



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/ADG(Trf)/TRF-308/HSRPEL-2015/ 1909-13

February 12, 2024

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for January-March 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 Atlas Power Ltd. for the quarter **January-March 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.

CC:

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 JANUARY TO MARCH 2024 QUARTER FOR HUANENG SHANDONG RUYI (PAKISTAN) ENERGY PRIVATE LIMITED.

- 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 considering all aspects decided with consensus as under; which will be hereafter called as decision of Authority in the matter:-


"Indexation/adjustment for January to March 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 Jan to Mar 2024 Quarter
Capacity Charge (Rs./KW/h)		
Fixed O&M - Foreign	0.1601	0.5377
Fixed O&M - Local	0.1976	0.3818
Cost of Working Capital	0.1541	1.2000
Return on Equity	0.9438	2.7281
Principal Outstanding	1.4682	3.9451
Interest Charge	0.3458	1.6578
Total	3.2696	10.4505
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0763	0.2562
Variable O&M - Local	0.0628	0.1213
Total	0.1391	0.3775

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


AUTHORITY

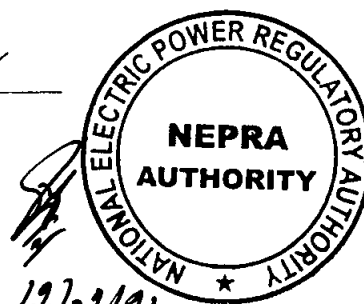

Mathar Niaz Rana (nsc)
Member


Engr. Maqsood Anwar Khan
Member


Engr. Rafique Ahmed Shaikh
Member

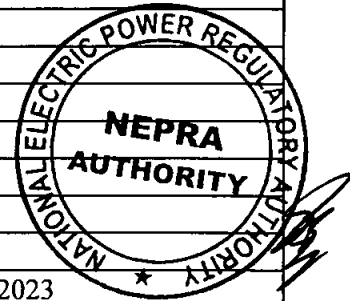

Amina Ahmed
Member


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 Jan to Mar 2024 Quarter	Indexation
Capacity Charge (Rs./KW/h)			
Fixed O&M - Foreign	0.1601	0.5377	US CPI & Rs./US\$
Fixed O&M - Local	0.1976	0.3818	N-CPI Local
Cost of Working Capital	0.1541	1.2000	KIBOR & Fuel Cost as per respective consumption of Local & Imported Coal.
Return on Equity	0.9438	2.7281	Rs./US\$ & respective consumption of Local & Imported Coal.
Principal Outstanding	1.4682	3.9451	Rs./US\$
Interest Charge	0.3458	1.6578	LIBOR & Rs./US\$
Total	3.2696	10.4505	
Energy Purchase Price (Rs./KWh)			
Variable O&M - Foreign	0.0763	0.2562	US CPI & Rs./US\$
Variable O&M - Local	0.0628	0.1213	N-CPI Local
Total	0.1391	0.3775	
Indexation Values			Source
Exchange Rate (Rs./USD)	104.594	282.400	NBP - Revised rate of Dec 29, 2024
US CPI (All Urban Consumers)	246.819	307.015	U.S. Bureau of Labor Statistics - Revised value of Nov 2023
N-CPI (Local)	131.010	253.150	Pakistan Bureau of Statistics - Revised value of Nov 2023
3 Monthly KIBOR	6.150%	21.460%	SBP - Revised rate of Dec 29, 2023
3 Monthly LIBOR	1.380%	5.593%	global-rates.com - Revised rate of Dec 29, 2023
Imported Coal Price (Rs./Ton)	13,605	84,684.00	Weighted Average Price of Coal Consumed during Oct-Dec 2023
Imported Coal Calorific Value (BTU/Kg)	23,768	22,829.37	Weighted Average CV of Coal Consumed during Oct-Dec 2023
Local Coal Price (Rs./Ton)	-	52,501.53	Weighted Average Price of Coal Consumed during Oct-Dec 2023
Local Coal Calorific Value (BTU/Kg)	-	23,651.50	Weighted Average CV of Coal Consumed during Oct-Dec 2023
Imported Coal Quantity (M. Ton)	-	11,069	17.03% of Total Coal Consumed during Oct-Dec 2023
Local Coal Quantity (M. Ton)	-	53,929	82.97% of Total Coal Consumed during Oct-Dec 2023
Principal Outstanding (USD. Million)	-	631.64	
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.