



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-308/HSRPEL-2015/22396-00

November 18, 2022

Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Huaneng Shandong Ruyi (Pakistan) Energy Private Limited for October-December 2022 Quarter (Case No. NEPRA/TRF-308/HSRPEL-2015)

Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff components (Annex-I) (02 pages) regarding quarterly indexation/adjustment of tariff of Huaneng Shandong Ruyi (Pakistan) Energy Private Limited for the October-December 2022 quarter on account of US CPI, CPI (Local), Exchange Rate, KIBOR, LIBOR, Coal Price(s) and Coal Calorific Value(s) variation in Case No. NEPRA/TRF-308/HSRPEL-2015.

2. The decision is being sent to the Federal Government for intimation and action, if any, by the Federal Government under Proviso (ii) of Section 31(7) of NEPRA Act, before its notification by NEPRA pursuant to the said Proviso of Section 31(7) of NEPRA Act, 1997.

Enclosure: As above

(Syed Safeer Hussain)

Secretary,
Ministry of Energy (Power Division),
Government of Pakistan
'A' Block, Pak Secretariat
Islamabad.

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
4. 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)]



DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION /ADJUSTMENT OF TARIFF FOR HUANENG SHANDONG RUYI (PAKISTAN) ENERGY PRIVATE LIMITED FOR OCTOBER TO DECEMBER 2022 QUARTER.

Pursuant to the Decision of the Authority 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 (hereafter "HSRPEL") and decision of the Authority dated January 17, 2019 in the matter of tariff adjustment at Commercial Operation Date (COD), the relevant tariff components in respect of October to December 2022 quarter have been revised on account of US CPI, CPI Local, Exchange Rate, KIBOR, LIBOR, Coal Price(s) and Coal Calorific Value(s) variation. The revised tariff indicated hereunder shall be immediately applicable:

Tariff Components	Reference Tariff	Revised Oct-Dec 2022 Quarter
Capacity Charge (Rs./KW/h)		
Fixed O&M - Foreign	0.1601	0.4224
Fixed O&M - Local	0.1606	0.1984
Cost of Working Capital	0.1541	1.3652
Return on Equity	0.9438	2.1832
Principal Outstanding	1.3850	2.9538
Interest Charge	0.4290	1.4060
Total	3.2326	8.5290
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0763	0.2013
Variable O&M - Local	0.0510	0.0630
Total	0.1273	0.2643


HSRPEL has consumed mixed coal i.e. imported & local during the quarter. Accordingly, ROE and cost of working capital components have been adjusted in accordance with the Para 9.2 & 10.2(d) of the decision dated January 17, 2019.

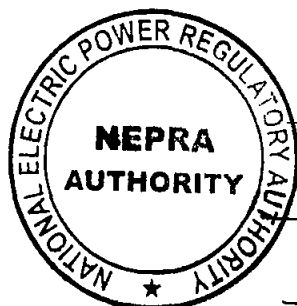
The above referred revised tariff components attached as **Annex-I** are to be notified in the official gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

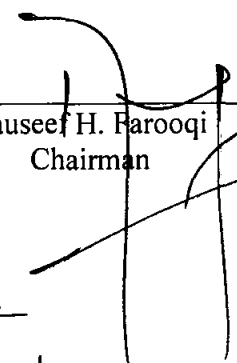
CPPA(G) to ensure that all payments are consistent with the tariff determination(s).

AUTHORITY


Engr. Maqsood Anwar Khan
Member


Engr. Rafique Ahmed Shaikh
Member




Tauseef H. Farooqi
Chairman

18 x 122

Huaneng Shandong Ruyi (Pakistan) Energy (Pvt) Company Ltd.
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Tariff	Revised Oct-Dec 2022 Quarter
Capacity Charge (Rs./KW/h)		
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Indexation Values		
Exchange Rate (Rs./USD)	104.594	229.950
US CPI (All Urban Consumers)	246.819	296.171
CPI (General) - Local	217.980	269.270
3 Monthly KIBOR	6.150%	15.770%
3 Monthly LIBOR	1.380%	3.755%
Imported Coal Price (Rs./Ton)	13,605	77,305.21
Imported Coal Calorific Value (BTU/Kg)	23,768	22,893.20
Local Coal Price (Rs./Ton)	-	75,849.78
Local Coal Calorific Value (BTU/Kg)	-	22,664.70
Principal Outstanding (USD. Million)	-	813.28
Hours in the quarter	-	2,208

* For the purpose of indexation of Local O&M components for Oct-Dec 2022 quarter, CPI for Aug 2022 was required to be used. However, Pakistan Bureau of Statistics has discontinued the publication of CPI for base year 2007-08 w.e.f. July 2020 and replaced it with National CPI for new base year 2015-16. As per relevant provision of the PPA, the latest available CPI of June 2020 for base year 2007-08 has been used for the instant indexation/adjustment. The indexation of Local O&M components is being made on provisional basis, subject to revision upon decision of new reference index value by the Authority.

** The Authority vide its decision dated March 10, 2021 replaced CPI Base Year 2007-08 with N-CPI Base Year 2015-16. The decision shall be implemented upon Notification in the Official Gazette.

*** Insurance component is not part of quarterly indexation. It is adjusted annually on actual basis as per mechanism stipulated in the Decision(s) of the Authority.

