



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/ADG(Trf)/TRF-308/HSRPEL-2015/3/6/9-23

July 2, 2021

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 June 2021 in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited.

Enclosure: As above


(Syed Safer 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.

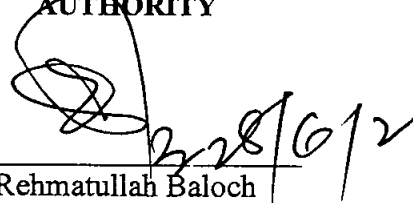
**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL PRICE ADJUSTMENT
FOR HUANENG SHANDONG RUYI (PAKISTAN) ENERGY PRIVATE LIMITED.**


- 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\$ 174.87/Ton for coal consumed during the month of June 2021. HSRPEL requested fuel cost component of Rs. 10.4148/kWh for June 2021. The requested coal price and fuel cost component 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	Fuel Cost Component (Rs./kWh)	
	Reference	Revised
June 2021	4.9135	10.1731

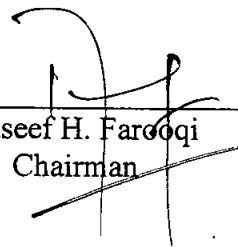
- Marine freight has been worked out on the basis of 42,300 tons and 50,000 tons or actual ship quantity whichever is higher for ships unloaded at PQA Marginal Wharf 3&4 and PIBTL/KPT respectively. PDA charges have also been worked out on the same basis of respective quantities.
- The above referred 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.
- CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

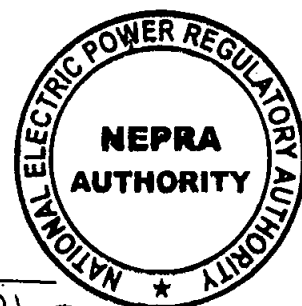
AUTHORITY


Rehmatullah Baloch
Member


Engr. Rafique Ahmed Shaikh
Member


Engr. Maqsood Anwar Khan
Member


Tauseef H. Farooqi
Chairman

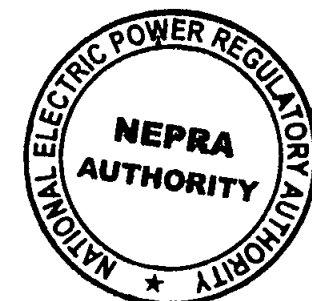


Huaneng Shandong Ruyi Energy (Private) Company Limited
Schedule of Fuel Cost Part of Energy Charge
Adjustment on Account of Coal Price Variation for the Month of June 2021

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 262	35,884	5,559	159.33	24,502	153.78
Consumption from Shipment No. HSR 263	43,547	5,742	175.16	26,972	153.98
Consumption from Shipment No. HSR 264	43,541	5,512	171.71	26,440	153.98
Consumption from Shipment No. HSR 265	42,147	5,717	177.42	27,319	153.98
Consumption from Shipment No. HSR 266	40,890	5,897	181.08	27,882	153.98
Consumption from Shipment No. HSR 267	36,805	5,755	178.13	27,428	153.98
Total Consumption	242,814	5,697	174.04	26,794	153.95

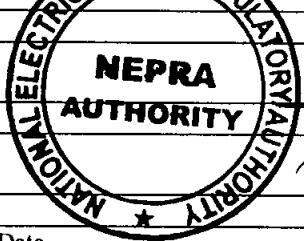
Description	Unit	Reference	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	25,195	26,794
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,779	5,697
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	22,932	22,609
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
Revised Fuel Cost Component	Rs./kWh	4.9135	9.4313	10.1731

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 June 2021



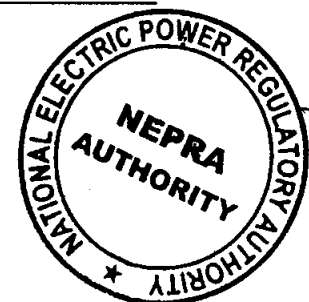
Shipment Number		HSR 263	HSR 264	HSR 265	HSR 266	HSR 267
Vessel Name		UNITY DISCOVERY	JOSCO HUIZHOU	TAXIDIARA	MANDARIN DALIAN	ERIETTA
Bill of Lading (B/L) Date		1-May-21	12-May-21	16-May-21	18-May-21	23-May-21
L/C / TT Number		ICBC/LHE/RGC/2 0210517-01	ICBC/LHE/RGC/2 0210524-01	ICBC/LHE/RGC/ 20210526-02	ICBC/LHE/RGC/2 0210528-01	ICBC/LHE/RGC/2 0210602-01
Origin		South Africa	South Africa	South Africa	South Africa	South Africa
API-4 Index for the month of B/L Date		105.38	105.38	105.38	105.38	105.38
Base Calorific Value	kCal/Kg	6,000	6,000	6,000	6,000	6,000
Actual Calorific Value	kCal/Kg	5,742	5,512	5,717	5,897	5,755
Quantity	MT	44,000	43,990	42,581	41,316	43,518
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	100.85	96.81	100.41	103.57	101.08
Adjustment for Sulphur Content	US\$/Ton	-	-	-	-	-
Discount	US\$/Ton	-	-	-	-	-
Marine Freight Charges	US\$/Ton	28.68	29.03	30.45	30.62	30.34
Marine Insurance	US\$/Ton	0.11	0.11	0.12	0.12	0.12
CIF Coal Price	US\$/Ton	129.64	125.95	130.97	134.32	131.54
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	129.64	125.95	130.97	134.32	131.54
Other Charges:	US\$/Ton	16.26	16.53	17.16	17.44	17.30
(i) Port Handling Charges	US\$/Ton	4.23	4.23	4.23	4.23	4.23
(ii) Port Qasim Royalty Charge	US\$/Ton	2.40	2.40	2.40	2.40	2.40
(iii) Customs Duties & Cess	US\$/Ton	7.58	7.86	8.42	8.69	8.56
(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	0.66	0.65	0.68	0.69	0.71
(vi) PDA Charges at Discharge Port	US\$/Ton	0.92	0.92	0.95	0.96	0.93
(vii) Transportation & Loading charges	US\$/Ton	-	-	-	-	-
(vii) Freight Forwarding/Custom Clearance	US\$/Ton	0.05	0.05	0.05	0.05	0.05
(viii) Wharfage Charges	US\$/Ton	0.22	0.22	0.22	0.22	0.22
(ix) Commodity & Ash Fusion Temperature Inspection	US\$/Ton	0.09	0.09	0.09	0.09	0.09
Inland Freight Charges	US\$/Ton	27.53	27.53	27.53	27.53	27.53
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	173.43	170.01	175.66	179.28	176.37
Handling Loss 1% or actual whichever is minimum	US\$/Ton	1.73	1.70	1.76	1.79	1.76
Delivered Coal Price with losses at Power Plant	US\$/Ton	175.16	171.71	177.42	181.08	178.13
Exchange Rate	Rs./US\$	153.98	153.98	153.98	153.98	153.98
Delivered Coal Price with losses at Power Plant	Rs./Ton	26,971.63	26,440.19	27,318.64	27,882.35	27,428.47

Huaneng Shandong Ruyi Energy (Private) Company Limited
Marine Freight Calculation

For the Month of June 2021

Description		HSR 263	HSR 264	HSR 265	HSR 266	HSR 267
		UNITY DISCOVERY	JOSCO HUIZHOU	TAXIDIARA	MANDARIN DALIAN	ERIETTA
		PQA	PQA	PQA	PQA	PQA
Delivery Days:						
Voyage	Days	27.04	27.04	27.04	27.04	27.04
At Port	Days	6.87	6.87	6.68	6.64	6.80
Total Delivery Days	Days	33.90	33.90	33.71	33.68	33.84
Average Time Charter Rate	US\$/Day	23,581	24,158	25,264	25,264	26,493
Time Charter Cost	US\$	799,494	819,025	851,775	850,828	896,520
Bunker Consumption:						
Bunker during Voyage	Ton	878.72	878.72	878.72	878.72	878.72
Bunker during Port Days	Ton	34.33	34.33	33.39	33.20	34.01
MGO Consumption	Ton	3.90	3.90	3.90	3.90	3.90
Total	Ton	916.95	916.95	916.01	915.82	916.63
Bunker Price 0.5%	\$/Ton	504.00	499.00	485.00	485.00	462.00
MGO Price 0.1%	\$/Ton	600.00	600.00	595.00	595.00	585.00
Bunker Cost	US\$	462,518	457,950	444,692	444,601	423,963
Total Voyage Expense	US\$	1,262,012	1,276,974	1,296,467	1,295,429	1,320,484
Quantity	Tons	44,000	43,990	42,581	42,300	43,518
Marine Freight	US\$/Ton	28.68	29.03	30.45	30.62	30.34

*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 June 2021

Description	Reference	Revised				
		HSR 263	HSR 264	HSR 265	HSR 266	HSR 267
	Rs/Ton/km	UNITY DISCOVERY	JOSCO HUIZHOU	TAXIDIARA	MANDARIN DALIAN	ERIETTA
Fixed Freight Charges (FFC)	1.77	1.87	1.87	1.87	1.87	1.87
Variable Freight Charges (VFC)	0.81	0.94	0.94	0.94	0.94	0.94
(i) Fuel	0.40	0.51	0.51	0.51	0.51	0.51
(ii) O&M	0.40	0.43	0.43	0.43	0.43	0.43
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)	3.53	3.76	3.76	3.76	3.76	3.76
Distance (Km)	1,060	1,060	1,060	1,060	1,060	1,060
Total Freight Charges (Rs/Ton)	3,743	3,986	3,986	3,986	3,986	3,986
Indexation Values:						
Consumer Price Index Base Year 2015-16	131.67	138.88	138.88	138.88	138.88	138.88
HSD Price (Rs./Liter)	87.12	110.76	110.76	110.76	110.76	110.76
Spurline Component:						
Spurline Component (Rs./ton)	189.82	253.41	253.41	253.41	253.41	253.41
Total Quantity Handeled (Tons)	302,087	226,285	226,285	226,285	226,285	226,285
Inland Freight Charges with Spurline (Rs/Ton)	3,933	4,239	4,239	4,239	4,239	4,239
Exchange Rate	-	153.98	153.98	153.98	153.98	153.98
Inland Freight Charges with Spurline (USD/Ton)	-	27.53	27.53	27.53	27.53	27.53
Handling Month	-	May-21	May-21	May-21	May-21	May-21

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