



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/DG(Trf)/TRF-308/HSRPEL-2015/ 32777-81

September 08, 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 July 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 July 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 JULY 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. 87,488.96/Ton for coal consumed during the month of July 2023. HSRPEL requested fuel cost component of Rs. 34.1573/kWh for July 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
5,500 differential	5,500	US\$/Ton	(69.67)

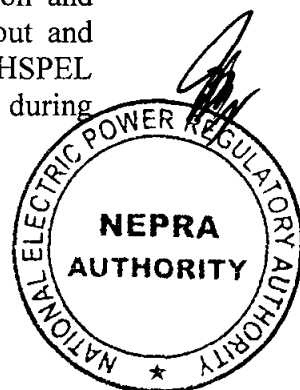
3. In accordance with the above differentials, the API 4 price for the shipment No. HSR-336 from Richards Bay has been calculated as under:

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)
332.39	(69.67)	262.72	5,500	5,577	266.40	308.96	(42.56)

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
July 2023	4.9135	27.7611

5. 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**



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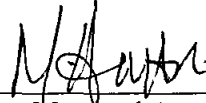
respectively, are to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

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

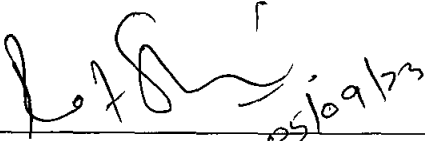
**AUTHORITY**



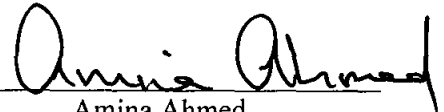
Mathar Niaz Rana (nsc)  
Member



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 July 2023**

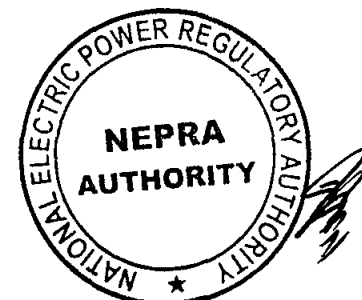
Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg	US\$/Ton	Rs/Ton	Rs./US\$
<b>Consumption from Stock:</b>					
Consumption from Local Purchase (Awan 31)	15,497	6,031	167.62	47,889	285.69
Consumption from Shipment No. HSR 336	43,560	5,577	369.19	82,070	222.30
<b>Total Consumption</b>	<b>59,057</b>	<b>5,696</b>	<b>316.30</b>	<b>73,101</b>	<b>231.12</b>

Description	Unit	Reference Jan 17, 2019	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	78,336	73,101
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,793	5,696
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	22,987	22,603
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
<b>Revised Fuel Cost Component</b>	<b>Rs./kWh</b>	<b>4.9135</b>	<b>29.2533</b>	<b>27.7611</b>

- 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.

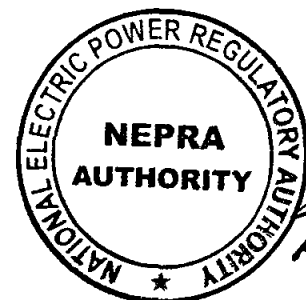
- Based on data declared by Huaneng Shandong Ruyi Energy (Private) Company Limited.

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



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

Shipment Number		HSR 336
Vessel Name		BAO RUN
Bill of Lading (B/L) Date		22-Aug-22
L/C / TT Number		-
Origin		South Africa
API-4 Index for the month of B/L Date	US\$/Ton	332.39
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	(69.67)
Fixed Price	US\$/Ton	262.72
Base Calorific Value	kCal/Kg	5,500
Actual Calorific Value	kCal/Kg	5,577
Quantity	MT	44,000
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	266.40
Marine Freight Charges	US\$/Ton	31.24
Marine Insurance	US\$/Ton	0.30
CIF Coal Price	US\$/Ton	297.93
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-
CIF Coal Price with losses at Karachi	US\$/Ton	297.93
Other Charges:	US\$/Ton	37.76
(i) Port Handling Charges	US\$/Ton	4.23
(ii) Port Qasim Royalty Charge	US\$/Ton	2.52
(iii) Customs Duties & Cess	US\$/Ton	29.05
(iv) PDA Charges at Load Port	US\$/Ton	0.61
(v) PDA Charges at Discharge Port	US\$/Ton	1.15
(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
Inland Freight Charges	US\$/Ton	29.84
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	365.53
Handling Loss 1% or actual whichever is minimum	US\$/Ton	3.66
<b>Delivered Coal Price with losses at Power Plant</b>	<b>US\$/Ton</b>	<b>369.19</b>
Exchange Rate	Rs./US\$	222.30
<b>Delivered Coal Price with losses at Power Plant</b>	<b>Rs./Ton</b>	<b>82,070</b>



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

Description		HSR 336
		BAO RUN
		PQA
Delivery Days:		
Voyage	Days	27.04
At Port	Days	6.87
Total Delivery Days	Days	33.90
Average Time Charter Rate	US\$/Day	19,265
Time Charter Cost	US\$	653,164
Bunker Consumption:		
Bunker during Voyage	Ton	878.72
Bunker during Port Days	Ton	34.33
Total	Ton	913.05
Bunker Price	\$/Ton	790.00
Bunker Cost	US\$	721,311
Total Voyage Expense	US\$	1,374,475
Quantity	Tons	44,000
<b>Marine Freight</b>	<b>US\$/Ton</b>	<b>31.24</b>

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



## Annex-IV

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

Description	Reference	Revised
		Pipri
Fixed Freight Charges (FFC)	1.77	2.56
Variable Freight Charges (VFC)	0.81	1.85
(i) Fuel	0.40	1.26
(ii) O&M	0.40	0.59
Other Freight Charges Component	0.72	0.72
Profit Margin	0.23	0.23
<b>Total Freight Charges (Rs/Ton/km)</b>	<b>3.53</b>	<b>5.37</b>
Distance (Km)	1,060	1,060
<b>Total Freight Charges (Rs/Ton)</b>	<b>3,743</b>	<b>5,688</b>
<b>Indexation Values:</b>		
Consumer Price Index Base Year 2015-16	131.67	190.67
HSD Price (Rs./Liter)	87.12	272.52
<b>Spurline Component:</b>		
Spurline Component (Rs./ton)	189.82	946.18
Total Quantity Handeled (Tons)	302,087	60,604
<b>Inland Freight Charges with Spurline (Rs/Ton)</b>	<b>3,933</b>	<b>6,634</b>
Exchange Rate	-	222.30
<b>Inland Freight Charges with Spurline (USD/Ton)</b>	<b>-</b>	<b>29.84</b>
Handling Month	-	May-23

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