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No. NEPRA/R/DG(Trf)/TRF-308/HSRPEL-2015/ 31570-74

August 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 June 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 coal prices and revised inland freight charges attached as **Annex-I, Annex-II, Annex-III, Annex-IV & Annex-V** (total 06 pages) in the matter of fuel price adjustment on account of **Coal** price variation for the month of **June 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.

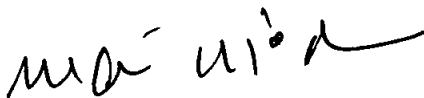
**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL PRICE ADJUSTMENT
FOR THE MONTH OF JUNE 2023 FOR HUANENG SHANDONG RUYI (PAKISTAN)
ENERGY PRIVATE LIMITED**

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. 86,341/Ton for coal consumed during the month of June 2023. HSRPEL requested fuel cost component of Rs. 32.9915/kWh for June 2023.
2. The delivered price of local spot coal shipment No. Awan-01 has been assessed at Rs. 47,889/Ton against the requested price of Rs. 55,046/Ton on the basis of benchmark price applicable as on May 22, 2023 in accordance with the Guidelines for Procurement of Coal on Spot Basis.
3. 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:

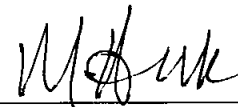
Period	Fuel Cost Component (Rs./kWh)	
	Reference Jan 17, 2019	Revised
June 2023	4.9135	29.2533

4. 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.
5. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

AUTHORITY



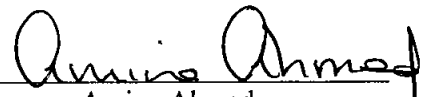
Mathar Niaz Rana (nsc)
Member



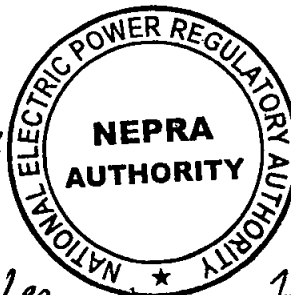
Engr. Maqsood Anwar Khan
Member



Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



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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 June 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 333	28,033	5,501	366.19	80,345	219.41
Consumption from Shipment No. HSR 334	58,203	5,813	395.51	87,922	222.30
Consumption from Shipment No. HSR 335	40,903	5,801	429.16	84,110	195.99
Consumption from Local Purchase (Awan 01)	27,930	6,031	167.62	47,889	285.69
Total Consumption	155,069	5,793	358.04	78,336	218.79

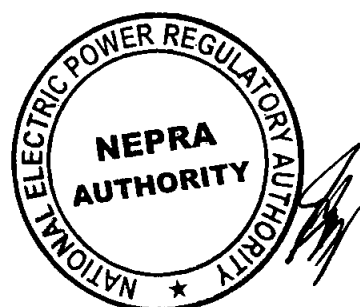
Description	Unit	Reference Jan 17, 2019	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	80,345	78,336
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,501	5,793
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	21,829	22,987
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
Revised Fuel Cost Component	Rs./kWh	4.9135	31.5942	29.2533

- 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.

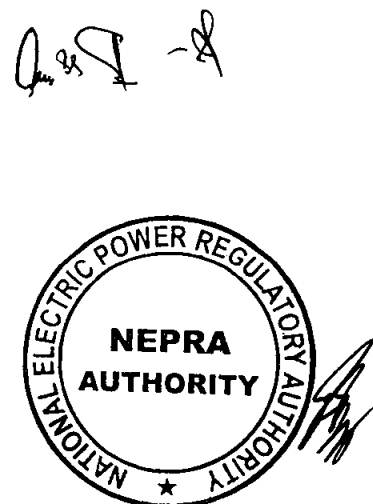
- The coal consumption is for the period May 16, 2023 to June 30, 2023.

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

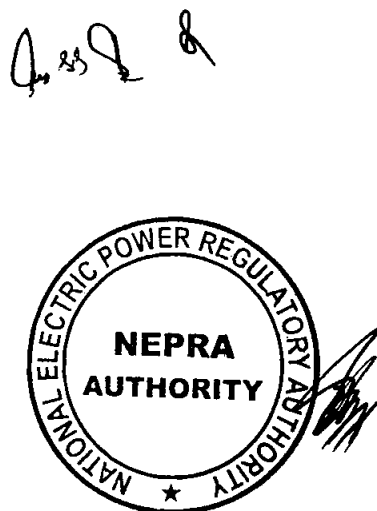
Shipment Number		HSR 334	HSR 335
Vessel Name		CL YINGA HE	VENTURE GRACE
Bill of Lading (B/L) Date		26-Aug-22	28-May-22
L/C / TT Number		-	-
Origin		South Africa	South Africa
API-4 Index for the month of B/L Date	US\$/Ton	332.39	322.96
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	(21.89)	(0.02)
Fixed Price	US\$/Ton	310.50	322.94
Base Calorific Value	kCal/Kg	6,000	6,000
Actual Calorific Value	kCal/Kg	5,813	5,801
Quantity	MT	58,797	41,316
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	300.82	312.23
Marine Freight Charges	US\$/Ton	22.72	36.86
Marine Insurance	US\$/Ton	0.31	0.30
CIF Coal Price	US\$/Ton	323.85	349.39
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	323.85	349.39
Other Charges:	US\$/Ton	36.93	48.81
(i) Port Handling Charges	US\$/Ton	4.61	4.51
(ii) Port Qasim Royalty Charge	US\$/Ton	2.57	2.51
(iii) Customs Duties & Cess	US\$/Ton	23.83	36.05
(iv) PDA Charges at Load Port	US\$/Ton	0.51	0.58
(v) PDA Charges at Discharge Port	US\$/Ton	0.68	0.58
(vi) Freight Forwarding/Custom Clearance	US\$/Ton	0.02	0.02
(vii) Wharfage Charges	US\$/Ton	0.15	0.17
(viii) Commodity & Ash Fusion Temperature Inspection	US\$/Ton	0.03	0.04
(x) Transportation & Loading Charges	US\$/Ton	4.53	4.35
Inland Freight Charges	US\$/Ton	30.81	26.71
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	391.59	424.91
Handling Loss 1% or actual whichever is minimum	US\$/Ton	3.92	4.25
Delivered Coal Price with losses at Power Plant	US\$/Ton	395.51	429.16
Exchange Rate	Rs./US\$	222.30	195.99
Delivered Coal Price with losses at Power Plant	Rs./Ton	87,922	84,110



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

Description		HSR 334	HSR 335
		CL YINGA	VENTURE
		HE	GRACE
		PIBT	PIBT
Delivery Days:			
Voyage	Days	27.04	27.04
At Port	Days	4.92	4.33
Total Delivery Days	Days	31.96	31.37
Average Time Charter Rate	US\$/Day	19,183	31,052
Time Charter Cost	US\$	613,037	974,127
Bunker Consumption:			
Bunker during Voyage	Ton	878.72	878.72
Bunker during Port Days	Ton	24.60	21.67
Total	Ton	903.32	900.39
Bunker Price	\$/Ton	800.00	965.00
Bunker Cost	US\$	722,654	868,872
Total Voyage Expense	US\$	1,335,691	1,842,999
Quantity	Tons	58,797	50,000
Marine Freight	US\$/Ton	22.72	36.86

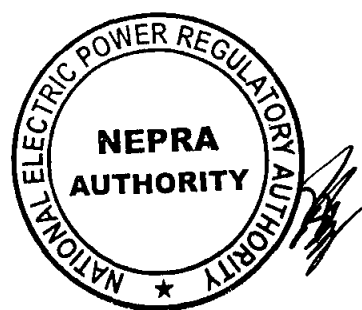
*PDA Charges both at Load and Discharge Ports have been included in Other Charges.



Huaneng Shandong Ruyi Energy (Private) Company Limited
Details of Local Purchases
For the Month of June 2023

Consignment Detail		Awan-01
Invoice Date		17-Jun-23
Quantity	MT	61,375
Price as per Quotation	Rs./Ton	48,370
Base Calorific Value (NCV)	kCal/Kg	6,000
Actual Calorific Value (NCV)	kCal/Kg	6,031
Coal Price Adjusted for NCV	Rs./Ton	48,618
Adjustment for Volatile Matter (Dry Ash Free)	Rs./Ton	(812)
Adjustment for Sulphur	Rs./Ton	(275)
Adjusted Coal Price as Per Request/Invoice	Rs./Ton	47,531
Adjustment against Benchmark Price of Imported Coal	Rs./Ton	(6,276)
Net Delivered Coal Price	Rs./Ton	41,255
Inland Freight Charges	Rs./Ton	6,634
Delivered Coal Price before adjustment of Handling Loss	Rs./Ton	47,889
Handling Loss 1% or actual whichever is minimum	Rs./Ton	-
Delivered Coal Price with losses at Power Plant	Rs./Ton	47,889
Notional Exchange Rate	Rs./US\$	285.69
Net Delivered Coal Price	US\$/Ton	167.62

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

Description	Reference	Revised		
		Pipri		
Fixed Freight Charges (FFC)	1.77	2.56	2.21	2.56
Variable Freight Charges (VFC)	0.81	1.84	1.60	1.85
(i) Fuel	0.40	1.26	1.09	1.26
(ii) O&M	0.40	0.59	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	5.36	4.76	5.37
Distance (Km)	1,060	1,060	1,060	1,060
Total Freight Charges (Rs/Ton)	3,743	5,679	5,046	5,688
Indexation Values:				
Consumer Price Index Base Year 2015-16	131.67	190.67	164.45	190.67
HSD Price (Rs./Liter)	87.12	270.79	235.30	272.52
Spurline Component:				
Spurline Component (Rs./ton)	189.82	1170.91	188.70	946.18
Total Quantity Handeled (Tons)	302,087	48,972	303,884	60,604
Inland Freight Charges with Spurline (Rs/Ton)	3,933	6,850	5,234	6,634
Exchange Rate	-	222.30	195.99	N/A
Inland Freight Charges with Spurline (USD/Ton)	-	30.81	26.71	-
Handling Month	-	Feb-23	Oct-22	May-23

