



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-308/HSRPEL-2015/39386-39388
October 20, 2021

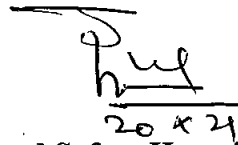
Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Huaneng Shandong Ruyi (Pakistan) Energy Private Limited (Case No. NEPRA/TRF-308/HSRPEL-2015)

Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff components (Annex-I) (02 pages) regarding quarterly indexation/adjustment of tariff of Huaneng Shandong Ruyi (Pakistan) Energy Private Limited for the quarter October – December 2021 on account of US CPI, CPI (Local), Exchange Rate, KIBOR, LIBOR, Coal Price(s) and Coal Calorific Value(s) variation in Case No. NEPRA/TRF-308/HSRPEL-2015.

2. The decision is being intimated to the Federal Government for the purpose of notification of adjustment in the approved tariff through the official Gazette pursuant to Section 31 (7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
3. The revised Tariff Components attached as Annex-I are to be notified in the official Gazette.

Enclosure: As above


(Syed Safeer Hussain)

Secretary,
Ministry of Energy (Power Division),
Government of Pakistan
'A' Block, Pak Secretariat
Islamabad.

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.

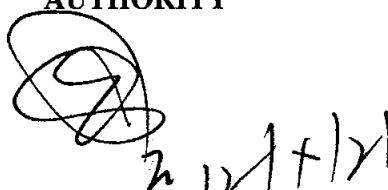
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY
INDEXATION / ADJUSTMENT OF TARIFF FOR HUANENG SHANDONG RUYI
(PAKISTAN) ENERGY PRIVATE LIMITED**

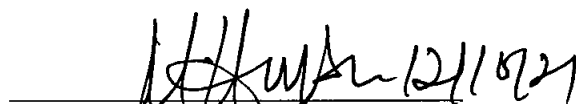
1. Pursuant to the Decision of the Authority dated March 31, 2015 in the matter of approval of upfront coal tariff for 2x660 MW coal power plant of Huaneng Shandong Ruyi (Pakistan) Energy Private Limited (hereafter "HSRPEL") and decision of the Authority dated January 17, 2019 in the matter of tariff adjustment at Commercial Operation Date (COD), the relevant tariff components in respect of Oct-Dec 2021 quarter has been revised on account of US CPI, CPI Local, Exchange Rate, KIBOR, LIBOR, Coal Price(s) and Coal Calorific Value(s) variation. The revised tariff indicated hereunder shall be immediately applicable:

Tariff Components	Reference Tariff	Revised Oct-Dec 2021 Quarter
Capacity Charge (Rs./KW/h)		
Fixed O&M - Foreign	0.1601	0.2900
Fixed O&M - Local	0.1606	0.1984
Cost of Working Capital	0.1541	0.4511
Return on Equity	0.9438	1.5426
Debt Repayment	1.3064	2.0714
Interest Charge	0.5075	0.6844
Total	3.2325	5.2379
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0763	0.1382
Variable O&M - Local	0.0510	0.0630
Total	0.1273	0.2012

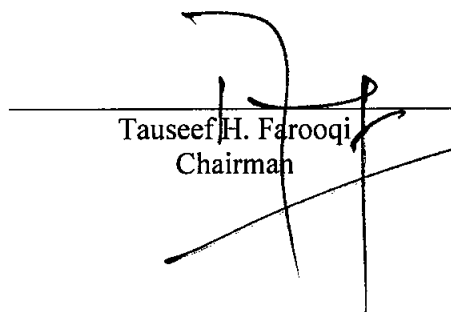
2. The above referred revised tariff components attached as **Annex-I** are to be notified in the official gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.
3. CPPA(G) to ensure that all payments are consistent with the tariff determination(s).

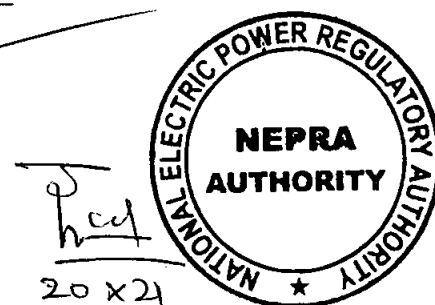
AUTHORITY


 Rehmatullah Baloch
 Member


 Engr. Maqsood Anwar Khan
 Member


 Engr. Rafique Ahmed Shaikh
 Member


 Tauseef H. Farooqi
 Chairman



Huaneng Shandong Ruyi (Pakistan) Energy (Pvt) Company Ltd.
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Tariff	Revised Oct-Dec 2021 Quarter
Capacity Charge (Rs./KW/h)		
Fixed O&M - Foreign	0.1601	0.2900
Fixed O&M - Local	0.1606	0.1984
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Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0763	0.1382
Variable O&M - Local	0.0510	0.0630
Total	0.1273	0.2012
Indexation Values		
Exchange Rate (Rs./USD)	104.594	170.950
US CPI (All Urban Consumers)	246.819	273.567
CPI (General) - Local	217.980	269.270
3 Monthly KIBOR	6.150%	7.780%
3 Monthly LIBOR	1.380%	0.130%
Coal Price (Rs./Ton)	13,605	31,953.06
Coal Calorific Value (BTU/Kg)	23,768	22,879.82
Principal Outstanding (USD. Million)	-	949.34
Hours in the quarter	-	2,208

* For the purpose of indexation of Local O&M components for Oct-Dec 2021 quarter, CPI for Aug 2021 was required to be used. However, Pakistan Bureau of Statistics has discontinued the publication of CPI for base year 2007-08 w.e.f. July 2020 and replaced it with National CPI for new base year 2015-16. As per relevant provision of the PPA, the latest available CPI of June 2020 for base year 2007-08 has been used for the instant indexation/adjustment. The indexation of Local O&M components is being made on provisional basis, subject to revision upon decision of new reference index value by the Authority.

** The Authority vide its decision dated March 10, 2021 replaced CPI Base Year 2007-08 with N-CPI Base Year 2015-16. The decision shall be implemented upon Notification in the Official Gazette.

*** Insurance component is not part of quarterly indexation. It is adjusted annually on actual basis as per mechanism stipulated in the Decision of the Authority.

