



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/TRF-308/HSRPEL-2015/10284-88

April 9, 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/R/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 revised fuel price adjustment on account of revised Coal price variation for the month of March 2020 in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited.

Enclosure: As above

  
( 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 decisions 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, decision dated February 15, 2018 regarding inland freight charges, decision dated January 17, 2019 in the matter of tariff adjustment at Commercial Operation Date (COD) of HSRPEL and decision 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\$ 157.44/Ton for coal consumed during the month of March 2020. HSRPEL requested fuel cost component of Rs. 9.4956/kWh for March 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
March 2020	8.4879


- 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 PIBTI/KPTI respectively. 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.
- CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

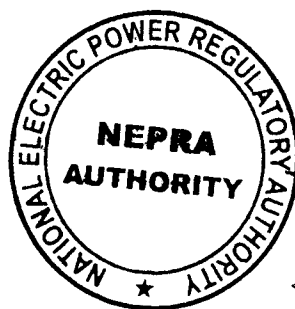
**AUTHORITY**

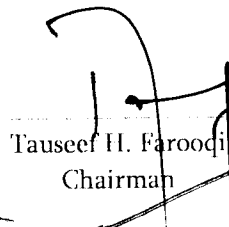
  
Saif Ullah Chattha  
Member  
31.3.2020

  
Engr. Rafique Ahmed Shaikh  
Member  
24/4/20

  
Rehmatullah Baloch  
Member  
31/4/2020

  
Engr. Bahadur Shah  
Member



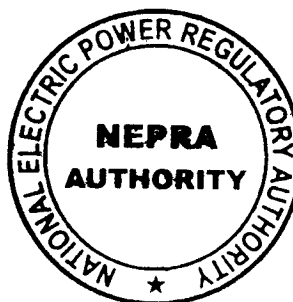
  
Tauseef H. Farooqi  
Chairman  
09.04.20

**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 March 2020**

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 190	34,994	5,766	148.06	22,977	155.19
Consumption from Shipment No. HSR 191	41,313	5,784	146.40	22,719	155.19
Consumption from Shipment No. HSR 192	53,861	5,570	141.24	21,920	155.19
Consumption from Shipment No. HSR 194	19,601	5,524	134.50	20,821	154.81
<b>Total Consumption</b>	<b>149,769</b>	<b>5,669</b>	<b>143.37</b>	<b>22,243</b>	<b>155.14</b>

Description	Unit	Reference	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	21,920	22,243
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,785	5,669
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	22,957	22,495
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
<b>Revised Fuel Cost Component for March 2020</b>	<b>Rs./kWh</b>	<b>4.9135</b>	<b>8.1964</b>	<b>8.4879</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.

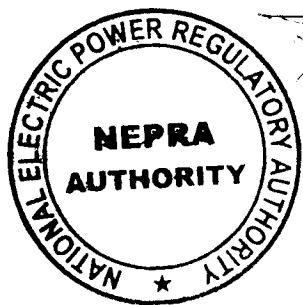


## Huaneng Shandong Ruyi Energy (Private) Company Limited

## Details of Shipments

For the month of March 2020

Shipment Number		HSR 191	HSR 192	HSR 194
Vessel Name		OCEAN VENUS	YASA AYSAN	GREAT FLUENCY
Bill of Lading (B/L) Date		19-Jan-20	20-Jan-20	9-Feb-20
L/C / TT Number		ICBC/LHE/RGC/20 200203-02	ICBC/LHE/RGC/20 200203-01	ICBC/LHE/RGC/20 200219-01
API-4 Index for the month of B/L Date		86.22	86.22	82.53
Base Calorific Value	kCal/Kg	6,000	6,000	6,000
Actual Calorific Value	kCal/Kg	5,784	5,570	5,524
Quantity	MT	41,773	54,456	40,946
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	83.12	80.04	75.98
Discount	US\$/Ton	-	-	-
Marine Freight Charges	US\$/Ton	19.52	14.81	15.78
Marine Insurance	US\$/Ton	0.10	0.09	0.09
CIF Coal Price	US\$/Ton	102.73	94.94	91.86
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	102.73	94.94	91.86
Other Charges:	US\$/Ton	15.94	18.63	14.97
(i) Port Handling Charges	US\$/Ton	4.72	4.66	4.72
(ii) Port Qasim Royalty Charge	US\$/Ton	2.40	2.27	2.40
(iii) Customs Duties & Cess	US\$/Ton	7.12	6.56	6.31
(iv) L/C / TT Charges	US\$/Ton	0.10	0.10	0.10
(v) PDA Charges at Load Port	US\$/Ton	0.69	0.46	0.61
(vi) PDA Charges at Discharge Port	US\$/Ton	0.91	0.58	0.84
(vii) Transportation & Loading charges	US\$/Ton	-	3.95	-
(viii) Freight Forwarding/Custom Clearance	US\$/Ton	-	0.05	-
Inland Freight Charges	US\$/Ton	26.27	26.27	26.33
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	144.95	139.85	133.16
Handling Loss 1% or actual whichever is minimum	US\$/Ton	1.45	1.40	1.33
Delivered Coal Price with losses at Power Plant	US\$/Ton	146.40	141.24	134.50
Exchange Rate	Rs./US\$	155.19	155.19	154.81
Delivered Coal Price with losses at Power Plant	Rs./Ton	22,719.20	21,919.69	20,821.40



**Huaneng Shandong Ruyi Energy (Private) Company Limited**  
**Marine Freight Calculation**  
**For the month of March 2020**

Description		HSR 191	HSR 192	HSR 194
		OCEAN VENUS	YASA AYSEN	GREAT FLUENCY
		PQA	PIBT	PQA
Delivery Days:				
Voyage	Days	27.04	27.04	27.04
At Port	Days	6.64	4.63	6.64
Total Delivery Days	Days	33.68	31.67	33.68
Average Time Charter Rate	US\$/Day	6,154	6,154	5,400
Time Charter Cost	US\$	207,251	194,884	181,859
Bunker Consumption:				
Bunker during Voyage	Ton	878.72	878.72	878.72
Bunker during Port Days	Ton	33.20	23.15	33.20
MGO Consumption	Ton	3.90	3.90	3.90
Total	Ton	915.82	905.77	915.82
Bunker Price 0.5%	\$/Ton	675.00	675.00	530.00
MGO Price 0.1%	\$/Ton	730.00	730.00	645.00
Bunker Cost	US\$	618,392	611,610	485,832
Total Vovage Expense	US\$	825,643	806,494	667,691
Quantity	Tons	42,300	54,456	42,300
Marine Freight	US\$/Ton	19.52	14.81	15.78
*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 March 2020

Description	Reference	Revised		
		HSR 191	HSR 192	HSR 194
	Rs/Ton/km	OCEAN VENUS	YASA AYSEN	GREAT FLUENCY
Fixed Freight Charges (FFC)	1.33	1.71	1.71	1.71
Variable Freight Charges (VFC)	0.71	0.98	0.98	0.98
(i) Fuel	0.40	0.59	0.59	0.59
(ii) O&M	0.30	0.39	0.39	0.39
Other Freight Charges Component	0.72	0.72	0.72	0.72
Profit Margin	0.23	0.23	0.23	0.23
<b>Total Freight Charges (Rs/Ton/km)</b>	<b>2.99</b>	<b>3.65</b>	<b>3.65</b>	<b>3.65</b>
Distance (Km)	1,060	1,060	1,060	1,060
<b>Total Freight Charges (Rs/Ton)</b>	<b>3,170</b>	<b>3,867</b>	<b>3,867</b>	<b>3,867</b>
<b>Indexation Values:</b>				
Consumer Price Index (General)	200.89	258.86	258.86	258.86
HSD Price (Rs./Liter)	87.12	127.26	127.26	127.26
<b>Spurline Component:</b>				
Spurline Component (Rs./ton)	189.82	209.56	209.56	209.56
Total Quantity Handeled (Tons)	302,087	273,631	273,631	273,631
<b>Inland Freight Charges with Spurline (Rs/Ton)</b>	<b>3,360</b>	<b>4,077</b>	<b>4,077</b>	<b>4,077</b>
Exchange Rate	-	155.19	155.19	154.81
<b>Inland Freight Charges with Spurline (USD/Ton)</b>	<b>-</b>	<b>26.27</b>	<b>26.27</b>	<b>26.33</b>
Handling Month	-	Feb-20	Feb-20	Feb-20

