



# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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**Registrar**

No. NEPRA/R/ADG(Trf)/TRF-308/HSRPEL-2015/ 9172-26

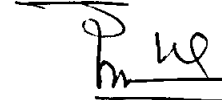
June 7, 2022

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 the month of May 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 May 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 MAY 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\$ 462.73/Ton for coal consumed during the month of May 2022. HSRPEL requested fuel cost component of Rs. 32.1819/kWh for May 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 April 2022:

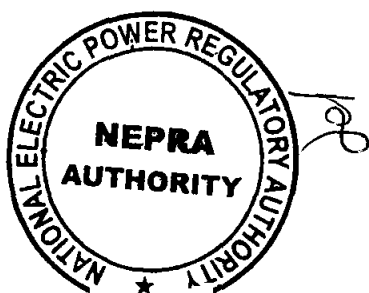
Description	Heat kcal/kg	Unit	March Average	April Average
5,700 differential	6,000	US\$/Ton	17.18	5.90
5,500 differential	5,500	US\$/Ton	(0.91)	(13.39)

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 317	335.67	-	335.67	6,000	5,894	329.74	329.74	-
HSR 318	335.67	(0.91)	334.76	5,500	5,564	338.66	311.28	27.38
HSR 319	335.67	17.18	352.85	6,000	5,720	336.38	320.01	16.38
HSR 320	294.62	(13.39)	281.23	5,500	5,642	288.49	277.04	11.45

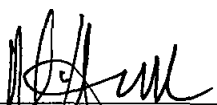
4. Since the coal price as per commercial invoice for shipments No. 318 to 320 is less than the calculated coal price as per price differentials, therefore, the coal price as per commercial invoice has been considered.
5. In accordance with the prescribed mechanism, the revised coal prices for each shipment 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.

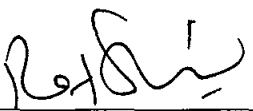
Period	Fuel Cost Component (Rs./kWh)	
	Reference	Revised
May 2022	4.9135	28.5768

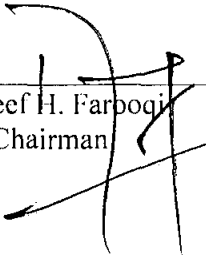


6. As per the coal price adjustment mechanism dated September 23, 2016, coal imports were envisaged only from South Africa, Indonesia and Australia. In case of Columbian coal, the Authority decided that IPP should be allowed to import coal from Colombia, as long as the delivered price to any of the Pakistan Port in terms of US\$/MMBTU is comparable to South Africa coal or Indonesia, whichever is lower at that time.
7. HSR procured one shipment from Russia. Since no mechanism exist for Russian coal, the same has been assessed on the basis of mechanism provided for South African coal in line with Colombian coal.
8. 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. PIDA 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.
9. 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.
10. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

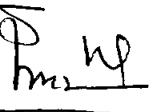
**AUTHORITY**

  
Engr. Maqsood Anwar Khan  
Member

  
Engr. Rafique Ahmed Shaikh  
Member

  
Tauseef H. Farooqi  
Chairman



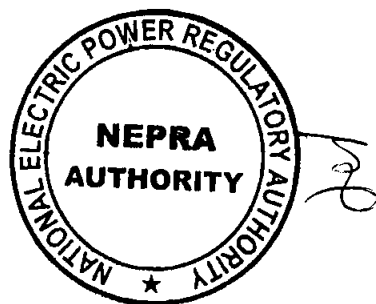
  
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**Huaneng Shandong Ruyi Energy (Private) Company Limited**  
**Schedule of Fuel Cost Part of Energy Charge**  
**Adjustment on Account of Coal Price Variation for the Month of May 2022**

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 317	58,586	5,894	426.54	76,778	180.00
Consumption from Shipment No. HSR 318	50,331	5,564	419.51	75,512	180.00
Consumption from Shipment No. HSR 319	43,490	5,720	421.76	75,916	180.00
Consumption from Shipment No. HSR 320	11,419	5,642	377.74	69,908	185.07
<b>Total Consumption</b>	<b>163,826</b>	<b>5,729</b>	<b>419.71</b>	<b>75,682</b>	<b>180.32</b>

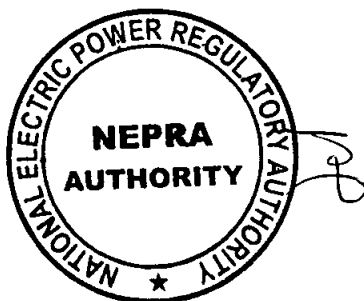
Description	Unit	Reference	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	63,775	75,682
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,759	5,729
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	22,852	22,734
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
<b>Revised Fuel Cost Component</b>	<b>Rs./kWh</b>	<b>4.9135</b>	<b>23.9561</b>	<b>28.5768</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.



**Huaneng Shandong Ruyi Energy (Private) Company Limited**  
**Details of Shipmnets**  
**For the Month of May 2022**

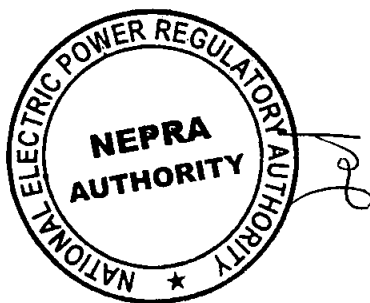
Shipment Number		HSR 317	HSR 318	HSR 319	HSR 320
Vessel Name		MV Astoria	MV Newseas Amber	MV HUA RONG 26	MV African Cardinal
Bill of Lading (B/L) Date		6-Mar-22	13-Mar-22	26-Mar-22	15-Apr-22
L/C / TT Number		LC22000204	-	-	-
Origin		South Africa	Russia	South Africa	South Africa
API-4 Index for the month of B/L Date	US\$/Ton	335.67	335.67	335.67	294.62
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	-	-	-	-
Fixed Price	US\$/Ton	335.67	335.67	335.67	294.62
Base Calorific Value	kCal/Kg	6,000	6,000	6,000	6,000
Actual Calorific Value	kCal/Kg	5,894	5,564	5,720	5,642
Quantity	MT	59,184	50,850	43,934	43,992
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	329.74	311.28	320.01	277.04
Adjustment for Sulphur Content	US\$/Ton	-	-	-	-
Marine Freight Charges	US\$/Ton	29.11	36.88	42.99	39.93
Marine Insurance	US\$/Ton	0.32	0.35	0.26	0.30
CIF Coal Price	US\$/Ton	359.18	348.50	363.25	317.27
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	359.18	348.50	363.25	317.27
Other Charges:	US\$/Ton	37.28	40.45	27.93	31.05
(i) Port Handling Charges	US\$/Ton	4.42	4.48	4.23	4.23
(ii) Port Qasim Royalty Charge	US\$/Ton	2.29	2.32	2.40	2.40
(iii) Customs Duties & Cess	US\$/Ton	25.13	28.01	19.20	22.36
(iv) L/C / TT Charges	US\$/Ton	0.10	0.10	0.10	0.10
(v) PDA Charges at Load Port	US\$/Ton	0.44	0.56	0.68	0.67
(vi) PDA Charges at Discharge Port	US\$/Ton	0.64	0.68	1.08	1.05
(vii) Freight Forwarding/Custom Clearance	US\$/Ton	0.02	0.02	0.02	0.02
(viii) Wharfage Charges	US\$/Ton	0.19	0.19	0.19	0.18
(ix) Commodity & Ash Fusion Temperature Inspection	US\$/Ton	0.04	0.04	0.04	0.04
(x) Transportation & Loading Charges	US\$/Ton	4.01	4.06	-	-
Inland Freight Charges	US\$/Ton	25.86	26.40	26.40	25.68
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	422.32	415.36	417.58	374.00
Handling Loss 1% or actual whichever is minimum	US\$/Ton	4.22	4.15	4.18	3.74
Delivered Coal Price with losses at Power Plant	US\$/Ton	426.54	419.51	421.76	377.74
Exchange Rate	Rs./US\$	180.00	180.00	180.00	185.07
<b>Delivered Coal Price with losses at Power Plant</b>	<b>Rs./Ton</b>	<b>76,777.81</b>	<b>75,512.48</b>	<b>75,916.33</b>	<b>69,907.80</b>



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

Description		HSR 317	HSR 318	HSR 319	HSR 320
		MV Astoria	MV Newseas Amber	MV HUA RONG 26	MV African Cardinal
		<b>PIBT</b>	<b>PIBT</b>	<b>PQA</b>	<b>PQA</b>
Delivery Days:					
Voyage	Days	27.04	27.04	27.04	27.04
At Port	Days	4.95	4.39	6.86	6.87
Total Delivery Days	Days	31.98	31.43	33.90	33.90
Average Time Charter Rate	US\$/Day	28,450	32,158	32,147	28,652
Time Charter Cost	US\$	909,919	1,010,646	1,089,634	971,392
Bunker Consumption:					
Bunker during Voyage	Ton	878.72	878.72	878.72	878.72
Bunker during Port Days	Ton	24.73	21.95	34.29	34.33
Total	Ton	903.45	900.67	913.01	913.05
Bunker Price	\$/Ton	900.00	960.00	875.00	860.00
Bunker Cost	US\$	813,102	864,642	798,882	785,220
Total Voyage Expense	US\$	1,723,021	1,875,288	1,888,516	1,756,612
Quantity	Tons	59,184	50,850	43,934	43,992
<b>Marine Freight</b>	<b>US\$/Ton</b>	<b>29.11</b>	<b>36.88</b>	<b>42.99</b>	<b>39.93</b>
*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**  
**Inland Freight Charges**  
**For the Month of May 2022**

Description	Reference Rs/Ton/km	Revised			
		HSR 317 MV Astoria	HSR 318 MV Newseas Amber	HSR 319 MV HUA RONG 26	HSR 320 MV African Cardinal
Fixed Freight Charges (FFC)	1.77	2.05	2.05	2.05	2.05
Variable Freight Charges (VFC)	0.81	1.14	1.14	1.14	1.14
(i) Fuel	0.40	0.67	0.67	0.67	0.67
(ii) O&M	0.40	0.47	0.47	0.47	0.47
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
<b>Total Freight Charges (Rs/Ton/km)</b>	<b>3.53</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
<b>Total Freight Charges (Rs/Ton)</b>	<b>3,743</b>	<b>4,388</b>	<b>4,388</b>	<b>4,388</b>	<b>4,388</b>
<b>Indexation Values:</b>					
Consumer Price Index Base Year 2015-16	131.67	152.51	152.51	152.51	152.51
HSD Price (Rs./Liter)	87.12	144.15	144.15	144.15	144.15
<b>Spurline Component:</b>					
Spurline Component (Rs./ton)	189.82	266.41	363.74	363.74	363.74
Total Quantity Handeled (Tons)	302,087	215,242	157,645	157,645	157,645
<b>Inland Freight Charges with Spurline (Rs/Ton)</b>	<b>3,933</b>	<b>4,655</b>	<b>4,752</b>	<b>4,752</b>	<b>4,752</b>
Exchange Rate	-	180.00	180.00	180.00	185.07
<b>Inland Freight Charges with Spurline (USD/Ton)</b>	<b>-</b>	<b>25.86</b>	<b>26.40</b>	<b>26.40</b>	<b>25.68</b>
Handling Month	-	Mar-22	Apr-22	Apr-22	Apr-22



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