



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/DG(Trf)/TRF-308/HSRPEL-2015/13073-77

May 25, 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 April 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), 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 April 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 APRIL 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. 95,467/Ton for coal consumed during the month of April 2023. HSRPEL requested fuel cost component of Rs. 36.9283/kWh for April 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 months of June and July 2022:

Description	Heat kcal/kg	Unit	June Average	July Average
5,700 differential	6,000	US\$/Ton	(11.29)	-
5,500 differential	5,500	US\$/Ton	-	(62.74)

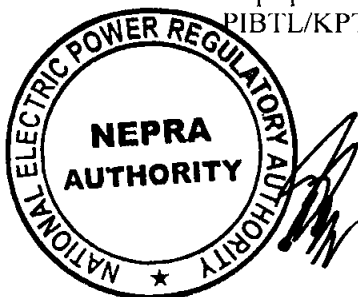
3. In accordance with the above differentials, the API 4 price for the shipments No. HSR 332 and HSR 333 from Richards Bay has been calculated as under:

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 332	327.58	(11.29)	316.29	6,000	5,723	301.69	312.46	(10.77)
HSR 333	328.79	(62.47)	266.32	5,500	5,501	266.37	301.45	(35.08)

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
April 2023	4.9135	32.1745

5. Marine freight has been worked out on the basis of 42,300 tons and 50,000 tons or actual ship quantity whichever is higher for ships unloaded at PQA Marginal Wharf 3&4 and PIBTL/KPT respectively. PDA charges have also been worked out on the same basis of

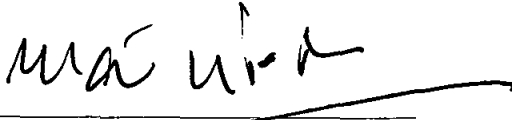



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respective quantities. HSRPEL has been including Marine Gas Oil (MGO) consumption in the marine freight while none of other similar coal power plants is requesting the same, therefore, the Authority has decided not to consider MGO consumption in the calculation of marine freight.


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** 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).

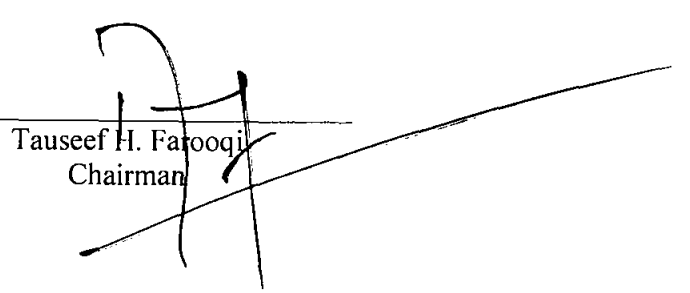
AUTHORITY


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 April 2023

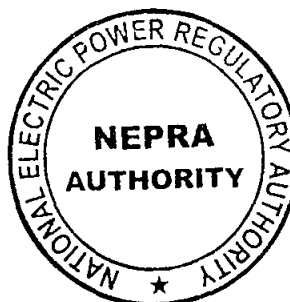
Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg	US\$/Ton	Rs/Ton	Rs./US\$
Consumption from Stock:					
Consumption from Shipment No. HSR 331	20,539	5,811	403.77	88,591	219.41
Consumption from Shipment No. HSR 332	43,360	5,723	413.08	84,664	204.96
Consumption from Shipment No. HSR 333	16,584	5,501	366.19	80,345	219.41
Total Consumption	80,483	5,700	401.04	84,776	211.39

Description	Unit	Reference Jan 17, 2019	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	80,788	84,776
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,666	5,700
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	22,482	22,618
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
Revised Fuel Cost Component	Rs./kWh	4.9135	30.8459	32.1745

- 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.

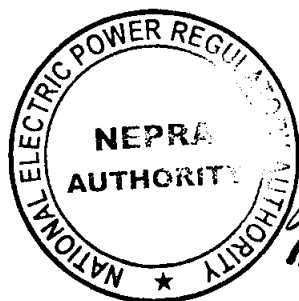
- Based on data declared by Huaneng Shandong Ruyi Energy (Private) Company Limited.

- The coal consumption is for the period March 16, 2023 to April 15, 2023.



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

Shipment Number		HSR 332	HSR 333
Vessel Name		KM WEIPA	STAR SUBARU
Bill of Lading (B/L) Date		28-Jun-22	11-Jul-22
L/C / TT Number		-	-
Origin		South Africa	South Africa
API-4 Index for the month of B/L Date	US\$/Ton	327.58	328.79
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	(11.29)	(62.47)
Fixed Price	US\$/Ton	316.29	266.32
Base Calorific Value	kCal/Kg	6,000	5,500
Actual Calorific Value	kCal/Kg	5,723	5,501
Quantity	MT	43,798	58,577
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	301.69	266.37
Marine Freight Charges	US\$/Ton	43.52	29.01
Marine Insurance	US\$/Ton	0.33	0.30
CIF Coal Price	US\$/Ton	345.54	295.68
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	345.54	295.68
Other Charges:	US\$/Ton	35.06	39.77
(i) Port Handling Charges	US\$/Ton	4.23	4.48
(ii) Port Qasim Royalty Charge	US\$/Ton	2.52	2.50
(iii) Customs Duties & Cess	US\$/Ton	26.45	27.36
(iv) PDA Charges at Load Port	US\$/Ton	0.66	0.51
(v) PDA Charges at Discharge Port	US\$/Ton	0.97	0.62
(vi) Freight Forwarding/Custom Clearance	US\$/Ton	0.02	0.02
(vii) Wharfage Charges	US\$/Ton	0.17	0.15
(viii) Commodity & Ash Fusion Temperature Inspection	US\$/Ton	0.04	0.03
(x) Transportation & Loading Charges	US\$/Ton	-	4.09
Inland Freight Charges	US\$/Ton	28.39	27.11
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	408.99	362.56
Handling Loss 1% or actual whichever is minimum	US\$/Ton	4.09	3.63
Delivered Coal Price with losses at Power Plant	US\$/Ton	413.08	366.19
Exchange Rate	Rs./US\$	204.96	219.41
Delivered Coal Price with losses at Power Plant	Rs./Ton	84,664	80,345

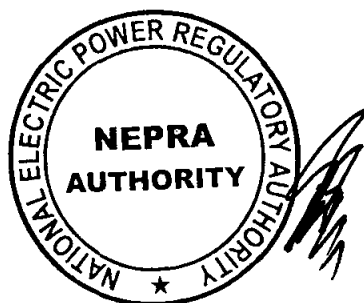


Huaneng Shandong Ruyi Energy (Private) Company Limited
Marine Freight Calculation
For the Month of April 2023

Description		HSR 332	HSR 333
		KM WEIPA	STAR SUBARU
		PQA	PIBT
Delivery Days:			
Voyage	Days	27.04	27.04
At Port	Days	6.84	4.91
Total Delivery Days	Days	33.88	31.94
Average Time Charter Rate	US\$/Day	27,167	23,797
Time Charter Cost	US\$	920,352	760,139
Bunker Consumption:			
Bunker during Voyage	Ton	878.72	878.72
Bunker during Port Days	Ton	34.20	24.53
Total	Ton	912.92	903.24
Bunker Price	\$/Ton	1,080.00	1,040.00
Bunker Cost	US\$	985,951	939,374
Total Voyage Expense	US\$	1,906,303	1,699,513
Quantity	Tons	43,798	58,577
Marine Freight	US\$/Ton	43.52	29.01

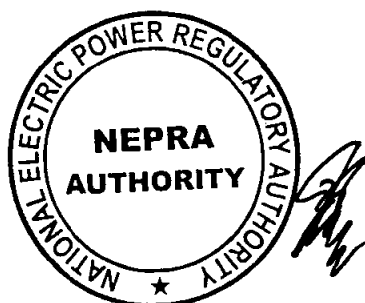
*PDA Charges both at Load and Discharge Ports have been included in Other Charges.

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

Description	Reference	Revised	
Fixed Freight Charges (FFC)	1.77	2.56	2.56
Variable Freight Charges (VFC)	0.81	1.68	1.66
(i) Fuel	0.40	1.09	1.07
(ii) O&M	0.40	0.59	0.59
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	5.19	5.18
Distance (Km)	1,060	1,060	1,060
Total Freight Charges (Rs/Ton)	3,743	5,505	5,486
Indexation Values:			
Consumer Price Index Base Year 2015-16	131.67	190.67	190.67
HSD Price (Rs./Liter)	87.12	235.30	231.43
Spurline Component:			
Spurline Component (Rs./ton)	189.82	313.91	463.11
Total Quantity Handeled (Tons)	302,087	182,674	123,819
Inland Freight Charges with Spurline (Rs/Ton)	3,933	5,819	5,949
Exchange Rate	-	204.96	219.41
Inland Freight Charges with Spurline (USD/Ton)	-	28.39	27.11
Handling Month	-	Nov-22	Dec-22



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