



**National Electric Power Regulatory Authority**  
**Islamic Republic of Pakistan**

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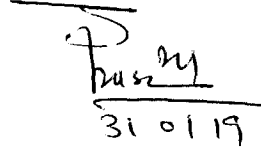
No. NEPRA/TRF-308/HSRPEL-2015/1991-55  
January 31, 2019

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

Enclosure: As above

  
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( 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, 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 31<sup>st</sup> 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 23<sup>rd</sup> 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\$ 178.08/Ton for coal consumed during the month of January 2019. HSR requested fuel cost component of Rs. 8.8797/kWh for January 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
January 2019	7.7737

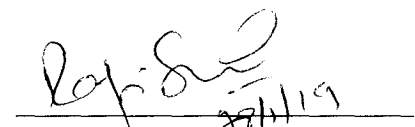
Inland freight charges have been worked out in accordance with the decision of the Authority dated 15<sup>th</sup> February 2018 notified vide S.R.O No. 1142(I)/2018 dated 7<sup>th</sup> September 2018 in the matter of Inland Coal Transportation Agreement between HSR and Pakistan Railway Freight Transportation 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**.

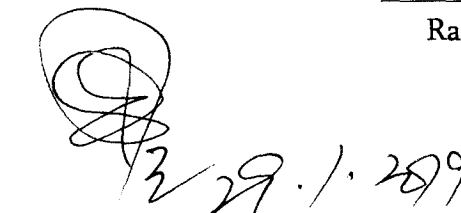
Marine freight has been worked out on the basis of 42,300 tons or actual ship quantity whichever is higher in case ships are unloaded at PQA Marginal Wharf 3&4. In case ships are unloaded at PIBTL/KPT, marine freight has been worked out on the basis of 50,000 tons or actual ship quantity whichever is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

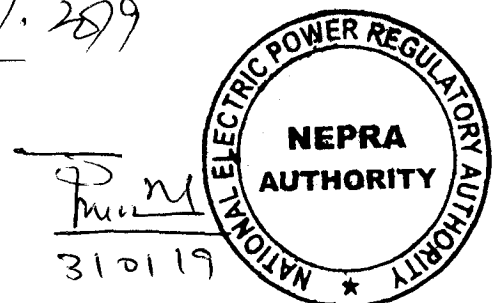
The above referred revised fuel cost component along with revised coal prices, revised marine freight charges and revised inland freight charges attached as **Annex-I, Annex-II, Annex-III & Annex-IV** respectively are to be notified in the official gazette, in accordance with the provisions of Section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

**AUTHORITY**

  
Saif Ullah Chattha  
Member 28.1.2019

  
Rafique Ahmed Shaikh  
Member

  
Rehmatullah Baloch  
Vice Chairman

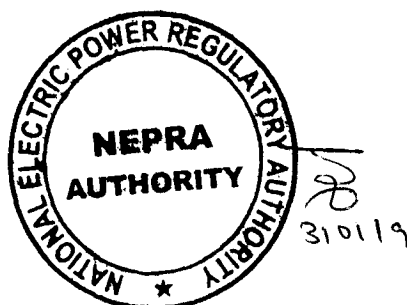


Huaneng Shandong Ruyi Energy (Private) Company Limited  
Schedule of Fuel Cost Part of Energy Charge  
Adjustment on Account of Coal Price Variation for the Month of January 2019

Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg.	US\$/Ton	Rs/Ton	Rs./US\$
<b>Consumption from previous shipments:</b>					
Consumption from Shipment No. HSR 114	9,736	5,800	164.31	21,414	130.33
Consumption from Shipment No. HSR 115	40,585	5,919	162.93	21,235	130.33
Consumption from Shipment No. HSR 116	40,574	5,973	155.03	20,679	133.39
Consumption from Shipment No. HSR 117	38,027	5,867	161.04	21,482	133.39
Consumption from Shipment No. HSR 118	38,426	5,805	154.53	20,613	133.39
Consumption from Shipment No. HSR 121	52,850	5,727	156.21	20,836	133.39
Consumption from Shipment No. HSR 123	34,806	5,649	154.06	20,550	133.39
	<b>255,004</b>	<b>5,821</b>	<b>157.57</b>	<b>20,920</b>	<b>132.79</b>

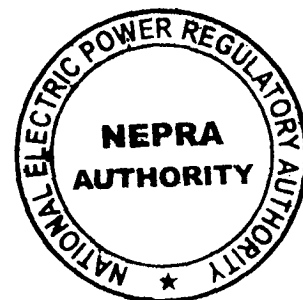
Description	Unit	Reference	Previous	Revised
Avg. Price of stock consumed during the month	Rs./Ton	12,532	21,031	20,920
Avg. net calorific value of stock consumed during the month	kCal/Kg	6,441	5,859	5,821
Avg. net calorific value of stock consumed during the month	BTU/Kg	25,556	23,249	23,101
Net Heat Rates	BTU/kWh	8,749	8,749	8,584
<b>Revised fuel cost component for January 2019</b>	<b>Rs./kWh</b>	<b>4.2913</b>	<b>7.9144</b>	<b>7.7737</b>

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 Shipmets**

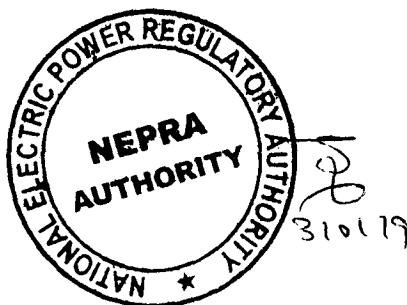
Shipment Number		HSR 115	HSR 116	HSR 117	HSR 118	HSR 121	HSR 123
Vessel Name		ZANTE	PORT MACAU	BELOCEAN	ILIA	RINIA	ASIA EMERALD IV
Bill of Lading (B/L) Date		25-Oct-18	4-Nov-18	13-Nov-18	12-Nov-18	18-Nov-18	30-Nov-18
L/C / TT Number		LC28803B800132	LC28803B800141	ICBC/LHE/RGC/20181231-01	ICBC/LHE/RGC/20181226-02	ICBC/LHE/RGC/20181226-01	ICBC/LHE/RGC/20190103-01
API-4 Index for the month of B/L Date		99.45	92.39	92.39	92.39	92.39	92.39
Base Calorific Value	kCal/Kg	6,000	6,000	6,000	6,000	6,000	6,000
Actual Calorific Value	kCal/Kg	5,919	5,973	5,867	5,805	5,727	5,649
Quantity	MT	41,140	40,988	38,494	38,995	54,778	56,153
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	98.11	91.97	90.34	89.39	88.19	86.99
Discount	US\$/Ton	(2.96)	(2.98)	-	-	-	-
Marine Freight Charges	US\$/Ton	21.44	20.72	19.94	19.94	14.43	13.35
Marine Insurance	US\$/Ton	0.12	0.11	0.11	0.11	0.10	0.10
CIF Coal Price	US\$/Ton	116.71	109.82	110.39	109.43	102.72	100.43
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	116.71	109.82	110.39	109.43	102.72	100.43
Other Charges:	US\$/Ton	15.44	15.17	15.17	15.06	18.05	18.21
(i) Port Handling Charges	US\$/Ton	4.06	4.06	4.06	4.06	4.69	4.87
(ii) Port Qasim Royalty Charge	US\$/Ton	2.40	2.40	2.40	2.40	2.28	2.37
(iii) Customs Duties & Cess	US\$/Ton	7.37	6.85	7.15	7.08	6.65	6.50
(iv) L/C / TT Charges	US\$/Ton	0.10	0.10	0.10	0.10	0.10	0.10
(v) PDA Charges at Load Port	US\$/Ton	0.59	0.57	0.60	0.57	0.47	0.44
(vi) PDA Charges at Discharge Port	US\$/Ton	0.92	1.19	0.87	0.85	0.58	0.58
(vii) Transportation & Loading charges	US\$/Ton	-	-	-	-	3.23	3.30
(viii) Freight Forwarding/Custom Clearance	US\$/Ton	-	-	-	-	0.06	0.06
Inland Freight Charges	US\$/Ton	29.17	28.50	33.89	28.50	33.89	33.89
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	161.32	153.49	159.45	153.00	154.66	152.53
Handling Loss 1% or actual whichever is minimum	US\$/Ton	1.61	1.53	1.59	1.53	1.55	1.53
Delivered Coal Price with losses at Power Plant	US\$/Ton	162.93	155.03	161.04	154.53	156.21	154.06
Exchange Rate	Rs./US\$	130.33	133.39	133.39	133.39	133.39	133.39
Delivered Coal Price with losses at Power Plant	Rs./Ton	21,234.76	20,679.40	21,481.72	20,612.59	20,836.33	20,549.70



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

Description	Unit	ZANTE	PORT MACAU	BELOCEAN	ILIA	RINIA	ASIA EMERALD IV
Discharge Port Name		PQA	PQA	PQA	PQA	PIBT	PIBT
Delivery Days:							
Voyage	Days	27.04	27.04	27.04	27.04	27.04	27.04
At Port	Days	6.64	6.64	6.64	6.64	4.65	4.74
Total	Days	33.68	33.68	33.68	33.68	31.69	31.78
Average Time Charter Rate	US\$/Day	13,064	12,508	11,633	11,633	11,183	10,981
Time Charter Cost	US\$	439,963	421,238	391,770	391,770	354,382	348,988
Bunker Consumption:							
Bunker during Voyage	Ton	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	23.26	23.72
MGO Consumption	Ton	3.90	3.90	3.90	3.90	3.90	3.90
Total	Ton	915.82	915.82	915.82	915.82	905.88	906.34
Bunker Price	\$/Ton	508.75	495.75	492.00	492.00	480.10	440.50
MGO Price	\$/Ton	790.00	780.00	755.00	755.00	770.00	745.00
Bunker Cost	US\$	467,020	455,126	451,609	451,609	436,043	400,429
Total Voyage Expense	US\$	906,983	876,364	843,379	843,379	790,425	749,416
Quantity	Tons	42,300	42,300	42,300	42,300	54,778	56,153
<b>Marine Freight</b>	<b>\$/Ton</b>	<b>21.44</b>	<b>20.72</b>	<b>19.94</b>	<b>19.94</b>	<b>14.43</b>	<b>13.35</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

Description	Reference	Revised					
		HSR 115	HSR 116	HSR 117	HSR 118	HSR 121	HSR 123
	Rs/Ton/km	ZANTE	PORT MACAU	BELOCEAN	ILIA	RINIA	ASIA EMERALD IV
Fixed Freight Charges (FFC)	1.33	1.47	1.47	1.47	1.47	1.47	1.47
Variable Freight Charges (VFC)	0.71	0.86	0.86	0.85	0.86	0.85	0.85
(i) Fuel	0.40	0.52	0.52	0.51	0.52	0.51	0.51
(ii) O&M	0.30	0.34	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	0.72
Profit Margin	0.23	0.23	0.23	0.23	0.23	0.23	0.23
<b>Total Freight Charges</b>	<b>2.99</b>	<b>3.29</b>	<b>3.29</b>	<b>3.28</b>	<b>3.29</b>	<b>3.28</b>	<b>3.28</b>
<b>Reference Values:</b>							
Consumer Price Index (General)	200.89	222.74	222.74	222.74	222.74	222.74	222.74
HSD Price (Rs./Liter)	87.12	112.94	112.94	110.94	112.94	110.94	110.94
<b>Spurline Component:</b>							
Spurline Component (Rs./ton)	189.82	316.72	316.72	1044.85	316.72	1044.85	1044.85
Total Quantity Handeled (Tons)	302,087	181,048	181,048	54,881	181,048	54,881	54,881
Handling Month	-	Nov-18	Nov-18	Dec-18	Nov-18	Dec-18	Dec-18

