



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/SA(Tariff)/TRF-308/HSRPEL-2015/ 24597-01

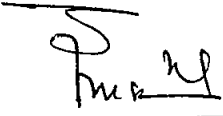
August 27, 2020

Chief Executive
Huaneng Shandong Ruyi (Pakistan) Energy (Pvt.) Ltd.
House No. 4, A, Street No.20,
F-8/2, Islamabad
Phone: (03000 805869, 0310 7878539)

Subject: **Decision of the Authority in the matter of Fuel Price Adjustment for Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited (HSR) [Case No. NEPRA/R/TRF-308/HSRPEL-2015]**

Enclosed please find herewith the subject decision of the Authority along with Schedule of Fuel Cost Part of Energy Charge (Annex-I), Details of Shipments (Annex-II), Marine Freight Calculation (Annex-III) and Inland Freight Charges (Annex-IV) (05 pages) in the matter of fuel price adjustment on account of Coal price variation for the month of August 2020 in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited.

Enclosure: As above


27 08 20
(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, Islamabad.


**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL PRICE ADJUSTMENT FOR
HUANENG SHANDONG RUYI (PAKISTAN) ENERGY PRIVATE LIMITED.**


1. Pursuant to the Authority's decision dated March 31, 2015 in the matter of Approval of Upfront Coal Tariff for 2x660 MW coal power plant of Huaneng Shandong Ruyi (Pakistan) Energy Private Limited (hereafter "HSRPEL"), decision dated September 23, 2016 regarding Suo Moto Review Proceedings in the Fuel Price Adjustment Mechanism, decision dated February 15, 2018 regarding inland freight charges, decision dated January 17, 2019 in the matter of tariff adjustment at Commercial Operation Date (COD) of HSRPEL and decision dated August 22, 2019 in the matter of motion for leave for review regarding fuel price adjustment, the fuel portion of the energy charge part of HSRPEL's tariff has been adjusted for variation in coal price(s). HSRPEL requested weighted average coal price of US\$ 107.68/Ton for coal consumed during the month of August 2020. HSRPEL requested fuel cost component of Rs. 6.8031/kWh for August 2020. The requested coal price and fuel cost component were found on higher side. In accordance with the prescribed mechanism, the revised coal prices for each shipment have been worked out and are attached as Annexure to this decision. The revised fuel cost component of energy charge part of HSRPEL's tariff indicated hereunder shall be immediately applicable to units delivered during the month.

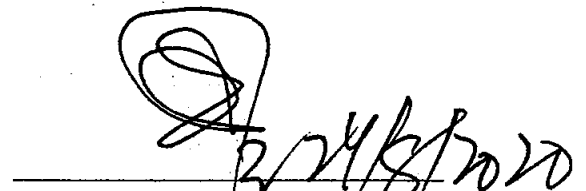
Period	Revised Fuel Cost Component Rs./kWh
August 2020	6.3129

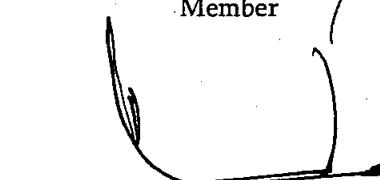
2. Marine freight has been worked out on the basis of 42,300 tons and 50,000 tons or actual ship quantity whichever is higher for ships unloaded at PQA Marginal Wharf 3&4 and PIBTL/KPT respectively. PDA charges have also been worked out on the basis of respective quantities.
3. The above referred revised fuel cost component along with revised coal prices, revised marine freight charges and revised inland 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 of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.
4. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

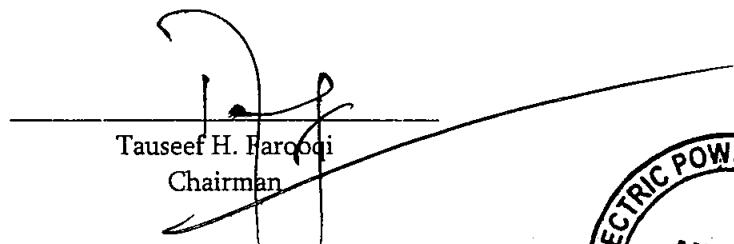
AUTHORITY


Saif Ullah Chattha
Member *24.8.2020*


Engr. Rafique Ahmed Shaikh
Member


Rehmatullah Baloch
Member


Engr. Bahadur Shah
Member


Tauseef H. Farooqi
Chairman

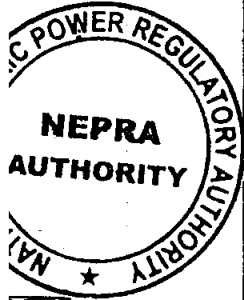


Huaneng Shandong Ruyi Energy (Private) Company Limited
Schedule of Fuel Cost Part of Energy Charge
Adjustment on Account of Coal Price Variation for the Month of August 2020

Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg.	US\$/Ton	Rs/Ton	Rs./US\$
Consumption from Stock:					
Consumption from Shipment No. HSR 208	541	5,805	103.37	17,087	165.30
Consumption from Shipment No. HSR 209	39,758	5,919	101.97	16,856	165.30
Consumption from Shipment No. HSR 210	40,617	5,705	98.34	16,256	165.30
Consumption from Shipment No. HSR 211	40,391	5,815	98.92	16,351	165.30
Consumption from Shipment No. HSR 212	40,792	5,803	101.21	16,780	165.80
Consumption from Shipment No. HSR 213	41,437	5,804	103.72	17,198	165.80
Consumption from Shipment No. HSR 214	40,603	5,714	103.75	17,202	165.80
Consumption from Shipment No. HSR 215	41,187	5,731	102.05	17,093	167.50
Consumption from Shipment No. HSR 216	30,112	5,875	105.64	17,694	167.50
Total Consumption	315,438	5,793	101.84	16,905	165.99

Description	Unit	Reference	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	18,017	16,905
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,860	5,793
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	23,254	22,987
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
Revised Fuel Cost Component for August 2020	Rs./kWh	4.9135	6.6508	6.3129

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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Huaneng Shandong Ruyi Energy (Private) Company Limited

Details of Shipment

For the month of August 2020

Shipment Number		HSR 209	HSR 210	HSR 211	HSR 212	HSR 213	HSR 214	HSR 215	HSR 216
Vessel Name		GANT MUSE	GREAT COMFORT	BBG FOREVER	SEA BRAVERY	TOP GRACE	GREAT COMFORT	PACIFIC TALENT	SIRINA
Bill of Lading (B/L) Date		18-Apr-20	25-Apr-20	29-Apr-20	7-Jun-20	16-Jun-20	21-Jun-20	3-Jul-20	11-Jul-20
L/C / TT Number		ICBC/LHE/RGC/20 200511-01	ICBC/LHE/RGC/20 200520-01	ICBC/LHE/RGC/20 200520-02	ICBC/LHE/RGC/20 2006118-06	ICBC/LHE/RGC/20 200702-01	ICBC/LHE/RGC/20 200706-01	ICBC/LHE/RGC/20 200715-03	ICBC/LHE/RGC/20 200723-01
Origin		South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa
API-4 Index for the month of B/L Date		56.71	56.71	56.71	54.70	54.70	54.70	53.43	53.43
Base Calorific Value	kCal/Kg	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Actual Calorific Value	kCal/Kg	5,919	5,705	5,815	5,803	5,804	5,714	5,731	5,875
Quantity	MT	40,208	41,065	40,840	41,279	41,872	41,017	41,628	38,358
FOB Coal Price API-4 Index as per B/L month Adj	US\$/Ton	55.94	53.92	54.96	52.90	52.91	52.09	51.03	52.32
Discount	US\$/Ton	-	-	-	-	-	-	-	-
Marine Freight Charges	US\$/Ton	8.49	7.31	7.17	10.42	11.51	12.49	12.48	14.36
Marine Insurance	US\$/Ton	0.05	0.05	0.05	0.06	0.06	0.06	0.06	0.07
CIF Coal Price	US\$/Ton	64.49	61.28	62.18	63.39	64.49	64.65	63.57	66.74
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-	-	-	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	64.49	61.28	62.18	63.39	64.49	64.65	63.57	66.74
Other Charges:	US\$/Ton	12.57	12.18	11.85	13.21	13.15	13.03	12.67	13.05
(i) Port Handling Charges	US\$/Ton	4.72	4.72	4.72	4.72	4.72	4.72	4.72	4.72
(ii) Port Qasim Royalty Charge	US\$/Ton	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
(iii) Customs Duties & Cess	US\$/Ton	3.90	3.30	3.35	4.53	4.42	4.34	4.09	4.65
(iv) L/C / TT Charges	US\$/Ton	0.08	0.08	0.10	0.10	0.10	0.10	0.10	0.10
(v) PDA Charges at Load Port	US\$/Ton	0.46	0.55	0.51	0.44	0.53	0.54	0.55	0.39
(vi) PDA Charges at Discharge Port	US\$/Ton	1.00	1.14	0.78	1.03	0.99	0.93	0.80	0.79
(vii) Transportation & Loading charges	US\$/Ton	-	-	-	-	-	-	-	-
(viii) Freight Forwarding/Custom Clearance	US\$/Ton	-	-	-	-	-	-	-	-
Inland Freight Charges	US\$/Ton	23.91	23.91	23.91	23.60	25.05	25.05	24.80	24.80
Delivered Coal Price before adjustment of Handling	US\$/Ton	100.96	97.37	97.94	100.20	102.70	102.73	101.04	104.59
Handling Loss 1% or actual whichever is minimum	US\$/Ton	1.01	0.97	0.98	1.00	1.03	1.03	1.01	1.05
Delivered Coal Price with losses at Power Plant	US\$/Ton	101.97	98.34	98.92	101.21	103.72	103.75	102.05	105.64
Exchange Rate	Rs./US\$	165.30	165.30	165.30	165.80	165.80	165.80	167.50	167.50
Delivered Coal Price with losses at Power Plant	Rs./Ton	16,855.83	16,255.90	16,350.90	16,780.05	17,197.56	17,202.33	17,093.01	17,694.39



Huaneng Shandong Ruyi Energy (Private) Company Limited

Marine Freight Calculation

For the month of August 2020

Description		HSR 209	HSR 210	HSR 211	HSR 212	HSR 213	HSR 214	HSR 215	HSR 216
		GANT MUSE	GREAT COMFORT	BBG FOREVER	SEA BRAVERY	TOP GRACE	GREAT COMFORT	PACIFIC TALENT	SIRINA
		PQA	PQA	PQA	PQA	PQA	PQA	PQA	PQA
Delivery Days:									
Voyage	Days	27.04	27.04	27.04	27.04	27.04	27.04	27.04	27.04
At Port	Days	6.64	6.64	6.64	6.64	6.64	6.64	6.64	6.64
Total Delivery Days	Days	33.68	33.68	33.68	33.68	33.68	33.68	33.68	33.68
Average Time Charter Rate	US\$/Day	4,522	4,269	4,362	5,465	6,563	6,977	7,230	9,184
Time Charter Cost	US\$	152,290	143,769	146,901	184,048	221,025	234,968	243,488	309,294
Bunker Consumption:									
Bunker during Voyage	Ton	878.72	878.72	878.72	878.72	878.72	878.72	878.72	878.72
Bunker during Port Days	Ton	33.20	33.20	33.20	33.20	33.20	33.20	33.20	33.20
MGO Consumption	Ton	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Total	Ton	915.82	915.82	915.82	915.82	915.82	915.82	915.82	915.82
Bunker Price 0.5%	\$/Ton	225.00	180.00	170.00	280.00	290.00	320.00	310.00	325.00
MGO Price 0.1%	\$/Ton	380.00	340.00	320.00	365.00	390.00	420.00	420.00	433.00
Bunker Cost	US\$	206,664	165,471	156,274	256,761	265,977	293,452	284,333	298,062
Total Voyage Expense	US\$	358,953	309,241	303,175	440,808	487,003	528,420	527,821	607,356
Quantity	Tons	42,300	42,300	42,300	42,300	42,300	42,300	42,300	42,300
Marine Freight	US\$/Ton	8.49	7.31	7.17	10.42	11.51	12.49	12.48	14.36
*PDA Charges both at Load and Discharge Ports have been included in Other Charges.									



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Huaneng Shandong Ruyi Energy (Private) Company Limited
Inland Freight Charges
For the month of August 2020

Description	Reference	Revised							
		HSR 209	HSR 210	HSR 211	HSR 212	HSR 213	HSR 214	HSR 215	HSR 216
	Rs/Ton/km	GANT MUSE	GREAT COMFORT	BBG FOREVER	SEA BRAVERY	TOP GRACE	GREAT COMFORT	PACIFIC TALENT	SIRINA
Fixed Freight Charges (FFC)	1.33	1.71	1.71	1.71	1.71	1.77	1.77	1.77	1.77
Variable Freight Charges (VFC)	0.71	0.76	0.76	0.76	0.78	0.88	0.88	0.88	0.88
(i) Fuel	0.40	0.37	0.37	0.37	0.39	0.47	0.47	0.47	0.47
(ii) O&M	0.30	0.39	0.39	0.39	0.39	0.41	0.41	0.41	0.41
Other Freight Charges Component	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72
Profit Margin	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23
Total Freight Charges (Rs/Ton/km)	2.99	3.43	3.43	3.43	3.45	3.60	3.60	3.60	3.60
Distance (Km)	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060
Total Freight Charges (Rs/Ton)	3,170	3,635	3,635	3,635	3,653	3,815	3,815	3,815	3,815
Indexation Values:									
Consumer Price Index (General)	200.89	258.86	258.86	258.86	258.86	267.45	267.45	267.45	267.45
HSD Price (Rs./Liter)	87.12	80.10	80.10	80.10	83.70	101.46	101.46	101.46	101.46
Spurline Component:									
Spurline Component (Rs/ton)	189.82	316.46	316.46	316.46	260.13	339.50	339.50	339.50	339.50
Total Quantity Handeled (Tons)	302,087	181,201	181,201	181,201	220,440	168,900	168,900	168,900	168,900
Inland Freight Charges with Spurline (Rs/Ton)	3,360	3,952	3,952	3,952	3,913	4,154	4,154	4,154	4,154
Exchange Rate	-	165.30	165.30	165.30	165.80	165.80	165.80	167.50	167.50
Inland Freight Charges with Spurline (USD/Ton)	-	23.91	23.91	23.91	23.60	25.05	25.05	24.80	24.80
Handling Month	-	May-20	May-20	May-20	Jun-20	Jul-20	Jul-20	Jul-20	Jul-20

