



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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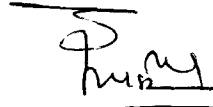
No. NEPRA/TRF-308/HSRPEL-2015/12806-10
August 9, 2018

Director Commercial,
Huaneng Shandong Ruyi HSR (Pakistan) Energy (Private) Limited (HSR)
House No 105, Street 10, Block H, Phase 5,
DHA, Lahore

Subject: Decision of the Authority in the matter of Fuel Price Adjustment 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 Schedule of Fuel Cost Part of Energy Charge (Annex-I), Details of Shipments (Annex-II), Marine Freight Calculation (Annex-III) and Inland Freight Charges (Annex-IV) (05 pages) regarding the fuel price adjustment on account of Coal price variation for the month of July 2018 in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited.

Enclosure: As above


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(Syed Safeer Hussain)

CC:

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
NEECA Building, Sector G-5/2, Islamabad.

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

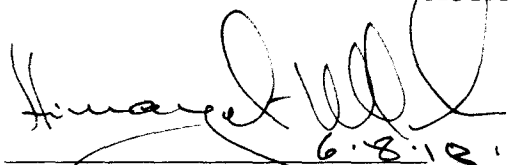
Pursuant to the decision of the Authority dated 31st March 2015 in the matter of approval of Upfront Coal tariff for 2x660 MW coal power plant of Huaneng Shandong Ruyi (Pakistan) Energy Private Limited (HSR) and the decision of the Authority dated 23rd September 2016 regarding Suo Moto Review Proceedings in the Fuel Price Adjustment Mechanism determined in Upfront Coal tariff, the fuel portion of the energy charge part of HSR's tariff has been adjusted for variation in coal price(s). HSR requested weighted average coal price of US\$ 172.56/ton for coal consumed during the month of July 2018. HSR further requested fuel cost component of Rs. 7.6872/kWh for July 2018 which was found on higher side. In accordance with the prescribed mechanism, the revised coal prices for each shipment have been worked out and are attached as Annexure to this decision. The revised fuel cost component of energy charge part of HSR's tariff indicated hereunder shall be immediately applicable to the units delivered during the month.

Period	Revised Fuel Cost Component Rs./kWh
July 2018	7.2913

Inland freight charges have been worked out in accordance with the decision of the Authority dated 15th February 2018 in the matter of Inland Coal Transportation Agreement between HSR and Pakistan Railway Freight Transportation Company (Private) Limited (PRFTC) for transportation of coal from Port Qasim Karachi to Sahiwal. The subject decision is still to be notified in the Official Gazette. The freight charges have been included in the coal price on provisional basis and shall be subject to the Notification of the Order of the Authority by Government of Pakistan. The revised inland freight charges for each shipment is provided at Annex-IV.

The above referred revised fuel cost component along with revised coal prices, revised marine freight charges and revised inland freight charges attached as Annex-I, Annex-II, Annex-III & Annex-IV 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.

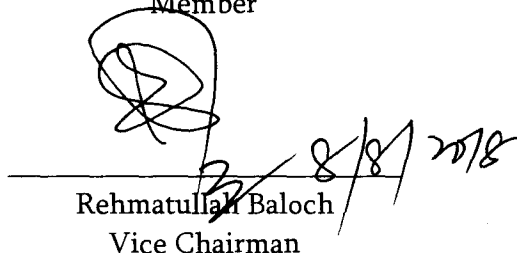
AUTHORITY


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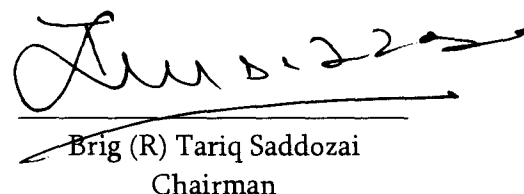
Himayat Ullah Khan
Member


7.8.2018

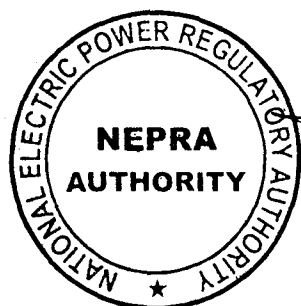
Saif Ullah Chattha
Member

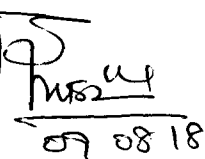

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Rehmatullah Baloch
Vice Chairman


7.8.2018

Brig (R) Tariq Saddozai
Chairman



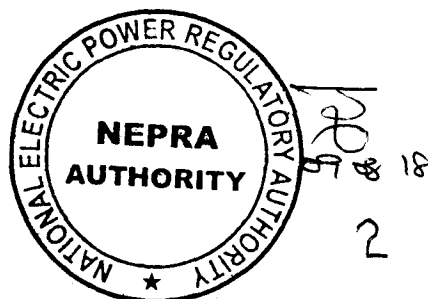

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Huaneng Shandong Ruyi Energy (Private) Company Limited
Schedule of Fuel Cost Part of Energy Charge
Adjustment on Account of Coal Price Variation for the Month of July 2018

Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg.	US\$/Ton	Rs/Ton	Rs./US\$
Consumption from previous shipments:					
Consumption from Shipment No. HSR 80	37,942	5,915	159.35	18,437	115.70
Consumption from Shipment No. HSR 82	37,204	5,768	161.64	19,261	119.16
Consumption from Shipment No. HSR 83	43,119	5,927	168.07	19,445	115.70
Consumption from Shipment No. HSR 84	17,215	5,810	164.92	19,081	115.70
Consumption from Shipment No. HSR 86	43,124	5,590	161.60	18,697	115.70
Consumption from Shipment No. HSR 87	36,914	5,789	162.33	19,343	119.16
Consumption from Shipment No. HSR 88	38,134	5,862	163.70	19,506	119.16
Consumption from Shipment No. HSR 91	54,684	5,870	166.54	19,845	119.16
Total consumption	308,336	5,818	163.64	19,240	117.57

Description	Unit	Reference	Previous	Revised
Avg. Price of stock consumed during the month	Rs./ton	12,532	18,107	19,240
Avg. net calorific value of stock consumed during the month	kCal/kg	6,441	5,856	5,818
Avg. net calorific value of stock consumed during the month	BTU/kg	25,556	23,238	23,087
Net Heat Rates	BTU/kWh	8,749	8,749	8,749
Revised fuel cost component for July 2018	Rs./kWh	4.2913	6.8173	7.2913

Note: 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.



Huaneng Shandong Ruyi Energy (Private) Company Limited
Details of Shipmnets

Shipment Number		HSR 80	HSR 82	HSR 83	HSR 86	HSR 87	HSR 88	HSR 91
Vessel Name		AMIS WISDOM VI	PACIFIC VALOR	LOCH NEVIS	ANNE I	PARNASSOS	SBI LEO	IONIC
Bill of Lading (B/L) Date		10-May-18	4-Jun-18	23-May-18	31-May-18	2-Jun-18	10-Jun-18	20-Jun-18
L/C Number		LC28803B800079	LC28803B800086	LC28803B800084	LC28803B800088	LC28803B800089	LC28803B800090	LC28803B800094
API-4 Index for the month of B/L Date		102.29	104.46	102.29	102.29	104.46	104.46	104.46
Base Calorific Value	kCal/Kg	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Actual Calorific Value	kCal/Kg	5,915	5,768	5,927	5,590	5,789	5,862	5,870
Quantity	MT	38,407	37,959	43,994	44,000	37,664	38,908	56,706
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	100.84	100.42	101.05	95.30	100.79	102.06	102.20
Discount	US\$/Ton	(5.52)	(2.88)	-	-	(2.90)	(2.93)	-
Marine Freight Charges	US\$/Ton	15.86	17.17	15.59	15.36	17.48	17.52	13.76
Marine Insurance	US\$/Ton	0.11	0.11	0.11	0.11	0.12	0.12	0.11
CIF Coal Price	US\$/Ton	111.29	114.83	116.74	110.77	115.49	116.77	116.07
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-	-	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	111.29	114.83	116.74	110.77	115.49	116.77	116.07
Other Charges:	US\$/Ton	15.34	14.97	18.51	18.08	14.99	15.06	18.28
(i) Port Handling Charges	US\$/Ton	3.80	4.06	4.67	4.67	4.06	4.06	4.67
(ii) Port Qasim Royalty Charge	US\$/Ton	-	2.40	2.27	2.27	2.40	2.40	2.27
(iii) Customs Duties & Cess	US\$/Ton	6.84	7.06	7.18	6.81	7.10	7.18	7.14
(iv) L/C Charges	US\$/Ton	0.10	0.10	0.10	0.10	0.10	0.10	0.10
(v) PDA Charges at Load Port	US\$/Ton	0.55	0.63	0.57	0.53	0.60	0.60	0.48
(vi) PDA Charges at Discharge Port	US\$/Ton	0.91	0.72	0.70	0.67	0.72	0.72	0.59
(vii) Transportation & Loading charges	US\$/Ton	2.94	-	2.96	2.96	-	-	2.96
(viii) Freight Forwarding/Custom Clearance	US\$/Ton	0.07	-	0.07	0.07	-	-	0.07
(ix) Commodity Inspection	US\$/Ton	0.12	-	-	-	-	-	-
(x) Ash Fusion Temperature inspection	US\$/Ton	0.01	-	-	-	-	-	-
Inland Freight Charges	US\$/Ton	31.15	30.25	31.15	31.15	30.25	30.25	30.54
Delivered Coal Price before adjustment of handling loss	US\$/Ton	157.78	160.04	166.40	160.00	160.72	162.08	164.89
Handling Loss 1% or actual whichever is minimum	US\$/Ton	1.58	1.60	1.66	1.60	1.61	1.62	1.65
Delivered Coal Price with losses at Power Plant	US\$/Ton	159.35	161.64	168.07	161.60	162.33	163.70	166.54
Exchange Rate	Rs./US\$	115.70	119.16	115.70	115.70	119.16	119.16	119.16
Delivered Coal Price with losses at Power Plant	Rs./Ton	18,437.19	19,261.41	19,445.37	18,697.32	19,342.70	19,506.42	19,845.27

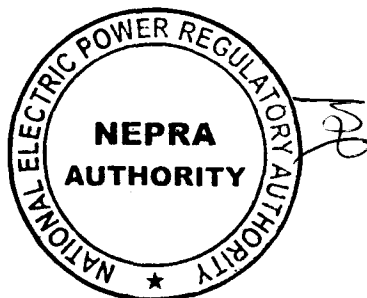


Huaneng Shandong Ruyi Energy (Private) Company Limited
Marine Freight Calculation

Description	Unit	AMIS WISDOM VI	PACIFIC VALOR	LOCH NEVIS	ANNE I	PARNASSOS	SBI LEO	IONIC
Discharge Port Name		KPT	PQA	PIBT	PIBT	PQA	PQA	PIBT
Delivery Days:								
Voyage	Days	27.04	27.04	27.04	27.04	27.04	27.04	27.04
At Port	Days	7.667	7.200	4.333	4.333	7.200	7.200	4.780
Total	Days	34.70	34.24	31.37	31.37	34.24	34.24	31.82
Average Time Charter Rate	US\$/Day	11,534	11,462	11,489	11,431	11,342	11,559	11,859
Time Charter Cost	US\$	400,278	392,430	360,420	358,600	388,322	395,751	377,328
Bunker Consumption:								
Bunker during Voyage	Ton	878.72	878.72	878.72	878.72	878.72	878.72	878.72
Bunker during Port Days	Ton	38.33	36.00	21.67	21.67	36.00	36.00	23.90
MGO Consumption	Ton	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Total	Ton	920.95	918.62	904.29	904.29	918.62	918.62	906.52
Bunker Price	\$/Ton	425.00	441.00	462.35	451.75	461.00	455.00	443.50
MGO Price	\$/Ton	700.00	710.00	725.00	730.00	729.00	725.00	710.00
Bunker Cost	US\$	392,477	406,160	419,121	409,596	424,528	419,025	403,081
Total Voyage Expense	US\$	792,755	798,590	779,540	768,196	812,850	814,776	780,410
Quantity	Tons	50,000	46,500	50,000	50,000	46,500	46,500	56,706
Marine Freight	\$/Ton	15.86	17.17	15.59	15.36	17.48	17.52	13.76

-PDA Charges both at load and discharge ports have been included in other charges.

-In line with the decision of the Authority for the month of June 2018, coal quantity of 46,500 tons or actual whichever is higher has been taken for vessels unloaded at PQA and 50,000 tons or actual whichever is higher has been taken for vessel unloaded at PIBT/KPT.



Huaneng Shandong Ruyi Energy (Private) Company Limited
Inland Freight Charges

Description	Reference	Revised						
		HSR 80	HSR 82	HSR 83	HSR 86	HSR 87	HSR 88	HSR 91
	Rs/Ton/km	AMIS WISDOM VI	PACIFIC VALOR	LOCH NEVIS	ANNE I	PARNASSOS	SBI LEO	IONIC
Fixed Freight Charges (FFC)	1.33	1.45	1.45	1.45	1.45	1.45	1.45	1.47
Variable Freight Charges (VFC)	0.71	0.80	0.80	0.80	0.80	0.80	0.80	0.87
(i) Fuel	0.40	0.47	0.47	0.47	0.47	0.47	0.47	0.53
(ii) O&M	0.30	0.33	0.33	0.33	0.33	0.33	0.33	0.34
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	2.99	3.20	3.20	3.20	3.20	3.20	3.20	3.29
Reference Values:								
Consumer Price Index (General)	200.89	218.50	218.50	218.50	218.50	218.50	218.50	222.74
HSD Price (Rs./Liter)	87.12	102.035	102.035	102.035	102.035	102.035	102.035	114.378
Spurline Component:								
Spurline Component (Rs./ton)	189.82	208.88	208.88	208.88	208.88	208.88	208.88	147.14
Total Quantity Handeled (Tons)	302,087	274,527	274,527	274,527	274,527	274,527	274,527	389,707
Handling Month	-	Jun-18	Jun-18	Jun-18	Jun-18	Jun-18	Jun-18	Jul-18

