



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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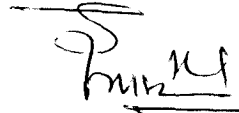
No. NEPRA/TRF-308/HSRPEL-2015/ **92-96**
January 3, 2019

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

Enclosure: As above


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(Iftikhar Ali Khan)

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\$ 173.77/Ton for coal consumed during the month of December 2018. HSR further requested fuel cost component of Rs. 8.4398/kWh for December 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
December 2018	7.9144

Inland freight charges have been worked out in accordance with the decision of the Authority dated 15th February 2018 notified vide S.R.O No. 1142(I)/2018 dated September 7, 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 revised inland freight charges for each shipment are provided at **Annex-IV**.

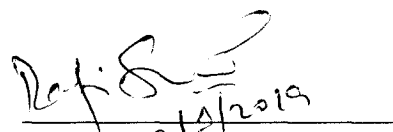
Marine freight has been worked out on the basis of 42,300 tons or actual ship quantity whichever is higher in case ships are unloaded at PQA Marginal Wharf 3&4. In case ships are unloaded at PIBTL/KPT, marine freight has been worked out on the basis of 50,000 tons or actual ship quantity whichever is higher. Accordingly PDA charges have also been worked out on the basis of respective quantities.


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.

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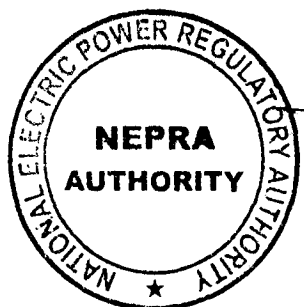

Saif Ullah Chattha
Member

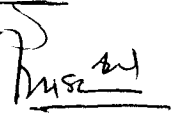
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Rafique Ahmed Shaikh
Member


Rehmatullah Baloch
Vice Chairman

1.1.2019




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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 December 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 108	46,689	5,755	159.87	19,872	124.30
Consumption from Shipment No. HSR 111	40,787	5,839	164.49	21,438	130.33
Consumption from Shipment No. HSR 112	40,316	5,890	164.38	21,424	130.33
Consumption from Shipment No. HSR 113	58,437	5,964	162.68	21,202	130.33
Consumption from Shipment No. HSR 114	30,239	5,800	164.31	21,414	130.33
	216,468	5,859	162.96	21,031	129.03

Description	Unit	Reference	Previous	Revised
Avg. Price of stock consumed during the month	Rs./ton	12,532	20,106	21,031
Avg. net calorific value of stock consumed during the month	kCal/kg	6,441	5,855	5,859
Avg. net calorific value of stock consumed during the month	BTU/kg	25,556	23,236	23,249
Net Heat Rates	BTU/kWh	8,749	8,749	8,749
Revised fuel cost component for December 2018	Rs./kWh	4.2913	7.5707	7.9144

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.



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

Shipment Number		HSR 111	HSR 112	HSR 113	HSR 114
Vessel Name		ORION OCEAN	ENGLADINA	CAPE CROSS	DARYA NOOR
Bill of Lading (B/L) Date		16/10/2018	8/10/2018	10/10/2018	19/10/2018
L/C / TT Number		LC28803B800130	LC28803B800126	LC28803B800127	LC28803B800129
API-4 Index for the month of B/L Date		99.45	99.45	99.45	99.45
Base Calorific Value	kCal/Kg	6,000	6,000	6,000	6,000
Actual Calorific Value	kCal/Kg	5,839	5,890	5,964	5,800
Quantity	MT	41,232	40,785	59,153	40,520
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	96.78	97.63	98.85	96.14
Discount	US\$/Ton	(0.97)	(0.98)	-	(0.01)
Marine Freight Charges	US\$/Ton	22.16	22.04	15.31	21.73
Marine Insurance	US\$/Ton	0.12	0.12	0.11	0.12
CIF Coal Price	US\$/Ton	118.09	118.81	114.27	117.97
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	118.09	118.81	114.27	117.97
Other Charges:	US\$/Ton	15.60	15.75	18.61	15.54
(i) Port Handling Charges	US\$/Ton	4.06	4.06	4.74	4.06
(ii) Port Qasim Royalty Charge	US\$/Ton	2.40	2.40	2.30	2.40
(iii) Customs Duties & Cess	US\$/Ton	7.45	7.57	7.21	7.42
(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	0.57	0.43	0.70
(vi) PDA Charges at Discharge Port	US\$/Ton	0.98	1.05	0.53	0.86
(vii) Transportation & Loading charges	US\$/Ton	-	-	3.23	-
(viii) Freight Forwarding/Custom Clearance	US\$/Ton	-	-	0.06	-
Inland Freight Charges	US\$/Ton	29.17	28.19	28.19	29.17
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	162.86	162.76	161.07	162.68
Handling Loss 1% or actual whichever is minimum	US\$/Ton	1.63	1.63	1.61	1.63
Delivered Coal Price with losses at Power Plant	US\$/Ton	164.49	164.38	162.68	164.31
Exchange Rate	Rs./US\$	130.33	130.33	130.33	130.33
Delivered Coal Price with losses at Power Plant	Rs./Ton	21,438.19	21,424.00	21,202.36	21,414.48

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

Description	Unit	ORION OCEAN	ENGLADINA	CAPE CROSS	DARYA NOOR
Discharge Port Name		PQA	PQA	PIBT	PQA
Delivery Days:					
Voyage	Days	27.04	27.04	27.04	27.04
At Port	Days	6.64	6.64	4.94	6.64
Total	Days	33.68	33.68	31.98	33.68
Average Time Charter Rate	US\$/Day	13,410	13,327	13,327	13,395
Time Charter Cost	US\$	451,615	448,820	426,211	451,110
Bunker Consumption:					
Bunker during Voyage	Ton	878.72	878.72	878.72	878.72
Bunker during Port Days	Ton	33.20	33.20	24.72	33.20
MGO Consumption	Ton	3.90	3.90	3.90	3.90
Total	Ton	915.82	915.82	907.34	915.82
Bunker Price	\$/Ton	529.50	527.00	527.00	509.75
MGO Price	\$/Ton	795.00	790.00	790.00	790.00
Bunker Cost	US\$	485,961	483,662	479,192	467,932
Total Voyage Expense	US\$	937,577	932,482	905,403	919,042
Quantity	Tons	42,300	42,300	59,153	42,300
Marine Freight	\$/Ton	22.16	22.04	15.31	21.73

*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 111	HSR 112	HSR 113	HSR 114
	Rs/Ton/km	ORION OCEAN	ENGIADINA	CAPE CROSS	DARYA NOOR
Fixed Freight Charges (FFC)	1.33	1.47	1.47	1.47	1.47
Variable Freight Charges (VFC)	0.71	0.86	0.83	0.83	0.86
(i) Fuel	0.40	0.52	0.49	0.49	0.52
(ii) O&M	0.30	0.34	0.34	0.34	0.34
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
Total Freight Charges	2.99	3.29	3.26	3.26	3.29
Reference Values:					
Consumer Price Index (General)	200.89	222.74	222.74	222.74	222.74
HSD Price (Rs./Liter)	87.12	112.94	106.57	106.57	112.94
Spurline Component:					
Spurline Component (Rs./ton)	189.82	316.72	219.92	219.92	316.72
Total Quantity Handeled (Tons)	302,087	181,048	260,737	260,737	181,048
Handling Month	-	Nov-18	Oct-18	Oct-18	Nov-18



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