



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

Registrar

No. NEPRA/TRF-308/HSRPEL-2015/3607-11

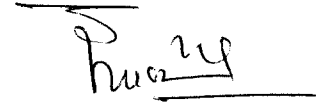
January 30, 2020

Chief Executive
Huaneng Shandong Ruyi (Pakistan) Energy (Pvt.) Ltd.
House No. 4, A, Street No.20,
F-8/2, Islamabad
Phone: (03000 805869, 0310 7878539

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 **January 2020** in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited.

Enclosure: As above


30 01 20
(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**

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, 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 and decision of the Authority dated August 22, 2019 in the matter of motion for leave for review regarding fuel price adjustment, the fuel portion of the energy charge part of HSRPEL's tariff has been adjusted for variation in coal price(s). HSRPEL requested weighted average coal price of US\$ 129.01/Ton for coal consumed during the month of January 2020. HSRPEL requested fuel cost component of Rs. 7.6276/kWh for January 2020 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 units delivered during the month.

| Period | Revised Fuel Cost Component (Rs./kWh) |
|--------------|--|
| January 2020 | 6.9650 |


2. Inland freight charges have been worked out in accordance with the decision of the Authority dated February 15, 2018 notified vide S.R.O No. 1142(I)/2018 dated September 7, 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, PIDA charges have also been worked out on the basis of respective quantities. HSRPEL also requested the provisional TT charges which have been considered in the calculation of coal price while the difference in provisional and actual charges shall be adjusted in the next month.
4. 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.

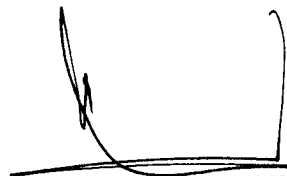
5. CPPA (G) to ensure that all payments are consistent with the tariff determinations.


AUTHORITY

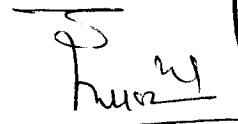

Saif Ullah Chattha
Member 27-1-2020

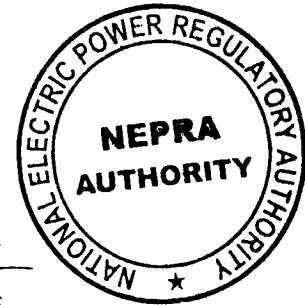

Rehmatullah Baloch
Member 27/1/2020


Engr. Rafique Ahmed Shaikh
Member 28/1/20


Engr. Bahadur Shah
Member


Tauseef H. Farooqi
Chairman

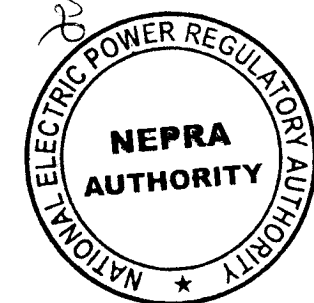

30.01.20



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 2020

| Description | Quantity | Net CV | Coal Price | | Exchange Rate |
|---------------------------------------|----------------|--------------|---------------|---------------|---------------|
| | Ton | kCal/Kg. | US\$/Ton | Rs/Ton | Rs./US\$ |
| Consumption from Stock: | | | | | |
| Consumption from Shipment No. HSR 175 | 17,616 | 5,780 | 119.50 | 18,724 | 156.69 |
| Consumption from Shipment No. HSR 176 | 37,402 | 5,789 | 116.78 | 18,277 | 156.50 |
| Consumption from Shipment No. HSR 177 | 38,819 | 5,791 | 116.12 | 18,172 | 156.50 |
| Consumption from Shipment No. HSR 178 | 38,159 | 5,911 | 117.80 | 18,435 | 156.50 |
| Consumption from Shipment No. HSR 179 | 36,870 | 5,775 | 116.56 | 18,242 | 156.50 |
| Consumption from Shipment No. HSR 180 | 40,773 | 5,879 | 124.94 | 19,478 | 155.90 |
| Consumption from Shipment No. HSR 181 | 40,823 | 5,833 | 122.56 | 19,108 | 155.90 |
| Consumption from Shipment No. HSR 182 | 36,670 | 5,889 | 122.48 | 19,095 | 155.90 |
| Consumption from Shipment No. HSR 184 | 14,092 | 5,640 | 128.30 | 19,943 | 155.44 |
| Total Consumption | 301,224 | 5,826 | 120.08 | 18,758 | 156.23 |

| Description | Unit | Reference | Previous | Revised |
|---|----------------|---------------|---------------|---------------|
| Avg price of stock consumed during the month | Rs./Ton | 13,605 | 18,521 | 18,758 |
| Avg. net calorific value of stock consumed during the month | kCal/Kg | 5,990 | 5,786 | 5,826 |
| Avg. net calorific value of stock consumed during the month | BTU/Kg | 23,768 | 22,960 | 23,118 |
| Net Heat Rates | BTU/kWh | 8,584 | 8,584 | 8,584 |
| Revised Fuel Cost Component for January 2020 | Rs./kWh | 4.9135 | 6.9246 | 6.9650 |



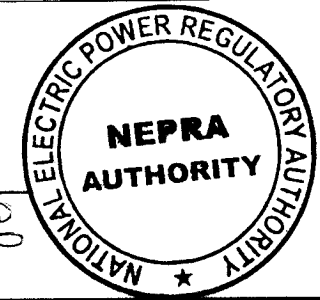
Note: The above adjustment of fuel cost component on coal shall be subject to verification by a consultant/Independent third party to be appointed for the purpose by the Authority. In case the verified delivered coal price is different, the fuel cost component shall be revised accordingly.

Huaneng Shandong Ruyi Energy (Private) Company Limited

Details of Shipments

For the month of January 2020

| Shipment Number | HSR 176 | HSR 177 | HSR 178 | HSR 179 | HSR 180 | HSR 181 | HSR 182 | HSR 184 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Vessel Name | VENTURE GOAL | ELEOUSSA | SERENE AMELIA | RHL MARTA | SSI FORMIDABLE | PACIFIC TALENT | ERASMOS | NEO |
| Bill of Lading (B/L) Date | 8-Oct-19 | 10-Oct-19 | 30-Oct-19 | 26-Oct-19 | 5-Nov-19 | 13-Nov-19 | 19-Nov-19 | 5-Dec-19 |
| L/C / TT Number | ICBC/LHE/RGC/ 20191025-01 | ICBC/LHE/RGC/ 20191022-01 | ICBC/LHE/RGC/ 20191115-01 | ICBC/LHE/RGC/ 20191111-01 | ICBC/LHE/RGC/ 20191119-02 | ICBC/LHE/RGC/ 20191125-01 | ICBC/LHE/RGC/ 20191209-01 | ICBC/LHE/RGC/ 20191220-01 |
| API-4 Index for the month of B/L Date | 67.61 | 67.61 | 67.61 | 67.61 | 75.83 | 75.83 | 75.83 | 84.03 |
| Base Calorific Value | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| Actual Calorific Value | 5,789 | 5,791 | 5,911 | 5,775 | 5,879 | 5,833 | 5,889 | 5,640 |
| Quantity | 37,811 | 39,259 | 38,588 | 37,282 | 41,203 | 41,282 | 37,105 | 56,627 |
| FOB Coal Price API-4 Index as per B/L month Adjusted for CV | 65.23 | 65.25 | 66.61 | 65.07 | 74.30 | 73.72 | 74.43 | 78.99 |
| Discount | - | - | - | - | - | - | - | - |
| Marine Freight Charges | 10.93 | 10.74 | 10.51 | 10.84 | 9.24 | 7.76 | 6.97 | 4.79 |
| Marine Insurance | 0.07 | 0.07 | 0.07 | 0.07 | 0.08 | 0.07 | 0.08 | 0.08 |
| CIF Coal Price | 76.24 | 76.06 | 77.19 | 75.99 | 83.62 | 81.55 | 81.48 | 83.85 |
| Handling Loss 1% or actual whichever is minimum | - | - | - | - | - | - | - | - |
| CIF Coal Price with losses at Karachi | 76.24 | 76.06 | 77.19 | 75.99 | 83.62 | 81.55 | 81.48 | 83.85 |
| Other Charges: | 13.74 | 13.92 | 13.79 | 13.77 | 14.33 | 14.07 | 14.06 | 17.37 |
| (i) Port Handling Charges | 4.72 | 4.72 | 4.72 | 4.72 | 4.72 | 4.72 | 4.72 | 4.67 |
| (ii) Port Qasim Royalty Charge | 2.40 | 2.40 | 2.40 | 2.40 | 2.40 | 2.40 | 2.40 | 2.27 |
| (iii) Customs Duties & Cess | 5.22 | 5.13 | 5.14 | 5.10 | 5.46 | 5.29 | 5.41 | 5.43 |
| (iv) L/C / TT Charges | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| (v) PDA Charges at Load Port | 0.50 | 0.59 | 0.57 | 0.59 | 0.58 | 0.61 | 0.58 | 0.37 |
| (vi) PDA Charges at Discharge Port | 0.79 | 0.98 | 0.87 | 0.86 | 1.07 | 0.95 | 0.86 | 0.53 |
| (vii) Transportation & Loading charges | - | - | - | - | - | - | - | 3.96 |
| (viii) Freight Forwarding/Custom Clearance | - | - | - | - | - | - | - | 0.05 |
| Inland Freight Charges | 25.65 | 24.99 | 25.65 | 25.65 | 25.75 | 25.73 | 25.73 | 25.81 |
| Delivered Coal Price before adjustment of Handling Loss | 115.63 | 114.97 | 116.63 | 115.41 | 123.70 | 121.35 | 121.27 | 127.03 |
| Handling Loss 1% or actual whichever is minimum | 1.16 | 1.15 | 1.17 | 1.15 | 1.24 | 1.21 | 1.21 | 1.27 |
| Delivered Coal Price with losses at Power Plant | 116.78 | 116.12 | 117.80 | 116.56 | 124.94 | 122.56 | 122.48 | 128.30 |
| Exchange Rate | 156.50 | 156.50 | 156.50 | 156.50 | 155.90 | 155.90 | 155.90 | 155.44 |
| Delivered Coal Price with losses at Power Plant | 18,276.53 | 18,172.15 | 18,435.37 | 18,242.23 | 19,477.67 | 19,107.86 | 19,095.39 | 19,942.96 |



Huaneng Shandong Ruyi Energy (Private) Company Limited
Marine Freight Calculation
For the month of December 2019

| Description | | HSR 176 | HSR 177 | HSR 178 | HSR 179 | HSR 180 | HSR 181 | HSR 182 | HSR 184 |
|---------------------------|-----------------|--------------|--------------|---------------|--------------|----------------|----------------|-------------|-------------|
| | | VENTURE GOAL | ELEOUSSA | SERENE AMELIA | RHL MARTA | SSI FORMIDABLE | PACIFIC TALENT | ERASMOS | NEO |
| | | PQA | 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 | 27.04 |
| At Port | Days | 6.64 | 6.64 | 6.64 | 6.64 | 6.64 | 6.64 | 6.64 | 4.78 |
| Total Delivery Days | Days | 33.68 | 33.68 | 33.68 | 33.68 | 33.68 | 33.68 | 33.68 | 31.81 |
| Average Time Charter Rate | US\$/Day | 13,710 | 13,465 | 13,178 | 13,595 | 11,590 | 9,726 | 8,738 | 8,497 |
| Time Charter Cost | US\$ | 461,719 | 453,468 | 443,802 | 457,846 | 390,322 | 327,547 | 294,274 | 270,312 |
| Bunker Consumption: | | | | | | | | | |
| Bunker during Voyage | Ton | 878.72 | 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 | 33.20 | 23.88 |
| MGO Consumption | Ton | 3.90 | 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 | 915.82 | 906.49 |
| Bunker Price | \$/Ton | 428.50 | 485.75 | 485.75 | 485.75 | 485.75 | 485.75 | 485.75 | 485.75 |
| MGO Price | \$/Ton | 376.30 | 360.00 | 321.50 | 315.00 | 325.25 | 299.00 | 274.25 | 250.00 |
| Bunker Cost | US\$ | 670.00 | 660.00 | 675.00 | 668.00 | 665.00 | 670.00 | 668.00 | 675.00 |
| Total Voyage Expense | US\$ | 462,389 | 454,128 | 444,477 | 458,514 | 390,987 | 328,217 | 294,942 | 270,987 |
| Quantity | Tons | 42,300 | 42,300 | 42,300 | 42,300 | 42,300 | 42,300 | 42,300 | 56,627 |
| Marine Freight | US\$/Ton | 10.93 | 10.74 | 10.51 | 10.84 | 9.24 | 7.76 | 6.97 | 4.79 |

*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 January 2020

| Description | Reference Rs/Ton/km | Revised | | | | | | | |
|---|------------------------|----------------------------|---------------------|-----------------------------|----------------------|------------------------------|------------------------------|--------------------|----------------|
| | | HSR 176 VENTURE GOAL | HSR 177 ELEOUSSA | HSR 178 SERENE AMELIA | HSR 179 RHL MARTA | HSR 180 SSI FORMIDABLE | HSR 181 PACIFIC TALENT | HSR 182 ERASMOS | HSR 184 NEO |
| Fixed Freight Charges (FFC) | 1.33 | 1.60 | 1.60 | 1.60 | 1.60 | 1.60 | 1.60 | 1.60 | 1.60 |
| Variable Freight Charges (VFC) | 0.71 | 0.96 | 0.96 | 0.96 | 0.96 | 0.96 | 0.95 | 0.95 | 0.95 |
| (i) Fuel | 0.40 | 0.59 | 0.59 | 0.59 | 0.59 | 0.59 | 0.58 | 0.58 | 0.58 |
| (ii) O&M | 0.30 | 0.37 | 0.37 | 0.37 | 0.37 | 0.37 | 0.37 | 0.37 | 0.37 |
| Other Freight Charges Component | 0.72 | 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 | 0.23 |
| Total Freight Charges (Rs/Ton/km) | 2.99 | 3.51 | 3.51 | 3.51 | 3.51 | 3.51 | 3.50 | 3.50 | 3.50 |
| Distance (Km) | 1,060 | 1,060 | 1,060 | 1,060 | 1,060 | 1,060 | 1,060 | 1,060 | 1,060 |
| Total Freight Charges (Rs/Ton) | 3,170 | 3,722 | 3,721 | 3,722 | 3,722 | 3,722 | 3,710 | 3,710 | 3,710 |
| Reference Values: | | | | | | | | | |
| Consumer Price Index (General) | 200.89 | 241.92 | 241.92 | 241.92 | 241.92 | 241.92 | 241.92 | 241.92 | 241.92 |
| HSD Price (Rs./Liter) | 87.12 | 127.41 | 127.14 | 127.41 | 127.41 | 127.41 | 125.01 | 125.01 | 125.01 |
| Spurline Component: | | | | | | | | | |
| Spurline Component (Rs./ton) | 189.82 | 292.44 | 189.83 | 292.44 | 292.44 | 292.44 | 301.53 | 301.53 | 301.53 |
| Total Quantity Handeled (Tons) | 302,087 | 196,083 | 302,065 | 196,083 | 196,083 | 196,083 | 190,170 | 190,170 | 190,170 |
| Inland Freight Charges with Spurline (Rs/Ton) | 3,360 | 4,014 | 3,910 | 4,014 | 4,014 | 4,014 | 4,012 | 4,012 | 4,012 |
| Exchange Rate | - | 156.50 | 156.50 | 156.50 | 156.50 | 155.90 | 155.90 | 155.90 | 155.44 |
| Inland Freight Charges with Spurline (USD/Ton) | - | 25.65 | 24.99 | 25.65 | 25.65 | 25.75 | 25.73 | 25.73 | 25.81 |
| Handling Month | - | Nov-19 | Oct-19 | Nov-19 | Nov-19 | Nov-19 | Dec-19 | Dec-19 | Dec-19 |

