



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-342/CPHGCL-2016/ 4620-24

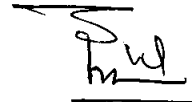
April 1, 2022

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 **March 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 FOR THE MONTH OF MARCH 2022.**

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\$ 162.23/Ton for coal consumed during the month of March 2022. CPHGCL requested fuel cost component of Rs. 11.0277/kWh for the month of March 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 differential is applicable for the month of December 2021:

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

3. In accordance with the above differential, the API 4 price for the 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)
66	Dec. 2021	135.82	(14.43)	121.39	5,500	5,655	124.81

4. 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
March 2022	4.2913	10.7141

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



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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).

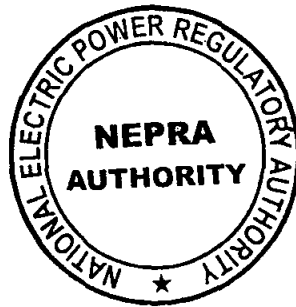
AUTHORITY

Rehmatullah Baloch
Member

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh
Member

Tauseef H. Farooqi
Chairman



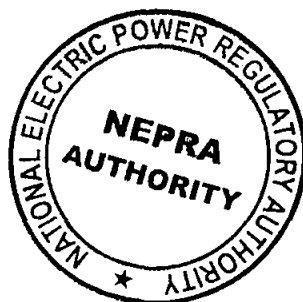
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China Power Hub Generation Company Private Limited
Schedule of Fuel Cost Part of Energy Charge
Adjustment on Account of Coal Price Variation for the Month of March 2022

Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg.	US\$/Ton	Rs/Ton	Rs./US\$
Consumption from Stock:					
Consumption from Shipment No. 64	115,330	5,785	162.39	28,220	173.78
Consumption from Shipment No. 66	124,320	5,655	153.85	27,381	177.97
Total Consumption	239,650	5,718	157.96	27,785	175.90

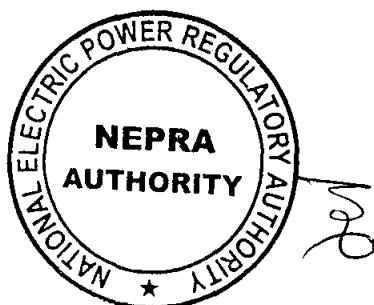
Description	Unit	Reference	Previous	Revised
Avg. Price of stock consumed during the month	Rs./Ton	12,532	38,319	27,785
Avg. net calorific value of stock consumed during the month	kCal/Kg	6,441	5,586	5,718
Avg. net calorific value of stock consumed during the month	BTU/Kg	25,556	22,168	22,689
Net Heat Rates	BTU/kWh	8,749	8,749	8,749
Revised Fuel Cost Component	Rs./kWh	4.2913	15.1233	10.7141

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.



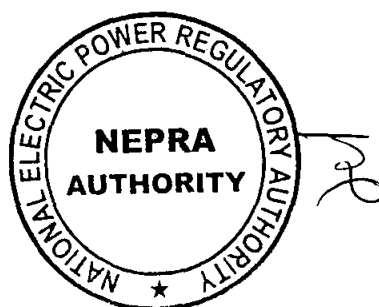
China Power Hub Generation Company Private Limited
Detail of Shipmnet
For the month of March 2022

Shipment Number		66
Vessel Name		MV CHS SPLENDOR
Bill of Lading (B/L) Date		19-Dec-21
L/C Number		
Origin of Coal		South Africa
API-4 Index for the month of B/L Date	US\$/Ton	135.82
Coal Price Differential (5500) to API 4 for the month of B/L	US\$/Ton	(14.43)
Fixed Price	US\$/Ton	121.39
Base Calorific Value	kCal/Kg	5,500
Actual Calorific Value	kCal/Kg	5,655
Quantity	MT	162,262
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	124.81
Marine Freight Charges	US\$/Ton	17.14
Marine Insurance	US\$/Ton	0.06
CIF Coal Price	US\$/Ton	142.01
Other Charges:	US\$/Ton	11.09
(i) CTS Charges/Port Handling Charges	US\$/Ton	1.59
(ii) Customs Duties & Cess	US\$/Ton	9.04
(iii) L/C Charges	US\$/Ton	0.10
(iv) PDA Charges at Load Port	US\$/Ton	0.29
(v) PDA Charges at Discharge Port	US\$/Ton	0.03
(vi) Custom Clearance	US\$/Ton	0.01
(vii) Pilotage Charges	US\$/Ton	0.03
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	153.10
Handling Loss 1% or actual whichever is minimum	US\$/Ton	0.75
Delivered Coal Price with losses at Power Plant	US\$/Ton	153.85
Exchange Rate	Rs./US\$	177.97
Delivered Coal Price with losses at Power Plant	Rs./Ton	27,380.75



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

Description	Unit	MV CHS SPLENDOR
Loading Port Name		RBCT
Discharge Port		CPHGC-CTS
Delivery Days:		
Voyage	Days	40.17
At Port	Days	11.26
Total Delivery Days	Days	51.43
Average Time Charter Rate	US\$/Day	32,679
Time Charter Cost	US\$	1,680,686
Bunker Consumption:		
Bunker during Voyage	Ton	1,727.48
Bunker during Port Days	Ton	61.91
Total	Ton	1,789.39
Bunker Price	US\$/Ton	615.20
Bunker Cost	US\$	1,100,833
Total Voyage Expense	US\$	2,781,519
Quantity	Tons	162,262
Marine Freight	US\$/Ton	17.14



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

Description	Reference	Handling Month
		Jan 2022
O&M Cost (USD/ton)	0.36	0.39
Bunker Cost (USD/ton)	0.79	1.19
Total Variable CTS Cost	1.15	1.59
Index Value:		
CPI Local for O&M Base Year 2015-16	130.9	158.18
Light Diesel Oil (Rs./Ltr.) for Bunker	43.35	111.21
Exchange Rate (Rs./USD)	160.76	177.97
<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>		

