



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad
Ph: +92-51-9206500, Fax: +92-51-2600026
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/R/ADG(Trf)/TRF-342/CPHGCL-2016/17212-46

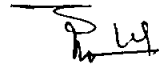
September 13, 2022

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 August 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 Afghan Coal 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 August 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 AUGUST 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. 73,742/Ton for coal consumed during the month of August 2022. CPHGCL requested fuel cost component of Rs. 29.9172/kWh for the month of August 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 June 2022:

Description	Heat kcal/kg	Unit	June Average
5,500 differential	5,500	US\$/ton	(43.90)

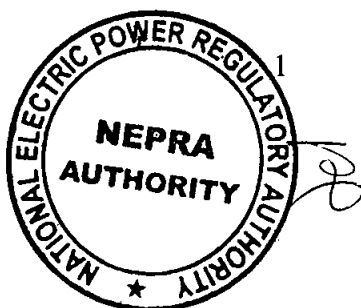
3. In accordance with the above differentials, the API 4 price for the shipments from Richards Bay has been calculated and fixed as under:

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)
78	327.58	(43.90)	283.68	5,500	5,432	280.17	296.57	(16.40)
79					5,385	277.75	294.00	(16.25)

4. 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	Fuel Cost Component	
	Reference (Rs./kWh)	Revised (Rs./kWh)
August 2022	4.2913	28.6083

5. The revised fuel cost component along with revised coal price of imported coal and marine freight 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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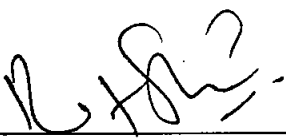


the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

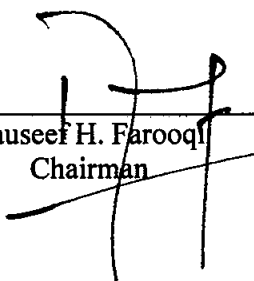
6. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

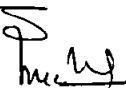
AUTHORITY


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 August 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. 77	4,650	5,471	362.39	71,025	195.99
Consumption from Shipment No. 78	66,192	5,432	343.07	70,316	204.96
Consumption from Shipment No. 79	50,165	5,385	346.67	71,053	204.96
Consumption from Afghan Coal	7,743	5,744	333.23	68,299	204.96
Total Consumption	128,750	5,434	344.58	70,507	204.62

Description	Unit	Reference	Previous	Revised
Avg. Price of stock consumed during the month	Rs./Ton	12,532	70,877	70,507
Avg. net calorific value of stock consumed during the month	kCal/Kg	6,441	5,458	5,434
Avg. net calorific value of stock consumed during the month	BTU/Kg	25,556	21,660	21,563
Net Heat Rates	BTU/kWh	8,749	8,749	8,749
Revised Fuel Cost Component	Rs./kWh	4.2913	28.6290	28.6083

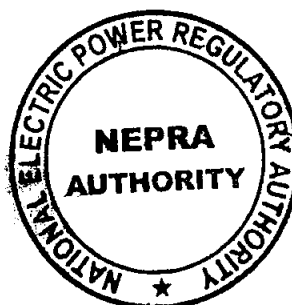
Note: The above adjustment of fuel cost component on coal shall be subject to verification by a consultant/Independent third party to be appointed for the purpose by the Authority. In case the verified delivered coal price is different, the fuel cost component shall be revised accordingly.



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

Shipment Number		78	79
Vessel Name		MV Indian Harmony	MV IVS SWINLEY FOREST
Bill of Lading (B/L) Date		16-Jun-22	30-Jun-22
L/C Number		-	-
Origin of Coal		South Africa	South Africa
API-4 Index for the month of B/L Date	US\$/Ton	327.58	327.58
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	(43.90)	(43.90)
Fixed Price	US\$/Ton	283.68	283.68
Base Calorific Value	kCal/Kg	5,500	5,500
Actual Calorific Value	kCal/Kg	5,432	5,385
Quantity	MT	66,366	58,826
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	280.17	277.75
Marine Freight Charges	US\$/Ton	26.11	31.10
Marine Insurance	US\$/Ton	0.12	0.13
CIF Coal Price	US\$/Ton	306.41	308.97
Other Charges:	US\$/Ton	35.77	36.28
(i) Port Handling Charges	US\$/Ton	4.14	4.19
(ii) Port Qasim Royalty Charge	US\$/Ton	2.39	2.42
(iii) Wharfage Charges	US\$/Ton	0.17	0.17
(iv) Customs Duties & Cess	US\$/Ton	20.57	20.99
(v) L/C Charges	US\$/Ton	0.10	0.10
(vi) PDA Charges at Load Port	US\$/Ton	0.52	0.59
(vii) PDA Charges at Discharge Port	US\$/Ton	0.65	0.62
(viii) Transportation and Loading Charges	US\$/Ton	7.20	7.19
(ix) Custom Clearance	US\$/Ton	0.02	0.02
(x) Pilotage Charges	US\$/Ton	-	-
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	342.17	345.26
Handling Loss 1% or actual whichever is minimum	US\$/Ton	0.90	1.41
Delivered Coal Price with losses at Power Plant	US\$/Ton	343.07	346.67
Exchange Rate	Rs./US\$	204.96	204.96
Delivered Coal Price with losses at Power Plant	Rs./Ton	70,316	71,053



Annex-III

China Power Hub Generation Company Private Limited
Details of Afghan Coal Purchases
For the month of August 2022

Invoice No.	Quantity (MT)	Actual CV (Kcal/Kg)	Price as Per Invoice (Rs. /Ton)
17	932.13	5,876	70,041
19	383.62	6,004	71,525
25	319.46	5,916	70,524
31	299.87	5,441	64,861
37	2,277.67	5,755	68,604
39	1,320.69	6,083	71,525
46	1,531.65	5,350	63,776
52	576.82	5,636	67,186
55	100.62	5,788	68,998
Total	7,742.53	5,744	68,299
Exchange Rate (Notional)			204.96
Delivered Coal Price (US\$/Ton)			333.23



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

Description	Unit	MV Indian Harmony	MV IVS SWINLEY FOREST
Loading Port Name		RBCT	Maputo
Discharge Port		PIBT	PIBT
Delivery Days:			
Voyage	Days	27.53	27.04
At Port	Days	5.42	4.92
Total Delivery Days	Days	32.95	31.96
Average Time Charter Rate	US\$/Day	28,210	28,836
Time Charter Cost	US\$	929,631	921,570
Bunker Consumption:			
Bunker during Voyage	Ton	880.93	878.72
Bunker during Port Days	Ton	27.12	24.61
Total	Ton	908.05	903.33
Bunker Price	US\$/Ton	884.60	1,080.00
Bunker Cost	US\$	803,264	975,594
Total Voyage Expense	US\$	1,732,895	1,897,164
Quantity	Tons	66,366	58,826
Marine Freight	US\$/Ton	26.11	32.25
Reduction as per Request/Invoice	US\$/Ton	-	(1.15)
Marine Freight	US\$/Ton	26.11	31.10

