



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad
Ph: +92-51-9206500, Fax: +92-51-2600026
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/TRF-308/HSRPEL-2015/7666-70

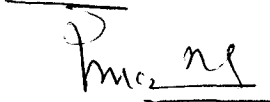
May 6, 2019

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 April 2019 in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited.

Enclosure: As above


06 05 19
(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, Shaheen Plaza, 73-West, Fazl-e-Haq Road, 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), decision dated 23rd September 2016 regarding Suo Moto Review Proceedings in the Fuel Price Adjustment Mechanism determined in Upfront Coal Tariff and after incorporation of revised heat rates, 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\$ 161.13/Ton for coal consumed during the month of April 2019. HSR requested fuel cost component of Rs. 8.4151/kWh for April 2019 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
April 2019	7.4475

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. The revised inland freight charges for each shipment are provided at **Annex-IV**.

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/KPT respectively. Accordingly PDA charges have also been worked out on the basis of respective quantities.

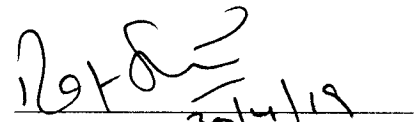
PIBT is providing free storage space for twenty days. HSR used storage space beyond twenty days of free storage space and accordingly was charged for additional storage and shifting charges by PIBT. This was an avoidable cost and can not be passed on to the consumers, therefore, the same has not been considered in calculation of coal price.

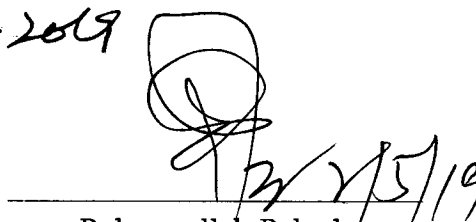
The above referred revised fuel cost component along with revised coal prices, revised marine freight charges and revised inland freight charges attached as **Annex-I**, **Annex-II**, **Annex-III** & **Annex-IV** respectively are to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

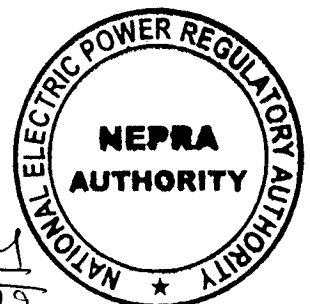
AUTHORITY



Saif Ullah Chattha
Member

30.4.2019


Rafique Ahmed Shaikh
Member


Rehmatullah Baloch
Vice Chairman



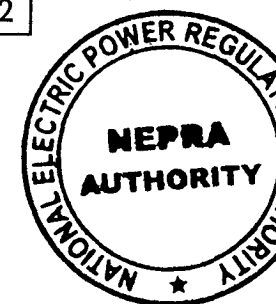

06.05.19

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 April 2019

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 136	25,425	5,847	144.10	20,044	139.10
Consumption from Shipment No. HSR 127	38,980	5,890	152.46	21,152	138.74
Consumption from Shipment No. HSR 128	36,676	5,991	154.95	21,498	138.74
Consumption from Shipment No. HSR 130	41,154	5,922	151.83	21,065	138.74
Consumption from Shipment No. HSR 134	36,720	5,805	143.98	20,028	139.10
Consumption from Shipment No. HSR 135	40,442	5,813	143.95	20,024	139.10
Consumption from Shipment No. HSR 137	40,880	5,788	133.81	18,593	138.95
Consumption from Shipment No. HSR 139	29,764	5,845	135.38	18,810	138.95
	290,041	5,863	145.31	20,186	138.92

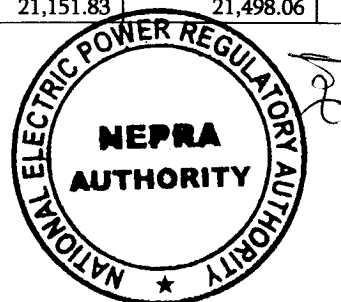
Description	Unit	Reference	Previous	Revised
Avg. Price of stock consumed during the month	Rs./Ton	12,532	20,603	20,186
Avg. net calorific value of stock consumed during the month	kCal/Kg	6,441	5,852	5,863
Avg. net calorific value of stock consumed during the month	BTU/Kg	25,556	23,223	23,266
Net Heat Rates	BTU/kWh	8,749	8,584	8,584
Revised fuel cost component for April 2019	Rs./kWh	4.2913	7.6157	7.4475

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.



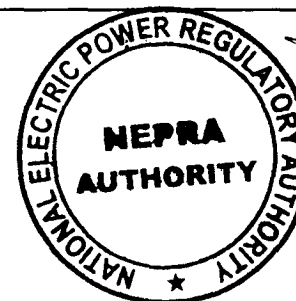
Huaneng Shandong Ruyi Energy (Private) Company Limited
Details of Shipments

Shipment Number		HSR 127	HSR 128	HSR 130	HSR 134	HSR 135	HSR 137	HSR 139
Vessel Name		PORT CANTON	GLOBETROTTER	BELITA	VALOVINE	IKAN PILAS	EQUINOX AGNANDOUSSA	SERENE LYDIA
Bill of Lading (B/L) Date		16-Dec-19	23-Dec-19	23-Dec-19	18-Jan-19	21-Jan-19	9-Feb-19	18-Feb-19
L/C / TT Number		LC28803B900031	LC28803B900032	LC28803B900034	LC28803B900030	LC28803B900029	LC28803B900043	LC28803B900046
API-4 Index for the month of B/L Date		95.84	95.84	95.84	91.13	91.13	82.26	82.26
Base Calorific Value	kCal/Kg	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Actual Calorific Value	kCal/Kg	5,890	5,991	5,922	5,805	5,813	5,788	5,845
Quantity	MT	39,419	37,089	41,626	37,129	40,879	41,345	55,658
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	94.08	95.70	94.59	88.17	88.29	79.35	80.13
Discount	US\$/Ton	(2.94)	(2.00)	(2.96)	(1.99)	(1.99)	(0.96)	-
Marine Freight Charges	US\$/Ton	17.52	16.56	16.56	14.77	14.51	12.61	9.59
Marine Insurance	US\$/Ton	0.11	0.11	0.11	0.10	0.10	0.09	0.09
CIF Coal Price	US\$/Ton	108.77	110.37	108.31	101.04	100.91	91.09	89.82
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-	-	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	108.77	110.37	108.31	101.04	100.91	91.09	89.82
Other Charges:	US\$/Ton	15.22	15.14	15.06	14.43	14.53	14.28	17.10
(i) Port Handling Charges	US\$/Ton	4.06	4.06	4.06	4.06	4.06	4.06	4.69
(ii) Port Qasim Royalty Charge	US\$/Ton	2.40	2.40	2.40	2.40	2.40	2.40	2.28
(iii) Customs Duties & Cess	US\$/Ton	6.77	6.95	6.77	6.28	6.26	5.69	5.69
(iv) L/C / TT 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	0.60	0.55	0.60	0.56	0.63	0.67	0.48
(vi) PDA Charges at Discharge Port	US\$/Ton	1.29	1.07	1.13	1.03	1.08	1.36	0.60
(vii) Transportation & Loading charges	US\$/Ton	-	-	-	-	-	-	3.21
(viii) Freight Forwarding/Custom Clearance	US\$/Ton	-	-	-	-	-	-	0.06
Inland Freight Charges	US\$/Ton	26.96	27.91	26.96	27.09	27.09	27.11	27.11
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	150.95	153.42	150.33	142.56	142.53	132.49	134.04
Handling Loss 1% or actual whichever is minimum	US\$/Ton	1.51	1.53	1.50	1.43	1.43	1.32	1.34
Delivered Coal Price with losses at Power Plant	US\$/Ton	152.46	154.95	151.83	143.98	143.95	133.81	135.38
Exchange Rate	Rs./US\$	138.74	138.74	138.74	139.10	139.10	138.95	138.95
Delivered Coal Price with losses at Power Plant	Rs./Ton	21,151.83	21,498.06	21,065.00	20,027.77	20,024.04	18,593.43	18,810.46



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

Description		HSR 127	HSR 128	HSR 130	HSR 134	HSR 135	HSR 137	HSR 139
		PORT CANTON	GLOBETROTTER	BELITA	VALOVINE	IKAN PILAS	EQUINOX AGNANDOUSSA	SERENE LYDIA
		PQA	PQA	PQA	PQA	PQA	PQA	PIBT
Delivery Days:								
Voyage	Days	27.04	27.04	27.04	27.04	27.04	27.04	27.04
At Port	Days	6.64	6.64	6.64	6.64	6.64	6.64	4.71
Total Delivery Days	Days	33.68	33.68	33.68	33.68	33.68	33.68	31.75
Average Time Charter Rate	US\$/Day	11,273	11,300	11,300	8,226	7,880	4,870	5,345
Time Charter Cost	US\$	379,646	380,556	380,556	277,031	265,379	164,009	169,693
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	33.20	33.20	33.20	33.20	33.20	33.20	23.55
MGO Consumption	Ton	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Total	Ton	915.82	915.82	915.82	915.82	915.82	915.82	906.17
Bunker Price	\$/Ton	393.00	348.00	348.00	378.00	379.00	402.00	400.50
MGO Price	\$/Ton	738.00	715.00	715.00	725.00	725.00	720.00	720.00
Bunker Cost	US\$	361,262	320,136	320,136	347,533	348,445	369,399	364,168
Total Voyage Expense	US\$	740,909	700,692	700,692	624,564	613,823	533,409	533,861
Quantity	Tons	42,300	42,300	42,300	42,300	42,300	42,300	55,658
Marine Freight	US\$/Ton	17.52	16.56	16.56	14.77	14.51	12.61	9.59
*PDA Charges both at Load and Discharge Ports have been included in Other Charges.								



Huaneng Shandong Ruyi Energy (Private) Company Limited

Inland Freight Charges

Description	Reference	Revised						
		HSR 127	HSR 128	HSR 130	HSR 134	HSR 135	HSR 137	HSR 139
	Rs/Ton/km	PORT CANTON	GLOBETROTTER	BELITA	VALOVINE	IKAN PILAS	EQUINOX AGNANDOUSS A	SERENE LYDIA
Fixed Freight Charges (FFC)	1.33	1.53	1.53	1.53	1.53	1.53	1.53	1.53
Variable Freight Charges (VFC)	0.71	0.85	0.85	0.85	0.87	0.87	0.87	0.87
(i) Fuel	0.40	0.49	0.49	0.49	0.52	0.52	0.52	0.52
(ii) O&M	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35
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 (Rs/Ton/km)	2.99	3.33	3.33	3.33	3.35	3.35	3.35	3.35
Distance (Km)	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060
Total Freight Charges (Rs/Ton)	3,170	3,532	3,532	3,532	3,555	3,555	3,555	3,555
Reference Values:								
Consumer Price Index (General)	200.89	231.71	231.71	231.71	231.71	231.71	231.71	231.71
HSD Price (Rs./Liter)	87.12	106.68	106.68	106.68	111.43	111.43	111.43	111.43
Spurline Component:								
Spurline Component (Rs./ton)	189.82	208.82	340.14	208.82	212.24	212.24	212.24	212.24
Total Quantity Handeled (Tons)	302,087	274,605	168,582	274,605	270,173	270,173	270,173	270,173
Inland Freight Charges with Spurline (Rs/Ton)	3,360	3,741	3,872	3,741	3,768	3,768	3,768	3,768
Exchange Rate	-	138.74	138.74	138.74	139.10	139.10	138.95	138.95
Inland Freight Charges with Spurline (USD/Ton)	-	26.96	27.91	26.96	27.09	27.09	27.11	27.11
Handling Month	-	Jan-19	Feb-19	Jan-19	Mar-19	Mar-19	Mar-19	Mar-19

