



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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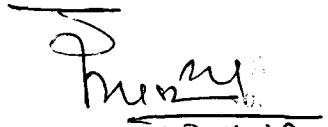
No. NEPRA/TRF-308/HSRPEL-2015/15375-79
October 3, 2018

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 September 2018 in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited.

Enclosure: As above


(Syed Safer 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.**

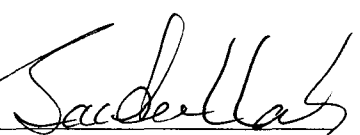
Pursuant to the decision of the Authority dated 31st March 2015 in the matter of approval of Upfront Coal tariff for 2x660 MW coal power plant of Huaneng Shandong Ruyi (Pakistan) Energy Private Limited (HSR) and the decision of the Authority dated 23rd September 2016 regarding Suo Moto Review Proceedings 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\$ 180.27/ton for coal consumed during the month of September 2018. HSR further requested fuel cost component of Rs. 8.4221/kWh for September 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
September 2018	7.5785

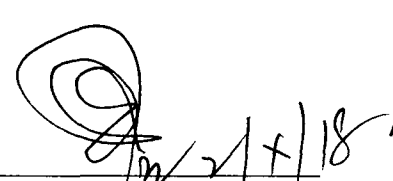
Inland freight charges have been worked out in accordance with the decision of the Authority dated 15th February 2018 in the matter of Inland Coal Transportation Agreement between HSR and Pakistan Railway Freight Transportation Company (Private) Limited (PRFTC) for transportation of coal from Port Qasim 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.

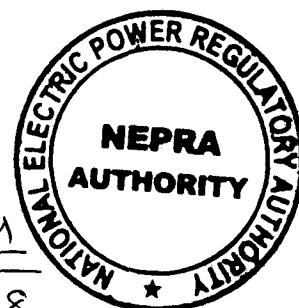
AUTHORITY


Saif Ullah Chattha
Member

2.10.2018


Rehmatullah Baloch
Vice Chairman


Brig (R) Tariq Sadozai
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 September 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 95	4,647	5,946	168.18	20,960	124.63
Consumption from Shipment No. HSR 96	35,573	5,877	166.94	20,806	124.63
Consumption from Shipment No. HSR 97	37,095	5,885	168.18	20,960	124.63
Consumption from Shipment No. HSR 98	55,292	5,805	159.65	19,813	124.10
Consumption from Shipment No. HSR 99	36,943	5,883	157.93	19,599	124.10
Consumption from Shipment No. HSR 101	50,167	5,892	159.93	19,848	124.10
	219,717	5,866	162.23	20,164	124.29

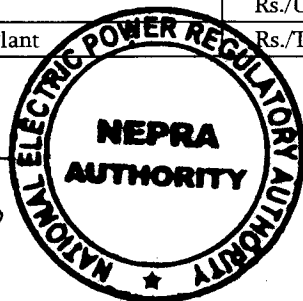
Description	Unit	Reference	Previous	Revised
Avg. Price of stock consumed during the month	Rs./ton	12,532	20,106	20,164
Avg. net calorific value of stock consumed during the month	kCal/kg	6,441	5,915	5,866
Avg. net calorific value of stock consumed during the month	BTU/kg	25,556	23,474	23,278
Net Heat Rates	BTU/kWh	8,749	8,749	8,749
Revised fuel cost component for September 2018	Rs./kWh	4.2913	7.4940	7.5785

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 96	HSR 97	HSR 98	HSR 99	HSR 101
Vessel Name		Nautical Amethyst	Navios Christine	Stove Caledonia	Asia Ruby II	Maritime Prosperity
Bill of Lading (B/L) Date		18-Jul-18	27-Jul-18	2-Aug-18	5-Aug-18	14-Aug-18
L/C Number		LC28803B800104	LC28803B800105	LC28803B800108	LC28803B800109	ICBC/LHE/RGC/20180828
API-4 Index for the month of B/L Date		107.89	107.89	98.76	98.76	98.76
Base Calorific Value	kCal/Kg	6,000	6,000	6,000	6,000	6,000
Actual Calorific Value	kCal/Kg	5,877	5,885	5,805	5,883	5,892
Quantity	MT	36,001	37,515	55,874	37,325	58,833
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	105.68	105.82	95.55	96.83	96.98
Discount	US\$/Ton	(2.94)	(1.96)	-	(2.94)	-
Marine Freight Charges	US\$/Ton	17.15	17.25	14.01	17.32	13.15
Marine Insurance	US\$/Ton	0.12	0.12	0.11	0.11	0.11
CIF Coal Price	US\$/Ton	120.01	121.23	109.67	111.32	110.25
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	120.01	121.23	109.67	111.32	110.25
Other Charges:	US\$/Ton	15.42	15.42	18.42	15.06	18.12
(i) Port Handling Charges	US\$/Ton	4.06	4.06	4.67	4.06	4.67
(ii) Port Qasim Royalty Charge	US\$/Ton	2.40	2.40	2.27	2.40	2.27
(iii) Customs Duties & Cess	US\$/Ton	7.42	7.50	6.81	6.89	6.86
(iv) L/C Charges	US\$/Ton	0.10	0.10	0.10	0.10	0.10
(v) PDA Charges at Load Port	US\$/Ton	0.56	0.47	0.47	0.58	0.34
(vi) PDA Charges at Discharge Port	US\$/Ton	0.87	0.89	0.87	1.03	0.65
(vii) Transportation & Loading charges	US\$/Ton	-	-	3.16	-	3.16
(viii) Freight Forwarding/Custom Clearance	US\$/Ton	-	-	0.06	-	0.06
Inland Freight Charges	US\$/Ton	29.86	29.86	29.99	29.99	29.99
Delivered Coal Price before adjustment of handling loss	US\$/Ton	165.29	166.51	158.07	156.37	158.35
Handling Loss 1% or actual whichever is minimum	US\$/Ton	1.65	1.67	1.58	1.56	1.58
Delivered Coal Price with losses at Power Plant	US\$/Ton	166.94	168.18	159.65	157.93	159.93
Exchange Rate	Rs./US\$	124.63	124.63	124.10	124.10	124.10
Delivered Coal Price with losses at Power Plant	Rs./Ton	20,806.11	20,960.04	19,812.95	19,599.14	19,847.75



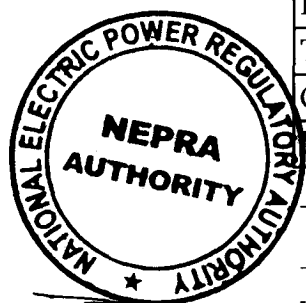
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Huaneng Shandong Ruyi Energy (Private) Company Limited
Marine Freight Calculation

Description	Unit	Nautical Amethyst	Navios Christine	Stove Caledonia	Asia Ruby II	Maritime Prosperity
Discharge Port Name		PQA	PQA	PIBT	PQA	PIBT
Delivery Days:						
Voyage	Days	27.04	27.04	27.04	27.04	27.04
At Port	Days	7.200	7.200	4.725	7.200	4.922
Total	Days	34.24	34.24	31.76	34.24	31.96
Average Time Charter Rate	US\$/Day	10,951	11,327	11,411	11,362	11,494
Time Charter Cost	US\$	374,935	387,808	362,441	389,006	367,345
Bunker Consumption:						
Bunker during Voyage	Ton	878.72	878.72	878.72	878.72	878.72
Bunker during Port Days	Ton	36.00	36.00	23.62	36.00	24.61
MGO Consumption	Ton	3.90	3.90	3.90	3.90	3.90
Total	Ton	918.62	918.62	906.24	918.62	907.23
Bunker Price	\$/Ton	458.85	449.90	462.65	452.15	447.00
MGO Price	\$/Ton	710.00	704.00	705.00	710.00	705.00
Bunker Cost	US\$	422,488	414,278	420,219	416,359	406,538
Total Voyage Expense	US\$	797,423	802,086	782,660	805,366	773,883
Quantity	Tons	46,500	46,500	55,874	46,500	58,833
Marine Freight	\$/Ton	17.15	17.25	14.01	17.32	13.15

-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.



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Huaneng Shandong Ruyi Energy (Private) Company Limited

Inland Freight Charges

Description	Reference	Revised				
		HSR 96	HSR 97	HSR 98	HSR 99	HSR 101
	Rs/Ton/km	Nautical Amethyst	Navios Christine	Stove Caledonia	Asia Ruby II	Maritime Prosperity
Fixed Freight Charges (FFC)	1.33	1.47	1.47	1.47	1.47	1.47
Variable Freight Charges (VFC)	0.71	0.86	0.86	0.86	0.86	0.86
(i) Fuel	0.40	0.52	0.52	0.52	0.52	0.52
(ii) O&M	0.30	0.34	0.34	0.34	0.34	0.34
Other Freight Charges Component	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
Total Freight Charges	2.99	3.29	3.29	3.29	3.29	3.29
Reference Values:						
Consumer Price Index (General)	200.89	222.74	222.74	222.74	222.74	222.74
HSD Price (Rs./Liter)	87.12	112.94	112.94	112.940	112.940	112.940
Spurline Component:						
Spurline Component (Rs./ton)	189.82	236.18	236.18	236.18	236.18	236.18
Total Quantity Handeled (Tons)	302,087	242,793	242,793	242,793	242,793	242,793
Handling Month	-	Aug-18	Aug-18	Aug-18	Aug-18	Aug-18



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