

**National Electric Power Regulatory Authority**


**NOTIFICATION**



Islamabad, the 16<sup>th</sup> day of June, 2023

**S.R.O.** 856 (I)/2023.- In pursuance of Proviso-ii of Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), NEPRA hereby notifies the Decision of the Authority along with revised tariff components regarding quarterly indexation/adjustment of tariff of Huaneng Shandong Ruyi (Pakistan) Energy Private Limited for the April-June 2023 quarter on account of US CPI, CPI (Local), Exchange Rate, KIBOR, LIBOR, Coal Price(s) and Coal Calorific Value(s) variation in Case No. NEPRA/TRF-308/HSRPEL-2015.

2. While effecting the Decision, the concerned entities including Central Power Purchasing Agency Guarantee Limited (CPPAGL) shall keep in view and strictly comply with the orders of the courts notwithstanding this Decision.

  
(Engr. Mazhar Iqbal Ranjha)  
Registrar





**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION  
/ADJUSTMENT OF TARIFF FOR HUANENG SHANDONG RUYI (PAKISTAN)  
ENERGY PRIVATE LIMITED FOR APRIL TO JUNE 2023 QUARTER.**

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") and decision of the Authority dated January 17, 2019 in the matter of tariff adjustment at Commercial Operation Date (COD), the relevant tariff components in respect of April to June 2023 quarter have been revised on account of US CPI, CPI Local, Exchange Rate, KIBOR, LIBOR, Coal Price(s) and Coal Calorific Value(s) variation. The revised tariff indicated hereunder shall be immediately applicable:

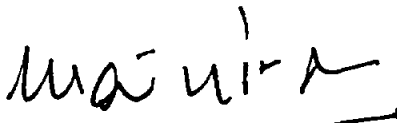
Tariff Components	Reference Jan 17, 2019	Revised Apr to Jun 2023 Quarter
<b>Capacity Charge (Rs./KW/h)</b>		
Fixed O&M - Foreign	0.1601	0.5300
Fixed O&M - Local	0.1606	0.1984
Cost of Working Capital	0.1541	2.1492
Return on Equity	0.9438	2.6678
Principal Outstanding	1.3850	3.7994
Interest Charge	0.4290	1.8813
<b>Total</b>	<b>3.2326</b>	<b>11.2261</b>
<b>Energy Purchase Price (Rs./KWh)</b>		
Variable O&M - Foreign	0.0763	0.2526
Variable O&M - Local	0.0510	0.0630
<b>Total</b>	<b>0.1273</b>	<b>0.3156</b>

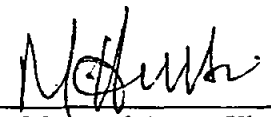
HSRPEL has consumed mixed coal i.e. imported & local during the quarter. Accordingly, ROE and cost of working capital components have been adjusted in accordance with the Para 9.2 & 10.2(d) of the decision dated January 17, 2019.


The above referred revised tariff components attached as **Annex-I** are to be notified in the official gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

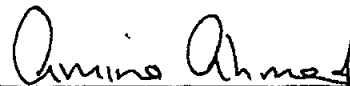
CPPA(G) to ensure that all payments are consistent with the tariff determination(s).

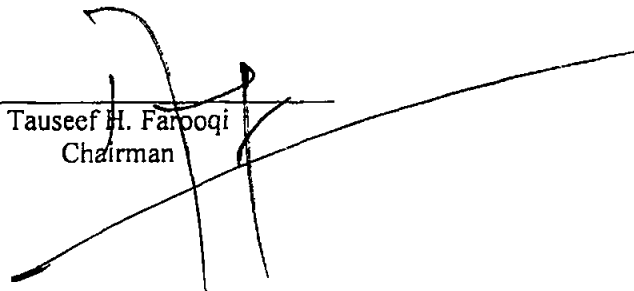
**AUTHORITY**

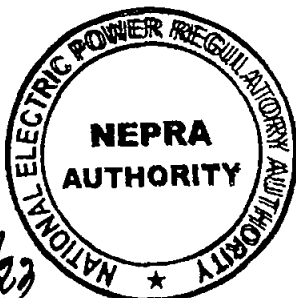
  
Mathar Niaz Rana (nsc)  
Member

  
Engr. Maqsood Anwar Khan  
Member

  
Engr. Rafique Ahmed Shaikh  
Member

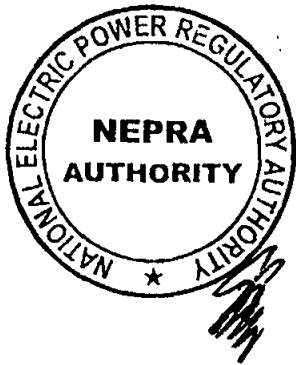
  
Amina Ahmed  
Member

  
Tauseef H. Farooqi  
Chairman



**Huaneng Shandong Ruyi (Pakistan) Energy (Pvt) Company Ltd.**  
**Quarterly Indexation/Adjustment of Tariff**

Tariff Components	Reference Jan 17, 2019	Revised Apr to Jun 2023 Quarter	Indexation
<b>Capacity Charge (Rs./KW/h)</b>			
Fixed O&M - Foreign	0.1601	0.5300	US CPI & Rs./US\$
Fixed O&M - Local	0.1606	0.1984	CPI
Cost of Working Capital	0.1541	2.1492	KIBOR & Fuel Cost as per respective consumption of Local & Imported Coal.
Return on Equity	0.9438	2.6678	Rs./US\$ & respective consumption of Local & Imported Coal.
Principal Outstanding	1.3850	3.7994	Rs./US\$
Interest Charge	0.4290	1.8813	LIBOR & Rs./US\$
<b>Total</b>	<b>3.2326</b>	<b>11.2261</b>	
<b>Energy Purchase Price (Rs./KWh)</b>			
Variable O&M - Foreign	0.0763	0.2526	US CPI & Rs./US\$
Variable O&M - Local	0.0510	0.0630	CPI Local
<b>Total</b>	<b>0.1273</b>	<b>0.3156</b>	
<b>Indexation Values</b>			<b>Source</b>
Exchange Rate (Rs./USD)	104.594	284.100	NBP - Revised rate of Mar 31, 2023
US CPI (All Urban Consumers)	246.819	300.840	U.S. Bureau of Labor Statistics - Revised value of Feb 2023
CPI (General) - Local	217.980	269.270	Pakistan Bureau of Statistics - Revised value of Jun 2020
3 Monthly KIBOR	6.150%	21.980%	SBP - Revised rate of Mar 31, 2023
3 Monthly LIBOR	1.380%	5.193%	www.brecorder.com - Revised rate of Mar 31, 2023
Imported Coal Price (Rs./Ton)	13,605	83,138.70	Weighted Average Price of Coal Consumed during Jan & Feb 2023.
Imported Coal Calorific Value (BTU/Kg)	23,768	22,638.22	Weighted Average CV of Coal Consumed during Jan & Feb 2023.
Local Coal Price (Rs./Ton)	-	74,270.75	Weighted Average Price of Coal Consumed during Jan & Feb 2023.
Local Coal Calorific Value (BTU/Kg)	-	22,447.10	Weighted Average CV of Coal Consumed during Jan & Feb 2023.
Imported Coal Quantity (M. Ton)	-	147,628.89	51.69% of Total Coal Consumed during Jan & Feb 2023.
Local Coal Quantity (M. Ton)	-	137,954.20	48.31% of Total Coal Consumed during Jan & Feb 2023.
Principal Outstanding (USD. Million)	-	742.21	
Return on Equity (ROE)-Local	-	29.50%	
Return on Equity (ROE)-Imported	-	27.20%	
Hours in the quarter	-	2,184	



- For the purpose of indexation of Local O&M components for Apr-Jun 2023 quarter, CPI for Feb 2023 was required to be used. However, Pakistan Bureau of Statistics has discontinued the publication of CPI for base year 2007-08 w.e.f. July 2020 and replaced it with National CPI for new base year 2015-16. As per relevant provision of the PPA, the latest available CPI of June 2020 for base year 2007-08 has been used for the instant indexation/adjustment. The indexation of Local O&M components is being made on provisional basis, subject to revision upon decision of new reference index value by the Authority.

- The Authority vide its decision dated March 10, 2021 replaced CPI Base Year 2007-08 with N-CPI Base Year 2015-16. The decision shall be implemented upon Notification in the Official Gazette.

- The cost of working capital is calculated on the basis of 30 days receivable for imported and local coal, 90 days inventory for imported coal whereas 30 days inventory for local coal, actual consumption %age for respective coal and actual CV for respective coal.

- Insurance component is not part of quarterly indexation. It is adjusted annually on actual basis as per mechanism stipulated in the Decision(s) of the Authority.

- Based on the data declared by Huaneng Shandong Ruyi (Pakistan) Energy (Pvt) Company Ltd.



REGISTRAR

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

NEPRA Tower, G-5/1 (East), Near MNA Hostel, Islamabad

Phone: 9206500, Fax: 2600026

Website: [www.nepra.org.pk](http://www.nepra.org.pk), Email: [info@nepra.org.pk](mailto:info@nepra.org.pk)

No. NEPRA/TRF-308/15033 AB

June 16, 2023

The Manager  
Printing Corporation of Pakistan Press  
Shahrah-e-Suharwardi  
Islamabad

Subject: **NOTIFICATION REGARDING DECISION OF THE AUTHORITY ALONG WITH REVISED TARIFF COMPONENTS REGARDING QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF OF HUANENG SHANDONG RUYI (PAKISTAN) ENERGY PRIVATE LIMITED FOR THE APRIL-JUNE 2023 QUARTER ON ACCOUNT OF US CPI, CPI (LOCAL), EXCHANGE RATE, KIBOR, LIBOR, COAL PRICE(S) AND COAL CALORIFIC VALUE(S) VARIATION**

In pursuance of Proviso-ii of Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), enclosed please find herewith "Decision of the Authority along with revised tariff components regarding quarterly indexation/adjustment of tariff of Huaneng Shandong Ruyi (Pakistan) Energy Private Limited for the April-June 2023 quarter on account of US CPI, CPI (Local), Exchange Rate, KIBOR, LIBOR, Coal Price(s) and Coal Calorific Value(s) variation" for immediate publication in the official gazette of Pakistan. Please also furnish thirty five (35) copies of the Notification to this Office after its publication.

Encl: Notification [03 pages]

  
(Engr. Mazhar Iqbal Ranjha)

CC:

1. Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Limited, 73 East, AKM Fazl-e-Haq Road, Block H, G-7/2, Blue Area, Islamabad
2. Syed Mateen Ahmed, Deputy Secretary (T&S), Ministry of Energy – Power Division, 'A' Block, Pak Secretariat, Islamabad [w.r.t. NEPRA's Decision issued vide No. 13091-13095 dated May 25, 2023]