



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/DG(Trf)/TRF-308/HSRPEL-2015/ 32434-38

September 05, 2023

Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Huaneng Shandong Ruyi (Pakistan) Energy Private Limited for July to September 2023 Quarter (Case No. NEPRA/TRF-308/HSRPEL-2015)

Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff components at **Annex-I** (total 02 pages) regarding quarterly indexation/adjustment of tariff of Huaneng Shandong Ruyi (Pakistan) Energy Private Limited for the **July to September 2023** 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

(Engr. Mazhar Iqbal Ranjha)

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

Copy to: (alongwith copy of subject Decision):

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 JULY TO SEPTEMBER 2023 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"), decision of the Authority dated January 17, 2019 in the matter of tariff adjustment at Commercial Operation Date (COD) and the decision of the Authority dated March 10, 2021 notified vide SRO No. 1041(I)/2023 on August 09, 2023 in the matter of change of base year 2007-2008 to base year 2015-16 for Consumer Price Index (CPI) for indexation of fixed and variable O&M (Local) components, the relevant tariff components in respect of July to September 2023 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:

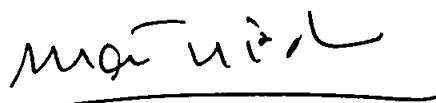
Tariff Components	Reference Jan 17, 2019	Revised Jul to Sep 2023 Quarter
Capacity Charge (Rs./KW/h)		
Fixed O&M - Foreign	0.1601	0.5415
Fixed O&M - Local	0.1976	0.3438
Cost of Working Capital	0.1541	2.8321
Return on Equity	0.9438	2.6164
Principal Outstanding	1.3850	3.8532
Interest Charge	0.4290	1.8540
Total	3.2696	12.0410
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0763	0.2581
Variable O&M - Local	0.0628	0.1093
Total	0.1391	0.3674

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.

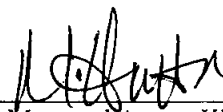
The above referred revised tariff components attached as **Annex-I** are to be notified in the official gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

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

AUTHORITY



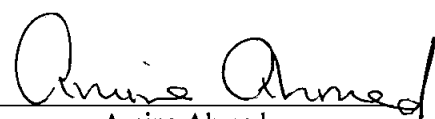
Mathar Niaz Rana (nsc)
Member



Engr. Maqsood Anwar Khan
Member



Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Waseem Mukhtar
Chairman



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

Tariff Components	Reference Jan 17, 2019	Revised Jul to Sep 2023 Quarter	Indexation
Capacity Charge (Rs./KW/h)			
Fixed O&M - Foreign	0.1601	0.5415	US CPI & Rs./US\$
Fixed O&M - Local	0.1976	0.3438	CPI
Cost of Working Capital	0.1541	2.8321	KIBOR & Fuel Cost as per respective consumption of Local & Imported Coal.
Return on Equity	0.9438	2.6164	Rs./US\$ & respective consumption of Local & Imported Coal.
Principal Outstanding	1.3850	3.8532	Rs./US\$
Interest Charge	0.4290	1.8540	LIBOR & Rs./US\$
Total	3.2696	12.0410	
Energy Purchase Price (Rs./KWh)			
Variable O&M - Foreign	0.0763	0.2581	US CPI & Rs./US\$
Variable O&M - Local	0.0628	0.1093	CPI Local
Total	0.1391	0.3674	
Indexation Values			Source
Exchange Rate (Rs./USD)	104.594	287.100	NBP - Revised rate of June 27, 2023
US CPI (All Urban Consumers)	246.819	304.127	U.S. Bureau of Labor Statistics - Revised value of May 2023
NCPI - Local	131.010	227.960	Pakistan Bureau of Statistics - Revised value of May 2023
3 Monthly KIBOR	6.150%	22.910%	SBP - Revised rate of June 27, 2023
3 Monthly LIBOR	1.380%	5.545%	www.brecorder.com - Revised rate of June 30, 2023
Imported Coal Price (Rs./Ton)	13,605	84,651.11	Weighted Average Price of Coal Consumed during Apr to Jun 2023.
Imported Coal Calorific Value (BTU/Kg)	23,768	22,662.95	Weighted Average CV of Coal Consumed during Apr to Jun 2023.
Local Coal Price (Rs./Ton)	-	47,888.76	Weighted Average Price of Coal Consumed during Apr to Jun 2023.
Local Coal Calorific Value (BTU/Kg)	-	23,931.71	Weighted Average CV of Coal Consumed during Apr to Jun 2023.
Imported Coal Quantity (M. Ton)	-	220,996	88.78% of Total Coal Consumed during Apr to Jun 2023 2023.
Local Coal Quantity (M. Ton)	-	27,930	11.22% of Total Coal Consumed during Apr to Jun 2023 2023.
Principal Outstanding (USD. Million)	-	705.89	
Return on Equity (ROE)-Local	-	29.50%	
Return on Equity (ROE)-Imported	-	27.20%	
Hours in the quarter	-	2,208	

- The cost of working capital is calculated on the basis of 30 days receivable for imported and local coal, 90 days inventory for imported coal whereas 30 days inventory for local coal, actual consumption %age for respective coal and actual CV for respective coal.

- 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.

- Based on the data declared by Huaneng Shandong Ruyi (Pakistan) Energy (Pvt) Company Ltd.

