



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar


No. NEPRA/R/ADG(Trf)/TRF-308/HSRPEL-2015/17146-50 September 13, 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 August 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), Details of Local Purchases (Annex-III), Marine Freight Calculation (Annex-IV) and Inland Freight Charges (Annex-V) (07 pages) in the matter of fuel price adjustment on account of Coal price variation for the month of August 2022 in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited.

Enclosure: As above


130922
(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 AUGUST 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 Rs. 79,483/Ton for coal consumed during the month of August 2022. HSRPEL requested fuel cost component of Rs. 30.6706/kWh for August 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 differential is applicable for the month of May 2022:

Description	Heat kcal/kg	Unit	May Average
5,700 differential	6,000	US\$/Ton	(0.02)

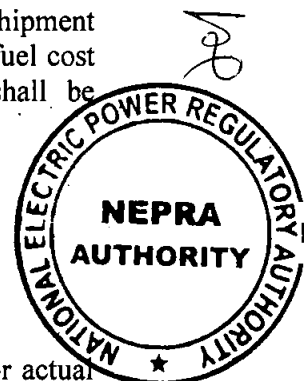
3. In accordance with the above differentials, the API 4 price for each shipment from Richards Bay has been calculated as under:

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 326	322.96	(0.02)	322.94	6,000	5,783	311.26	311.28	(0.02)

4. HSR has been requesting provisional TT/LC charges and has not provided documentary evidence of actual charges subsequently. Therefore, the same has not been considered in the instant decision.
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
August 2022	4.9135	29.3304

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. HSRPEL has been including Marine Gas Oil (MGO) consumption in



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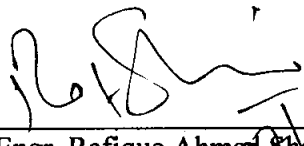


the marine freight while none of other similar coal power plants is requesting the same, therefore, the Authority has decided not to consider MGO consumption in the calculation of marine freight.

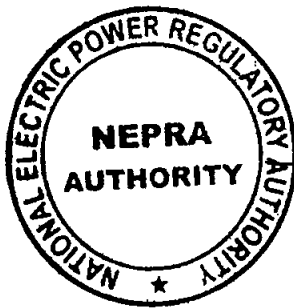
7. The above referred revised fuel cost component along with revised coal prices, revised marine freight charges and revised inland freight charges attached as **Annex-I, Annex-II, Annex-III, Annex-IV & Annex-V** respectively are to be notified in the official gazette, in accordance with the provisions 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).

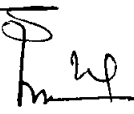
AUTHORITY


Engr. Maqsood Anwar Khan
Member


Engr. Rafique Ahmed Shaikh
Member


Tauseef H. Farooq
Chairman





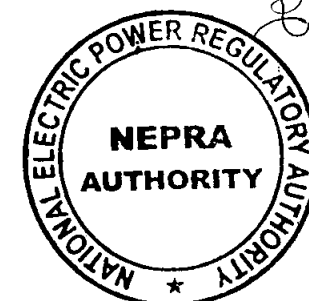
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Huaneng Shandong Ruyi Energy (Private) Company Limited
Schedule of Fuel Cost Part of Energy Charge
Adjustment on Account of Coal Price Variation for the Month of August 2022

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 325	15,698	5,733	417.53	81,833	195.99
Consumption from Shipment No. HSR 326	43,186	5,783	414.58	81,253	195.99
Consumption from Local Purchase (Awan 03)	14,200	5,710	370.27	75,890	204.96
Consumption from Local Purchase (Awan 04)	15,977	5,721	369.44	75,720	204.96
Consumption from Local Purchase (Awan 05)	14,971	5,643	371.73	76,190	204.96
Consumption from Local Purchase (Awan 06)	12,104	5,564	364.58	74,724	204.96
Consumption from Local Purchase (Awan 07)	19,078	5,596	367.11	75,243	204.96
Consumption from Local Purchase (Awan 08)	11,395	5,708	369.03	75,635	204.96
Consumption from Local Purchase (PSL 01)	1,307	5,521	349.55	71,643	204.96
Consumption from Local Purchase (PSL 02)	890	5,308	349.99	71,734	204.96
Consumption from Local Purchase (PSL 03)	1,693	5,424	354.91	72,741	204.96
Consumption from Local Purchase (PSL 04)	2,115	5,484	355.38	72,838	204.96
Consumption from Local Purchase (PSL 05)	2,032	5,561	357.46	73,265	204.96
Consumption from Local Purchase (PSL 06)	1,625	5,746	360.91	73,972	204.96
Consumption from Local Purchase (PSL 07)	2,058	5,548	356.56	73,080	204.96
Consumption from Local Purchase (PSL 08)	2,065	5,736	361.64	74,121	204.96
Consumption from Local Purchase (PSL 09)	2,000	5,985	377.14	77,298	204.96
Consumption from Local Purchase (PSL 10)	2,042	6,028	373.68	76,589	204.96
Consumption from Local Purchase (PSL 11)	2,072	6,089	378.06	77,486	204.96
Consumption from Local Purchase (PSL 12)	2,104	6,209	378.81	77,641	204.96
Consumption from Local Purchase (PSL 13)	2,111	6,047	375.52	76,966	204.96
Consumption from Local Purchase (PSL 14)	1,189	5,998	374.27	76,711	204.96
Total Consumption	171,913	5,714	384.24	77,477	201.64

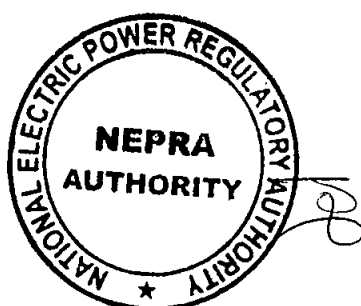
Description	Unit	Reference	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	75,011	77,477
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,796	5,714
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	22,998	22,675
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
Revised Fuel Cost Component	Rs./kWh	4.9135	27.9974	29.3304

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 August 2022

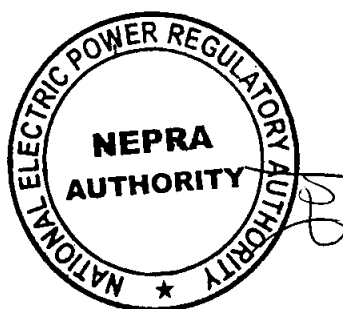
Shipment Number		HSR 326
Vessel Name		MV BEKS MUNEWER
Bill of Lading (B/L) Date		7-May-22
L/C / TT Number		
Origin		South Africa
API-4 Index for the month of B/L Date	US\$/Ton	322.96
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	(0.02)
Fixed Price	US\$/Ton	322.94
Base Calorific Value	kCal/Kg	6,000
Actual Calorific Value	kCal/Kg	5,783
Quantity	MT	43,627
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	311.26
Adjustment for Sulphur Content	US\$/Ton	-
Marine Freight Charges	US\$/Ton	39.73
Marine Insurance	US\$/Ton	0.28
CIF Coal Price	US\$/Ton	351.27
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-
CIF Coal Price with losses at Karachi	US\$/Ton	351.27
Other Charges:	US\$/Ton	31.08
(i) Port Handling Charges	US\$/Ton	4.23
(ii) Port Qasim Royalty Charge	US\$/Ton	2.40
(iii) Customs Duties & Cess	US\$/Ton	22.31
(iv) L/C / TT Charges	US\$/Ton	-
(v) PDA Charges at Load Port	US\$/Ton	0.65
(vi) PDA Charges at Discharge Port	US\$/Ton	1.27
(vii) Freight Forwarding/Custom Clearance	US\$/Ton	0.02
(viii) Wharfage Charges	US\$/Ton	0.17
(ix) Commodity & Ash Fusion Temperature Inspection	US\$/Ton	0.04
(x) Transportation & Loading Charges	US\$/Ton	-
Inland Freight Charges	US\$/Ton	28.12
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	410.47
Handling Loss 1% or actual whichever is minimum	US\$/Ton	4.10
Delivered Coal Price with losses at Power Plant	US\$/Ton	414.58
Exchange Rate	Rs./US\$	195.99
Delivered Coal Price with losses at Power Plant	Rs./Ton	81,253



Annex-IV

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

Description	FOR THE MONTH OF AUGUST 2022	
	HSR 326	
	MV BEKS	
	MUNEWER	
PQA		
Delivery Days:		
Voyage	Days	27.04
At Port	Days	6.82
Total Delivery Days	Days	33.85
Average Time Charter Rate	US\$/Day	27,469
Time Charter Cost	US\$	929,947
Bunker Consumption:		
Bunker during Voyage	Ton	878.72
Bunker during Port Days	Ton	34.08
Total	Ton	912.80
Bunker Price	\$/Ton	880.00
Bunker Cost	US\$	803,267
Total Voyage Expense	US\$	1,733,214
Quantity	Tons	43,627
Marine Freight	US\$/Ton	39.73
*PDA Charges both at Load and Discharge Ports have been included in Other Charges.		



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Huaneng Shandong Ruyi Energy (Private) Company Limited
Details of Local Purchases
For the Month of August 2022

Consignment Detail		Awan 03	Awan 04	Awan 05	Awan 06	Awan 07	Awan 08	PSL 01	PSL 02	PSL 03	PSL 04	PSL 05	PSL 06	PSL 07	PSL 08	PSL 09	PSL 10	PSL 11	PSL 12	PSL 13	PSL 14
Invoice Date		26-Jul-22	27-Jul-22	27-Jul-22	3-Aug-22	6-Aug-22	13-Aug-22	25-Jul-22	25-Jul-22	30-Jul-22	2-Aug-22	2-Aug-22	6-Aug-22	6-Aug-22	13-Aug-22	13-Aug-22	13-Aug-22	13-Aug-22	13-Aug-22	18-Aug-22	18-Aug-22
Quantity	MT	14,200	15,977	14,972	12,104	19,078	11,395	1,307	890	1,693	2,115	2,032	1,626	2,058	2,065	2,000	2,042	2,072	2,104	2,111	2,116
Price as per Quotation	Rs./Ton	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000
Base Calorific Value (GCV)	kCal/Kg	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Actual Calorific Value (GCV)	kCal/Kg	6,435	6,400	6,430	6,346	6,389	6,430	6,085	6,092	6,178	6,188	6,225	6,287	6,209	6,301	6,586	6,522	6,603	6,617	6,556	6,533
NCV Tested by SGS	kCal/Kg	5,710	5,721	5,643	5,564	5,596	5,708	5,521	5,308	5,424	5,484	5,561	5,746	5,548	5,736	5,985	6,028	6,089	6,209	6,047	5,998
Coal Price Adjusted for GCV	Rs./Ton	71,280	70,892	71,225	70,294	70,770	71,225	67,403	67,481	68,433	68,544	68,954	69,641	68,777	69,796	72,953	72,244	73,141	73,296	72,620	72,366
Adjustment for Ash Content	Rs./Ton	-	-	-	-	-	-	(106)	(92)	(37)	(51)	(35)	(15)	(42)	(20)	-	-	-	-	-	-
Adjusted Coal Price	Rs./Ton	71,280	70,892	71,225	70,294	70,770	71,225	67,297	67,389	68,396	68,493	68,919	69,626	68,735	69,776	72,953	72,244	73,141	73,296	72,620	72,366
Other Charges:																					
(i) Inspection Charges	Rs./Ton	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50
Inland Freight Charges	Rs./Ton	4,595	4,812	4,950	4,414	4,457	4,395	4,330	4,330	4,330	4,330	4,330	4,330	4,330	4,330	4,330	4,330	4,330	4,330	4,330	4,330
Delivered Coal Price before adjustment of Handling Loss	Rs./Ton	75,890	75,720	76,190	74,724	75,243	75,635	71,643	71,734	72,741	72,838	73,265	73,972	73,080	74,121	77,298	76,589	77,486	77,641	76,966	76,711
Handling Loss 1% or actual whichever is minimum	Rs./Ton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Delivered Coal Price with losses at Power Plant	Rs./Ton	75,890	75,720	76,190	74,724	75,243	75,635	71,643	71,734	72,741	72,838	73,265	73,972	73,080	74,121	77,298	76,589	77,486	77,641	76,966	76,711
Notional Exchange Rate (June 2022)	Rs./US\$	204.96	204.96	204.96	204.96	204.96	204.96	204.96	204.96	204.96	204.96	204.96	204.96	204.96	204.96	204.96	204.96	204.96	204.96	204.96	204.96
Delivered Coal Price	US\$/Ton	370.27	369.44	371.73	364.58	367.11	369.03	349.55	349.99	354.91	355.38	357.46	360.91	356.56	361.64	377.14	373.68	378.06	378.81	375.52	374.27



Huaneng Shandong Ruyi Energy (Private) Company Limited
Inland Freight Charges
For the Month of August 2022

Description	Reference	Revised Imported	Revised Local		
		HSR 326	Kushal Kot	Kundian	Pipri
	Rs/Ton/km	MV BEKS MUNEWER			
Fixed Freight Charges (FFC)	1.77	2.21	2.21	2.21	2.21
Variable Freight Charges (VFC)	0.81	1.69	1.69	1.69	1.69
(i) Fuel	0.40	1.19	1.19	1.19	1.19
(ii) O&M	0.40	0.51	0.51	0.51	0.51
Other Freight Charges Component	0.72	0.72	0.72	0.72	0.72
Profit Margin	0.23	0.23	0.23	0.23	0.23
Total Freight Charges (Rs/Ton/km)	3.53	4.85	4.85	4.85	4.85
Distance (Km)	1,060	1,060	892	512	1,060
Total Freight Charges (Rs/Ton)	3,743	5,145	4,330	2,485	5,145
Indexation Values:					
Consumer Price Index Base Year 2015-16	131.67	164.45	164.45	164.45	164.45
HSD Price (Rs./Liter)	87.12	255.62	255.62	255.62	255.62
Spurline Component:					
Spurline Component (Rs./ton)	189.82	365.22	365.22	365.22	365.22
Total Quantity Handeled (Tons)	302,087	157,006	157,006	157,006	157,006
Inland Freight Charges with Spurline (Rs/Ton)	3,933	5,511	4,695	2,851	5,511
Exchange Rate	-	195.99	N/A	N/A	N/A
Inland Freight Charges with Spurline (USD/Ton)	-	28.12	-	-	-
Handling Month	-	Jul-22	Jul-22	Jul-22	Jul-22



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