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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/ADG(Trf)/TRF-308/HSRPEL-2015/16345-49

October 28, 2024

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for October-December 2024 Quarter for Huaneng Shandong Ruyi (Pakistan) Energy Private Limited**

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority along **Annex-I** (total 02 pages) regarding quarterly indexation/adjustment of tariff of Huaneng Shandong Ruyi (Pakistan) Energy Private Limited for the quarter **October-December 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 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**

Wasim Anwar Bhinder
(Wasim Anwar Bhinder)

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 OCTOBER-DECEMBER 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 October-December 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 Oct - Dec 2024 Quarter
Capacity Charge (Rs./KW/h)		
Fixed O&M - Foreign	0.1601	0.5428
Fixed O&M - Local	0.1976	0.3936
Cost of Working Capital	0.1541	1.2800
Return on Equity	0.9438	2.5090
Principal Outstanding	1.5565	4.0143
Interest Charge	0.2575	1.2225
Total	3.2696	9.9622
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0763	0.2587
Variable O&M - Local	0.0628	0.1251
Total	0.1391	0.3838

3. HSRPEL has consumed only imported coal during the quarter. Accordingly, ROE and cost of working capital components have been adjusted in accordance with the Para 9.1 & 10.2 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).

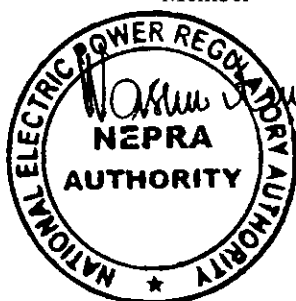
AUTHORITY

Mathar Niaz Rana (nsc)
Member

Engr. 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 - Dec 2024 Quarter	Indexation
Capacity Charge (Rs./KW/h)			
Fixed O&M - Foreign	0.1601	0.5428	US CPI & Rs./US\$
Fixed O&M - Local	0.1976	0.3936	N-CPI Local
Cost of Working Capital	0.1541	1.2800	KIBOR & Fuel Cost as per respective consumption of Local & Imported Coal.
Return on Equity	0.9438	2.5090	Rs./US\$ & respective consumption of Local & Imported Coal.
Principal Outstanding	1.5565	4.0143	Rs./US\$
Interest Charge	0.2575	1.2225	LIBOR & Rs./US\$
Total	3.2696	9.9622	
Energy Purchase Price (Rs./KWh)			
Variable O&M - Foreign	0.0763	0.2587	US CPI & Rs./US\$
Variable O&M - Local	0.0628	0.1251	N-CPI Local
Total	0.1391	0.3838	
Indexation Values			Source
Exchange Rate (Rs./USD)	104.594	278.050	NBP - Revised rate of Sep 30, 2024
US CPI (All Urban Consumers)	246.819	314.796	U.S. Bureau of Labor Statistics - Revised value of Aug 2024
N-CPI (Local)	131.010	262.320	Pakistan Bureau of Statistics - Revised value of Aug 2024
3 Monthly KIBOR	6.150%	16.130%	SBP - Revised rate of Sep 30, 2024
3 Monthly LIBOR *	1.380%	4.85372%	Global-rates.com - Revised rate of Sep 30, 2024
Imported Coal Price (Rs./Ton)	13,605	47,229.47	Weighted Average Price of Coal Consumed during Jul-Sep 2024
Imported Coal Calorific Value (BTU/Kg)	23,768	22,282.64	Weighted Average CV of Coal Consumed during Jul-Sep 2024
Imported Coal Quantity (M. Ton)	-	449,256	Total Coal Consumed during Jul-Sep 2024
Principal Outstanding (USD. Million)	-	516.13	
Hours in the quarter	-	2,208	

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

* Debt servicing component shall be subject to final decision of the Authority of Suo Moto proceedings relating to transition from LIBOR to SOFR.

