



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

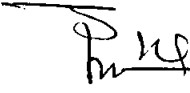
No. NEPRA/R/ADG(Trf)/TRF-308/HSRPEL-2015/22270-74 November 18, 2022

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 October 2022 for Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited (HSR) [Case No. NEPRA/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 **October 2022** in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited.

Enclosure: As above


18.11.22

(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 OCTOBER 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. 79,550/Ton for coal consumed during the month of October 2022. HSRPEL requested fuel cost component of Rs. 30.5920/kWh for October 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 April 2022:

Description	Heat kcal/kg	Unit	May Average
5,500 differential	5,500	US\$/Ton	(13.39)

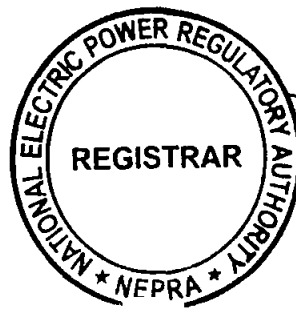
3. In accordance with the above differential, the API 4 price for each shipment from Richards Bay has been calculated as under:

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 327	294.62	(13.39)	281.23	5,500	5,669	289.87	278.37	11.50

4. Since the coal price as per commercial invoice for shipment No. 327 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
October 2022	4.9135	28.4462

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 the marine freight while none of other similar coal power plants is requesting the same,



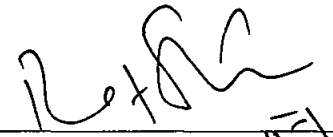
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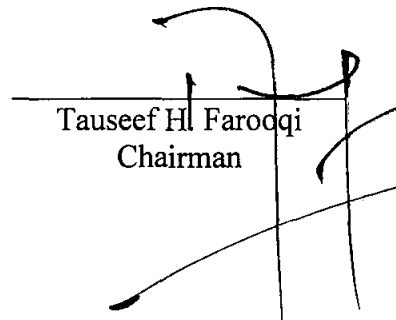
therefore, the Authority has decided not to consider MGO consumption in the calculation of marine freight.

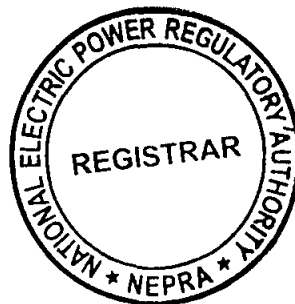
7. Fuel cost component allowed to HSR is on provisional basis and shall be subject to adjustment/refund, if necessary, in light of final decision of the Authority in the matter of complaint(s) received against the bidding process followed by HSR.
8. The above referred revised fuel cost component along 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).

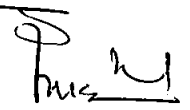
AUTHORITY


Engr. Maqsood Anwar Khan
Member


Engr. Rafique Ahmed Shaikh
Member


Tauseef Hl Farooqi
Chairman




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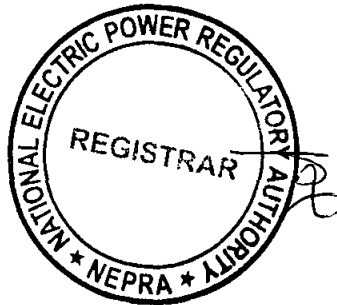
Huaneng Shandong Ruyi Energy (Private) Company Limited
Schedule of Fuel Cost Part of Energy Charge
Adjustment on Account of Coal Price Variation for the Month of October 2022

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 327	43,556	5,669	386.50	71,530	185.07
Consumption from Local Purchase (PSL 33)	6,949	5,740	366.51	75,121	204.96
Consumption from Local Purchase (PSL 34)	8,870	5,828	356.49	76,842	222.30
Consumption from Local Purchase (PSL 35)	10,293	5,658	341.82	75,988	222.30
Consumption from Local Purchase (Awan 17)	15,849	5,853	356.49	79,247	222.30
Consumption from Local Purchase (Awan 18)	16,618	5,748	351.49	78,135	222.30
Consumption from Local Purchase (Awan 19)	13,883	5,773	353.57	78,600	222.30
Total Consumption	116,018	5,733	365.99	75,393	206.00

Description	Unit	Reference	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	76,484	75,393
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,700	5,733
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	22,618	22,751
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
Revised Fuel Cost Component	Rs./kWh	4.9135	29.0270	28.4462

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.

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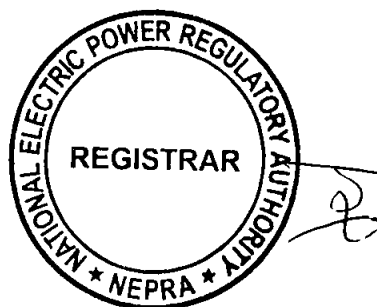


Huaneng Shandong Ruyi Energy (Private) Company Limited

Details of Shipments

For the Month of October 2022

Shipment Number		HSR 327
Vessel Name		MV GREAT SPRING
Bill of Lading (B/L) Date		29-Apr-22
L/C / TT Number		-
Origin		South Africa
API-4 Index for the month of B/L Date	US\$/Ton	294.62
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	
Fixed Price	US\$/Ton	294.62
Base Calorific Value	kCal/Kg	6,000
Actual Calorific Value	kCal/Kg	5,669
Quantity	MT	44,000
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	278.37
Adjustment for Sulphur Content	US\$/Ton	-
Marine Freight Charges	US\$/Ton	40.52
Marine Insurance	US\$/Ton	0.30
CIF Coal Price	US\$/Ton	319.18
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-
CIF Coal Price with losses at Karachi	US\$/Ton	319.18
Other Charges:	US\$/Ton	34.54
(i) Port Handling Charges	US\$/Ton	4.23
(ii) Port Qasim Royalty Charge	US\$/Ton	2.40
(iii) Customs Duties & Cess	US\$/Ton	26.08
(iv) L/C / TT Charges	US\$/Ton	-
(v) PDA Charges at Load Port	US\$/Ton	0.66
(vi) PDA Charges at Discharge Port	US\$/Ton	0.93
(vii) Freight Forwarding/Custom Clearance	US\$/Ton	0.02
(viii) Wharfage Charges	US\$/Ton	0.18
(ix) Commodity & Ash Fusion Temperature Inspection	US\$/Ton	0.04
(x) Transportation & Loading Charges	US\$/Ton	-
Inland Freight Charges	US\$/Ton	28.96
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	382.68
Handling Loss 1% or actual whichever is minimum	US\$/Ton	3.83
Delivered Coal Price with losses at Power Plant	US\$/Ton	386.50
Exchange Rate	Rs./US\$	185.07
Delivered Coal Price with losses at Power Plant	Rs./Ton	71,530

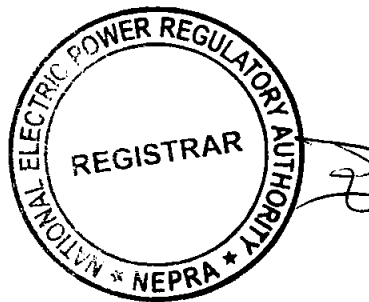


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Huaneng Shandong Ruyi Energy (Private) Company Limited
Details of Local Purchases
For the Month of October 2022

Consignment Detail		PSL 34	PSL 35	Awan-17	Awan-18	Awan-19
Invoice Date		21-Sep-22	26-Sep-22	16-Sep-22	21-Sep-22	26-Sep-22
Quantity	MT	8,870	11,718	15,849	16,618	13,883
Price as per Quotation	Rs./Ton	74,000	74,000	74,000	74,000	74,000
Base Calorific Value (GCV)	kCal/Kg	6,500	6,500	6,500	6,500	6,500
Actual Calorific Value (GCV)	kCal/Kg	6,429	6,369	6,669	6,559	6,624
NCV Tested by SGS	kCal/Kg	5,828	5,658	5,853	5,748	5,773
Coal Price Adjusted for GCV	Rs./Ton	73,192	72,509	75,924	74,672	75,412
Inspection Charges	Rs./Ton	15.50	15.50	15.50	15.50	15.50
Inland Freight Charges	Rs./Ton	3,635	3,463	3,308	3,392	3,168
Delivered Coal Price before adjustment of Handling Loss	Rs./Ton	76,842	75,988	79,247	78,079	78,596
Handling Loss 1% or actual whichever is minimum	Rs./Ton	-	-	-	56	4
Delivered Coal Price with losses at Power Plant	Rs./Ton	76,842	75,988	79,247	78,135	78,600
Notional Exchange Rate (August 2022)	Rs./US\$	222.30	222.30	222.30	222.30	222.30
Delivered Coal Price	US\$/Ton	345.67	341.82	356.49	351.49	353.57

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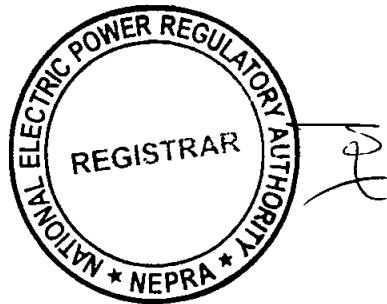


Annex-IV

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

Description	HSR 327	
	MV GREAT SPRING	
	PQA	
Delivery Days:		
Voyage	Days	27.04
At Port	Days	6.87
Total Delivery Days	Days	33.90
Average Time Charter Rate	US\$/Day	30,095
Time Charter Cost	US\$	1,020,346
Bunker Consumption:		
Bunker during Voyage	Ton	878.72
Bunker during Port Days	Ton	34.33
Total	Ton	913.05
Bunker Price	\$/Ton	835.00
Bunker Cost	US\$	762,398
Total Voyage Expense	US\$	1,782,744
Quantity	Tons	44,000
Marine Freight	US\$/Ton	40.52
*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 October 2022

Description	Reference	Revised				
		Imported	Local/Afghanistan			
		HSR 327	Kushal Kot	Kundiyan	Khairabad	Pipri
Fixed Freight Charges (FFC)	1.77	2.21	2.21	2.21	2.21	2.21
Variable Freight Charges (VFC)	0.81	1.65	1.65	1.65	1.65	1.65
(i) Fuel	0.40	1.15	1.15	1.15	1.15	1.15
(ii) O&M	0.40	0.51	0.51	0.51	0.51	0.51
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
Total Freight Charges (Rs/Ton/km)	3.53	4.82	4.82	4.82	4.82	4.82
Distance (Km)	1,060	1,060	892	512	826	1,060
Total Freight Charges (Rs/Ton)	3,743	5,105	4,296	2,466	3,978	5,105
Indexation Values:						
Consumer Price Index Base Year 2015-16	131.67	164.45	164.45	164.45	164.45	164.45
HSD Price (Rs./Liter)	87.12	247.43	247.43	247.43	247.43	247.43
Spurline Component:						
Spurline Component (Rs./ton)	189.82	253.76	253.76	253.76	253.76	253.76
Total Quantity Handeled (Tons)	302,087	225,973	225,973	225,973	225,973	225,973
Inland Freight Charges with Spurline (Rs/Ton)	3,933	5,359	4,550	2,720	4,232	5,359
Exchange Rate	-	185.07	N/A	N/A	N/A	N/A
Inland Freight Charges with Spurline (USD/Ton)	-	28.96	-	-	-	-
Handling Month	-	Sep-22	Sep-22	Sep-22	Sep-22	Sep-22

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