



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-342/CPHGCL-2016/ 2305-09

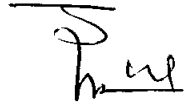
February 16, 2022

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 Transmission Services Charges Calculation (06 pages) regarding the fuel price adjustment on account of Coal price variation for the month of January 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 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\$ 188/Ton for coal consumed during the month of January 2022. CPHGCL requested fuel cost component of Rs. 12.5120/kWh for the month of January 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 October and September 2021:

Description	Heat kcal/kg	Unit	September Average	October Average
5,700 differential	6,000	US\$/ton	(7.99)	(8.66)
5,500 differential	5,500	US\$/ton	(20.99)	(21.97)
4,800 differential	4,800	US\$/ton	(32.47)	(34.70)

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

Shipment No.	B/L Month	API 4 Price (US\$/ton)	Differential (US\$/ton)	Fixed Price (US\$/ton)	Heat kcal/kg	Actual Heat kcal/kg	Heat Adjusted Price (US\$/ton)
60	Sep, 2021	155.81	(20.99)	134.82	5,500	5,616	137.66
62	Oct, 2021	210.02	(21.97)	188.05	5,500	5,547	189.66

4. In accordance with the prescribed mechanism, the revised coal prices for the shipments have 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
January 2022	4.2913	12.0340

5. 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.

6. 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 Shaikh
Member

Tauseef H. Farooqi
Chairman



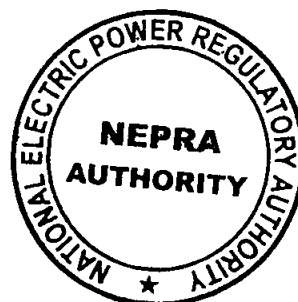
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China Power Hub Generation Company Private Limited
Schedule of Fuel Cost Part of Energy Charge
Adjustment on Account of Coal Price Variation for the Month of January 2022

Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg.	US\$/Ton	Rs/Ton	Rs./US\$
Consumption from Stock:					
Consumption from Shipment No. 61	21,548	5,703	182.90	30,856	168.70
Consumption from Shipment No. 60	161,635	5,616	170.90	28,831	168.70
Consumption from Shipment No. 62	34,557	5,547	225.98	38,967	172.44
Total Consumption	217,740	5,614	180.83	30,640	169.44

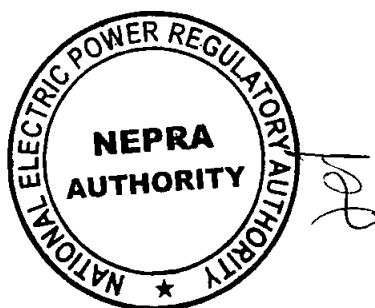
Description	Unit	Reference	Previous	Revised
Avg. Price of stock consumed during the month	Rs./Ton	12,532	30,856	30,640
Avg. net calorific value of stock consumed during the month	kCal/Kg	6,441	5,703	5,614
Avg. net calorific value of stock consumed during the month	BTU/Kg	25,556	22,631	22,276
Net Heat Rates	BTU/kWh	8,749	8,749	8,749
Revised Fuel Cost Component	Rs./kWh	4.2913	11.9289	12.0340

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 January 2022

Shipment Number		60	62
Vessel Name		MV AQUASCOPE	MV BAI AN HAI
Bill of Lading (B/L) Date		27-Sep-21	10-Oct-21
L/C Number		LC28801C100181	LC28801C100207
Origin of Coal		South Africa	South Africa
API-4 Index for the month of B/L Date	US\$/Ton	155.81	210.02
Coal Price Differential (5500) to API 4 for the month of B/L	US\$/Ton	(20.99)	(21.97)
Fixed Price	US\$/Ton	134.82	188.05
Base Calorific Value	kCal/Kg	5,500	5,500
Actual Calorific Value	kCal/Kg	5,616	5,547
Quantity	MT	162,627	162,679
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	137.66	189.66
Marine Freight Charges	US\$/Ton	19.62	19.49
Marine Insurance	US\$/Ton	0.05	0.06
CIF Coal Price	US\$/Ton	157.33	209.21
Other Charges:	US\$/Ton	12.75	16.05
(i) CTS Charges/Port Handling Charges	US\$/Ton	1.50	1.48
(ii) Customs Duties & Cess	US\$/Ton	10.44	14.03
(iii) L/C Charges	US\$/Ton	0.10	0.10
(iv) PDA Charges at Load Port	US\$/Ton	0.64	0.38
(v) PDA Charges at Discharge Port	US\$/Ton	0.03	0.03
(vi) Custom Clearance	US\$/Ton	0.01	0.01
(vii) Pilotage Charges	US\$/Ton	0.03	0.02
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	170.07	225.27
Handling Loss 1% or actual whichever is minimum	US\$/Ton	0.83	0.71
Delivered Coal Price with losses at Power Plant	US\$/Ton	170.90	225.98
Exchange Rate	Rs./US\$	168.70	172.44
Delivered Coal Price with losses at Power Plant	Rs./Ton	28,831.06	38,967.22



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

Description	Unit	MV AQUASCOPE RBCT CPHGC-CTS	MV BAI AN HAI RBCT CPHGC-CTS
Loading Port Name			
Discharge Port			
Delivery Days:			
Voyage	Days	40.17	40.17
At Port	Days	11.28	11.28
Total Delivery Days	Days	51.45	51.46
Average Time Charter Rate	US\$/Day	44,575	42,905
Time Charter Cost	US\$	2,293,482	2,207,724
Bunker Consumption:			
Bunker during Voyage	Ton	1,727.48	1,727.48
Bunker during Port Days	Ton	62.03	62.05
Total	Ton	1,789.51	1,789.53
Bunker Price	US\$/Ton	501.20	538.50
Bunker Cost	US\$	896,905	963,663
Total Voyage Expense	US\$	3,190,387	3,171,387
Quantity	Tons	162,627	162,679
Marine Freight	US\$/Ton	19.62	19.49



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

Description	Reference	Handling Month	
		Oct 2021	Nov-21
O&M Cost (USD/ton)	0.36	0.37	0.36
Bunker Cost (USD/ton)	0.79	1.13	1.20
Total Variable CTS Cost	1.15	1.50	1.56
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	99.51	108.35
Exchange Rate (Rs./USD)	160.76	168.70	172.44

* 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.

