



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-342/CPHGCL-2016/15632-36

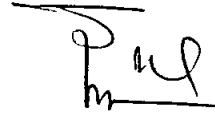
August 17, 2022

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 the month of July 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), Details of Local Purchases (Annex-III) and Marine Freight Calculation (Annex-IV) **(06 pages)** regarding the fuel price adjustment on account of **Coal** price variation for the month of **July 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 JULY 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"), decision dated September 23, 2016 regarding Suo Moto Review Proceedings in the matter of Fuel Price Adjustment Mechanism determined in Upfront Coal Tariff and decision dated June 30, 2022 in the matter of tariff adjustment at Commercial Operation Date (COD) of CPHGCL, 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 Rs. 70,944/Ton for coal consumed during the month of July 2022. CPHGCL requested fuel cost component of Rs. 28.6562/kWh for the month of July 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 May 2022:

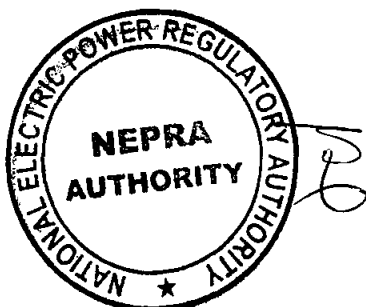
Description	Heat kcal/kg	Unit	May Average
5,500 differential	5,500	US\$/ton	(18.23)

3. In accordance with the above differentials, the API 4 price for each shipment has been worked out 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)
75	322.96	(18.23)	304.73	5,500	5,312	294.31	285.93	8.39
76	322.96	(18.23)	304.73	5,500	5,607	310.66	301.81	8.85
77	322.96	(18.23)	304.73	5,500	5,471	303.12	294.49	8.64

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
July 2022	4.2913	28.6290

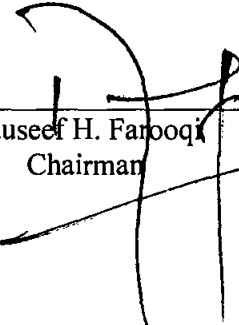


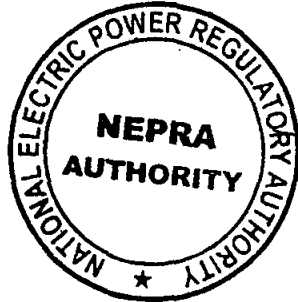
6. The revised fuel cost component along with revised coal price of imported coal & local/Afghan coal and marine freight charges and attached as **Annex-I, Annex-II, Annex-III & Annex-IV** respectively are to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the 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).

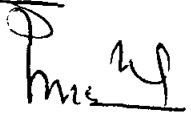
AUTHORITY


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 July 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. 74	1,285	5,369	328.95	60,879	185.07
Consumption from Shipment No. 75	59,088	5,312	352.07	69,002	195.99
Consumption from Shipment No. 76	54,307	5,607	372.63	73,031	195.99
Consumption from Shipment No. 77	53,879	5,471	362.39	71,025	195.99
Consumption from Afghan Coal (Trail)	263	5,489	319.28	65,439	204.96
Total Consumption	168,821	5,458	361.75	70,877	195.93

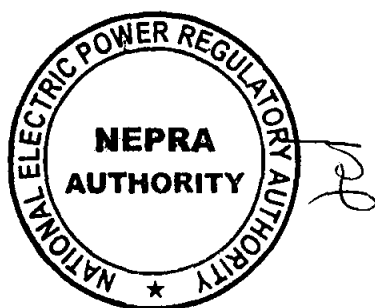
Description	Unit	Reference	Previous	Revised
Avg. Price of stock consumed during the month	Rs./Ton	12,532	60,878	70,877
Avg. net calorific value of stock consumed during the month	kCal/Kg	6,441	5,495	5,458
Avg. net calorific value of stock consumed during the month	BTU/Kg	25,556	21,806	21,660
Net Heat Rates	BTU/kWh	8,749	8,749	8,749
Revised Fuel Cost Component	Rs./kWh	4.2913	24.4261	28.6290

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 July 2022

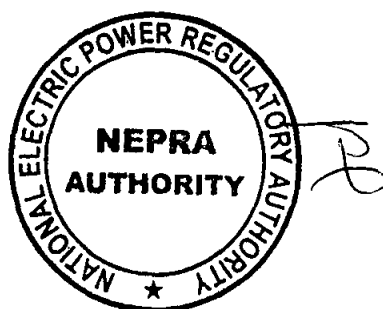
Shipment Number		75	76	77
Vessel Name		MV Pavo Bright	MV IVS ASTUGI	MV Damon
Bill of Lading (B/L) Date		16-May-22	27-May-22	29-May-22
L/C Number		-	-	-
Origin of Coal		South Africa	South Africa	Mozambique
API-4 Index for the month of B/L Date	US\$/Ton	322.96	322.96	322.96
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	-	-	-
Fixed Price	US\$/Ton	322.96	322.96	322.96
Base Calorific Value	kCal/Kg	6,000	6,000	6,000
Actual Calorific Value	kCal/Kg	5,312	5,607	5,471
Quantity	MT	59,285	54,467	58,700
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	285.93	301.81	294.49
Marine Freight Charges	US\$/Ton	29.06	32.12	28.92
Marine Insurance	US\$/Ton	0.12	0.13	0.12
CIF Coal Price	US\$/Ton	315.11	334.05	323.53
Other Charges:	US\$/Ton	35.79	37.49	37.80
(i) Port Handling Charges	US\$/Ton	4.33	4.23	4.32
(ii) Port Qasim Royalty Charge	US\$/Ton	2.32	2.44	2.50
(iii) Wharfage Charges	US\$/Ton	0.17	0.17	0.17
(iv) Customs Duties & Cess	US\$/Ton	20.32	21.88	21.39
(v) L/C Charges	US\$/Ton	0.10	0.10	0.10
(vi) PDA Charges at Load Port	US\$/Ton	0.48	0.52	1.14
(vii) PDA Charges at Discharge Port	US\$/Ton	0.61	0.59	0.63
(viii) Transportation and Loading Charges	US\$/Ton	7.43	7.52	7.52
(ix) Custom Clearance	US\$/Ton	0.02	0.03	0.02
(x) Pilotage Charges	US\$/Ton	-	-	-
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	350.90	371.54	361.34
Handling Loss 1% or actual whichever is minimum	US\$/Ton	1.17	1.09	1.05
Delivered Coal Price with losses at Power Plant	US\$/Ton	352.07	372.63	362.39
Exchange Rate	Rs./US\$	195.99	195.99	195.99
Delivered Coal Price with losses at Power Plant	Rs./Ton	69,002	73,031	71,025



China Power Hub Generation Company Private Limited
Details of Local Purchases
For the Month of July 2022

Consignment Detail		Test
Invoice Date		7-Jul-22
Quantity	MT	300
Price as per Quotation	Rs./Ton	71,525
Base Calorific Value (NCV)	kCal/Kg	6,000
Actual Calorific Value (NCV)	kCal/Kg	5,489
Coal Price Adjusted for NCV	Rs./Ton	65,439
Handling Loss 1% or actual whichever is minimum	Rs./Ton	-
Delivered Coal Price with losses at Power Plant	Rs./Ton	65,439
Notional Exchange Rate (June 2022)	Rs./US\$	204.96
Delivered Coal Price	US\$/Ton	319.28

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

Description	Unit	MV Pavo Bright	MV IVS ASTUGI	MV Damon
Loading Port Name		RBCT	RBCT	Maputo
Discharge Port		PIBT	PIBT	PIBT
Delivery Days:				
Voyage	Days	27.04	27.04	27.04
At Port	Days	4.95	4.63	4.91
Total Delivery Days	Days	31.99	31.67	31.95
Average Time Charter Rate	US\$/Day	29,962	30,138	30,036
Time Charter Cost	US\$	958,467	954,423	959,682
Bunker Consumption:				
Bunker during Voyage	Ton	878.72	878.72	878.72
Bunker during Port Days	Ton	24.76	23.16	24.57
Total	Ton	903.48	901.87	903.29
Bunker Price	US\$/Ton	830.00	865.00	830.00
Bunker Cost	US\$	749,889	780,121	749,727
Adjustment on Account of Shipments No. 73 & 74	US\$	14,760	14,760	14,760
Total Voyage Expense	US\$	1,723,115	1,749,304	1,724,169
Quantity	Tons	59,285	54,467	58,700
Marine Freight	US\$/Ton	29.06	32.12	29.37
Reduction as per Request/Invoice	US\$/Ton	-	-	(0.45)
Marine Freight	US\$/Ton	29.06	32.12	28.92

