



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.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/R/ADG(Trf)/TRF-308/HSRPEL-2015/2317-21

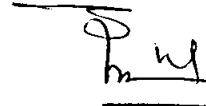
February 16, 2022

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

Enclosure: As above

  
16 02 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 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 decision dated August 22, 2019 in the matter of motion for leave for review regarding fuel price adjustment, 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\$ 276.72/Ton for coal consumed during the month of January 2022. HSRPEL requested fuel cost component of Rs. 18.2995/kWh for January 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 October, November and December 2021:

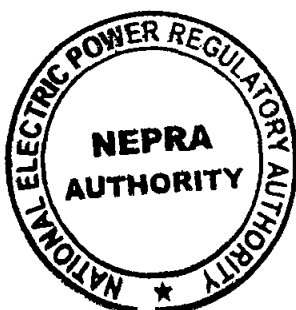
Description	Heat kcal/kg	Unit	October Average	November Average	December Average
5,700 differential	6,000	US\$/ton	(8.66)	(5.83)	(4.11)
5,500 differential	5,500	US\$/ton	(21.97)	(15.47)	(14.43)
4,800 differential	4,800	US\$/ton	(34.70)	(26.72)	(26.70)

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)
296	Oct, 2021	210.02	(8.66)	201.36	6,000	5,744	192.77
298	Nov, 2021	140.94	(5.83)	135.11	6,000	5,833	131.35
299	Oct, 2021	210.02	-	210.02	6,000	5,886	206.03
300	Oct, 2021	210.02	(8.66)	201.36	6,000	5,813	195.08
301	Dec, 2021	135.82	(4.11)	131.71	6,000	5,706	125.26
302	Dec, 2021	135.82	(4.11)	131.71	6,000	5,810	127.54
303	Nov, 2021	140.94	-	140.94	6,000	5,919	139.04

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.

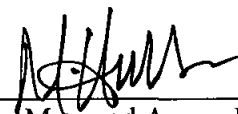
Period	Fuel Cost Component (Rs./kWh)	
	Reference	Revised
January 2022	4.9135	16.3442

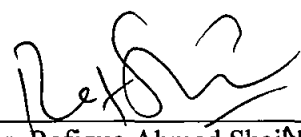



5. Marine freight has been worked out on the basis of 42,300 tons and 50,000 tons or actual ship quantity whichever is higher for ships unloaded at PQA Marginal Wharf 3&4 and PIBTL/KPT respectively. PDA charges have also been worked out on the same basis of respective quantities. HSR has been including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

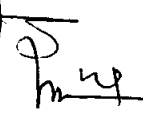
  
Rehmatullah Baloch  
Member

  
Engr. Maqsood Anwar Khan  
Member

  
Engr. Rafique Ahmed Shaikh  
Member

  
Tauseef H. Farooq  
Chairman



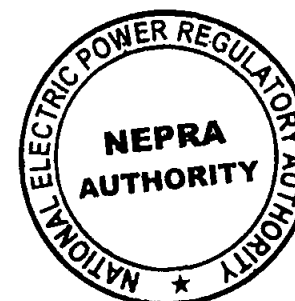
  
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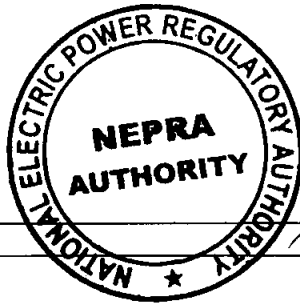
**Huaneng Shandong Ruyi Energy (Private) Company Limited**  
**Schedule of Fuel Cost Part of Energy Charge**  
**Adjustment on Account of Coal Price Variation for the Month of January 2022**

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 297	3,603	5,872	212.67	36,957	173.78
Consumption from Shipment No. HSR 296	43,305	5,744	289.43	49,910	172.44
Consumption from Shipment No. HSR 298	40,659	5,833	223.06	38,764	173.78
Consumption from Shipment No. HSR 299	43,556	5,886	300.10	51,750	172.44
Consumption from Shipment No. HSR 300	42,420	5,813	293.36	50,587	172.44
Consumption from Shipment No. HSR 301	43,259	5,706	205.61	36,593	177.97
Consumption from Shipment No. HSR 302	41,890	5,810	209.39	37,265	177.97
Consumption from Shipment No. HSR 303	10,969	5,919	215.82	37,505	173.78
<b>Total Consumption</b>	<b>269,661</b>	<b>5,804</b>	<b>251.86</b>	<b>43,854</b>	<b>174.12</b>

Description	Unit	Reference	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	39,771	43,854
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,850	5,804
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	23,213	23,033
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>14.7072</b>	<b>16.3442</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**

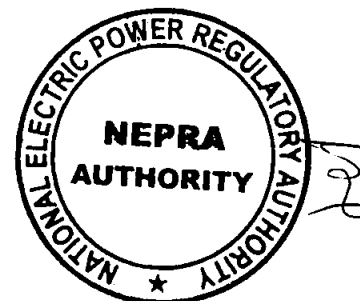
**For the Month of January 2022**

Shipment Number		HSR 296	HSR 298	HSR 299	HSR 300	HSR 301	HSR 302	HSR 303
Vessel Name		MV African Sanderling	MV Venture Goal	MV Pacific Wealth	MV Xin Hai Tong 9	MV Pacific Wealth	MV V Honor	MV African Spoonbill
Bill of Lading (B/L) Date		24-Oct-21	2-Nov-21	29-Oct-21	15-Oct-21	28-Dec-21	19-Dec-21	6-Nov-21
L/C / TT Number		-	-	-	-	-	-	-
Origin		South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa
API-4 Index for the month of B/L Date		210.02	140.94	210.02	210.02	135.82	135.82	140.94
Coal Price Differential (5700) to API 4 for the month of B/L		(8.66)	(5.83)	-	(8.66)	(4.11)	(4.11)	-
Fixed Price		201.36	135.11	210.02	201.36	131.71	131.71	140.94
Base Calorific Value	kCal/Kg	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Actual Calorific Value	kCal/Kg	5,744	5,833	5,886	5,813	5,706	5,810	5,919
Quantity	MT	43,747	41,082	44,000	42,857	43,700	42,322	57,924
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	192.77	131.35	206.03	195.08	125.26	127.54	139.04
Adjustment for Sulphur Content	US\$/Ton	(0.12)	-	-	-	(0.15)	(0.12)	-
Marine Freight Charges	US\$/Ton	43.56	40.07	39.84	43.18	32.67	33.89	23.30
Marine Insurance	US\$/Ton	0.21	0.17	0.21	0.24	0.15	0.15	0.16
CIF Coal Price	US\$/Ton	236.42	171.59	246.08	238.50	157.92	161.46	162.49
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-	-	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	236.42	171.59	246.08	238.50	157.92	161.46	162.49
Other Charges:	US\$/Ton	24.27	22.84	25.17	26.08	19.86	20.06	24.77
(i) Port Handling Charges	US\$/Ton	4.23	4.23	4.23	4.23	4.23	4.23	4.49
(ii) Port Qasim Royalty Charge	US\$/Ton	2.40	2.40	2.40	2.40	2.40	2.40	2.32
(iii) Customs Duties & Cess	US\$/Ton	15.75	13.97	16.27	17.16	11.16	11.42	12.30
(iv) L/C / TT Charges	US\$/Ton	0.10	0.10	0.10	0.10	0.10	0.10	0.10
(v) PDA Charges at Load Port	US\$/Ton	0.48	0.67	0.71	0.72	0.65	0.57	0.45
(vi) PDA Charges at Discharge Port	US\$/Ton	0.98	1.15	1.13	1.14	1.00	1.03	0.77
(vii) Freight Forwarding/Custom Clearance	US\$/Ton	0.05	0.04	0.05	0.05	0.04	0.04	0.04
(viii) Wharfage Charges	US\$/Ton	0.20	0.20	0.20	0.20	0.19	0.19	0.20
(ix) Commodity & Ash Fusion Temperature Inspection	US\$/Ton	0.08	0.08	0.08	0.08	0.08	0.08	0.08
(x) Transportation & Loading charges	US\$/Ton	-	-	-	-	-	-	4.02
Inland Freight Charges	US\$/Ton	25.88	26.42	25.88	25.88	25.79	25.79	26.42
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	286.57	220.85	297.13	290.45	203.58	207.31	213.68
Handling Loss 1% or actual whichever is minimum	US\$/Ton	2.87	2.21	2.97	2.90	2.04	2.07	2.14
Delivered Coal Price with losses at Power Plant	US\$/Ton	289.43	223.06	300.10	293.36	205.61	209.39	215.82
Exchange Rate	Rs./US\$	172.44	173.78	172.44	172.44	177.97	177.97	173.78
Delivered Coal Price with losses at Power Plant	Rs./Ton	49,909.58	38,763.53	51,749.53	50,586.56	36,592.77	37,264.74	37,505.41

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

Description		HSR 296	HSR 298	HSR 299	HSR 300	HSR 301	HSR 302	HSR 303
		MV African Sanderling	MV Venture Goal	MV Pacific Wealth	MV Xin Hai Tong 9	MV Pacific Wealth	MV V Honor	MV African Spoonbill
		PQA	PQA	PQA	PQA	PQA	PQA	PIBT
Delivery Days:								
Voyage	Days	27.04	27.04	27.04	27.04	27.04	27.04	27.04
At Port	Days	6.83	6.64	6.87	6.71	6.83	6.64	4.86
Total Delivery Days	Days	33.87	33.68	33.90	33.75	33.86	33.68	31.90
Average Time Charter Rate	US\$/Day	39,421	33,462	35,091	38,526	26,792	26,741	25,599
Time Charter Cost	US\$	1,335,206	1,126,917	1,189,731	1,300,321	907,289	900,648	816,585
Bunker Consumption:								
Bunker during Voyage	Ton	878.72	878.72	878.72	878.72	878.72	878.72	878.72
Bunker during Port Days	Ton	34.16	33.20	34.33	33.57	34.13	33.21	24.31
Total	Ton	912.88	911.92	913.05	912.29	912.85	911.93	903.03
Bunker Price	\$/Ton	625.00	623.00	617.00	603.00	570.00	585.00	590.00
Bunker Cost	US\$	570,552	568,125	563,353	550,111	520,326	533,481	532,786
Total Voyage Expense	US\$	1,905,758	1,695,042	1,753,084	1,850,431	1,427,614	1,434,130	1,349,371
Quantity	Tons	43,747	42,300	44,000	42,857	43,700	42,322	57,924
<b>Marine Freight</b>	<b>US\$/Ton</b>	<b>43.56</b>	<b>40.07</b>	<b>39.84</b>	<b>43.18</b>	<b>32.67</b>	<b>33.89</b>	<b>23.30</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 January 2022**

Description	Reference Rs/Ton/km	Revised						
		HSR 296 MV African Sanderling	HSR 298 MV Venture Goal	HSR 299 MV Pacific Wealth	HSR 300 MV Xin Hai Tong 9	HSR 301 MV Pacific Wealth	HSR 302 MV V Honor	HSR 303 MV African Spoonbill
Fixed Freight Charges (FFC)	1.77	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Variable Freight Charges (VFC)	0.81	1.10	1.09	1.10	1.10	1.09	1.09	1.09
(i) Fuel	0.40	0.66	0.65	0.66	0.66	0.65	0.65	0.65
(ii) O&M	0.40	0.44	0.44	0.44	0.44	0.44	0.44	0.44
Other Freight Charges Component	0.72	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	0.23
<b>Total Freight Charges (Rs/Ton/km)</b>	<b>3.53</b>	<b>3.98</b>	<b>3.98</b>	<b>3.98</b>	<b>3.98</b>	<b>3.98</b>	<b>3.98</b>	<b>3.98</b>
Distance (Km)	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060
<b>Total Freight Charges (Rs/Ton)</b>	<b>3,743</b>	<b>4,222</b>	<b>4,215</b>	<b>4,222</b>	<b>4,222</b>	<b>4,215</b>	<b>4,215</b>	<b>4,215</b>
<b>Indexation Values:</b>								
Consumer Price Index Base Year 2015-16	131.67	143.74	143.74	143.74	143.74	143.74	143.74	143.74
HSD Price (Rs./Liter)	87.12	141.53	140.04	141.53	141.53	140.04	140.04	140.04
<b>Spurline Component:</b>								
Spurline Component (Rs./ton)	189.82	240.48	376.07	240.48	240.48	376.07	376.07	376.07
Total Quantity Handeled (Tons)	302,087	238,452	152,478	238,452	238,452	152,478	152,478	152,478
<b>Inland Freight Charges with Spurline (Rs/Ton)</b>	<b>3,933</b>	<b>4,462</b>	<b>4,591</b>	<b>4,462</b>	<b>4,462</b>	<b>4,591</b>	<b>4,591</b>	<b>4,591</b>
Exchange Rate	-	172.44	173.78	172.44	172.44	177.97	177.97	173.78
<b>Inland Freight Charges with Spurline (USD/Ton)</b>	<b>-</b>	<b>25.88</b>	<b>26.42</b>	<b>25.88</b>	<b>25.88</b>	<b>25.79</b>	<b>25.79</b>	<b>26.42</b>
Handling Month	-	Nov-21	Dec-21	Nov-21	Nov-21	Dec-21	Dec-21	Dec-21

