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No. NEPRA/R/ADG(Trf)/TRF-308/HSRPEL-2015/ 20897-901

December 10, 2025

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 October 2025 for Huaneng Shandong Ruyi (Pakistan) Energy Private Limited**

Enclosed please find herewith the subject Decision of the Authority alongwith Additional Note of Mr. Rafique Ahmed Shaikh, Member (NEPRA) and **Annex-I to Annex-IV** (total 07 pages) in the matter of Fuel Price Adjustment on account of **Coal** price variation for the months of **October 2025** in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited in Case No. NEPRA/TRF-308/HSRPEL-2015.

Enclosure: **As above**


(Wasim Anwar Bhinder)

Copy to:

1. Secretary, Ministry of Energy (Power Division), 'A' Block, Pak Secretariat, Islamabad
3. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
2. Mr. Shehriyar Abbasi, Deputy Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
4. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Blue Area, Islamabad

**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL PRICE
ADJUSTMENT FOR THE MONTH OCTOBER 2025 FOR HUANENG
SHANDONG RUYI (PAKISTAN) ENERGY PRIVATE LIMITED**

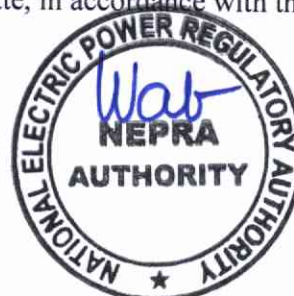
1. Pursuant to the Authority's decision dated March 31, 2015 in the matter of Approval of Upfront Coal Tariff for 2x660 MW coal power plant of Huaneng Shandong Ruyi (Pakistan) Energy Private Limited (HSRPEL), decision dated September 23, 2016 regarding Suo Moto Review Proceedings in the Fuel Price Adjustment 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. 47,620/Ton for the coal consumed during the month of October 2025. HSRPEL requested fuel cost component of Rs. 18.1487/kWh for October 2025.
2. The 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 respectively and on the basis of provided documentary evidences, PDA charges have also been worked out on the basis of respective quantities. Further, Shipments No. Wah LT 2-12 was procured from Mozambique. PDA charges of the subject shipment have been benchmarked on the basis of South African coal import.
3. 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 months of October 2025."
4. 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
October 2025	4.9135	17.5948

5. 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 and Annex-IV**, respectively, are to be notified in the official gazette, in accordance with the provisions

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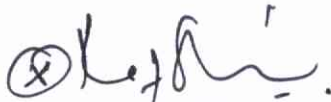


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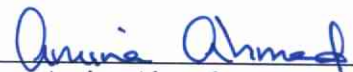
of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

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

AUTHORITY



Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Engr. Maqsood Anwar Khan
Member



Waseem Mukhtar
Chairman

① I have already started my position regarding coal procurement by IPPs (copy attached). Please ensure that the same is complied with in this case as well.

Waseem Mukhtar
03/12/25

2/5



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 October 2025

Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg	US\$/Ton	Rs/Ton	Rs./US\$
Consumption from Stock:					
Consumption from Shipment No. 340	10,000	5,872	425.56	93,371	219.41
Wah LT-2 Ship 06	14,100	5,885	150.75	42,722	283.39
Wah LT-2 Ship 07	23,193	5,558	131.86	37,367	283.39
Wah LT-2 Ship 08	6,000	5,680	135.36	38,526	284.63
Awan LT-2 Ship 15	32,000	5,898	152.12	43,109	283.39
Total Consumption	85,293	5,785	177.26	47,054	265.45

Description	Unit	Reference Jan 17, 2019	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	42,662	47,054
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,903	5,785
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	23,425	22,956
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
Revised Fuel Cost Component	Rs./kWh	4.9135	15.6332	17.5948

- 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 October 01, 2025 to October 31, 2025
- Based on data declared by Huaneng Shandong Ruyi Energy (Private) Company Limited.



3/7

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Huaneng Shandong Ruyi Energy (Private) Company Limited
Details of Shipmnets
For the Month of October 2025

Shipment Number		Wah LT 2-07	Wah LT 2-08	Awan LT 2-15
Vessel Name	Unit	MV BBG FOREEVER	MV FORTUNE TIGER	MV ST CERGUE
Bill of Lading (B/L) Date	-	9-Jun-25	1-Jul-25	24-Jun-25
L/C / TT Number		-	-	-
Origin		South Africa	South Africa	South Africa
Quantity	MT	59,582	55,850	42,508
API-4 Index for the month of B/L Date	US\$/Ton	91.97	94.72	91.97
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	(16.12)	(20.37)	-
Discount	US\$/Ton	(0.65)	(0.65)	(2.51)
Fixed Price	US\$/Ton	75.20	73.70	89.46
Base Calorific Value	kCal/Kg	5,500	5,500	6,000
Actual Calorific Value	kCal/Kg	5,558	5,680	5,898
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	75.99	76.11	87.94
Penalty for Ash / Sulphur	US\$/Ton	(2.79)	(0.54)	-
Marine Freight Charges	US\$/Ton	12.85	14.32	20.14
Marine Insurance	US\$/Ton	0.07	0.07	0.11
CIF Coal Price	US\$/Ton	86.12	89.96	108.18
Handling Loss 1% or actual whichever is minimum	US\$/Ton		-	-
CIF Coal Price with losses at Karachi	US\$/Ton	86.12	89.96	108.18
Other Charges:	US\$/Ton	18.51	18.14	16.40
(i) Port Handling Charges	US\$/Ton	4.28	4.25	4.23
(ii) Port Qasim Royalty Charge	US\$/Ton	2.39	2.37	2.52
(iii) Customs Duties & Cess	US\$/Ton	6.37	6.34	7.40
(iv) PDA Charges at Load Port	US\$/Ton	0.66	0.58	0.84
(v) PDA Charges at Discharge Port	US\$/Ton	0.52	0.43	1.08
(vi) Freight Forwarding/Custom Clearance	US\$/Ton	0.06	0.06	0.04
(vii) Wharfage Charges	US\$/Ton	0.12	0.12	0.12
(viii) Commodity & Ash Fusion Temperature Inspection	US\$/Ton	0.07	0.07	0.07
(ix) L/C / TT Charges	US\$/Ton	0.10	-	0.10
(x) Transportation Charges	US\$/Ton	3.95	3.92	-
Inland Freight Charges	US\$/Ton	25.92	25.92	26.03
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	130.55	134.02	150.61
Handling Loss 1% or actual whichever is minimum	US\$/Ton	1.31	1.34	1.51
Delivered Coal Price with losses at Power Plant	US\$/Ton	131.86	135.36	152.12
Exchange Rate	Rs./US\$	283.39	284.63	283.39
Delivered Coal Price with losses at Power Plant	Rs./Ton	37,367	38,526	43,109

* PDA charges of Mozainbiquic Port have been benchmarked with the PDA charges of Richard Bay Port South Africa



Huaneng Shandong Ruyi Energy (Private) Company Limited
Marine Freight Calculation
For the Month of October 2025

Description		Wah LT 2-07	Wah LT 2-08	Awan LT 2-15
		MV BBG FOREEVER	MV FORTUNE TIGER	MV ST CERGUE
		PIBT	PIBT	PQA
Delivery Days:				
Voyage	Days	27.04	27.04	27.04
At Port	Days	5.37	5.10	6.67
Total Delivery Days	Days	32.41	32.13	33.71
Average Time Charter Rate	US\$/Day	9,762	10,533	10,271
Time Charter Cost	US\$	316,356	338,459	346,187
Bunker Consumption:				
Bunker during Voyage	Ton	878.72	878.72	878.72
Bunker during Port Days	Ton	26.85	25.48	33.34
Total	Ton	905.57	904.20	912.06
Bunker Price	\$/Ton	496.00	510.00	559.00
Bunker Cost	US\$	449,160	461,141	509,840
Total Cost	US\$	765,516	799,599	856,027
Quantity	Tons	59,582	55,850	42,508
Marine Freight	US\$/Ton	12.85	14.32	20.14

59



5/7

Huaneng Shandong Ruyi Energy (Private) Company Limited
Inland Freight Charges
For the Month of October 2025

Description	Reference	Revised	
		Pipri	
Fixed Freight Charges (FFC)	1.77	3.56	3.56
Variable Freight Charges (VFC)	0.81	2.11	2.07
(i) Fuel	0.40	1.29	1.26
(ii) O&M	0.40	0.81	0.81
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	6.62	6.58
Distance (Km)	1,060	1,060	1,060
Total Freight Charges (Rs/Ton)	3,743	7,016	6,979
Indexation Values:			
Consumer Price Index Base Year 2015-16	131.67	264.72	264.72
HSD Price (Rs./Liter)	87.12	278.85	271.38
Spurline Component:			
Spurline Component (Rs./ton)	190	330	398
Total Quantity Handeled (Tons)	302,087	173,550	144,253
Inland Freight Charges with Spurline (Rs/Ton)	3,933	7,346	7,376
Handling Month		Jul-25	Sep-25

89



6/7

Dissenting Note of Member (Technical) – HSR

With regard to the draft decision, I respectfully dissent from the Authority's decision to accept the response submitted by M/s Huaneng Shandong Ruyi (Pakistan) Energy (Pvt.) Ltd. (HSR) to the Show Cause Notice and to close the proceedings.

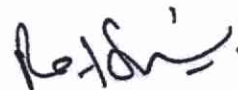
In my considered opinion, the decision lacks both factual and procedural merit and sets a concerning precedent that may undermine the Authority's regulatory oversight in the event of future system emergencies. Furthermore, the minutes and the decision itself do not provide any justification or reasoning for accepting HSR's response.

The Inquiry Committee found that HSR significantly delayed system restoration after the 23.01.2023 blackout. Although HSR received the Notice to Synchronize (NTS) at 22:21 on 23.01.2023, it only synchronized Unit 1 at 07:35 and Unit 2 at 20:25 on 24.01.2023—delays of 1 hour 11 minutes and 14 hours 1 minute, respectively, beyond the scheduled time of 06:24.

HSR's explanation, citing equipment damage, is unconvincing given the plant had passed commissioning tests and had redundant systems in place. The company also referred to revised blackout restoration procedures finalized in December 2024, which permit an additional 240 minutes for synchronization. However, these did not apply at the time of the incident and cannot be applied retrospectively. Even if considered, Unit 2's synchronization exceeded the extended limit by over 10 hours.

The argument that financial penalties imposed by CPPA-G are sufficient is not convincing in my opinion, as the Authority's enforcement mandate is distinct and rooted in regulatory compliance—not limited by contractual remedies. This was affirmed in the Authority's 18.02.2022 order involving NPGCL where Authority hold that the act of the Authority is under the regulatory framework as envisaged under NEPRA laws and has no nexus with bilateral arrangement of both the parties i.e. NPGCL and CPPA-G. The Authority is fully empowered to initiate legal proceedings against its licensee if found in contravention of terms and conditions of its generation license and other applicable documents. Therefore, the principle of double jeopardy is not applicable in this case. Accepting such a defense undermines regulatory authority and sets a precedent, especially in light of HSR's failure to make its generation facility available during a critical emergency, despite its obligations under Section 14B(4) of the NEPRA Act and its Take or Pay structure. This failure delayed restoration efforts, negatively impacted consumers, and disrupted economic activity.

Moreover, HSR violated not only the PPA but also the Authority-approved LPM and the Grid Code, justifying enforcement action. Dismissing the case without consequence weakens the Authority's position in similar ongoing cases, promotes inconsistency, and could embolden future non-compliance during emergencies. Additionally, the decision violates Regulation 4(12) of the NEPRA (Fine) Regulations, 2021, due to the absence of documented reasons for accepting the show cause response, making the process procedurally deficient. In view of these legal, technical, and regulatory risks, I dissent and maintain that the Rs. 25 million fine was both justified and necessary to uphold grid discipline and regulatory credibility.



Rafique Ahmed Shaikh
Member (Technical)

