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No. NEPRA/R/ADG(Trf)/TRF-308/HSRPEL-2015/6729-33

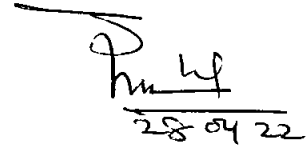
April 28, 2022

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 the month of April 2022 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) in the matter of fuel price adjustment on account of Coal price variation for the month of April 2022 in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited.

Enclosure: As above



(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 THE MONTH OF APRIL 2022 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 (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 decisions dated August 22, 2019 & May 6, 2021 in the matter of motion for leave for review regarding fuel price adjustments, 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\$ 369.60/Ton for coal consumed during the month of April 2022. HSRPEL requested fuel cost component of Rs. 25.2719/kWh for April 2022.
2. It has been observed that Argus/McCloskey's published coal price index also specifies price differentials to API 4. It has been provided in the index report that to calculate a fixed price, apply the differential to the API 4 contract. Following differentials are applicable for the months of February 2022 and March 2022:

Description	Heat kcal/kg	Unit	February Average	March Average
5,700 differential	6,000	US\$/ton	10.63	17.18

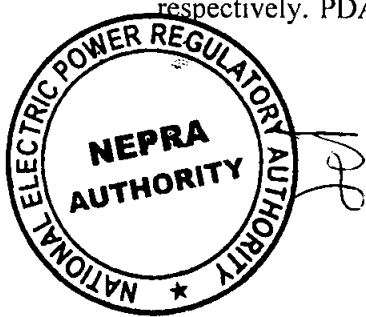
3. In accordance with the above differentials, the API 4 price for each shipment from Richards Bay has been calculated as under:

Shipment No.	API 4 Price (US\$/ton)	Differential/Premium (US\$/ton)	Fixed Price (US\$/ton)	Heat (kcal/kg)	Actual Heat (kcal/kg)	Heat Adjusted Price (US\$/ton)	Price As Per Commercial Invoice (US\$/ton)	Difference (US\$/ton)
HSR 314	205.98	10.63	216.61	6,000	5,708	206.07	195.96	10.11
HSR 315	335.67	17.18	352.85	6,000	5,704	335.44	319.11	16.33
HSR 316	335.67	17.18	352.85	6,000	5,840	343.44	326.72	16.72

4. Since the coal price as per commercial invoice for shipment No. 314, 315 and 316 is less than the calculated coal price as per price differentials, therefore, the coal price as per commercial invoice has been considered.
5. 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
April 2022	4.9135	23.9561

6. 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.



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HSRPEL has been including Marine Gas Oil (MGO) consumption in the marine freight while none of other similar coal power plants is requesting the same, therefore, the Authority has decided not to consider MGO consumption in the calculation of marine freight.

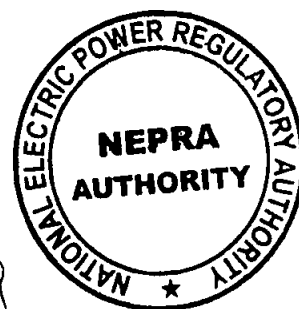
7. The above referred revised fuel cost component along with revised coal prices, revised marine freight charges and revised inland freight charges attached as **Annex-I, Annex-II, Annex-III & Annex-IV** respectively are to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.
8. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

AUTHORITY

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh
Member

Tauseef H. Farooqi
Chairman



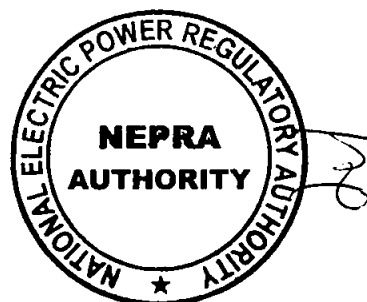
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Huaneng Shandong Ruyi Energy (Private) Company Limited
Schedule of Fuel Cost Part of Energy Charge
Adjustment on Account of Coal Price Variation for the Month of April 2022

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 313	27,783	5,800	283.10	49,866	176.14
Consumption from Shipment No. HSR 314	43,497	5,708	277.23	48,831	176.14
Consumption from Shipment No. HSR 315	43,560	5,704	415.59	74,807	180.00
Consumption from Shipment No. HSR 316	42,355	5,840	427.22	76,900	180.00
Total Consumption	157,195	5,759	357.02	63,775	178.63

Description	Unit	Reference	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	45,270	63,775
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,815	5,759
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	23,074	22,852
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
Revised Fuel Cost Component	Rs./kWh	4.9135	16.8412	23.9561

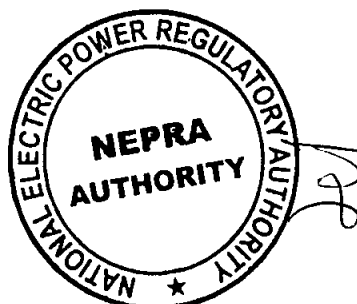
Note: The above adjustment of fuel cost component on coal shall be subject to verification by a consultant/Independent third party to be appointed for the purpose by the Authority. In case the verified delivered coal price is different, the fuel cost component shall be revised accordingly.



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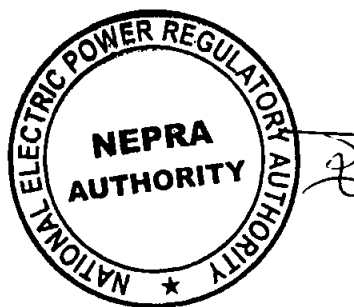
Huaneng Shandong Ruyi Energy (Private) Company Limited
Details of Shipments
For the Month of April 2022

Shipment Number		HSR 314	HSR 315	HSR 316
Vessel Name		MV Tai Shine	MV Pacific Wealth	MV Xin Hai Tong 10
Bill of Lading (B/L) Date		22-Feb-22	3-Mar-22	1-Mar-22
L/C / TT Number		-	-	-
Origin		South Africa	South	South
API-4 Index for the month of B/L Date	US\$/Ton	205.98	335.67	335.67
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	-	-	-
Fixed Price	US\$/Ton	205.98	335.67	335.67
Base Calorific Value	kCal/Kg	6,000	6,000	6,000
Actual Calorific Value	kCal/Kg	5,708	5,704	5,840
Quantity	MT	43,937	44,000	42,783
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	195.96	319.11	326.72
Adjustment for Sulphur Content	US\$/Ton	(0.09)	-	-
Marine Freight Charges	US\$/Ton	24.17	30.86	38.47
Marine Insurance	US\$/Ton	0.20	0.30	0.30
CIF Coal Price	US\$/Ton	220.24	350.27	365.49
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	220.24	350.27	365.49
Other Charges:	US\$/Ton	27.82	35.35	31.64
(i) Port Handling Charges	US\$/Ton	4.45	4.39	4.23
(ii) Port Qasim Royalty Charge	US\$/Ton	2.31	2.28	2.40
(iii) Customs Duties & Cess	US\$/Ton	15.13	22.98	23.05
(iv) L/C / TT Charges	US\$/Ton	0.10	0.10	0.10
(v) PDA Charges at Load Port	US\$/Ton	0.88	0.54	0.62
(vi) PDA Charges at Discharge Port	US\$/Ton	0.65	0.84	0.99
(vii) Freight Forwarding/Custom Clearance	US\$/Ton	0.02	0.02	0.02
(viii) Wharfage Charges	US\$/Ton	0.19	0.19	0.19
(ix) Commodity & Ash Fusion Temperature Inspection	US\$/Ton	0.04	0.04	0.04
(x) Transportation & Loading Charges	US\$/Ton	4.04	3.97	-
Inland Freight Charges	US\$/Ton	26.43	25.86	25.86
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	274.48	411.48	422.99
Handling Loss 1% or actual whichever is minimum	US\$/Ton	2.74	4.11	4.23
Delivered Coal Price with losses at Power Plant	US\$/Ton	277.23	415.59	427.22
Exchange Rate	Rs./US\$	176.14	180.00	180.00
Delivered Coal Price with losses at Power Plant	Rs./Ton	48,830.85	74,806.93	76,900.12



Huaneng Shandong Ruyi Energy (Private) Company Limited
Marine Freight Calculation
For the Month of April 2022

Description		HSR 314	HSR 315	HSR 316
		MV Tai Shine	MV Pacific Wealth	MV Xin Hai Tong 10
		PIBT	PIBT	PQA
Delivery Days:				
Voyage	Days	27.04	27.04	27.04
At Port	Days	4.33	4.33	6.70
Total Delivery Days	Days	31.37	31.37	33.74
Average Time Charter Rate	US\$/Day	19,237	26,567	26,876
Time Charter Cost	US\$	603,481	833,429	906,847
Bunker Consumption:				
Bunker during Voyage	Ton	878.72	878.72	878.72
Bunker during Port Days	Ton	21.67	21.67	33.52
Total	Ton	900.39	900.39	912.24
Bunker Price	\$/Ton	672.00	788.00	810.00
Bunker Cost	US\$	605,059	709,504	738,915
Total Voyage Expense	US\$	1,208,540	1,542,933	1,645,762
Quantity	Tons	50,000	50,000	42,783
Marine Freight	US\$/Ton	24.17	30.86	38.47
*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 April 2022

Description	Reference Rs/Ton/km	Revised		
		HSR 314 MV Tai Shine	HSR 315 MV Pacific Wealth	HSR 316 MV Xin Hai Tong 10
Fixed Freight Charges (FFC)	1.77	2.05	2.05	2.05
Variable Freight Charges (VFC)	0.81	1.14	1.14	1.14
(i) Fuel	0.40	0.67	0.67	0.67
(ii) O&M	0.40	0.47	0.47	0.47
Other Freight Charges Component	0.72	0.72	0.72	0.72
Profit Margin	0.23	0.23	0.23	0.23
Total Freight Charges (Rs/Ton/km)	3.53	4.14	4.14	4.14
Distance (Km)	1,060	1,060	1,060	1,060
Total Freight Charges (Rs/Ton)	3,743	4,388	4,388	4,388
Indexation Values:				
Consumer Price Index Base Year 2015-16	131.67	152.51	152.51	152.51
HSD Price (Rs./Liter)	87.12	144.15	144.15	144.15
Spurline Component:				
Spurline Component (Rs./ton)	189.82	266.41	266.41	266.41
Total Quantity Handeled (Tons)	302,087	215,242	215,242	215,242
Inland Freight Charges with Spurline (Rs/Ton)	3,933	4,655	4,655	4,655
Exchange Rate	-	176.14	180.00	180.00
Inland Freight Charges with Spurline (USD/Ton)	-	26.43	25.86	25.86
Handling Month	-	Mar-22	Mar-22	Mar-22

