



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-342/CPHGCL-2016/13534-38

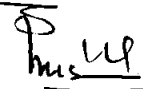
July 22, 2022

Chief Executive Officer
China Power Hub Generation Company (Pvt.) Ltd.
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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 June 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 June 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 JUNE 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\$ 332.99/ton for coal consumed during the month of June 2022. CPHGCL requested fuel cost component of Rs. 24.4947/kWh for the month of June 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 March 2022 and April 2022:

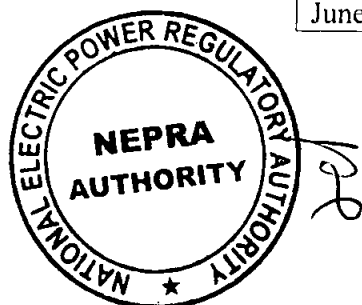
Description	Heat kcal/kg	Unit	March Average	March Average
5,500 differential	5,500	US\$/ton	(0.91)	(13.39)

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)
71	335.67	(0.91)	334.76	5,500	5,514	335.61	308.48	27.13
72	294.62	(13.39)	281.23	5,500	5,443	278.32	267.27	11.05
73	294.62	(13.39)	281.23	5,500	5,682	290.54	279.01	11.53
74	294.62	(13.39)	281.23	5,500	5,369	274.53	263.64	10.90

4. Since the requested coal price is less than the calculated coal price as per price differentials, therefore, the same 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:

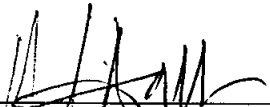
Period	Reference Fuel Cost Component Rs./kWh	Revised Fuel Cost Component Rs./kWh
June 2022	4.2913	24.4261

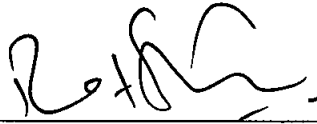


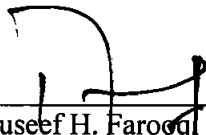
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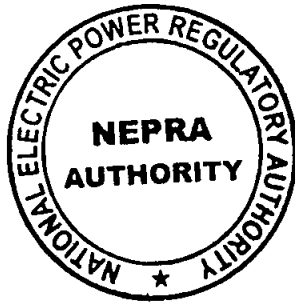
6. In-line with other similar power plants, the marine freight has been worked out on the basis of 50,000 tons or actual ship quantity whichever is higher for ships unloaded at PIBT. PDA charges have also been worked out on the same basis of respective quantities.
7. The revised fuel cost component along 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.
8. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

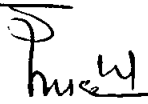
AUTHORITY


Engr. Maqsood Anwar Khan
Member


Engr. Rafique Ahmed Shaikh
Member


Tauseef H. Farooq
Chairman



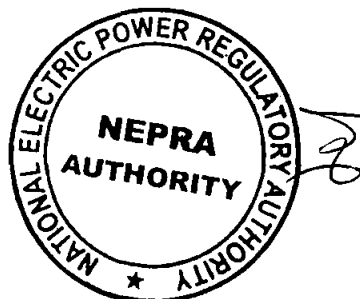

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China Power Hub Generation Company Private Limited
Schedule of Fuel Cost Part of Energy Charge
Adjustment on Account of Coal Price Variation for the Month of June 2022

Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg.	US\$/Ton	Rs/Ton	Rs./US\$
Consumption from Stock:					
Consumption from Shipment No. 69	5,041	5,494	214.70	37,817	176.14
Consumption from Shipment No. 71	79,155	5,514	356.00	64,081	180.00
Consumption from Shipment No. 72	78,345	5,443	309.19	57,223	185.07
Consumption from Shipment No. 73	49,184	5,682	345.32	63,909	185.07
Consumption from Shipment No. 74	52,484	5,369	328.95	60,879	185.07
Total Consumption	264,209	5,495	332.07	60,878	183.33

Description	Unit	Reference	Previous	Revised
Avg. Price of stock consumed during the month	Rs./Ton	12,532	36,377	60,878
Avg. net calorific value of stock consumed during the month	kCal/Kg	6,441	5,493	5,495
Avg. net calorific value of stock consumed during the month	BTU/Kg	25,556	21,797	21,806
Net Heat Rates	BTU/kWh	8,749	8,749	8,749
Revised Fuel Cost Component	Rs./kWh	4.2913	14.6017	24.4261

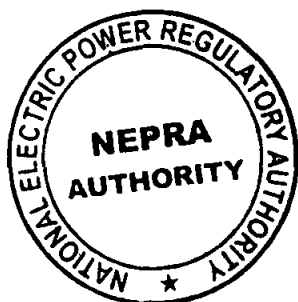
Note: The above adjustment of fuel cost component on coal shall be subject to verification by a consultant/Independent third party to be appointed for the purpose by the Authority. In case the verified delivered coal price is different, the fuel cost component shall be revised accordingly.



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

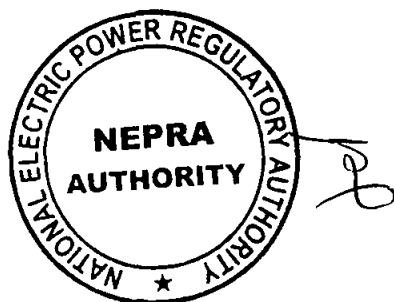
Shipment Number		71	72	73	74
Vessel Name		MV Rich Rainforest	MV Ocean Scallion	MV Evropi	MV Rui Fu An
Bill of Lading (B/L) Date		27-Mar-22	12-Apr-22	13-Apr-22	28-Apr-22
L/C Number		-	-	28801C200080	28801C200086
Origin of Coal		South Africa	South Africa	South Africa	South Africa
API-4 Index for the month of B/L Date	US\$/Ton	335.67	294.62	294.62	294.62
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	-	-	-	-
Fixed Price	US\$/Ton	335.67	294.62	294.62	294.62
Base Calorific Value	kCal/Kg	6,000	6,000	6,000	6,000
Actual Calorific Value	kCal/Kg	5,514	5,443	5,682	5,369
Quantity	MT	79,655	78,758	49,350	53,983
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	308.48	267.27	279.01	263.64
Marine Freight Charges	US\$/Ton	22.11	19.91	29.38	29.15
Marine Insurance	US\$/Ton	0.13	0.11	0.12	0.11
CIF Coal Price	US\$/Ton	330.72	287.29	308.51	292.90
Other Charges:	US\$/Ton	23.55	20.47	35.66	34.75
(i) CTS Charges/Port Handling Charges	US\$/Ton	1.64	1.60	4.25	4.45
(ii) Port Qasim Royalty Charge	US\$/Ton	-	-	2.28	2.39
(iii) Wharfage Charges	US\$/Ton	-	-	0.18	0.18
(iv) Customs Duties & Cess	US\$/Ton	21.34	18.18	20.02	19.43
(v) L/C Charges	US\$/Ton	-	-	0.10	0.10
(vi) PDA Charges at Load Port	US\$/Ton	0.43	0.56	1.19	0.52
(vii) PDA Charges at Discharge Port	US\$/Ton	0.05	0.05	0.64	0.70
(viii) Transportation and Loading Charges	US\$/Ton	-	-	6.96	6.95
(ix) Custom Clearance	US\$/Ton	0.02	0.02	0.03	0.03
(x) Pilotage Charges	US\$/Ton	0.07	0.05	-	-
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	354.27	307.76	344.17	327.65
Handling Loss 1% or actual whichever is minimum	US\$/Ton	1.73	1.44	1.16	1.30
Delivered Coal Price with losses at Power Plant	US\$/Ton	356.00	309.19	345.32	328.95
Exchange Rate	Rs./US\$	180.00	185.07	185.07	185.07
Delivered Coal Price with losses at Power Plant	Rs./Ton	64,080.66	57,222.60	63,909.26	60,878.77



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

Description	Unit	MV Rich Rainforest	MV Ocean Scallion	MV Evropi	MV Rui Fu An
Loading Port Name		RBCT	RBCT	RBCT	RBCT
Discharge Port		CPHGC-CTS	CPHGC-CTS	PIBT	PIBT
Delivery Days:					
Voyage	Days	27.04	27.04	27.04	27.04
At Port	Days	6.97	6.91	4.29	4.60
Total Delivery Days	Days	34.01	33.94	31.33	31.64
Average Time Charter Rate	US\$/Day	26,665	23,971	25,247	27,666
Time Charter Cost	US\$	906,927	813,694	790,919	875,252
Bunker Consumption:					
Bunker during Voyage	Ton	1,162.61	1,162.61	1,162.61	811.13
Bunker during Port Days	Ton	38.36	37.99	23.60	22.99
Total	Ton	1,200.97	1,200.60	1,186.21	834.12
Bunker Price	US\$/Ton	988.60	942.60	742.40	837.20
Bunker Cost	US\$	1,187,279	1,131,686	880,640	698,325
Total Voyage Expense	US\$	2,094,206	1,945,379	1,671,560	1,573,576
Quantity	Tons	79,655	78,758	50,000	53,983
Marine Freight	US\$/Ton	26.29	24.70	33.43	29.15
Reduction as per Request/Invoice	US\$/Ton	(4.18)	(4.79)	(4.05)	-
Marine Freight	US\$/Ton	22.11	19.91	29.38	29.15



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

Description	Reference	Handling Month	
		Apr 2022	May 2022
O&M Cost (USD/ton)	0.36	0.39	0.38
Bunker Cost (USD/ton)	0.79	1.25	1.22
Total Variable CTS Cost	1.15	1.64	1.60
Index Value:			
CPI Local for O&M Base Year 2015-16	130.9	158.18	158.18
Light Diesel Oil (Rs./Ltr.) for Bunker	43.35	118.31	118.31
Exchange Rate (Rs./USD)	160.76	180.00	185.07
<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&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.</p>			

