



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/DG(Trf)/TRF-308/HSRPEL-2015/ 35594-98

October 30, 2023

Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Huaneng Shandong Ruyi (Pakistan) Energy Private Limited for October-December 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 **October-December 2023** quarter on account of US CPI, N-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

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


(Engr. Mazhar Iqbal Ranjha)

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.

DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION /ADJUSTMENT OF TARIFF FOR HUANENG SHANDONG RUYI (PAKISTAN) ENERGY PRIVATE LIMITED FOR OCTOBER TO DECEMBER 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 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 are required to be adjusted on account of US CPI, N-CPI, Exchange Rate, KIBOR, LIBOR, Coal Price(s) and Coal Calorific Value(s) variation.
- The Authority in its collective and joint wisdom decided with consensus as under; which will be hereafter called as decision of Authority in the matter:-

"Indexation/adjustment for October to December 2023 quarter has been made in the tariff components in accordance with the requisite indexation/adjustment mechanism stipulated in the decision(s) of the Authority."

- The revised components are indicated hereunder shall be immediately applicable.

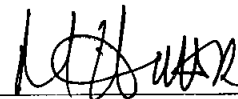
Tariff Components	Reference Jan 17, 2019 & Mar 10, 2021	Revised Oct to Dec 2023 Quarter
Capacity Charge (Rs./KW/h)		
Fixed O&M - Foreign	0.1601	0.5505
Fixed O&M - Local	0.1976	0.3609
Cost of Working Capital	0.1541	2.0471
Return on Equity	0.9438	2.6936
Principal Outstanding	1.4682	3.9379
Interest Charge	0.3458	1.7879
Total	3.2696	11.3779
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0763	0.2623
Variable O&M - Local	0.0628	0.1147
Total	0.1391	0.3770

- 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



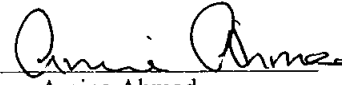
Mathar Niaz Rana (nsc)
Member



Engr. Maqsood Anwar Khan
Member



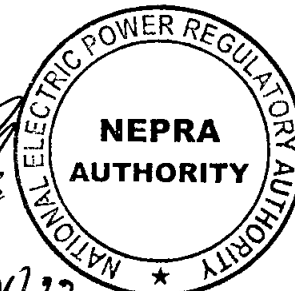
Engr. Rafique Ahmed Shaikh
Member



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 & Mar 10, 2021	Revised Oct to Dec 2023 Quarter	Indexation
Capacity Charge (Rs./KW/h)			
Fixed O&M - Foreign	0.1601	0.5505	US CPI & Rs./US\$
Fixed O&M - Local	0.1976	0.3609	N-CPI Local
Cost of Working Capital	0.1541	2.0471	KIBOR & Fuel Cost as per respective consumption of Local & Imported Coal.
Return on Equity	0.9438	2.6936	Rs./US\$ & respective consumption of Local & Imported Coal.
Principal Outstanding	1.4682	3.9379	Rs./US\$
Interest Charge	0.3458	1.7879	LIBOR & Rs./US\$
Total	3.2696	11.3779	
Energy Purchase Price (Rs./KWh)			
Variable O&M - Foreign	0.0763	0.2623	US CPI & Rs./US\$
Variable O&M - Local	0.0628	0.1147	N-CPI Local
Total	0.1391	0.3770	
Indexation Values			Source
Exchange Rate (Rs./USD)	104.594	289.100	NBP - Revised rate of Sep 28, 2023
US CPI (All Urban Consumers)	246.819	307.026	U.S. Bureau of Labor Statistics - Revised value of Aug 2023
N-CPI (Local)	131.010	239.270	Pakistan Bureau of Statistics - Revised value of Aug 2023
3 Monthly KIBOR	6.150%	22.660%	SBP - Revised rate of Sep 28, 2023
3 Monthly LIBOR	1.380%	5.657%	www.brecorder.com - Revised rate of Sep 29, 2023
Imported Coal Price (Rs./Ton)	13,605	77,612.67	Weighted Average Price of Coal Consumed during Jul to Sep 2023
Imported Coal Calorific Value (BTU/Kg)	23,768	22,525.66	Weighted Average CV of Coal Consumed during Jul to Sep 2023
Local Coal Price (Rs./Ton)	-	46,021.79	Weighted Average Price of Coal Consumed during Jul to Sep 2023
Local Coal Calorific Value (BTU/Kg)	-	23,735.33	Weighted Average CV of Coal Consumed during Jul to Sep 2023
Imported Coal Quantity (M. Ton)	-	134,596	62.73% of Total Coal Consumed during Jul to Sep 2023
Local Coal Quantity (M. Ton)	-	79,971	37.27% of Total Coal Consumed during Jul to Sep 2023
Principal Outstanding (USD. Million)	-	669.04	
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.

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

