



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/ADG(Trf)/TRF-308/HSRPEL-2015/5425-29

April 24, 2024

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for April-June 2024 Quarter for Huaneng Shandong Ruyi (Pakistan) Energy Private Limited [Case # 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 quarter **April-June 2024** on account of US CPI, N-CPI, Exchange Rate, KIBOR, LIBOR, Coal Price (s) and Coal Calorific Value 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

(Engr. Mazhar Iqbal Ranjha)

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

Copy to:

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 Officer, Huaneng Shandong Ruyi (Pakistan) Energy (Pvt.) Ltd. House No. 4, A, Street No.20, F-8/2, Islamabad

DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION /ADJUSTMENT OF TARIFF FOR APRIL TO JUNE 2024 QUARTER FOR HUANENG SHANDONG RUYI (PAKISTAN) ENERGY PRIVATE LIMITED.

1. 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.
2. The Authority in its collective and joint wisdom considering all aspects decided with consensus as under; which will be hereafter called as decision of Authority in the matter:-

"Indexation/adjustment for April to June 2024 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 Apr to Jun 2024 Quarter |
|--|---|---------------------------------------|
| Capacity Charge (Rs./KW/h) | | |
| Fixed O&M – Foreign | 0.1601 | 0.5360 |
| Fixed O&M – Local | 0.1976 | 0.3922 |
| Cost of Working Capital | 0.1541 | 1.2568 |
| Return on Equity | 0.9438 | 2.6801 |
| Principal Outstanding | 1.4682 | 3.9480 |
| Interest Charge | 0.3458 | 1.5314 |
| Total | 3.2696 | 10.3445 |
| Energy Purchase Price (Rs./KWh) | | |
| Variable O&M – Foreign | 0.0763 | 0.2554 |
| Variable O&M – Local | 0.0628 | 0.1246 |
| Total | 0.1391 | 0.3800 |

3. 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.
4. The above decision of the Authority along with 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.
5. CPPA(G) to ensure that all payments are consistent with the tariff determination(s).

AUTHORITY

Mathar Niaz Rana (nsc)
Member



Engr. Rafique Ahmed Shaikh
Member

Engr. Maqsood Anwar Khan
Member

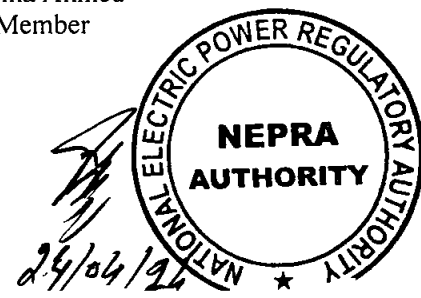


Amina Ahmed
Member



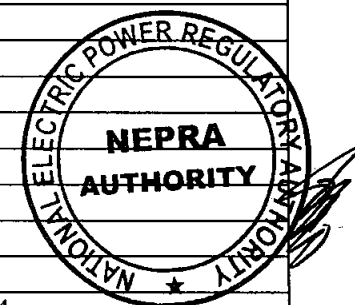
Waseem Mukhtar
Chairman

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Huaneng Shandong Ruyi (Pakistan) Energy (Pvt) Company Ltd.
Quarterly Indexation/Adjustment of Tariff

| Tariff Components | Reference Jan 17, 2019 & Mar 10, 2021 | Revised Apr to Jun 2024 Quarter | Indexation |
|--|---|---------------------------------------|---|
| Capacity Charge (Rs./KW/h) | | | |
| Fixed O&M - Foreign | 0.1601 | 0.5360 | US CPI & Rs./US\$ |
| Fixed O&M - Local | 0.1976 | 0.3922 | N-CPI Local |
| Cost of Working Capital | 0.1541 | 1.2568 | KIBOR & Fuel Cost as per respective consumption of Local & Imported Coal. |
| Return on Equity | 0.9438 | 2.6801 | Rs./US\$ & respective consumption of Local & Imported Coal. |
| Principal Outstanding | 1.4682 | 3.9480 | Rs./US\$ |
| Interest Charge | 0.3458 | 1.5314 | LIBOR & Rs./US\$ |
| Total | 3.2696 | 10.3445 | |
| Energy Purchase Price (Rs./KWh) | | | |
| Variable O&M - Foreign | 0.0763 | 0.2554 | US CPI & Rs./US\$ |
| Variable O&M - Local | 0.0628 | 0.1246 | N-CPI Local |
| Total | 0.1391 | 0.3800 | |
| Indexation Values | | | Source |
| Exchange Rate (Rs./USD) | 104.594 | 278.500 | NBP - Revised rate of Mar 29, 2024 |
| US CPI (All Urban Consumers) | 246.819 | 310.326 | U.S. Bureau of Labor Statistics - Revised value of Feb 2024 |
| N-CPI (Local) | 131.010 | 260.010 | Pakistan Bureau of Statistics - Revised value of Feb 2024 |
| 3 Monthly KIBOR | 6.150% | 21.990% | SBP - Revised rate of Mar 29, 2024 |
| 3 Monthly LIBOR | 1.380% | 5.560% | Global-rates.com - Revised rate of Mar 28, 2024 |
| Imported Coal Price (Rs./Ton) | 13,605 | 73,901.55 | Weighted Average Price of Coal Consumed during Jan & Feb 2024 |
| Imported Coal Calorific Value (BTU/Kg) | 23,768 | 22,258.51 | Weighted Average CV of Coal Consumed during Jan & Feb 2024 |
| Local Coal Price (Rs./Ton) | - | 54,402.82 | Weighted Average Price of Coal Consumed during Jan & Feb 2024 |
| Local Coal Calorific Value (BTU/Kg) | - | 24,646.01 | Weighted Average CV of Coal Consumed during Jan & Feb 2024 |
| Imported Coal Quantity (M. Ton) | - | 56,268 | 23.12% of Total Coal Consumed during Jan-Mar 2024 |
| Local Coal Quantity (M. Ton) | - | 187,125 | 76.88% of Total Coal Consumed during Jan-Mar 2024 |
| Principal Outstanding (USD. Million) | - | 593.70 | |
| Return on Equity (ROE)-Local | - | 29.50% | |
| Return on Equity (ROE)-Imported | - | 27.20% | |
| Hours in the quarter | - | 2,184 | |



- 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.

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