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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/SA(Tariff)/TRF-308/HSRPEL-2015/34819-23

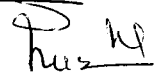
October 7, 2020

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 **September 2020** in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited.

Enclosure: As above


(Syed Safeer Hussain) 27 X 20

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.**

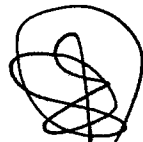
1. Pursuant to the Authority's decision dated March 31, 2015 in the matter of Approval of Upfront Coal Tariff for 2x660 MW coal power plant of Huaneng Shandong Ruyi (Pakistan) Energy Private Limited (hereafter "HSRPEL"), decision dated September 23, 2016 regarding Suo Moto Review Proceedings in the Fuel 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\$ 117.28/Ton for coal consumed during the month of September 2020. HSRPEL requested fuel cost component of Rs. 7.4840/kWh for September 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	Fuel Cost Component (Rs./kWh)	
	Reference	Revised
September 2020	4.9135	6.7598


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).

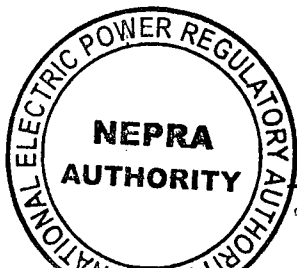
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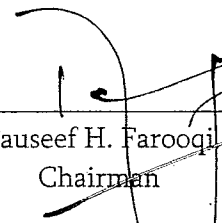

Saif Ullah Chattha
Member
1.10.2020


21/10/2020
Rehmatullah Baloch
Member


Engr. Rafique Ahmed Shaikh
Member
21/10/20


Engr. Bahadur Shah
Member



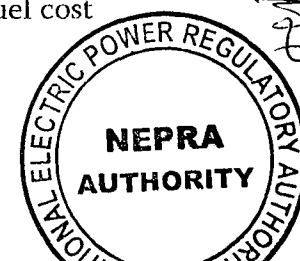

Tauseef H. Farooqi
Chairman

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 September 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 216	7,855	5,875	105.64	17,694	167.50
Consumption from Shipment No. HSR 217	40,659	5,772	107.19	17,955	167.50
Consumption from Shipment No. HSR 218	39,166	5,789	107.90	18,073	167.50
Consumption from Shipment No. HSR 219	39,441	5,893	109.13	18,375	168.37
Consumption from Shipment No. HSR 220	38,345	5,763	108.15	18,209	168.37
Consumption from Shipment No. HSR 221	6,490	5,671	108.15	18,209	168.37
Total Consumption	171,956	5,803	107.98	18,133	167.93

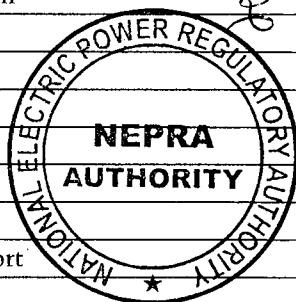
Description	Unit	Reference	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	16,905	18,133
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,793	5,803
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	22,987	23,026
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
Revised Fuel Cost Component for September 2020	Rs./kWh	4.9135	6.3129	6.7598

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.



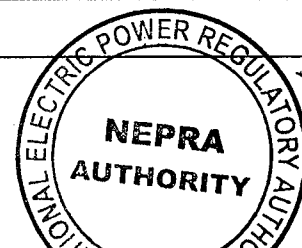
Huaneng Shandong Ruyi Energy (Private) Company Limited
Details of Shipmnets
For the month of September 2020

Shipment Number		HSR 217	HSR 218	HSR 219	HSR 220	HSR 221
Vessel Name		SUN GLOBE	SHINANO	YASA AYSEN	ROYAL CHIBA	NIKOLAS III
Bill of Lading (B/L) Date		19-Jul-20	24-Jul-20	7-Aug-20	10-Aug-20	20-Aug-20
L/C / TT Number		ICBC/LHE/RGC/20 200730-01	ICBC/LHE/RGC/20 200806-06	ICBC/LHE/RGC/20 200819-01	ICBC/LHE/RGC/20 200819-02	ICBC/LHE/RGC/20 200831-01
Origin		South Africa	South Africa	South Africa	South Africa	South Africa
API-4 Index for the month of B/L Date		53.43	53.43	55.10	55.10	55.10
Base Calorific Value	kCal/Kg	6,000	6,000	6,000	6,000	6,000
Actual Calorific Value	kCal/Kg	5,772	5,789	5,893	5,763	5,671
Quantity	MT	41,090	39,570	39,851	38,768	40,138
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	51.40	51.55	54.12	52.92	52.08
Discount	US\$/Ton	-	-	-	-	-
Marine Freight Charges	US\$/Ton	15.02	15.53	14.66	14.69	15.62
Marine Insurance	US\$/Ton	0.06	0.07	0.06	0.06	0.06
CIF Coal Price	US\$/Ton	66.48	67.15	68.84	67.68	67.76
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	66.48	67.15	68.84	67.68	67.76
Other Charges:	US\$/Ton	13.34	13.38	13.04	13.23	13.15
(i) Port Handling Charges	US\$/Ton	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
(iii) Customs Duties & Cess	US\$/Ton	4.61	4.73	4.52	4.60	4.51
(iv) L/C / TT Charges	US\$/Ton	0.10	0.10	0.10	0.10	0.10
(v) PDA Charges at Load Port	US\$/Ton	0.54	0.52	0.52	0.51	0.53
(vi) PDA Charges at Discharge Port	US\$/Ton	0.97	0.91	0.79	0.91	0.90
Inland Freight Charges	US\$/Ton	26.30	26.30	26.17	26.17	26.17
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	106.13	106.83	108.05	107.08	107.08
Handling Loss 1% or actual whichever is minimum	US\$/Ton	1.06	1.07	1.08	1.07	1.07
Delivered Coal Price with losses at Power Plant	US\$/Ton	107.19	107.90	109.13	108.15	108.15
Exchange Rate	Rs./US\$	167.50	167.50	168.37	168.37	168.37
Delivered Coal Price with losses at Power Plant	Rs./Ton	17,954.88	18,073.28	18,374.63	18,209.31	18,208.79



Huaneng Shandong Ruyi Energy (Private) Company Limited
Marine Freight Calculation
For the month of September 2020

Description		HSR 217	HSR 218	HSR 219	HSR 220	HSR 221
		SUN GLOBE	SHINANO	YASA AYSEN	ROYAL CHIBA	NIKOLAS III
		PQA	PQA	PQA	PQA	PQA
Delivery Days:						
Voyage	Days	27.04	27.04	27.04	27.04	27.04
At Port	Days	6.64	6.64	6.64	6.64	6.64
Total Delivery Days	Days	33.68	33.68	33.68	33.68	33.68
Average Time Charter Rate	US\$/Day	10,014	10,250	9,289	9,408	10,494
Time Charter Cost	US\$	337,246	345,194	312,830	316,838	353,412
Bunker Consumption:						
Bunker during Voyage	Ton	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
MGO Consumption	Ton	3.90	3.90	3.90	3.90	3.90
Total	Ton	915.82	915.82	915.82	915.82	915.82
Bunker Price 0.5%	\$/Ton	325.00	340.00	335.00	332.00	335.00
MGO Price 0.1%	\$/Ton	435.00	445.00	450.00	445.00	447.00
Bunker Cost	US\$	298,070	311,788	307,248	304,493	307,236
Total Voyage Expense	US\$	635,317	656,982	620,078	621,330	660,648
Quantity	Tons	42,300	42,300	42,300	42,300	42,300
Marine Freight	US\$/Ton	15.02	15.53	14.66	14.69	15.62
*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 September 2020

Description	Reference	Revised				
		HSR 217	HSR 218	HSR 219	HSR 220	HSR 221
	Rs/Ton/km	SUN GLOBE	SHINANO	YASA AYSEN	ROYAL CHIBA	NIKOLAS III
Fixed Freight Charges (FFC)	1.33	1.77	1.77	1.77	1.77	1.77
Variable Freight Charges (VFC)	0.71	0.90	0.90	0.90	0.90	0.90
(i) Fuel	0.40	0.49	0.49	0.49	0.49	0.49
(ii) O&M	0.30	0.41	0.41	0.41	0.41	0.41
Other Freight Charges Component	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
Total Freight Charges (Rs/Ton/km)	2.99	3.62	3.62	3.62	3.62	3.62
Distance (Km)	1,060	1,060	1,060	1,060	1,060	1,060
Total Freight Charges (Rs/Ton)	3,170	3,839	3,839	3,839	3,839	3,839
Indexation Values:						
Consumer Price Index (General)	200.89	267.45	267.45	267.45	267.45	267.45
HSD Price (Rs./Liter)	87.12	106.46	106.46	106.46	106.46	106.46
Spurline Component:						
Spurline Component (Rs./ton)	189.82	566.85	566.85	566.85	566.85	566.85
Total Quantity Handeled (Tons)	302,087	101,160	101,160	101,160	101,160	101,160
Inland Freight Charges with Spurline (Rs/Ton)	3,360	4,406	4,406	4,406	4,406	4,406
Exchange Rate	-	167.50	167.50	168.37	168.37	168.37
Inland Freight Charges with Spurline (USD/Ton)	-	26.30	26.30	26.17	26.17	26.17
Handling Month	-	Aug-20	Aug-20	Aug-20	Aug-20	Aug-20