



# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

**Registrar**

No. NEPRA/TRF-308/HSRPEL-2015/16399-16403

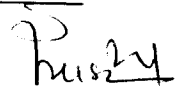
September 12, 2019

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) (06 pages) regarding the fuel price adjustment on account of **Coal** price variation for the month of **August 2019** in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited.

Enclosure: As above

  
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( Syed Safeer Hussain )

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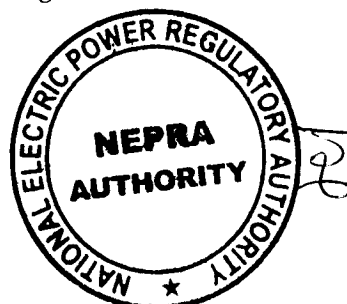
1. Secretary Ministry of Energy (Power Division), 'A' Block, Pak Secretariat, Islamabad
2. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
3. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
4. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited, 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.**

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 dated September 23, 2016 regarding Suo Moto Review Proceedings in the Fuel Price Adjustment Mechanism determined in Upfront Coal Tariff and decision of the Authority dated January 17, 2019 notified vide S.R.O. 474(I)/2019 in the matter of tariff adjustment at Commercial Operation Date (COD) of HSRPEL, the fuel portion of the energy charge part of HSRPEL's tariff has been adjusted for variation in coal price(s). HSR requested weighted average coal price of US\$ 125.93/Ton for coal consumed during the month of August 2019. HSR requested fuel cost component of Rs. 7.4069/kWh for August 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 HSRPEL's tariff indicated hereunder shall be immediately applicable to the units delivered during the month.

| Period      | Revised Fuel Cost Component<br>Rs./kWh |
|-------------|--|
| August 2019 | 6.7328                                 |

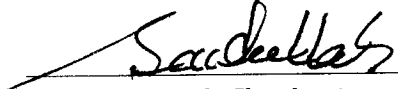
2. Inland freight charges have been worked out in accordance with the decision of the Authority dated February 15, 2018 in the matter of Inland Coal Transportation Agreement. The revised inland freight charges for each shipment are provided at **Annex-IV**.
3. Marine freight has been worked out on the 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 and on the basis of provided documentary evidences, PDA charges have also been worked out on the basis of respective quantities. HSRPEL also requested the provisional PDA at load and discharge port and LC charges which have been considered in the calculation of coal price while the difference in provisional and estimated charges shall be adjusted in the next month.
4. PIBT is providing free storage space for twenty days. HSRPEL 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.
5. 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-**



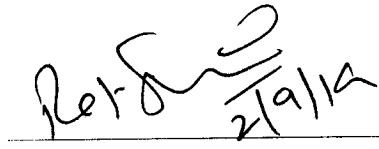
II, **Annex-III** & **Annex-IV** respectively are to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

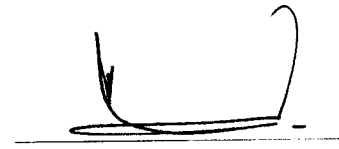
6. CPPA (G) to ensure that all payments are consistent with the tariff determinations.

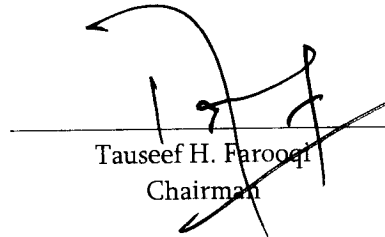
**AUTHORITY**

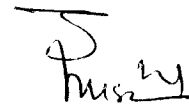
  
Saif Ullah Chattha 30.8.2019  
Member

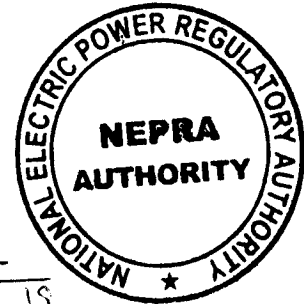
  
30/8/19  
Rehmatullah Baloch  
Member

  
21/9/19  
Rafique Ahmed Shaikh  
Member

  
Engr Bahadur Shah  
Vice Chairman

  
Tauseef H. Farooqi  
Chairman

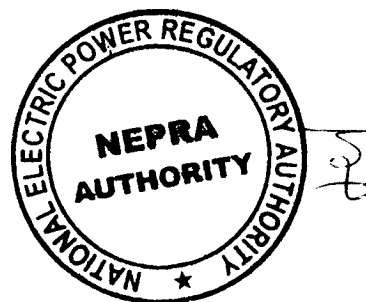
  
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Huaneng Shandong Ruyi Energy (Private) Company Limited  
Schedule of Fuel Cost Part of Energy Charge  
Adjustment on Account of Coal Price Variation for the Month of August 2019

| Description                           | Quantity       | Net CV       | Coal Price    |               | Exchange Rate |
|---------------------------------------|----------------|--------------|---------------|---------------|---------------|
|                                       | Ton            | kCal/Kg.     | US\$/Ton      | Rs/Ton        | Rs./US\$      |
| <b>Consumption from Stock:</b>        |                |              |               |               |               |
| Consumption from Shipment No. HSR 158 | 39,348         | 5,855        | 116.14        | 18,092        | 155.78        |
| Consumption from Shipment No. HSR 156 | 40,769         | 5,823        | 117.21        | 18,259        | 155.78        |
| Consumption from Shipment No. HSR 157 | 58,759         | 5,789        | 113.99        | 17,757        | 155.78        |
| Consumption from Shipment No. HSR 159 | 39,835         | 5,933        | 118.61        | 18,477        | 155.78        |
| Consumption from Shipment No. HSR 160 | 18,353         | 5,934        | 120.71        | 19,263        | 159.58        |
| <b>Total Consumption</b>              | <b>197,064</b> | <b>5,852</b> | <b>116.65</b> | <b>18,214</b> | <b>156.13</b> |

| Description   | Unit           | Reference     | Previous      | Revised       |
|---|----------------|---------------|---------------|---------------|
| Avg. price of stock consumed during the month               | Rs./Ton        | 13,605        | 17,742        | 18,214        |
| Avg. net calorific value of stock consumed during the month | kCal/Kg        | 5,990         | 5,843         | 5,852         |
| Avg. net calorific value of stock consumed during the month | BTU/Kg         | 23,768        | 23,186        | 23,222        |
| Net Heat Rates  | BTU/kWh        | 8,584         | 8,584         | 8,584         |
| <b>Revised fuel cost component for August 2019</b>          | <b>Rs./kWh</b> | <b>4.9135</b> | <b>6.5686</b> | <b>6.7328</b> |

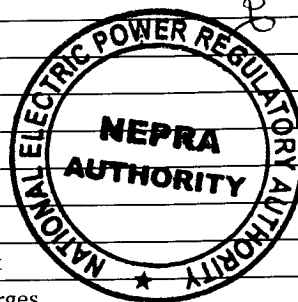


## Huaneng Shandong Ruyi Energy (Private) Company Limited

## Details of Shipmnets

For the month of August 2019

| Shipment Number   |          | HSR 156            | HSR 157                      | HSR 159                  | HSR 160                      |
|---|----------|--------------------|------------------------------|--------------------------|------------------------------|
| Vessel Name   |          | KIRAN<br>BOSPHORUS | SBI USRA                     | THOR MADOC               | BOREAS<br>VENTURE            |
| Bill of Lading (B/L) Date                                   |          | 8/6/2019           | 17/6/2019                    | 26/6/2019                | 2/7/2019                     |
| L/C / TT Number   |          | IC28803B900140     | ICBC/LHE/RGC/20<br>190711-01 | ICBC/LHE/201907<br>26-01 | ICBC/LHE/RGC/20<br>190716-01 |
| API-4 Index for the month of B/L Date                       |          | 63.15              | 63.15                        | 63.15                    | 65.68                        |
| Base Calorific Value  | kCal/Kg  | 6,000              | 6,000                        | 6,000                    | 6,000                        |
| Actual Calorific Value                                      | kCal/Kg  | 5,823              | 5,789                        | 5,933                    | 5,934                        |
| Quantity  | MT       | 41,194             | 59,450                       | 40,241                   | 38,274                       |
| FOB Coal Price API-4 Index as per B/L month Adjusted for CV | US\$/Ton | 61.29              | 60.93                        | 62.44                    | 64.96                        |
| Discount  | US\$/Ton | -                  | -                            | -                        | -                            |
| Marine Freight Charges                                      | US\$/Ton | 15.08              | 9.95                         | 15.19                    | 15.91                        |
| Marine Insurance  | US\$/Ton | 0.08               | 0.07                         | 0.07                     | 0.08                         |
| CIF Coal Price  | US\$/Ton | 76.44              | 70.95                        | 77.70                    | 80.95                        |
| Handling Loss 1% or actual whichever is minimum             | US\$/Ton | -                  | -                            | -                        | -                            |
| CIF Coal Price with losses at Karachi                       | US\$/Ton | 76.44              | 70.95                        | 77.70                    | 80.95                        |
| Other Charges:  | US\$/Ton | 14.36              | 16.67                        | 14.48                    | 13.92                        |
| (i) Port Handling Charges                                   | US\$/Ton | 4.72               | 4.72                         | 4.72                     | 4.72                         |
| (ii) Port Qasim Royalty Charge                              | US\$/Ton | 2.40               | 2.29                         | 2.40                     | 2.40                         |
| (iii) Customs Duties & Cess                                 | US\$/Ton | 5.35               | 4.88                         | 5.54                     | 5.33                         |
| (iv) L/C / TT Charges                                       | US\$/Ton | 0.10               | 0.10                         | 0.10                     | 0.10                         |
| (v) PDA Charges at Load Port                                | US\$/Ton | 0.61               | 0.43                         | 0.74                     | 0.54                         |
| (vi) PDA Charges at Discharge Port                          | US\$/Ton | 1.18               | 0.50                         | 0.98                     | 0.83                         |
| (vii) Transportation & Loading charges                      | US\$/Ton | -                  | 3.70                         | -                        | -                            |
| (viii) Freight Forwarding/Custom Clearance                  | US\$/Ton | -                  | 0.05                         | -                        | -                            |
| Inland Freight Charges                                      | US\$/Ton | 25.25              | 25.25                        | 25.25                    | 24.65                        |
| Delivered Coal Price before adjustment of Handling Loss     | US\$/Ton | 116.05             | 112.86                       | 117.43                   | 119.51                       |
| Handling Loss 1% or actual whichever is minimum             | US\$/Ton | 1.16               | 1.13                         | 1.17                     | 1.20                         |
| Delivered Coal Price with losses at Power Plant             | US\$/Ton | 117.21             | 113.99                       | 118.61                   | 120.71                       |
| Exchange Rate   | Rs./US\$ | 155.78             | 155.78                       | 155.78                   | 159.58                       |
| Delivered Coal Price with losses at Power Plant             | Rs./Ton  | 18,258.96          | 17,757.47                    | 18,476.93                | 19,262.76                    |

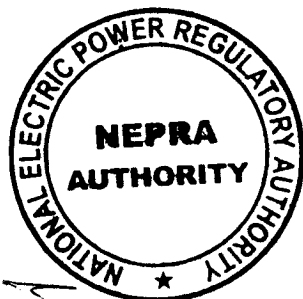


## Huaneng Shandong Ruyi Energy (Private) Company Limited

## Marine Freight Calculation

For the month of August 2019

| Description  |                 | HSR 156            | HSR 157     | HSR 159      | HSR 160           |
|--|-----------------|--------------------|-------------|--------------|-------------------|
|  |                 | KIRAN<br>BOSPHORUS | SBI USRA    | THOR MADOC   | BOREAS<br>VENTURE |
|  |                 | PQA                | PIBT        | PQA          | PQA               |
| Delivery Days:   |                 |                    |             |              |                   |
| Voyage   | Days            | 27.04              | 27.04       | 27.04        | 27.04             |
| At Port  | Days            | 6.64               | 4.96        | 6.64         | 6.64              |
| Total Delivery Days  | Days            | 33.68              | 32.00       | 33.68        | 33.68             |
| Average Time Charter Rate  | US\$/Day        | 8,173              | 8,152       | 8,570        | 8,962             |
| Time Charter Cost  | US\$            | 275,246            | 260,871     | 288,616      | 301,818           |
| Bunker Consumption:  |                 |                    |             |              |                   |
| Bunker during Voyage   | Ton             | 878.72             | 878.72      | 878.72       | 878.72            |
| Bunker during Port Days  | Ton             | 33.20              | 24.82       | 33.20        | 33.20             |
| MGO Consumption  | Ton             | 3.90               | 3.90        | 3.90         | 3.90              |
| Total  | Ton             | 915.82             | 907.44      | 915.82       | 915.82            |
| Bunker Price   | \$/Ton          | 394.75             | 363.00      | 385.00       | 404.00            |
| MGO Price  | \$/Ton          | 675.00             | 673.00      | 700.00       | 705.00            |
| Bunker Cost  | US\$            | 362,612            | 330,608     | 353,819      | 371,165           |
| Total Voyage Expense   | US\$            | 637,859            | 591,479     | 642,435      | 672,982           |
| Quantity   | Tons            | 42,300             | 59,450      | 42,300       | 42,300            |
| <b>Marine Freight</b>  | <b>US\$/Ton</b> | <b>15.08</b>       | <b>9.95</b> | <b>15.19</b> | <b>15.91</b>      |
| *PDA Charges both at Load and Discharge Ports have been included in Other Charges. |                 |                    |             |              |                   |



Huaneng Shandong Ruyi Energy (Private) Company Limited  
Inland Freight Charges  
For the month of August 2019

| Description   | Reference    | Revised            |              |              |                   |
|---|--------------|--------------------|--------------|--------------|-------------------|
|   |              | HSR 156            | HSR 157      | HSR 159      | HSR 160           |
|   | Rs/Ton/km    | KIRAN<br>BOSPHORUS | SBI USRA     | THOR MADOC   | BOREAS<br>VENTURE |
| Fixed Freight Charges (FFC)                           | 1.33         | 1.60               | 1.60         | 1.60         | 1.60              |
| Variable Freight Charges (VFC)                        | 0.71         | 0.95               | 0.95         | 0.95         | 0.95              |
| (i) Fuel  | 0.40         | 0.59               | 0.59         | 0.59         | 0.59              |
| (ii) O&M  | 0.30         | 0.37               | 0.37         | 0.37         | 0.37              |
| Other Freight Charges Component                       | 0.72         | 0.72               | 0.72         | 0.72         | 0.72              |
| Profit Margin   | 0.23         | 0.23               | 0.23         | 0.23         | 0.23              |
| <b>Total Freight Charges (Rs/Ton/km)</b>              | <b>2.99</b>  | <b>3.51</b>        | <b>3.51</b>  | <b>3.51</b>  | <b>3.51</b>       |
| Distance (Km)   | 1,060        | 1,060              | 1,060        | 1,060        | 1,060             |
| <b>Total Freight Charges (Rs/Ton)</b>                 | <b>3,170</b> | <b>3,719</b>       | <b>3,719</b> | <b>3,719</b> | <b>3,719</b>      |
| <b>Reference Values:</b>                              |              |                    |              |              |                   |
| Consumer Price Index (General)                        | 200.89       | 241.92             | 241.92       | 241.92       | 241.92            |
| HSD Price (Rs./Liter)                                 | 87.12        | 126.82             | 126.82       | 126.82       | 126.82            |
| <b>Spurline Component:</b>                            |              |                    |              |              |                   |
| Spurline Component (Rs./ton)                          | 189.82       | 214.15             | 214.15       | 214.15       | 214.15            |
| Total Quantity Handeled (Tons)                        | 302,087      | 267,760            | 267,760      | 267,760      | 267,760           |
| <b>Inland Freight Charges with Spurline (Rs/Ton)</b>  | <b>3,360</b> | <b>3,933</b>       | <b>3,933</b> | <b>3,933</b> | <b>3,933</b>      |
| Exchange Rate   | -            | 155.78             | 155.78       | 155.78       | 159.58            |
| <b>Inland Freight Charges with Spurline (USD/Ton)</b> | <b>-</b>     | <b>25.25</b>       | <b>25.25</b> | <b>25.25</b> | <b>24.65</b>      |
| Handling Month  | -            | Jul-19             | Jul-19       | Jul-19       | Jul-19            |