



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-308/HSRPEL-2015/ 33820-24 September 22, 2023

Chief Executive Officer
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 August 2023 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 revised Fuel Cost Part of Energy Charge (Annex-I), Details of Shipments (Annex-II), Marine Freight Calculation (Annex-III) and Inland Freight Charges (Annex-IV) (total 06 pages) in the matter of fuel price adjustment on account of Coal price variation for the month of August 2023 in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited.

Enclosure: As above

(Engr. Mazhar Iqbal Ranjha)

Copy to: (alongwith copy of subject Decision):

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 AUGUST 2023 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. 82,167/Ton for coal consumed during the month of August 2023. HSRPEL requested fuel cost component of Rs. 31.4697/kWh for August 2023.
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 month of August 2022:

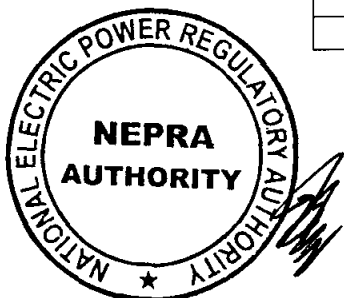
Description	Heat kcal/kg	Unit	August Average
5,700 differential	5,700	US\$/Ton	(11.29)

3. In accordance with the above differential, the API 4 price for shipments No. HSR-337 and HSR-338 from Richards Bay has been calculated as under:

Shipment No.	API 4 Price (US\$/ton)	Differential (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 337	327.58	(11.29)	316.29	6,000	5,708	300.90	311.64	(10.74)
HSR 338	327.58	(11.29)	316.29	6,000	5,753	303.27	314.09	(10.83)

4. In accordance with the prescribed mechanism and on the basis of information and documents submitted by HSRPEL, the revised coal price has been worked out and attached as annex to this decision. The revised FCC of energy charge part of HSRPEL tariff indicated hereunder shall be immediately applicable to the units delivered during the month:

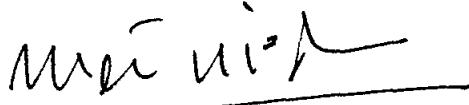
Period	Fuel Cost Component (Rs./kWh)	
	Reference Jan 17, 2019	Revised
August 2023	4.9135	29.0066




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5. 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.
6. 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 Energy (Private) Company Limited
Schedule of Fuel Cost Part of Energy Charge
Adjustment on Account of Coal Price Variation for the Month of August 2023

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 337	58,545	5,708	408.46	83,718	204.96
Consumption from Shipment No. HSR 338	22,772	5,753	413.17	84,684	204.96
Consumption from Local Purchase (Awan 31)	17,948	6,031	167.62	47,889	285.69
Total Consumption	99,265	5,777	366.00	77,461	211.65

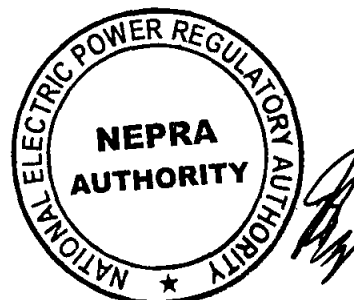
Description	Unit	Reference Jan 17, 2019	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	73,101	77,461
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,696	5,777
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	22,603	22,923
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
Revised Fuel Cost Component	Rs./kWh	4.9135	27.7611	29.0066

- 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.

- Based on data declared by Huaneng Shandong Ruyi Energy (Private) Company Limited.

- The coal consumption is for the period August 1, 2023 to August 31, 2023.

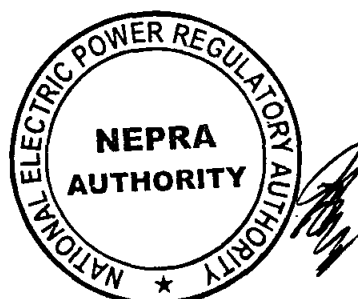
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Huaneng Shandong Ruyi Energy (Private) Company Limited
Details of Shipmnets
For the Month of August 2023

Shipment Number		HSR 337	HSR 338
Vessel Name		MV Captian Haddock	MV BBG Ocean
Bill of Lading (B/L) Date		20-Jun-22	15-Jun-22
L/C / TT Number		-	-
Origin		South Africa	South Africa
API-4 Index for the month of B/L Date	US\$/Ton	327.58	327.58
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	(11.29)	(11.29)
Fixed Price	US\$/Ton	316.29	316.29
Base Calorific Value	kCal/Kg	6,000	6,000
Actual Calorific Value	kCal/Kg	5,708	5,753
Quantity	MT	59,133	44,000
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	300.90	303.27
Marine Freight Charges	US\$/Ton	31.86	37.20
Marine Insurance	US\$/Ton	0.28	0.30
CIF Coal Price	US\$/Ton	333.04	340.77
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	333.04	340.77
Other Charges:	US\$/Ton	45.23	42.77
(i) Port Handling Charges	US\$/Ton	4.27	4.29
(ii) Port Qasim Royalty Charge	US\$/Ton	2.38	2.40
(iii) Customs Duties & Cess	US\$/Ton	33.08	30.43
(iv) PDA Charges at Load Port	US\$/Ton	0.51	0.58
(v) PDA Charges at Discharge Port	US\$/Ton	0.59	0.71
(vi) Freight Forwarding/Custom Clearance	US\$/Ton	0.03	0.03
(vii) Wharfage Charges	US\$/Ton	0.17	0.17
(viii) Commodity & Ash Fusion Temperature Inspection	US\$/Ton	0.04	0.04
(ix) Transportation & Loading Charges	US\$/Ton	4.16	4.13
Inland Freight Charges	US\$/Ton	26.15	25.54
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	404.42	409.08
Handling Loss 1% or actual whichever is minimum	US\$/Ton	4.04	4.09
Delivered Coal Price with losses at Power Plant	US\$/Ton	408.46	413.17
Exchange Rate	Rs./US\$	204.96	204.96
Delivered Coal Price with losses at Power Plant	Rs./Ton	83,718	84,684

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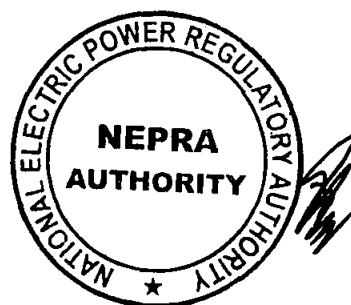


Huaneng Shandong Ruyi Energy (Private) Company Limited
Marine Freight Calculation
For the Month of August 2023

Description		HSR 337	HSR 338
		MV Captian Haddock	MV BBG Ocean
		PIBT	PIBT
Delivery Days:			
Voyage	Days	27.04	27.04
At Port	Days	4.94	4.33
Total Delivery Days	Days	31.98	31.37
Average Time Charter Rate	US\$/Day	27,139	27,440
Time Charter Cost	US\$	867,897	860,816
Bunker Consumption:			
Bunker during Voyage	Ton	878.72	878.72
Bunker during Port Days	Ton	24.71	21.67
Total	Ton	903.43	900.39
Bunker Price	\$/Ton	1,125.00	1,110.00
Bunker Cost	US\$	1,016,358	999,428
Total Voyage Expense	US\$	1,884,256	1,860,243
Quantity	Tons	59,133	50,000
Marine Freight	US\$/Ton	31.86	37.20

*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 August 2023

Description	Reference	Revised	
		Pipri	
Fixed Freight Charges (FFC)	1.77	2.21	2.21
Variable Freight Charges (VFC)	0.81	1.60	1.60
(i) Fuel	0.40	1.09	1.09
(ii) O&M	0.40	0.51	0.51
Other Freight Charges Component	0.72	0.72	0.72
Profit Margin	0.23	0.23	0.23
Total Freight Charges (Rs/Ton/km)	3.53	4.76	4.76
Distance (Km)	1,060	1,060	1,060
Total Freight Charges (Rs/Ton)	3,743	5,046	5,046
Indexation Values:			
Consumer Price Index Base Year 2015-16	131.67	164.45	164.45
HSD Price (Rs./Liter)	87.12	235.30	235.30
Spurline Component:			
Spurline Component (Rs./ton)	189.82	188.70	313.91
Total Quantity Handeled (Tons)	302,087	303,884	182,674
Inland Freight Charges with Spurline (Rs/Ton)	3,933	5,234	5,360
Exchange Rate	-	204.96	204.96
Inland Freight Charges with Spurline (USD/Ton)	-	25.54	26.15
Handling Month	-	Oct 2022	Nov 2022

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