



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/ADG(Trf)/TRF-308/HSRPEL-2015/4959-63

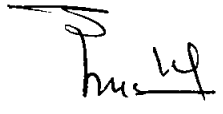
August 11, 2022

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 July 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 **July 2022** in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited.

Enclosure: As above


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(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 JULY 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. 77,215/Ton for coal consumed during the month of July 2022. HSRPEL requested fuel cost component of Rs. 29.4096/kWh for July 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 March 2022 and May 2022:

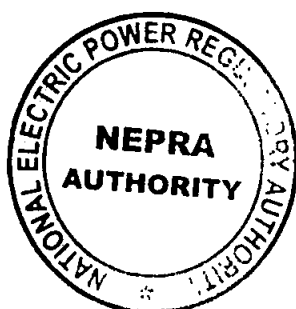
Description	Heat kcal/kg	Unit	March Average	May Average
5,700 differential	6,000	US\$/Ton	17.18	(0.02)

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 323	335.67	17.18	352.85	6,000	5,708	335.68	319.33	16.34
HSR 325	322.96	(0.02)	322.94	6,000	5,733	308.57	308.59	(0.02)

4. Since the coal price as per commercial invoice for shipment No. 323 is less than the calculated coal price as per price differentials, therefore, the coal price as per commercial invoice has been considered.
5. 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.
6. 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
July 2022	4.9135	27.9974



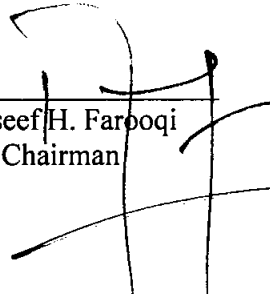
7. Marine freight has been worked out on the basis of 42,300 tons and 50,000 tons or actual ship quantity whichever is higher for ships unloaded at PQA Marginal Wharf 3&4 and PIBTL/KPT respectively. PDA charges have also been worked out on the same basis of respective quantities. HSRPEL has been including 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.
8. 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.
9. 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 July 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 322	29	5,720	409.21	80,201	195.99
Consumption from Shipment No. HSR 323	53,853	5,708	417.27	75,108	180.00
Consumption from Shipment No. HSR 324	43,551	5,865	388.08	71,823	185.07
Consumption from Shipment No. HSR 325	25,506	5,733	417.53	81,833	195.99
Consumption from Local Purchase Test	4,821	6,245	303.91	62,289	204.96
Consumption from Local Purchase No. 1	2,395	5,974	373.67	76,587	204.96
Consumption from Local Purchase No. 2	11,744	5,856	373.09	76,468	204.96
Total Consumption	141,899	5,796	400.11	75,011	187.48

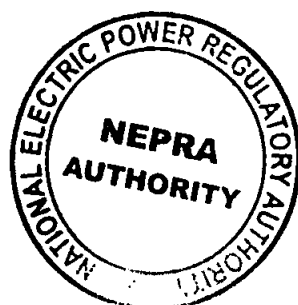
Description	Unit	Reference	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	75,647	75,011
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,620	5,796
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	22,302	22,998
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
Revised Fuel Cost Component	Rs./kWh	4.9135	29.1166	27.9974

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.



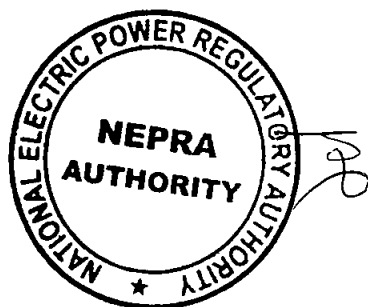
Huaneng Shandong Ruyi Energy (Private) Company Limited
Details of Shipments
For the Month of July 2022

Shipment Number		HSR 323	HSR 324	HSR 325
Vessel Name		MV XIN HAI TONG 25	MV IVS PRESTWICK	MV SUNNY HORIZON
Bill of Lading (B/L) Date		27-Mar-22	30-Apr-22	26-May-22
L/C / TT Number				
Origin		South Africa	South Africa	South
API-4 Index for the month of B/L Date	US\$/Ton	335.67	294.62	322.96
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	-	-	(0.02)
Fixed Price	US\$/Ton	335.67	294.62	322.94
Base Calorific Value	kCal/Kg	6,000	6,000	6,000
Actual Calorific Value	kCal/Kg	5,708	5,865	5,733
Quantity	MT	54,402	44,000	41,624
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	319.33	287.99	308.57
Adjustment for Sulphur Content	US\$/Ton	-	-	-
Marine Freight Charges	US\$/Ton	34.10	38.71	44.60
Marine Insurance	US\$/Ton	0.25	0.27	0.32
CIF Coal Price	US\$/Ton	353.69	326.97	353.49
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	353.69	326.97	353.49
Other Charges:	US\$/Ton	33.05	31.39	33.88
(i) Port Handling Charges	US\$/Ton	4.44	4.23	4.23
(ii) Port Qasim Royalty Charge	US\$/Ton	2.30	2.40	2.40
(iii) Customs Duties & Cess	US\$/Ton	20.02	22.53	25.04
(iv) L/C / TT Charges	US\$/Ton	-	-	-
(v) PDA Charges at Load Port	US\$/Ton	0.61	0.73	0.62
(vi) PDA Charges at Discharge Port	US\$/Ton	1.08	1.26	1.36
(vii) Freight Forwarding/Custom Clearance	US\$/Ton	0.02	0.02	0.02
(viii) Wharfage Charges	US\$/Ton	0.19	0.18	0.17
(ix) Commodity & Ash Fusion Temperature Inspection	US\$/Ton	0.04	0.04	0.04
(x) Transportation & Loading Charges	US\$/Ton	4.34	-	-
Inland Freight Charges	US\$/Ton	26.40	25.88	26.03
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	413.13	384.24	413.40
Handling Loss 1% or actual whichever is minimum	US\$/Ton	4.13	3.84	4.13
Delivered Coal Price with losses at Power Plant	US\$/Ton	417.27	388.08	417.53
Exchange Rate	Rs./US\$	180.00	185.07	195.99
Delivered Coal Price with losses at Power Plant	Rs./Ton	75,108	71,823	81,833



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

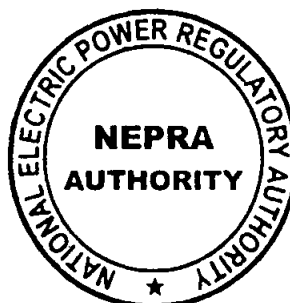
Consignment Detail		Test	1	2
Invoice Date		7-Jul-22	19-Jul-22	19-Jul-22
Quantity	MT	4,821	2,395	11,744
Price as per Quotation	Rs./Ton	55,300	72,000	72,000
Base Calorific Value (GCV)	kCal/Kg	6,500	6,500	6,500
Actual Calorific Value (GCV)	kCal/Kg	6,809	6,677	6,524
NCV Tested by SGS	kCal/Kg	6,245	5,974	5,856
Coal Price Adjusted for GCV	Rs./Ton	57,929	73,961	72,266
Other Charges:				
(i) Inspection Charges	Rs./Ton	21.95	16.34	16.34
Inland Freight Charges	Rs./Ton	4,338	2,610	4,186
Delivered Coal Price before adjustment of Handling Loss	Rs./Ton	62,289	76,587	76,468
Handling Loss 1% or actual whichever is minimum	Rs./Ton	-	-	-
Delivered Coal Price with losses at Power Plant	Rs./Ton	62,289	76,587	76,468
Notional Exchange Rate (June 2022)	Rs./US\$	204.96	204.96	204.96
Delivered Coal Price	US\$/Ton	303.91	373.67	373.09



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

Description				
		HSR 323	HSR 324	HSR 324
		MV XIN HAI TONG 25	MV IVS PRESTWICK	MV IVS PRESTWICK
		PIBT	PQA	PQA
Delivery Days:				
Voyage	Days	27.04	27.04	27.04
At Port	Days	4.63	6.87	6.64
Total Delivery Days	Days	31.66	33.90	33.68
Average Time Charter Rate	US\$/Day	32,817	27,076	30,971
Time Charter Cost	US\$	1,039,127	917,989	1,043,026
Bunker Consumption:				
Bunker during Voyage	Ton	878.72	878.72	878.72
Bunker during Port Days	Ton	23.13	34.33	33.20
Total	Ton	901.85	913.05	911.92
Bunker Price	\$/Ton	905.00	860.00	925.00
Bunker Cost	US\$	816,177	785,225	843,525
Total Voyage Expense	US\$	1,855,304	1,703,214	1,886,551
Quantity	Tons	54,402	44,000	42,300
Marine Freight	US\$/Ton	34.10	38.71	44.60
*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 July 2022

Description	Reference Rs/Ton/km	Revised-Imported			Revised-Local		
		HSR 323 MV XIN HAI TONG 25	HSR 324 MV IVS PRESTWICK	HSR 325 MV SUNNY HORIZON	Test Kushal Kot	1 Kundian	2 Pipri
Fixed Freight Charges (FFC)	1.77	2.05	2.05	2.05	2.05	2.05	2.05
Variable Freight Charges (VFC)	0.81	1.14	1.16	1.54	1.54	1.54	1.54
(i) Fuel	0.40	0.67	0.69	1.07	1.07	1.07	1.07
(ii) O&M	0.40	0.47	0.47	0.47	0.47	0.47	0.47
Other Freight Charges Component	0.72	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	0.23
Total Freight Charges (Rs/Ton/km)	3.53	4.14	4.16	4.55	4.55	4.55	4.55
Distance (Km)	1,060	1,060	1,060	1,060	892	512	1,060
Total Freight Charges (Rs/Ton)	3,743	4,388	4,412	4,819	4,055	2,328	4,819
Indexation Values:							
Consumer Price Index Base Year 2015-16	131.67	152.51	152.51	152.51	152.51	152.51	152.51
HSD Price (Rs./Liter)	87.12	144.15	148.99	231.73	231.73	231.73	231.73
Spurline Component:							
Spurline Component (Rs./ton)	189.82	363.74	376.65	282.50	282.50	282.50	282.50
Total Quantity Handed (Tons)	302,087	157,645	152,243	202,983	202,983	202,983	202,983
Inland Freight Charges with Spurline (Rs/Ton)	3,933	4,752	4,789	5,101	4,338	2,610	5,101
Exchange Rate	-	180.00	185.07	195.99	N/A	N/A	N/A
Inland Freight Charges with Spurline (USD/Ton)	-	26.40	25.88	26.03	-	-	-
Handling Month	-	Apr-22	May-22	Jun-22	Jun-22	Jun-22	Jun-22

