



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad  
Ph: +92-51-9206500, Fax: +92-51-2600026  
Web: www.nepa.org.pk, E-mail: registrar@nepa.org.pk

No. NEPRA/R/ADG(Trf)/TRF-308/HSRPEL-2015/3522-26

March 7, 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 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 February 2022 in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited.

Enclosure: As above

  
07 03 22  
( 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 FEBRUARY 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\$ 236.88/Ton for coal consumed during the month of February 2022. HSRPEL requested fuel cost component of Rs. 15.6911/kWh for February 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 September, December 2021 and January 2022:

Description	Heat kcal/kg	Unit	September Average	December Average	January Average
5,700 differential	6,000	US\$/ton	(7.99)	(4.11)	(0.21)

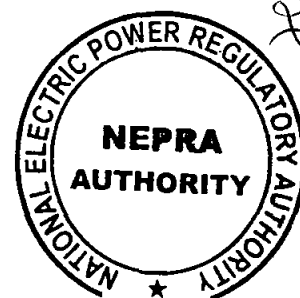
3. In accordance with the above differentials, the API 4 price for each shipment from Richards Bay has been calculated and fixed as under:

Shipment #	B/L Month	API 4 Price (US\$/ton)	Differential (US\$/ton)	Fixed Price (US\$/ton)	Heat kcal/kg	Actual Heat kcal/kg	Heat Adjusted Price (US\$/ton)
304	Sep, 2021	155.81	(7.99)	147.82	6,000	5,796	142.79
305	Dec, 2021	135.82	-	135.82	6,000	5,881	133.13
306	Dec, 2021	135.82	(4.11)	131.71	6,000	5,768	126.62
307	Dec, 2021	135.82	(4.11)	131.71	6,000	5,826	127.89
308	Jan, 2022	172.41	(0.21)	172.20	6,000	5,848	167.84

4. 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
February 2022	4.9135	14.1295

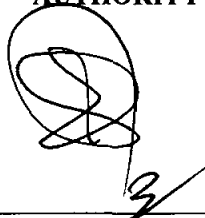
5. Marine freight has been worked out on the basis of 42,300 tons and 50,000 tons or actual ship quantity whichever is higher for ships unloaded at PQA Marginal Wharf 3&4 and PIBTL/KPT respectively. PDA charges have also been worked out on the same basis of respective quantities. HSRPEL has been including Marine Gas Oil (MGO) consumption in 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.

6. 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.
7. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

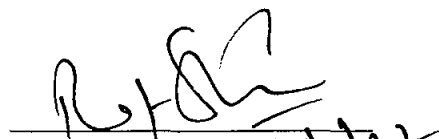
**AUTHORITY**



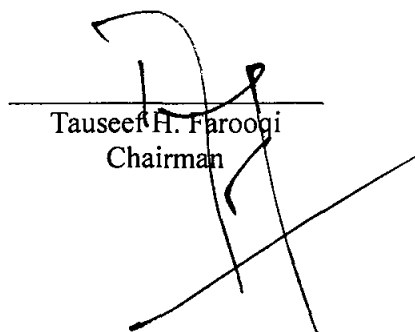
Rehmatullah Baloch  
Member




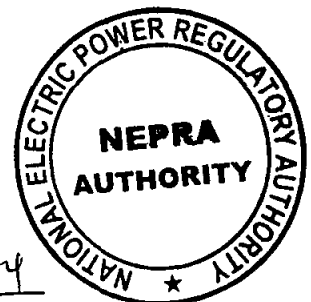
Engr. Maqsood Anwar Khan  
Member



Engr. Rafique Ahmed Shaikh  
Member 28/12/22



Tauseef H. Farooqi  
Chairman



28/12/22

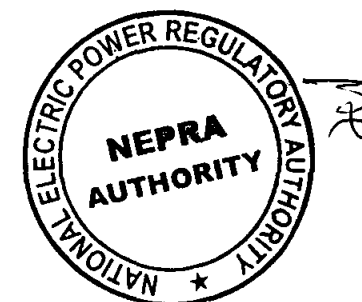
**Huaneng Shandong Ruyi Energy (Private) Company Limited**  
**Schedule of Fuel Cost Part of Energy Charge**  
**Adjustment on Account of Coal Price Variation for the Month of February 2022**

Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg	US\$/Ton	Rs/Ton	Rs./US\$
<b>Consumption from Stock:</b>					
Consumption from Shipment No. HSR 303	46,364	5,919	215.82	37,505	173.78
Consumption from Shipment No. HSR 304	43,556	5,796	230.73	38,925	168.70
Consumption from Shipment No. HSR 305	59,250	5,881	203.76	36,263	177.97
Consumption from Shipment No. HSR 306	40,309	5,768	201.70	35,896	177.97
Consumption from Shipment No. HSR 307	41,960	5,826	208.81	37,162	177.97
Consumption from Shipment No. HSR 308	43,537	5,848	247.46	43,798	176.99
<b>Total Consumption</b>	<b>274,976</b>	<b>5,844</b>	<b>217.45</b>	<b>38,171</b>	<b>175.53</b>

Description	Unit	Reference	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	43,854	38,171
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,804	5,844
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	23,033	23,190
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
<b>Revised Fuel Cost Component</b>	<b>Rs./kWh</b>	<b>4.9135</b>	<b>16.3442</b>	<b>14.1295</b>

**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.

3



**Huaneng Shandong Ruyi Energy (Private) Company Limited**  
**Details of Shipmnets**

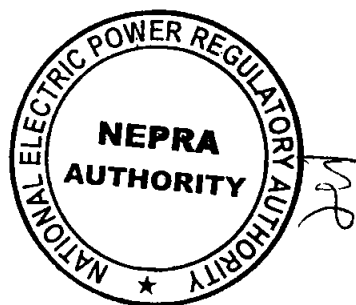
**For the Month of February 2022**

Shipment Number		HSR 304	HSR 305	HSR 306	HSR 307	HSR 308
Vessel Name		MV Star Pathfinder	MV Young Glory	MV Venture Harmony	MV Chang Hang Run Hai	MV Astoria
Bill of Lading (B/L) Date		11-Sep-21	18-Dec-21	17-Dec-21	29-Dec-21	3-Jan-22
L/C / TT Number		-	-	-	-	-
Origin		South Africa	South Africa	South Africa	South Africa	South Africa
API-4 Index for the month of B/L Date		155.81	135.82	135.82	135.82	172.41
Coal Price Differential (5700) to API 4 for the month of B/L		(7.99)	-	(4.11)	(4.11)	(0.21)
Fixed Price		147.82	135.82	131.71	131.71	172.20
Base Calorific Value	kCal/Kg	6,000	6,000	6,000	6,000	6,000
Actual Calorific Value	kCal/Kg	5,796	5,881	5,768	5,826	5,848
Quantity	MT	43,999	59,855	40,724	42,397	43,986
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	142.79	133.13	126.62	127.89	167.84
Marine Freight Charges	US\$/Ton	37.95	23.68	28.20	32.95	32.32
Marine Insurance	US\$/Ton	0.17	0.14	0.14	0.15	0.13
CIF Coal Price	US\$/Ton	180.91	156.95	154.96	160.99	200.30
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	180.91	156.95	154.96	160.99	200.30
Other Charges:	US\$/Ton	21.43	18.91	18.86	19.87	18.69
(i) Port Handling Charges	US\$/Ton	4.23	4.38	4.38	4.23	4.23
(ii) Port Qasim Royalty Charge	US\$/Ton	2.40	2.27	2.27	2.40	2.40
(iii) Customs Duties & Cess	US\$/Ton	12.75	10.75	10.76	11.28	10.07
(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	0.53	0.49	0.45	0.54	0.60
(vi) PDA Charges at Discharge Port	US\$/Ton	1.09	0.60	0.58	1.01	0.98
(vii) Freight Forwarding/Custom Clearance	US\$/Ton	0.05	0.04	0.04	0.04	0.04
(viii) Wharfage Charges	US\$/Ton	0.20	0.19	0.19	0.19	0.19
(ix) Commodity & Ash Fusion Temperature Inspection	US\$/Ton	0.09	0.08	0.08	0.08	0.08
(x) Transportation & Loading Charges	US\$/Ton	-	3.93	3.94	-	-
Inland Freight Charges	US\$/Ton	26.11	25.89	25.89	25.89	26.03
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	228.45	201.74	199.70	206.74	245.01
Handling Loss 1% or actual whichever is minimum	US\$/Ton	2.28	2.02	2.00	2.07	2.45
Delivered Coal Price with losses at Power Plant	US\$/Ton	230.73	203.76	201.70	208.81	247.46
Exchange Rate	Rs./US\$	168.70	177.97	177.97	177.97	176.99
<b>Delivered Coal Price with losses at Power Plant</b>	<b>Rs./Ton</b>	<b>38,924.93</b>	<b>36,262.97</b>	<b>35,896.46</b>	<b>37,161.59</b>	<b>43,798.32</b>



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

Description		HSR 304	HSR 305	HSR 306	HSR 307	HSR 308
		MV Star Pathfinder	MV Young Glory	MV Venture Harmony	MV Chang Hang Run Hai	MV Astoria
		PQA	PIBT	PIBT	PQA	PQA
Delivery Days:						
Voyage	Days	27.04	27.04	27.04	27.04	27.04
At Port	Days	6.87	4.99	4.33	6.65	6.86
Total Delivery Days	Days	33.90	32.03	31.37	33.69	33.90
Average Time Charter Rate	US\$/Day	34,867	27,721	28,065	25,705	25,188
Time Charter Cost	US\$	1,182,132	887,844	880,422	866,013	853,931
Bunker Consumption:						
Bunker during Voyage	Ton	878.72	878.72	878.72	878.72	878.72
Bunker during Port Days	Ton	34.33	24.95	21.67	33.26	34.32
Total	Ton	913.05	903.67	900.39	911.98	913.04
Bunker Price	\$/Ton	534.00	586.00	588.00	582.00	622.00
Bunker Cost	US\$	487,569	529,551	529,427	530,774	567,913
Total Voyage Expense	US\$	1,669,701	1,417,394	1,409,849	1,396,787	1,421,844
Quantity	Tons	43,999	59,855	50,000	42,397	43,986
<b>Marine Freight</b>	<b>US\$/Ton</b>	<b>37.95</b>	<b>23.68</b>	<b>28.20</b>	<b>32.95</b>	<b>32.32</b>
*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 February 2022**

Description	Reference Rs/Ton/km	Revised				
		HSR 304 MV Star Pathfinder	HSR 305 MV Young Glory	HSR 306 MV Venture Harmony	HSR 307 MV Chang Hang Run Hai	HSR 308 MV Astoria
Fixed Freight Charges (FFC)	1.77	1.93	2.05	2.05	2.05	2.05
Variable Freight Charges (VFC)	0.81	1.04	1.13	1.13	1.13	1.13
(i) Fuel	0.40	0.60	0.66	0.66	0.66	0.66
(ii) O&M	0.40	0.44	0.47	0.47	0.47	0.47
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
<b>Total Freight Charges (Rs/Ton/km)</b>	<b>3.53</b>	<b>3.92</b>	<b>4.14</b>	<b>4.14</b>	<b>4.14</b>	<b>4.14</b>
Distance (Km)	1,060	1,060	1,060	1,060	1,060	1,060
<b>Total Freight Charges (Rs/Ton)</b>	<b>3,743</b>	<b>4,158</b>	<b>4,384</b>	<b>4,384</b>	<b>4,384</b>	<b>4,384</b>
<b>Indexation Values:</b>						
Consumer Price Index Base Year 2015-16	131.67	143.74	152.51	152.51	152.51	152.51
HSD Price (Rs./Liter)	87.12	128.46	143.17	143.17	143.17	143.17
<b>Spurline Component:</b>						
Spurline Component (Rs./ton)	189.82	246.68	223.32	223.32	223.32	223.32
Total Quantity Handeled (Tons)	302,087	232,456	256,766	256,766	256,766	256,766
<b>Inland Freight Charges with Spurline (Rs/Ton)</b>	<b>3,933</b>	<b>4,404</b>	<b>4,607</b>	<b>4,607</b>	<b>4,607</b>	<b>4,607</b>
Exchange Rate	-	168.70	177.97	177.97	177.97	176.99
<b>Inland Freight Charges with Spurline (USD/Ton)</b>	<b>-</b>	<b>26.11</b>	<b>25.89</b>	<b>25.89</b>	<b>25.89</b>	<b>26.03</b>
Handling Month	-	Oct-21	Jan-22	Jan-22	Jan-22	Jan-22

