	Feb 2022	Mar 2022
O&M Cost (USD/ton)	0.36	0.39	0.39	0.40
Bunker Cost (USD/ton)	0.79	1.19	1.23	1.28
<b>Total Variable CTS Cost</b>	<b>1.15</b>	<b>1.59</b>	<b>1.62</b>	<b>1.67</b>
<b>Index Value:</b>				
CPI Local for O&M Base Year 2015-16	130.9	158.18	158.18	158.18
Light Diesel Oil (Rs./Ltr.) for Bunker	43.35	111.21	114.54	118.31
Exchange Rate (Rs./USD)	160.76	177.97	177.97	176.99
<p>* 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&amp;M Cost of US\$ 0.43/Ton has been replaced with US\$ 0.36/Ton and reference exchange rate for O&amp;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.</p>				



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