



# National Electric Power Regulatory Authority Islamic Republic of Pakistan

Registrar

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No. NEPRA/R/ADG(Trf)/TRF-308/HSRPEL-2015/7115-19

March 28, 2023

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 the month of January 2023 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), Details of local Purchases (Annex-III), Marine Freight Calculation (Annex-IV) and Inland Freight Charges (Annex-V) (07 pages) in the matter of fuel price adjustment on account of Coal price variation for the month of January 2023 in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited.

Enclosure: As above

( Engr. Mazhar Iqbal Ranjha )

Copy to: (alongwith copy of subject Decision):

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 THE MONTH OF JANUARY 2023 FOR HUANENG SHANDONG RUYI (PAKISTAN) ENERGY PRIVATE LIMITED.**

1. Pursuant to the Authority's decision 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 (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 decisions dated August 22, 2019 & May 6, 2021 in the matter of motion for leave for review regarding fuel price adjustments, 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 Rs. 80,608/Ton for coal consumed during the month of January 2023. HSRPEL requested fuel cost component of Rs. 31.2279/kWh for January 2023.
2. It has been observed that Argus/McCloskey's published coal price index also specifies price differentials to API 4. It has been provided in the index report that to calculate a fixed price, apply the differential to the API 4 contract. Following differentials are applicable for the months of May 2022, June 2022 and July 2022:

Description	Heat kcal/kg	Unit	May Average	June Average	July Average
5,700 differential	6,000	US\$/Ton	(0.02)	-	-
5,500 differential	5,500	US\$/Ton	-	(43.9)	(62.47)

3. In accordance with the above differentials, the API 4 price for each shipment from Richards Bay has been calculated as under:

Shipment No.	API 4 Price (US\$/ton)	Differential/Premium (US\$/ton)	Fixed Price (US\$/ton)	Heat (kcal/kg)	Actual Heat (kcal/kg)	Heat Adjusted Price (US\$/ton)	Price As Per Commercial Invoice (US\$/ton)	Difference (US\$/ton)
HSR 328	322.96	(0.02)	322.94	6,000	5,780	311.10	311.12	(0.02)
HSR 329	327.58	(43.9)	283.68	5,500	5,690	293.48	310.60	(17.12)
HSR 330	328.79	(62.47)	266.32	5,500	5,587	270.53	306.16	(35.63)

4. The delivered prices of Rs. 73,927/Ton and 73,845/Ton against invoices No. Awan-25 and Awan-30 are higher than the benchmark prices of Rs. 73,882/Ton and 71,387/Ton of imported coal calculated as per the coal procurement guidelines. Accordingly, the delivered prices of above invoices have been capped at benchmark prices of Rs. 73,882/Ton and 71,387/Ton.
5. In accordance with the prescribed mechanism, the revised coal price for each consignment has been worked out and is 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.

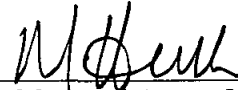
Period	Fuel Cost Component (Rs./kWh)	
	Reference Jan 17, 2019	Revised
January 2023	4.9135	29.6852

6. Fuel cost component allowed to HSR is on provisional basis and shall be subject to adjustment/refund, if necessary, in light of final decision of the Authority in the matter of complaint(s) received against the bidding process followed by HSR.
7. The above referred revised fuel cost component along with revised coal prices and revised inland freight charges attached as **Annex-I, Annex-II, Annex-III, Annex-IV & Annex-V** 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.
8. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

**AUTHORITY**



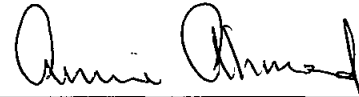
Mathar Niaz Rana (nsc)  
Member



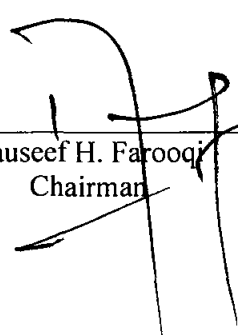
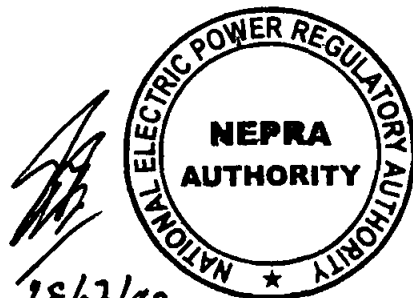
Engr. Maqsood Anwar Khan  
Member



Engr. Rafique Ahmed Shaikh  
Member



Amina Ahmed  
Member



Tauseef H. Farooqi  
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 2023**

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 328	43,556	5,780	421.99	82,705	195.99
Consumption from Shipment No. HSR 329	41,381	5,690	402.74	82,546	204.96
Consumption from Shipment No. HSR 330	957	5,587	371.07	81,417	219.41
Consumption from Local Purchase (Awan 24)	2,791	5,575	323.49	71,880	222.20
Consumption from Local Purchase (Awan 25)	2,332	5,644	332.50	73,882	222.20
Consumption from Local Purchase (Awan 26)	5,724	5,719	332.05	73,783	222.20
Consumption from Local Purchase (Awan 27)	7,093	5,602	328.51	72,995	222.20
Consumption from Local Purchase (Awan 28)	3,811	5,758	334.98	74,434	222.20
Consumption from Local Purchase (Awan 29)	786	5,781	328.65	73,025	222.20
Consumption from Local Purchase (Awan 30)	327	5,407	321.27	71,387	222.20
Consumption from Local Purchase (PSL 38)	8,622	5,658	347.75	77,305	222.30
Consumption from Local Purchase (PSL 39)	12,913	5,670	342.59	76,157	222.30
Consumption from Local Purchase (PSL 40)	4,242	5,630	344.54	76,592	222.30
Consumption from Local Purchase (PSL 41)	9,783	5,522	339.23	75,410	222.30
Consumption from Local Purchase (PSL 42)	9,343	5,645	343.73	76,411	222.30
Consumption from Local Purchase (PSL 43)	8,459	5,737	349.96	77,795	222.30
Consumption from Local Purchase (PSL 44)	11,975	5,575	323.92	71,975	222.20
Consumption from Local Purchase (PSL 45)	5,057	5,918	360.44	80,126	222.30
Consumption from Local Purchase (PSL 46)	5,015	5,620	325.50	72,325	222.20
Consumption from Local Purchase (PSL 47)	10,415	5,669	325.17	72,253	222.20
Consumption from Local Purchase (PSL 48)	1,793	5,523	304.35	67,628	222.20
Consumption from Local Purchase (PSL 49)	5,908	5,691	326.35	72,514	222.20
<b>Total Consumption</b>	<b>202,283</b>	<b>5,688</b>	<b>368.39</b>	<b>78,059</b>	<b>211.89</b>

Description	Unit	Reference Jan 17, 2019	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	74,584	78,059
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,644	5,688
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	22,397	22,572
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
<b>Revised Fuel Cost Component</b>	<b>Rs./kWh</b>	<b>4.9135</b>	<b>28.5859</b>	<b>29.6852</b>

- 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.

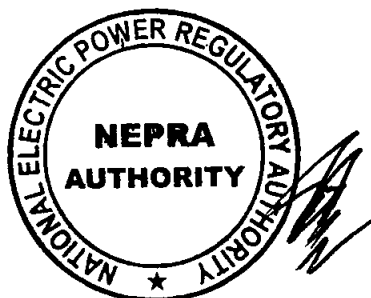
- Based on data declared by Huaneng Shandong Ruyi Energy (Private) Company Limited.

- The coal consumption is for the period January 1, 2023 to January 25, 2023.



**Huaneng Shandong Ruyi Energy (Private) Company Limited**  
**Details of Shipments**  
**For the Month of January 2023**

Shipment Number		HSR 328	HSR 329	HSR 330
Vessel Name		BULK POLARIS	AFRICAN PUFFIN	AGONISTIS
Bill of Lading (B/L) Date		12-May-22	12-Jun-22	14-Jul-22
L/C / TT Number		-	-	-
Origin		South Africa	South Africa	South Africa
API-4 Index for the month of B/L Date	US\$/Ton	322.96	327.58	328.79
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	(0.02)	(43.90)	(62.47)
Fixed Price	US\$/Ton	322.94	283.68	266.32
Base Calorific Value	kCal/Kg	6,000	5,500	5,500
Actual Calorific Value	kCal/Kg	5,780	5,690	5,587
Quantity	MT	44,000	41,803	42,011
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	311.10	293.48	270.53
Adjustment for Sulphur Content	US\$/Ton	-	(0.06)	(0.09)
Marine Freight Charges	US\$/Ton	41.42	46.42	39.85
Marine Insurance	US\$/Ton	0.33	0.30	0.31
CIF Coal Price	US\$/Ton	352.84	340.14	310.61
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	352.84	340.14	310.61
Other Charges:	US\$/Ton	38.26	32.47	32.37
(i) Port Handling Charges	US\$/Ton	4.23	4.23	4.23
(ii) Port Qasim Royalty Charge	US\$/Ton	2.40	2.52	2.52
(iii) Customs Duties & Cess	US\$/Ton	29.57	23.82	23.66
(iv) PDA Charges at Load Port	US\$/Ton	0.97	0.90	0.91
(v) PDA Charges at Discharge Port	US\$/Ton	0.85	0.78	0.85
(vi) Freight Forwarding/Custom Clearance	US\$/Ton	0.02	0.02	0.02
(vii) Wharfage Charges	US\$/Ton	0.17	0.17	0.15
(viii) Commodity & Ash Fusion Temperature Inspection	US\$/Ton	0.04	0.04	0.03
Inland Freight Charges	US\$/Ton	26.71	26.15	24.43
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	417.81	398.75	367.40
Handling Loss 1% or actual whichever is minimum	US\$/Ton	4.18	3.99	3.67
Delivered Coal Price with losses at Power Plant	US\$/Ton	421.99	402.74	371.07
Exchange Rate	Rs./US\$	195.99	204.96	219.41
<b>Delivered Coal Price with losses at Power Plant</b>	<b>Rs./Ton</b>	<b>82,705</b>	<b>82,546</b>	<b>81,417</b>



**Huaneng Shandong Ruyi Energy (Private) Company Limited**  
**Details of Local Purchases**

For the Month of January 2023

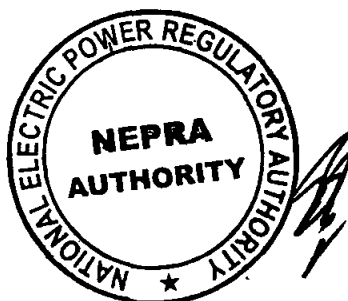
Consignment Detail		Awan-25	Awan-26	Awan-27	Awan-28	Awan-29	Awan-30	PSL-38	PSL-39	PSL-40	PSL-41	PSL-42	PSL-43	PSL-44	PSL-45	PSL-46	PSL-47	PSL-48	PSL-49
Invoice Date		31-Oct-22	22-Nov-22	22-Nov-22	3-Nov-22	14-Nov-22	2-Dec-22	3-Oct-22	10-Oct-22	10-Oct-22	20-Oct-22	20-Oct-22	1-Nov-22	1-Nov-22	1-Nov-22	3-Nov-22	3-Nov-22	10-Nov-22	14-Nov-22
Quantity	MT	2,332	5,724	7,093	3,811	786	365	8,622	12,913	4,242	9,783	9,343	8,459	11,975	5,057	5,015	10,415	1,793	5,908
Price as per Quotation	Rs./Ton	70,000	70,000	70,000	70,000	70,000	70,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	70,000	70,000	70,000	70,000
Base Calorific Value (GCV)	kCal/Kg	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Actual Calorific Value (GCV)	kCal/Kg	6,548	6,515	6,482	6,530	6,524	6,290	6,432	6,378	6,419	6,335	6,407	6,513	6,346	6,690	6,430	6,390	6,033	6,345
NCV Tested by SGS	kCal/Kg	5,644	5,719	5,602	5,758	5,781	5,407	5,658	5,670	5,630	5,522	5,645	5,737	5,575	5,918	5,620	5,669	5,523	5,691
Coal Price Adjusted for GCV	Rs./Ton	70,517	70,162	69,806	70,323	70,258	67,738	73,226	72,611	73,078	72,122	72,941	74,148	68,342	76,163	69,246	68,815	64,971	68,331
Adjustment for Ash	Rs./Ton	-	-	-	-	-	-	-	(1)	-	(19)	-	-	(5)	-	(134)	-	(110)	-
Adjusted Coal Price	Rs./Ton	70,517	70,162	69,806	70,323	70,258	67,738	73,226	72,610	73,078	72,102	72,941	74,148	68,337	76,163	69,112	68,815	64,861	68,331
Inspection Charges	Rs./Ton	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5
Inland Freight Charges	Rs./Ton	3,395	3,606	3,173	4,095	2,751	5,360	4,063	3,532	3,499	3,292	3,454	3,632	3,623	3,947	3,197	3,422	2,751	4,168
Delivered Coal Price before adjustment of Handling Loss	Rs./Ton	73,927	73,783	72,995	74,434	73,025	73,114	77,305	76,157	76,592	75,410	76,411	77,795	71,975	80,126	72,325	72,253	67,628	72,514
Handling Loss 1% or actual whichever is minimum	Rs./Ton	-	-	-	-	-	731	-	-	-	-	-	-	-	-	-	-	-	-
Delivered Coal Price with losses at Power Plant	Rs./Ton	73,927	73,783	72,995	74,434	73,025	73,845	77,305	76,157	76,592	75,410	76,411	77,795	71,975	80,126	72,325	72,253	67,628	72,514
Adjustment against Benchmark Price of Imported Coal	Rs./Ton	(45)	-	-	-	-	(2,458)	-	-	-	-	-	-	-	-	-	-	-	-
Net Delivered Coal Price	Rs./Ton	73,882	73,783	72,995	74,434	73,025	71,387	77,305	76,157	76,592	75,410	76,411	77,795	71,975	80,126	72,325	72,253	67,628	72,514
Notional Exchange Rate	Rs./US\$	222.20	222.20	222.20	222.20	222.20	222.20	222.30	222.30	222.30	222.30	222.30	222.30	222.20	222.30	222.20	222.20	222.20	222.20
Net Delivered Coal Price	US\$/Ton	332.50	332.05	328.51	334.98	328.65	321.27	347.75	342.59	344.54	339.23	343.73	349.96	323.92	360.44	325.50	325.17	304.35	326.35



**Huaneng Shandong Ruyi Energy (Private) Company Limited**  
**Marine Freight Calculation**  
**For the Month of January 2023**

Description		HSR 328	HSR 329	HSR 330
		BULK POLARIS	AFRICAN PUFFIN	AGONISTIS
		PQA	PQA	PQA
Delivery Days:				
Voyage	Days	27.04	27.04	27.04
At Port	Days	6.87	6.64	6.64
Total Delivery Days	Days	33.90	33.68	33.68
Average Time Charter Rate	US\$/Day	30,053	29,738	22,845
Time Charter Cost	US\$	1,018,922	1,001,501	769,362
Bunker Consumption:				
Bunker during Voyage	Ton	878.72	878.72	878.72
Bunker during Port Days	Ton	34.33	33.20	33.20
Total	Ton	913.05	911.92	911.92
Bunker Price	\$/Ton	880.00	1,055.00	1,005.00
Bunker Cost	US\$	803,486	962,074	916,478
Total Voyage Expense	US\$	1,822,408	1,963,576	1,685,841
Quantity	Tons	44,000	42,300	42,300
<b>Marine Freight</b>	<b>US\$/Ton</b>	<b>41.42</b>	<b>46.42</b>	<b>39.85</b>

\*PDA Charges both at Load and Discharge Ports have been included in Other Charges.



7 Jan 23

**Huaneng Shandong Ruyi Energy (Private) Company Limited**  
**Inland Freight Charges**  
**For the Month of January 2023**

Description	Reference	Revised								
		Kushal Kot			Kundiyan			Khairabad	Pipri	
Fixed Freight Charges (FFC)	1.77	2.21	2.21	2.21	2.21	2.21	2.21	2.21	2.21	2.21
Variable Freight Charges (VFC)	0.81	1.65	1.60	1.60	1.65	1.60	1.60	1.60	1.60	1.60
(i) Fuel	0.40	1.15	1.09	1.09	1.15	1.09	1.09	1.09	1.09	1.09
(ii) O&M	0.40	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51
Other Freight Charges Component	0.72	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	0.23
<b>Total Freight Charges (Rs/Ton/km)</b>	<b>3.53</b>	<b>4.82</b>	<b>4.76</b>	<b>4.76</b>	<b>4.82</b>	<b>4.76</b>	<b>4.76</b>	<b>4.76</b>	<b>4.76</b>	<b>4.76</b>
Distance (Km)	1,060	892	892	892	512	512	512	826	1,060	1,060
<b>Total Freight Charges (Rs/Ton)</b>	<b>3,743</b>	<b>4,296</b>	<b>4,246</b>	<b>4,246</b>	<b>2,466</b>	<b>2,437</b>	<b>2,437</b>	<b>3,932</b>	<b>5,046</b>	<b>5,046</b>
<b>Indexation Values:</b>										
Consumer Price Index Base Year 2015-16	131.67	164.45	164.45	164.45	164.45	164.45	164.45	164.45	164.45	164.45
HSD Price (Rs./Liter)	87.12	247.43	235.30	235.30	247.43	235.30	235.30	235.30	235.30	235.30
<b>Spurline Component:</b>										
Spurline Component (Rs./ton)	189.82	253.76	188.70	313.91	253.76	188.70	313.91	188.70	188.70	313.91
Total Quantity Handeled (Tons)	302,087	225,973	303,884	182,674	225,973	303,884	182,674	303,884	303,884	182,674
<b>Inland Freight Charges with Spurline (Rs/Ton)</b>	<b>3,933</b>	<b>4,550</b>	<b>4,435</b>	<b>4,560</b>	<b>2,720</b>	<b>2,626</b>	<b>2,751</b>	<b>4,120</b>	<b>5,234</b>	<b>5,360</b>
Exchange Rate	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	195.99	204.96
<b>Inland Freight Charges with Spurline (USD/Ton)</b>	-	-	-	-	-	-	-	-	<b>26.71</b>	<b>26.15</b>
Handling Month	-	Sep-22	Oct-22	Nov-22	Sep-22	Oct-22	Nov-22	Oct-22	Oct-22	Nov-22



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