



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/ADG(Trf)/TRF-308/HSRPEL-2015/ 2908-12

February 27, 2024

Chief Executive Officer,
Huaneng Shandong Ruyi (Pakistan) Energy Private Limited,
House No. 4, A, Street No.20,
F-8/2, Islamabad

Subject: **Decision of the Authority in the matter of Fuel Price Adjustment for the month of January 2024 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 Schedule of Fuel Cost Part of Energy Charge at **Annex-I**, Details of Shipments at **Annex-II**, Details of Spot Coal at **Annex-III**, Marine Freight Calculation at **Annex-IV** and Inland Freight Charges at **Annex-V** (total 07 pages) in the matter of fuel price adjustment on account of Coal price variation for the month of **January 2024** in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited.

Enclosure: As above

(Engr. Mazhar Iqbal Ranjha)

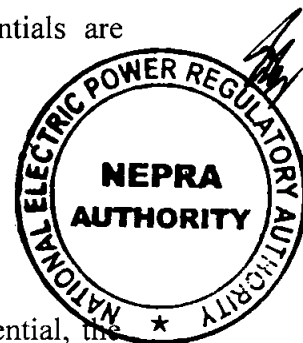
Copy to: (alongwith copy of subject Decision):

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 (CPPAG), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad.

DECISION OF THE AUTHORITY IN THE MATTER OF FUEL PRICE ADJUSTMENT FOR THE MONTH OF JANUARY 2024 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 Sua 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. 56,065/Ton for coal consumed during the month of January 2024. HSRPEL requested fuel cost component of Rs. 21.9989/kWh for January 2024.
2. The Appellate Tribunal (NEPRA) vide its Order dated October 19, 2023 awarded interim relief to HSRPEL as allowed in case of CPHGCL. However, HSRPEL vide email dated February 20, 2024 submitted that it has not provided any undertaking to the NEPRA Registrar's office in the matter of interim relief granted by Appellate Tribunal vide its order dated October 19, 2023. HSR requested to approve FPA of January 2024 without the interim relief granted by the Appellate Tribunal.
3. 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 price differentials are applicable in the instant case:

Description	Heat kCal/kg	Month	Unit	Price Differential
5,500 differential	5,500	July 2022	US\$/Ton	(62.47)
		December 2023		(8.14)



4. Considering the request of HSR and in accordance with the above price differential, the API 4 price for each shipment from Richards Bay has been calculated as under:

Shipment No.	API 4 (US\$/Ton)	Differential (US\$/Ton)	Discount (US\$/Ton)	Fixed Price (US\$/Ton)	Actual CV (Kcal/kg)	Heat Adjusted Price (US\$/Ton)	As per Invoice (US\$/Ton)	Difference (US\$/Ton)
HSR 339	328.79	(62.47)	-	266.32	5,500	270.48	333.93	(63.45)
Awan LT-1	100.32	(8.14)	(0.50)	91.68	5,679	94.66	94.66	-

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

“Based on the documentary evidence and information submitted by HSRPEL, the fuel cost component of energy charge part of HSRPEL’s tariff is adjusted for variation in coal price for the month of January 2024.”

6. The revised FCC of energy charge part of HSRPEL's tariff indicated hereunder shall be immediately applicable to the units delivered during the month:

Period	Reference Fuel Cost Component Rs./kWh	Revised Fuel Cost Component Rs./kWh
January 2024	4.2913	20.5786

7. The above referred revised fuel cost component along with revised coal prices, marine freight and 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.
8. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

AUTHORITY

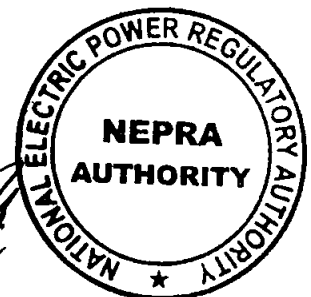
Mathar Niaz Rana (nsc)
Member

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 January 2024

Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg	US\$/Ton	Rs/Ton	Rs./US\$
Consumption from Stock:					
Consumption from Shipment No. 339	27,500	5,586	381.91	83,795	219.41
Consumption from Shipment No. Awan LT-1	8,891	5,679	155.09	44,039	283.95
Consumption from Local Purchase - Sartaj - 2	4,192	6,173	198.90	56,899	286.07
Consumption from Local Purchase - Awan - 23240143	31,173	6,671	188.25	57,689	306.45
Consumption from Local Purchase - Energy 1 - 002	4,676	5,920	177.91	54,521	306.45
Consumption from Local Purchase - Imlak - C-0024/2024	10,794	5,933	178.99	54,853	306.45
Consumption from Local Purchase - Khalil - 114	4,834	6,401	188.25	57,690	306.45
Consumption from Local Purchase - Markhor - 003-1223	8,598	6,211	173.94	53,305	306.45
Consumption from Local Purchase - Moiz - 003-1223	32,411	5,707	161.01	49,343	306.45
Consumption from Local Purchase - Moiz - 004-1224	427	6,057	181.37	55,580	306.45
Consumption from Local Purchase - PSL - 57	4,944	5,872	168.35	51,592	306.45
Consumption from Local Purchase - Awan - 23240178	40,500	6,343	193.62	55,388	286.07
Consumption from Local Purchase - Sartaj - 1107	10,964	6,184	201.42	56,785	286.07
Consumption from Local Purchase - Sartaj - 1108	9,012	6,101	175.56	50,224	286.07
Total Consumption	198,915	6,084	208.70	57,881	277.34

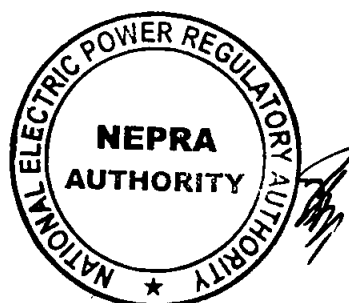
Description	Unit	Reference Jan 17, 2019	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	57,982	57,881
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,925	6,084
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	23,511	24,144
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
Revised Fuel Cost Component	Rs./kWh	4.9135	21.1692	20.5786

- 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.

- The coal consumption is for the period January 1, 2024 to January 31, 2024.

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

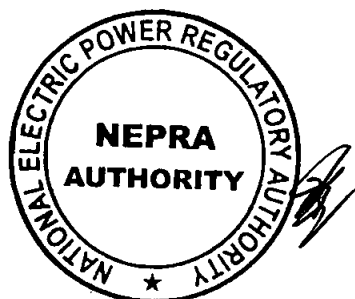
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Huaneng Shandong Ruyi Energy (Private) Company Limited
Details of Shipmnets
For the Month of January 2024

Shipment Number		HSR 339	Awan LT-1
Vessel Name		MV CHANG HANG RUN HAI	AFRICAN PARROT
Bill of Lading (B/L) Date		20-Jul-22	13-Dec-23
L/C / TT Number		-	-
Origin		South Africa	South Africa
API-4 Index for the month of B/L Date	US\$/Ton	328.79	100.32
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	(62.47)	(8.14)
Discount	US\$/Ton	-	(0.50)
Fixed Price	US\$/Ton	266.32	91.68
Base Calorific Value	kCal/Kg	5,500	5,500
Actual Calorific Value	kCal/Kg	5,586	5,679
Quantity	MT	42,693	42,500
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	270.48	94.66
Penalty for Ash	US\$/Ton	-	(0.36)
Marine Freight Charges	US\$/Ton	38.87	18.83
Marine Insurance	US\$/Ton	0.31	0.07
CIF Coal Price	US\$/Ton	309.66	113.20
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	309.66	113.20
Other Charges:	US\$/Ton	42.47	15.85
(i) Port Handling Charges	US\$/Ton	4.23	4.23
(ii) Port Qasim Royalty Charge	US\$/Ton	2.52	2.52
(iii) Customs Duties & Cess	US\$/Ton	33.80	7.19
(iv) PDA Charges at Load Port	US\$/Ton	0.62	0.48
(v) PDA Charges at Discharge Port	US\$/Ton	1.10	1.10
(vi) Freight Forwarding/Custom Clearance	US\$/Ton	0.02	0.04
(vii) Wharfage Charges	US\$/Ton	0.15	0.12
(viii) Commodity & Ash Fusion Temperature Inspection	US\$/Ton	0.03	0.07
(ix) L/C / TT Charges	US\$/Ton	-	0.10
Inland Freight Charges	US\$/Ton	26.00	25.57
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	378.13	154.62
Handling Loss 1% or actual whichever is minimum	US\$/Ton	3.78	0.48
Delivered Coal Price with losses at Power Plant	US\$/Ton	381.91	155.09
Exchange Rate	Rs./US\$	219.41	283.95
Delivered Coal Price with losses at Power Plant	Rs./Ton	83,795	44,039

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Huaneng Shandong Ruyi Energy (Private) Company Limited

Details of Spot Coal

For the Month of January 2024

For the Month of January 2024												
Coal Supplier		Awan	Energy1	Imlak	Khalil	Markhor	Moiz		PSL	Awan	Sartaj	
Bidding Month		Sept 2023								Oct 2023		
Invoice No.		ASIC - 23240143	002	C-0024/2024	114	05	003-1223	004-0124	57	ASIC - 23240178	1107	1108
Invoice Date		29-Nov-23	30-Nov-23	4-Dec-23	21-Nov-23	23-Nov-23	14-Dec-23	20-Jan-24	22-Nov-23	23-Dec-23	23-Jan-24	23-Jan-24
Quantity	MT	31,173	4,676	10,794	4,834	8,598	32,411	427	4,944	65,045	10,964	9,012
Base Price	Rs./Ton	48,500	51,500	48,599	50,600	51,840	48,600	48,600	48,690	46,800	49,900	45,700
Adjustment in Base Price for CV	Rs./Ton	-	-	-	-	-	(1,800)	-	-	-	-	-
Adjusted Base Price		48,500	51,500	48,599	50,600	51,840	46,800	48,600	48,690	46,800	49,900	45,700
Base Calorific Value (NCV)	kCal/Kg	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Actual Calorific Value (NCV)	kCal/Kg	6,671	5,920	5,933	6,401	6,211	5,707	6,057	5,872	6,343	6,184	6,101
Coal Price Adjusted for NCV	Rs./Ton	53,923	50,813	48,056	53,982	53,663	44,515	49,062	47,651	49,476	51,430	46,469
Adjustment for Moisture	Rs./Ton	-	-	-	-	(46)	-	-	-	-	(86)	-
Adjustment for Ash	Rs./Ton	-	-	(176)	-	-	(1,770)	(34)	(142)	-	-	-
Adjustment for VM (DAF)	Rs./Ton	(110)	-	-	-	-	(214)	-	(2,730)	-	-	-
Adjustment for Sulphur	Rs./Ton	(3,360)	-	-	-	(4,020)	(160)	(420)	(160)	(1,060)	(1,900)	(1,200)
Adjusted Coal Price as Per Request/Invoice	Rs./Ton	50,453	50,813	47,880	53,982	49,597	42,371	48,608	44,619	48,416	49,444	45,269
Inland Freight Charges	Rs./Ton	7,236	3,708	6,972	3,708	3,708	6,972	6,972	6,972	6,972	8,175	4,955
Handling Loss 1% or actual whichever is minimum	Rs./Ton	-	-	-	-	-	-	-	-	-	-	-
Delivered Coal Price with losses at Power Plant	Rs./Ton	57,689	54,521	54,853	57,690	53,305	49,343	55,580	51,592	55,388	57,620	50,224
Adjustment against Benchmark Price of Imported Coal	Rs./Ton	-	-	-	-	-	-	-	-	-	(835)	-
Net Delivered Coal Price with losses at Power Plant	Rs./Ton	57,689	54,521	54,853	57,690	53,305	49,343	55,580	51,592	55,388	56,785	50,224
Notional Exchange Rate	Rs./US\$	306.45	306.45	306.45	306.45	306.45	306.45	306.45	306.45	286.07	286.07	286.07
Net Delivered Coal Price	US\$/Ton	188.25	177.91	178.99	188.25	173.94	161.01	181.37	168.35	193.62	201.42	175.56



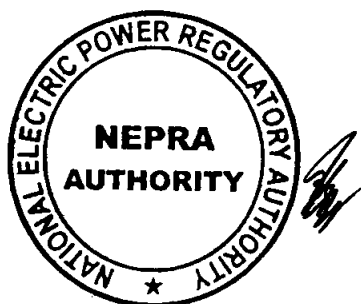
Huaneng Shandong Ruyi Energy (Private) Company Limited
Marine Freight Calculation
For the Month of January 2024

Description		HSR 339	Awan LT-1
		MV CHANG HANG RUN	AFRICAN PARROT
		PQA	PQA
Delivery Days:			
Voyage	Days	27.04	27.04
At Port	Days	6.69	6.67
Total Delivery Days	Days	33.73	33.70
Average Time Charter Rate	US\$/Day	22,428	16,918
Time Charter Cost	US\$	756,494	570,207
Bunker Consumption:			
Bunker during Voyage	Ton	878.72	878.72
Bunker during Port Days	Ton	33.46	33.33
Total	Ton	912.18	912.05
Bunker Price	\$/Ton	990.00	595.50
Bunker Cost	US\$	903,059	543,127
Total Voyage Expense	US\$	1,659,553	1,113,334
Total Voyage Expense for 42,500 Tons**	US\$	-	800,093
Quantity	Tons	42,693	42,500
Marine Freight	US\$/Ton	38.87	18.83

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

** Total quantity of shipment: 59,139 Tons

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Huaneng Shandong Ruyi Energy (Private) Company Limited
Inland Freight Charges
For the Month of January 2024

Description	Reference	Revised						
		Pipri					Kundian	
Fixed Freight Charges (FFC)	1.77	2.21	2.94	2.94	2.94	3.30	2.94	2.94
Variable Freight Charges (VFC)	0.81	1.58	2.11	2.06	1.98	2.04	2.06	1.98
(i) Fuel	0.40	1.07	1.44	1.39	1.31	1.28	1.39	1.31
(ii) O&M	0.40	0.51	0.67	0.67	0.67	0.75	0.67	0.67
Other Freight Charges Component	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72
Profit Margin	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23
Total Freight Charges (Rs/Ton/km)	3.53	4.74	6.01	5.96	5.88	6.29	5.96	5.88
Distance (Km)	1,060	1,060	1,060	1,060	1,060	1,060	512	512
Total Freight Charges (Rs/Ton)	3,743	5,027	6,366	6,315	6,230	6,668	3,050	3,009
Indexation Values:								
Consumer Price Index Base Year 2015-16	131.67	164.45	218.78	218.78	218.78	245.61	218.78	218.78
HSD Price (Rs./Liter)	87.12	231.43	310.44	299.95	282.74	276.21	299.95	282.74
Spurline Component:								
Spurline Component (Rs./ton)	190	463	656	444	1,731	380	444	1,731
Total Quantity Handeled (Tons)	302,087	123,819	87,426	129,238	33,121	150,829	129,238	33,121
Inland Freight Charges with Spurline (Rs/Ton)	3,933	5,490	7,022	6,759	7,962	7,048	3,494	4,741
Unrecovered Spurline Cost for the month of April 2023 (Rs./Ton)	214	214	214	214	214	214	214	214
Total Inland Frieght Charges (Rs./Ton)	4,147	5,704	7,236	6,972	8,175	7,262	3,708	4,955
Handling Month		Dec 22	Oct 23	Nov 23	Dec 23	Jan 24	Nov 23	Dec 23

