



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/DG(Trf)/TRF-308/HSRPEL-2015/7563-67

March 30, 2023

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 February 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 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 February 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 FEBRUARY 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. 90,882/Ton for coal consumed during the month of February 2023. HSRPEL requested fuel cost component of Rs. 35.3674/kWh for February 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 July 2022:

Description	Heat kcal/kg	Unit	July Average
5,700 differential	6,000	US\$/Ton	(18.71)

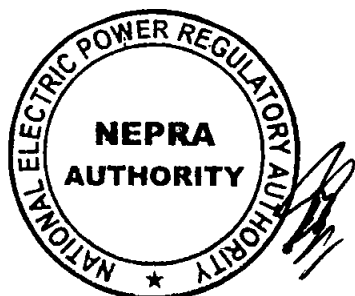
3. In accordance with the above differentials, the API 4 price for the shipment No. HSR-331 from Richards Bay has been calculated as under:

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 331	328.79	(18.71)	310.08	6,000	5,811	300.31	318.43	(18.12)

4. In accordance with the prescribed mechanism, the revised coal price for each consignment has been worked out and is 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.

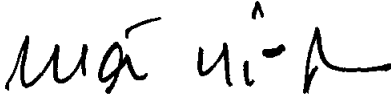
Period	Fuel Cost Component (Rs./kWh)	
	Reference Jan 17, 2019	Revised
February 2023	4.9135	30.8459

5. 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.



6. The above referred revised fuel cost component along with revised coal prices 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.
7. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

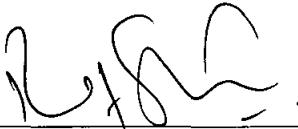
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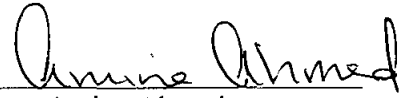
Mathar Niaz Rana (nsc)
Member



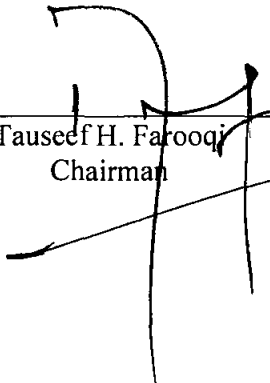
Engr. Maqsood Anwar Khan
Member




Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Tauseef H. 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 February 2023

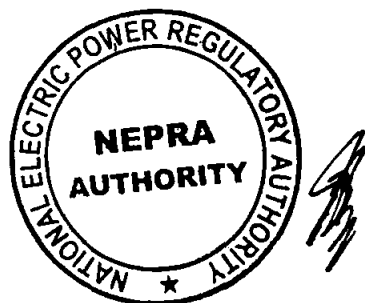
Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg	US\$/Ton	Rs/Ton	Rs./US\$
Consumption from Stock:					
Consumption from Shipment No. HSR 330	40,634	5,587	371.07	81,417	219.41
Consumption from Shipment No. HSR 331	21,101	5,811	403.77	88,591	219.41
Consumption from Local Purchase (Moiz 1)	11,521	5,613	321.02	71,331	222.20
Consumption from Local Purchase (Moiz 2)	5,356	5,685	322.64	71,690	222.20
Consumption from Local Purchase (Moiz 3)	4,687	5,797	332.38	73,854	222.20
Total Consumption	83,300	5,666	367.14	80,788	220.05

Description	Unit	Reference Jan 17, 2019	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	78,059	80,788
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,688	5,666
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	22,572	22,482
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
Revised Fuel Cost Component	Rs./kWh	4.9135	29.6852	30.8459

- 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.

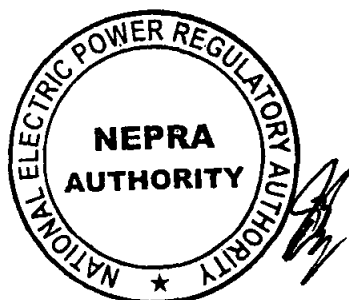
- Based on data declared by Huaneng Shandong Ruyi Energy (Private) Company Limited.

- The coal consumption is for the period January 26, 2023 to February 20, 2023.



Huaneng Shandong Ruyi Energy (Private) Company Limited
Details of Shipments
For the Month of February 2023

Shipment Number		HSR 331
Vessel Name		AFRICAN STARLING
Bill of Lading (B/L) Date		14-Jul-22
L/C / TT Number		-
Origin		South Africa
API-4 Index for the month of B/L Date	US\$/Ton	328.79
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	(18.71)
Fixed Price	US\$/Ton	310.08
Base Calorific Value	kCal/Kg	6,000
Actual Calorific Value	kCal/Kg	5,811
Quantity	MT	42,061
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	300.31
Marine Freight Charges	US\$/Ton	32.43
Marine Insurance	US\$/Ton	0.33
CIF Coal Price	US\$/Ton	333.08
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-
CIF Coal Price with losses at Karachi	US\$/Ton	333.08
Other Charges:	US\$/Ton	37.82
(i) Port Handling Charges	US\$/Ton	4.60
(ii) Port Qasim Royalty Charge	US\$/Ton	2.57
(iii) Customs Duties & Cess	US\$/Ton	25.01
(iv) PDA Charges at Load Port	US\$/Ton	0.74
(v) PDA Charges at Discharge Port	US\$/Ton	0.46
(vi) Freight Forwarding/Custom Clearance	US\$/Ton	0.02
(vii) Wharfage Charges	US\$/Ton	0.15
(viii) Commodity & Ash Fusion Temperature Inspection	US\$/Ton	0.03
(x) Transportation & Loading Charges	US\$/Ton	4.24
Inland Freight Charges	US\$/Ton	28.87
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	399.77
Handling Loss 1% or actual whichever is minimum	US\$/Ton	4.00
Delivered Coal Price with losses at Power Plant	US\$/Ton	403.77
Exchange Rate	Rs./US\$	219.41
Delivered Coal Price with losses at Power Plant	Rs./Ton	88,591



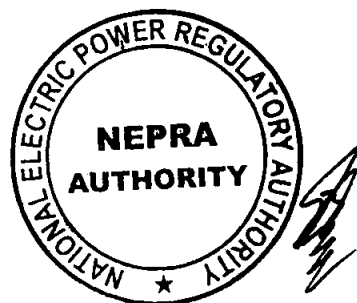
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Huaneng Shandong Ruyi Energy (Private) Company Limited

Details of Local Purchases

For the Month of February 2023

Consignment Detail		Moiz-1	Moiz-2	Moiz-3
Invoice Date		13-Nov-22	14-Nov-22	15-Nov-22
Quantity	MT	11,521	5,356	4,687
Price as per Quotation	Rs./Ton	70,000	70,000	70,000
Base Calorific Value (GCV)	kCal/Kg	6,500	6,500	6,500
Actual Calorific Value (GCV)	kCal/Kg	6,375	6,400	6,601
NCV Tested by SGS	kCal/Kg	5,613	5,685	5,797
Coal Price Adjusted for GCV	Rs./Ton	68,654	68,923	71,088
Inspection Charges	Rs./Ton	15.5	15.5	15.5
Inland Freight Charges	Rs./Ton	2,662	2,751	2,751
Delivered Coal Price with losses at Power Plant	Rs./Ton	71,331	71,690	73,854
Notional Exchange Rate	Rs./US\$	222.20	222.20	222.20
Net Delivered Coal Price	US\$/Ton	321.02	322.64	332.38



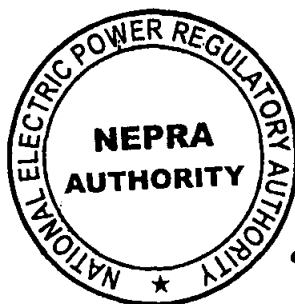
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Annex-IV

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

Description		HSR 331
		AFRICAN STARLING
		PIBT
Delivery Days:		
Voyage	Days	27.04
At Port	Days	4.33
Total Delivery Days	Days	31.37
Average Time Charter Rate	US\$/Day	22,845
Time Charter Cost	US\$	716,667
Bunker Consumption:		
Bunker during Voyage	Ton	878.72
Bunker during Port Days	Ton	21.67
Total	Ton	900.39
Bunker Price	\$/Ton	1,005.00
Bunker Cost	US\$	904,887
Total Voyage Expense	US\$	1,621,554
Quantity	Tons	50,000
Marine Freight	US\$/Ton	32.43

*PDA Charges both at Load and Discharge Ports have been included in Other Charges.

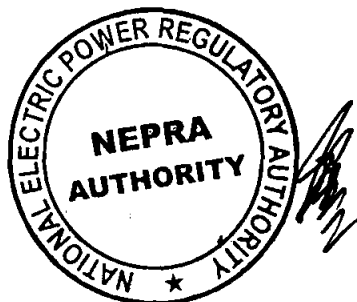


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Huaneng Shandong Ruyi Energy (Private) Company Limited
Inland Freight Charges
For the Month of February 2023

Description	Reference	Revised		
		Kundiyan	Pipri	
Fixed Freight Charges (FFC)	1.77	2.21	2.21	2.56
Variable Freight Charges (VFC)	0.81	1.60	1.60	1.62
(i) Fuel	0.40	1.09	1.09	1.04
(ii) O&M	0.40	0.51	0.51	0.59
Other Freight Charges Component	0.72	0.72	0.72	0.72
Profit Margin	0.23	0.23	0.23	0.23
Total Freight Charges (Rs/Ton/km)	3.53	4.76	4.76	5.14
Distance (Km)	1,060	512	512	1,060
Total Freight Charges (Rs/Ton)	3,743	2,437	2,437	5,448
Indexation Values:				
Consumer Price Index Base Year 2015-16	131.67	164.45	164.45	190.67
HSD Price (Rs./Liter)	87.12	235.30	235.30	223.84
Spurline Component:				
Spurline Component (Rs./ton)	189.82	188.70	313.91	886.10
Total Quantity Handeled (Tons)	302,087	303,884	182,674	64,713
Inland Freight Charges with Spurline (Rs/Ton)	3,933	2,626	2,751	6,335
Exchange Rate	-	N/A	N/A	219.41
Inland Freight Charges with Spurline (USD/Ton)	-	-	-	28.87
Handling Month	-	Oct-22	Nov-22	Jan-23



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