



# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/ADG(Trf)/TRF-342/CPHGCL-2016/10204-08

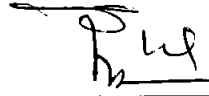
June 15, 2022

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 May 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 May 2022 in respect of China Power Hub Generation Company (Private) Limited.

Enclosure: As above

  
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( Syed Safer 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 MAY 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\$ 206.52/ton for coal consumed during the month of May 2022. CPHGCL requested fuel cost component of Rs. 14.6212/kWh for the month of May 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 February 2022:

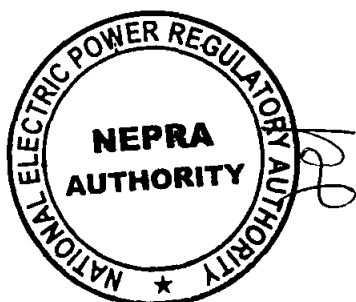
Description	Heat kcal/kg	Unit	February Average
5,500 differential	5,500	US\$/ton	2.42

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)
69	205.98	2.42	208.40	5,500	5,494	208.17	188.61	19.56
70	205.98	2.42	208.40	5,500	5,447	206.39	187.00	19.40

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
May 2022	4.2913	14.6017




✓ ✓ ✓

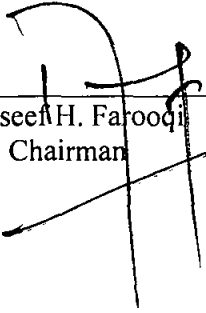


6. The revised fuel cost component along with revised coal price, marine freight charges and variable CTS charges attached as **Annex-I, Annex-II, Annex-III & Annex-IV** respectively are to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation,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

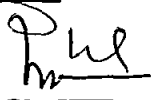
**AUTHORITY**

  
Engr. Maqsood Anwar Khan  
Member

  
Engr. Rafique Ahmed Shaikh  
Member

  
Tauseef H. Farooqi  
Chairman



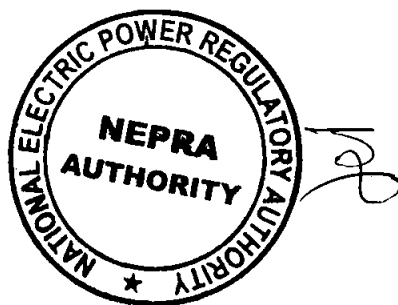
  
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**China Power Hub Generation Company Private Limited**  
**Schedule of Fuel Cost Part of Energy Charge**  
**Adjustment on Account of Coal Price Variation for the Month of May 2022**

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. 68	97,958	5,526	185.33	32,801	176.99
Consumption from Shipment No. 69	144,500	5,494	214.70	37,817	176.14
Consumption from Shipment No. 70	75,215	5,447	217.26	38,269	176.14
<b>Total Consumption</b>	<b>317,673</b>	<b>5,493</b>	<b>206.25</b>	<b>36,377</b>	<b>176.38</b>

Description	Unit	Reference	Previous	Revised
Avg. Price of stock consumed during the month	Rs./Ton	12,532	28,186	36,377
Avg. net calorific value of stock consumed during the month	kCal/Kg	6,441	5,504	5,493
Avg. net calorific value of stock consumed during the month	BTU/Kg	25,556	21,842	21,797
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>11.2902</b>	<b>14.6017</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 May 2022**

Shipment Number		69	70
Vessel Name		MV EL Grasso	MV Ocean Scallion
Bill of Lading (B/L) Date		18-Feb-22	18-Feb-22
L/C Number		-	-
Origin of Coal		South Africa	South Africa
API-4 Index for the month of B/L Date	US\$/Ton	205.98	205.98
Coal Price Differential to API 4 for the month of B/L	US\$/Ton		
Fixed Price	US\$/Ton	205.98	205.98
Base Calorific Value	kCal/Kg	6,000	6,000
Actual Calorific Value	kCal/Kg	5,494	5,447
Quantity	MT	149,994	75,410
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	188.61	187.00
Marine Freight Charges	US\$/Ton	10.76	14.41
Marine Insurance	US\$/Ton	0.08	0.08
CI F Coal Price	US\$/Ton	199.44	201.48
Other Charges:	US\$/Ton	14.67	15.39
(i) CTS Charges/Port Handling Charges	US\$/Ton	1.68	1.68
(ii) Customs Duties & Cess	US\$/Ton	12.55	12.70
(iii) PDA Charges at Load Port	US\$/Ton	0.37	0.91
(iv) PDA Charges at Discharge Port	US\$/Ton	0.04	0.05
(v) Custom Clearance	US\$/Ton	0.01	0.02
(vi) Pilotage Charges	US\$/Ton	0.02	0.03
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	214.11	216.87
Handling Loss 1% or actual whichever is minimum	US\$/Ton	0.59	0.39
Delivered Coal Price with losses at Power Plant	US\$/Ton	214.70	217.26
Exchange Rate	Rs./US\$	176.14	176.14
<b>Delivered Coal Price with losses at Power Plant</b>	<b>Rs./Ton</b>	<b>37,816.90</b>	<b>38,268.79</b>

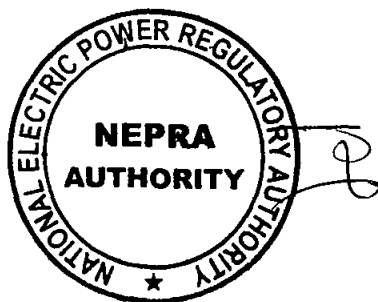


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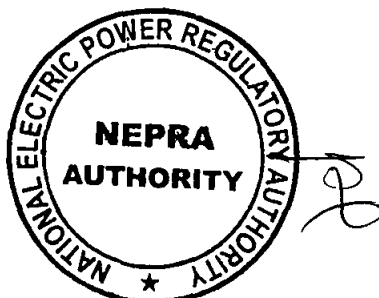
**China Power Hub Generation Company Private Limited**  
**Marine Freight Calculation**  
**For the month of May 2022**

Description	Unit	MV EL Grasso	MV Ocean Scallion
Loading Port Name		RBCT	Maputo, Mozambique
Discharge Port		CPHGC-CTS	CPHGC-CTS
Delivery Days:			
Voyage	Days	40.17	27.04
At Port	Days	10.50	6.66
Total Delivery Days	Days	50.67	33.69
Average Time Charter Rate	US\$/Day	7,844	15,945
Time Charter Cost	US\$	397,494	537,239
Bunker Consumption:			
Bunker during Voyage	Ton	1,727.48	811.13
Bunker during Port Days	Ton	57.75	33.28
Total	Ton	1,785.23	844.40
Bunker Price	US\$/Ton	681.00	671.80
Bunker Cost	US\$	1,215,742	567,270
Total Voyage Expense	US\$	1,613,236	1,104,509
Quantity	Tons	149,994	75,410
Marine Freight	US\$/Ton	10.76	14.65
Reduction as per Invoice	US\$/Ton	-	(0.24)
Marine Freight	US\$/Ton	10.76	14.41



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

Description	Reference	Handling Month	
		Mar 2022	Apr 2022
O&M Cost (USD/ton)	0.36	0.40	0.40
Bunker Cost (USD/ton)	0.79	1.28	1.28
<b>Total Variable CTS Cost</b>	<b>1.15</b>	<b>1.68</b>	<b>1.68</b>
<b>Index Value:</b>			
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	176.14	176.14
<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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