



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/TRF-308/HSRPEL-2015/7256-60

March 3, 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) (**06 pages**) regarding the revised fuel price adjustment on account of revised **Coal** price variation for the month of **February 2020** in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited.

Enclosure: As above

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(Syed Safeer Hussain)

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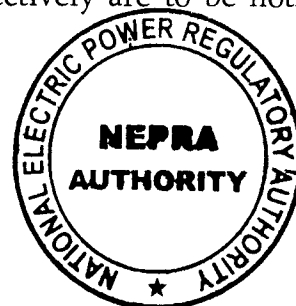
1. Secretary Ministry of Energy (Power Division), 'A' Block, Pak Secretariat, Islamabad
2. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
3. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
4. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited, 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 decisions of the Authority 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\$ 144.19/Ton for coal consumed during the month of February 2020. HSRPEL requested fuel cost component of Rs. 8.5355/kWh for February 2020 which was 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
February 2020	8.1964


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




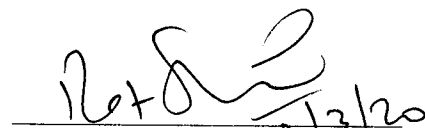
the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.


4. CPPA (G) to ensure that all payments are consistent with the tariff determinations.

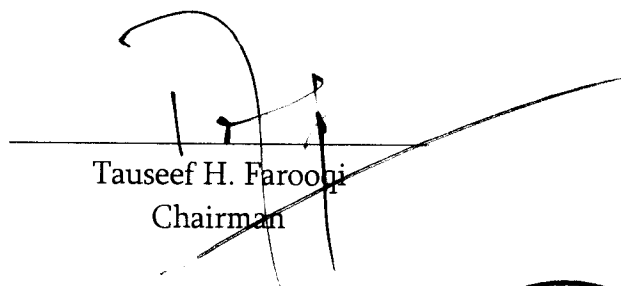
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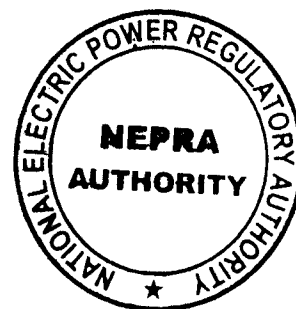

Saif Ullah Chattha 27.2.2020
Member

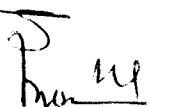

27/02/2020
Rehmatullah Baloch
Member


Engr. Rafique Ahmed Shaikh
Member


Engr. Bahadur Shah
Member


Tauseef H. Farooqi
Chairman



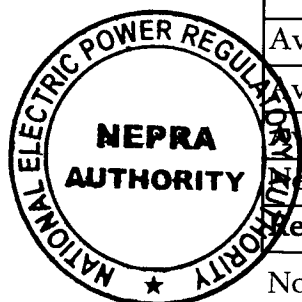

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Huaneng Shandong Ruyi Energy (Private) Company Limited
Schedule of Fuel Cost Part of Energy Charge
Adjustment on Account of Coal Price Variation for the Month of February 2020

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 183	40,620	5,731	134.01	20,831	155.44
Consumption from Shipment No. HSR 184	41,904	5,640	132.36	20,574	155.44
Consumption from Shipment No. HSR 185	39,383	5,835	135.32	21,034	155.44
Consumption from Shipment No. HSR 186	40,614	5,904	142.48	22,146	155.44
Consumption from Shipment No. HSR 187	41,125	5,874	144.92	22,491	155.19
Consumption from Shipment No. HSR 188	39,745	5,712	148.77	23,088	155.19
Consumption from Shipment No. HSR 189	40,509	5,804	149.89	23,261	155.19
Consumption from Shipment No. HSR 190	1,967	5,766	148.06	22,977	155.19
Total Consumption	285,867	5,785	141.12	21,920	155.33

Description	Unit	Reference	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	19,782	21,920
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,826	5,785
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	23,118	22,957
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
Revised Fuel Cost Component for February 2020	Rs./kWh	4.9135	7.3452	8.1964

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.

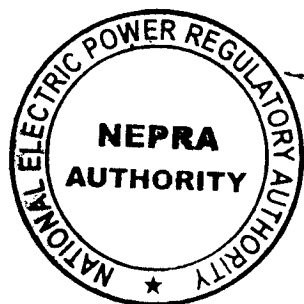


Huaneng Shandong Ruyi Energy (Private) Company Limited

Details of Shipments

For the month of February 2020

Shipment Number		HSR 183	HSR 185	HSR 186	HSR 187	HSR 188	HSR 189	HSR 190
Vessel Name		STAR AQUARIUS	THOR INDEPENDENCE	PACIFIC VICTORY	PACIFIC ACHIEVEMENT	ZHE HAI 520	AFRICAN LOON	RHL MARTA
Bill of Lading (B/L) Date		8-Dec-19	3-Dec-19	26-Dec-19	1-Jan-20	12-Jan-20	10-Jan-20	13-Jan-20
L/C / TT Number		ICBC/LHE/RGC/ 20191224-01	ICBC/LHE/RGC/201 91022-01	ICBC/LHE/RGC/ 20200107-01	ICBC/LHE/RGC/2 0200114-01	ICBC/LHE/RGC/ 20200121-02	ICBC/LHE/RGC/ 20200121-03	ICBC/LHE/RGC/ 20200121-04
API-4 Index for the month of B/L Date		84.03	84.03	84.03	86.22	86.22	86.22	86.22
Base Calorific Value	kCal/Kg	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Actual Calorific Value	kCal/Kg	5,731	5,835	5,904	5,874	5,712	5,804	5,766
Quantity	MT	41,080	39,853	41,083	41,595	40,208	41,002	37,358
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	80.26	81.72	82.69	84.41	82.08	83.40	82.86
Discount	US\$/Ton	-	-	-	-	-	-	-
Marine Freight Charges	US\$/Ton	12.22	11.95	16.30	16.59	22.36	22.51	20.68
Marine Insurance	US\$/Ton	0.08	0.08	0.08	0.09	0.10	0.09	0.10
CIF Coal Price	US\$/Ton	92.56	93.75	99.07	101.09	104.54	106.01	103.64
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-	-	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	92.56	93.75	99.07	101.09	104.54	106.01	103.64
Other Charges:	US\$/Ton	14.32	14.42	14.86	15.21	15.58	15.21	15.77
(i) Port Handling Charges	US\$/Ton	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
(iii) Customs Duties & Cess	US\$/Ton	5.62	5.70	6.02	6.52	7.03	6.47	7.12
(iv) L/C / TT Charges	US\$/Ton	0.10	0.10	0.10	0.10	0.10	0.10	0.10
(v) PDA Charges at Load Port	US\$/Ton	0.59	0.57	0.70	0.59	0.47	0.63	0.61
(vi) PDA Charges at Discharge Port	US\$/Ton	0.89	0.93	0.92	0.89	0.85	0.90	0.82
Inland Freight Charges	US\$/Ton	25.81	25.81	27.14	27.19	27.19	27.19	27.19
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	132.69	133.98	141.06	143.49	147.30	148.40	146.59
Handling Loss 1% or actual whichever is minimum	US\$/Ton	1.33	1.34	1.41	1.43	1.47	1.48	1.47
Delivered Coal Price with losses at Power Plant	US\$/Ton	134.01	135.32	142.48	144.92	148.77	149.89	148.06
Exchange Rate	Rs./US\$	155.44	155.44	155.44	155.19	155.19	155.19	155.19
Delivered Coal Price with losses at Power Plant	Rs./Ton	20,831.04	21,034.41	22,146.34	22,490.82	23,088.08	23,260.88	22,976.75

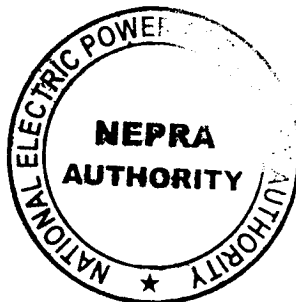


Huaneng Shandong Ruyi Energy (Private) Company Limited

Marine Freight Calculation

For the month of February 2020

Description		HSR 183	HSR 185	HSR 186	HSR 187	HSR 188	HSR 189	HSR 190
		STAR AQUARIUS	THOR INDEPENDENCE	PACIFIC VICTORY	PACIFIC ACHIEVEMENT	ZHE HAI 520	AFRICAN LOON	RHL MARTA
		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
At Port	Days	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
Average Time Charter Rate	US\$/Day	8,497	8,300	9,392	9,526	7,277	7,065	6,392
Time Charter Cost	US\$	286,158	279,523	316,299	320,812	245,071	237,932	215,267
Bunker Consumption:								
Bunker during Voyage	Ton	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
MGO Consumption	Ton	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
Bunker Price 380 CST	\$/Ton	250.00	245.00	240.00	255.00	-	-	-
Bunker Price 0.5%	\$/Ton	-	-	562.00	565.00	765.00	780.00	720.00
MGO Price	\$/Ton	675.00	660.00	670.00	679.00	785.00	800.00	750.00
Bunker Cost	US\$	230,612	225,994	373,026	381,092	700,679	714,417	659,507
Total Voyage Expense	US\$	516,770	505,517	689,325	701,904	945,751	952,348	874,773
Quantity	Tons	42,300	42,300	42,300	42,300	42,300	42,300	42,300
Marine Freight	US\$/Ton	12.22	11.95	16.30	16.59	22.36	22.51	20.68
*PDA Charges both at Load and Discharge Ports have been included in Other Charges.								



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

Description	Reference Rs/Ton/km	Revised						
		HSR 183	HSR 185	HSR 186	HSR 187	HSR 188	HSR 189	HSR 190
		STAR AQUARIUS	THOR INDEPENDENCE	PACIFIC VICTORY	PACIFIC ACHIEVEMENT	ZHE HAI 520	AFRICAN LOON	RHL MARTA
Fixed Freight Charges (FFC)	1.33	1.60	1.60	1.71	1.71	1.71	1.71	1.71
Variable Freight Charges (VFC)	0.71	0.95	0.95	0.98	0.98	0.98	0.98	0.98
(i) Fuel	0.40	0.58	0.58	0.59	0.59	0.59	0.59	0.59
(ii) O&M	0.30	0.37	0.37	0.39	0.39	0.39	0.39	0.39
Other Freight Charges Component	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
Total Freight Charges (Rs/Ton/km)	2.99	3.50	3.50	3.65	3.65	3.65	3.65	3.65
Distance (Km)	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060
Total Freight Charges (Rs/Ton)	3,170	3,710	3,710	3,867	3,867	3,867	3,867	3,867
Indexation Values:								
Consumer Price Index (General)	200.89	241.92	241.92	258.86	258.86	258.86	258.86	258.86
HSD Price (Rs./Liter)	87.12	125.01	125.01	127.26	127.26	127.26	127.26	127.26
Spurline Component:								
Spurline Component (Rs./ton)	189.82	301.53	301.53	351.55	351.55	351.55	351.55	351.55
Total Quantity Handeled (Tons)	302,087	190,170	190,170	163,111	163,111	163,111	163,111	163,111
Inland Freight Charges with Spurline (Rs/Ton)	3,360	4,012	4,012	4,219	4,219	4,219	4,219	4,219
Exchange Rate	-	155.44	155.44	155.44	155.19	155.19	155.19	155.19
Inland Freight Charges with Spurline (USD/Ton)	-	25.81	25.81	27.14	27.19	27.19	27.19	27.19
Handling Month	-	Dec-19	Dec-19	Jan-20	Jan-20	Jan-20	Jan-20	Jan-20

