

National Electric Power Regulatory Authority

NOTIFICATION



Islamabad, the 16th day of September, 2026

S.R.O. 1605 (I)/2026.- In pursuance of Proviso (ii) to 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 dated August 31, 2026 on the Motions for Leave for Review filed by Huaneng Shandong Ruyi (Pakistan) Energy Private Limited against Quarterly Indexations/Adjustments and Monthly Fuel Price Adjustments in Case No. NEPRA/TRF-308/HSRPEL-2015.

2. While effecting the Decision, the concerned entities including Central Power Purchasing Agency Guarantee Limited shall strictly comply with the orders of the courts notwithstanding this Decision.

(Syed Zavar Haider)
Director



DECISION OF THE AUTHORITY ON THE MOTIONS FOR LEAVE FOR REVIEW FILED BY HUANENG SHANDONG RUYI (PAKISTAN) ENERGY (PRIVATE) LIMITED (HSR) AGAINST QUARTERLY INDEXATIONS/ADJUSTMENTS AND MONTHLY FUEL PRICE ADJUSTMENTS.

1. BACKGROUND

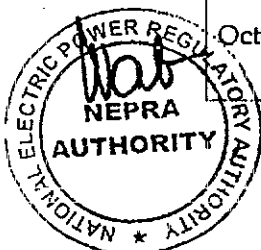
- 1.1. Huaneng Shandong Ruyi (Private) Company Limited (hereinafter referred to as "HSR" or the "Petitioner") operates a 1,320 MW (gross) imported coal-fired power plant with a net capacity of 1,243.52 MW, located at Qadirabad, Sahiwal, Punjab.
- 1.2. The Authority approved the upfront coal tariff to HSR through its decision dated March 31, 2015. The plant achieved its Commercial Operation Date (COD) on October 28, 2017 and the Authority determined its COD tariff vide decision dated January 17, 2019.

2. FILING & ADMISSION OF MOTION FOR LEAVE FOR REVIEW

- 2.1. HSR filed Motions for Leave for Review (MLRs) on November 13, 2023, February 21, 2024 and November 6, 2024 against the Authority's decisions regarding the quarterly indexations/adjustments for October -December 2023, January - March 2024 and October - December 2024 quarters, respectively.
- 2.2. HSR also filed MLRs on August 8, 2024, November 18, 2024, November 18, 2024, December 23, 2024 and July 17, 2025 against the Authority's decisions in the matter of monthly Fuel Price Adjustments (FPAs) for June 2024, August to October 2024 and April 2025, respectively.
- 2.3. The Authority admitted the aforesaid MLRs through respective decisions.
- 2.4. Subsequently, through letter No. HSR-SW-2025-100 dated November 17, 2025 HSR withdrew its MLRs pertaining to the FPAs for the months of August 2024, September 2024 and October 2024.

GROUND FOR FILING OF MOTIONS FOR LEAVE FOR REVIEW

MLR for Quarter	Grounds:
Oct-Dec 2023	The company for the quarter of October-December 2023 submitted tariff adjustment based on imported and local coal consumption which reflects the variation in the cost of



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	working capital. However, the impugned decision reflects an error in quantity of local coal consumption considered by NEPRA— a discrepancy of 1,730 MT. HSR requests a revision of the Order to reflect the correct local coal consumption quantity and the consequent revision of the cost of working capital component. • The company used latest available indices i.e. National Bank of Pakistan exchange rate as of September 28, 2023, U.S. Bureau of Labor Statistics (US CPI) value of August 2023, Pakistan Bureau of Statistics National Consumer Price Index (N-CPI) value of September 2023. However, NEPRA used the August 2023 N-CPI instead of September 2023, resulting in lower local O&M components. HSR requested recalculation using the N-CPI of September 2023 instead of August 2023.
Jan-Mar 2024	• The company calculated the foreign O&M components using the US CPI value of 307.051 for November 2023. NEPRA, however, used value of 307.015. HSR requested correction accordingly. • HSR alleged mathematical errors in the calculation of the interest charge and cost of working capital components and sought revision of the decision.
Oct-Dec 2024	• HSR calculated the imported coal price at Rs. 47,299.77/MT, whereas, NEPRA used Rs. 47,299.47/MT. This discrepancy appears to stem from a mathematics error in the cost of working capital component calculation. • NEPRA's calculation did not index Fixed & Variable O&M (local) components with August 2024 N-CPI value of 262.320, suggesting a possible mathematical error. HSR requests recalculation using the N-CPI of August 2024 instead of NCPI of September 2024 of 260.960.
MLR for the Month	Grounds:
June 2024	• Revision of marine freight was made by NEPRA on the basis of 59,735 MT instead of quantity of 59,407 MT. This has financial impact of USD 3,516. HSR requested for revision of marine freight on the basis of actual quantity of 59,407 MT.





April 2025	Marine insurance rate of US\$ 0.09/ton for Shipment Awan LT-32 was approved instead of actual rate of US\$ 0.13/ton. HSR requested for appropriate correction.
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3. HEARING AND COMMENTS FROM CPPA-G

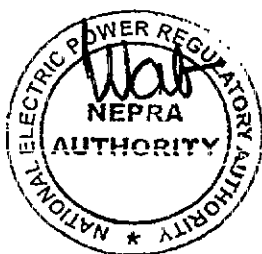
- 3.1. Notices of hearing were issued on July 11, 2025 to Ministry of Energy, HSR and CPPA-G. Hearing in the matter was held on July 17, 2025 and was attended by representatives from HSR and CPPA-G.
- 3.2. CPPA-G through letter dated July 18, 2025 submitted following:
- The existing indexation mechanism of using the most recent N-CPI is at par with all IPPs. The company's stance to use different months N-CPI for quarterly adjustment will be inconsistent with other IPPs and may lead to discrimination. As such, this office endorses the NEPRA's existing practice in the matter.*
 - The Port Qasim Royalty charges allowed by NEPRA are prudent and protects consumers from the inefficiencies on part of company in the coal procurement process. Furthermore, it will force the IPPs to optimally utilize the resources available i.e. Port facility with respect to NEPRA's existing principles to allow such charges are prudent and in line with the spirit of regulatory framework.*

4. ANALYSIS/FINDINGS OF THE AUTHORITY

- 4.1. Discussion, analysis and decisions on each ground of review are provided in the succeeding paragraphs.

DISCREPANCY OF 1,730 MT IN LOCAL COAL CONSUMPTION FOR OCTOBER - DECEMBER 2023 QUARTER

- 4.2. The Authority examined HSR's contention regarding the discrepancy of 1,730 MT in local coal consumption used for determining of cost of working capital component.
- 4.3. The Authority finds merit in HSR's contention. The issue had already been rectified through the Authority's FPAs Review Decision dated May 26, 2025. Consequently, the cost of working capital was also revised through the Authority's decision dated December 31, 2025. Accordingly, no further action is required on this ground.



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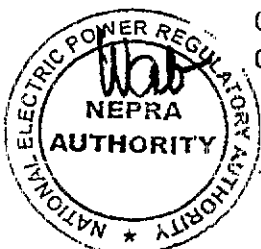


USE OF N-CPI FOR INDEXATIONS OF LOCAL O&M COMPONENTS.

- 4.4. The Authority has considered HSR's request regarding the application of different N-CPI values for indexation of local fixed and variable O&M components in quarterly indexations/adjustments of October - December 2023 and October - December 2024 quarters.
- 4.5. The Authority observes that the ground taken by HSR is self-contradictory and inconsistent. For October - December 2023 quarter, HSR requested application of the September 2023 N-CPI instead of August 2023, whereas for the October - December 2024 quarter, the Petitioner sought application of August 2024 N-CPI instead of September 2024. The requests appear to have been made based on whichever index resulted in higher components. The Authority has consistently applied a uniform methodology in all similar power plants by using the applicable N-CPI and CPPA-G has also supported continuation of this consistent approach to ensure regulatory uniformity.
- 4.6. In view of the foregoing, the Authority finds no justification to revise the local O&M components for October-December 2023 quarter. Accordingly, HSR's request on this ground is rejected and the Authority's earlier decision is upheld.
- 4.7. However, with respect to the October - December 2024 quarter, the Authority noted that the local O&M components were indexed using September 2024 N-CPI as per HSR's request instead of August 2024 N-CPI. In order to maintain consistency with the methodology applied in similar projects and HSR's revised request in MLR, the Authority has decided to revise the fixed and variable (local) O&M components using the August 2024 N-CPI. Accordingly, the revised fixed (local) O&M component is Rs. 0.3957/kW/h, while the revised variable (local) O&M component is Rs. 0.1257/kWh.

ERROR IN US CPI USED FOR INDEXATION OF FOREIGN O&M COMPONENTS.

- 4.8. The Authority has examined the ground relating to the US CPI value used for indexation of foreign O&M components for the January-March 2024 quarter.
- 4.9. The Authority finds that the applicable US CPI for November 2023 is 307.051, whereas, 307.015 was inadvertently used in the earlier decision. Accordingly, the foreign fixed and variable O&M components are revised on the basis of correct US CPI value. The revised fixed foreign O&M component is Rs. 0.5378/kW/h, while the revised variable foreign O&M component is Rs. 0.2563/kWh.



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ERROR IN COST OF WORKING CAPITAL FOR OCTOBER - DECEMBER 2024 QUARTER.

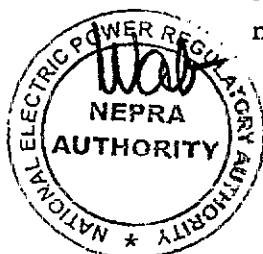
- 4.10. The Authority has considered the ground relating to the imported coal price used in determining the cost of working capital component for October-December 2024 quarter.
- 4.11. The Authority finds that the correct imported coal price is Rs. 47,299.77/MT, whereas Rs. 47,299.47/MT was inadvertently considered in the earlier determination. Accordingly, the cost of working capital component is revised on the basis of the correct imported coal price. The revised cost of working capital component is Rs. 1.2781/kW/h.

ALLEGED MATHEMATICAL ERRORS IN COST OF WORKING CAPITAL AND INTEREST CHARGE COMPONENTS.

- 4.12. The Authority examined the ground alleging mathematical errors in the calculation of the interest charge and cost of working capital components for January – March 2024 quarter.
- 4.13. During the review proceedings, HSR neither identified any specific computational error in its MLR nor during the hearing. Accordingly, through email dated December 30, 2025 HSR was advised to clearly identify the specific errors. In response, HSR vide email dated January 5, 2026 confirmed that no error existed in the calculation of either the interest charge or the cost of working capital component. Accordingly, no further action is required on this ground.

REVISION OF MARINE FREIGHT BASED ON ACTUAL SHIPMENT QUANTITY.

- 4.14. The Authority has considered the ground relating to the quantity of coal shipment used for calculating marine freight of shipment No. LT-6 (MV Madison Eagle) in the fuel price adjustment of June 2024.
- 4.15. During the hearing, it was noted that although the earlier assessment had been based on HSR's original request in FPA of June 2024, the Statement of Fact (SOF) of LT-6 (MV Madison Eagle) confirmed that the actual shipped quantity was 59,407 MT. Subsequently, HSR submitted an addendum dated July 17, 2025, explaining that the quantity stated in its original application had inadvertently been reported as 59,735 MT and requested recalculation of marine freight based on the actual shipment quantity i.e. 59,407 MT.



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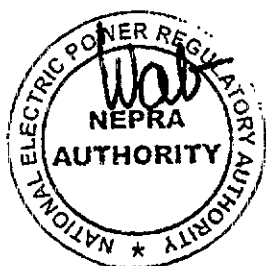


- 4.16. After examining the revised submission and supporting documentary evidence, the Authority has decided to reassess the marine freight charges using the actual shipment quantity of 59,407 MT.
- 4.17. The revised marine freight and shipment cost calculations are as follow:

Marine Freight		
Description		Awan LT-6 MADISON EAGLE
Loading Port Name		Maputo
Loading Port Origin		Mozambique
Discharge Port Name		PQA
Delivery Days:		
Voyage	Days	27.04
At Port	Days	6.67
Total Delivery Days	Days	33.70
Average Time Charter Rate	US\$/Day	11,640
Time Charter Cost (Voyage)	US\$	314,717
Time Charter Cost (At Port)	US\$	77,600
Bunker Consumption:		
Bunker during Voyage	Ton	878.72
Bunker during Port Days	Ton	33.33
Total	Ton	912.05
Bunker Price	\$/Ton	619.50
Bunker Cost (Voyage)	US\$	544,366
Bunker Cost (At Port)	US\$	20,650
Total Cost:		
Total Voyage Cost for 42,500 Tons**	US\$	614,591
Total At Port Cost	US\$	98,250
Total Cost	US\$	712,841
Quantity	Tons	42,500
Marine Freight	US\$/Ton	16.77

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

** Total quantity of shipment: 59,407 Tons.



Details for Shipment Cost		
Shipment Number		Awan LT-6
Vessel Name		MADISON EAGLE
Bill of Lading (B/L) Date		21-Feb-24
L/C / TT Number		-
Origin		Mozambique
API-4 Index for the month of B/L Date	US\$/Ton	91.94
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	(5.97)

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Discount	US\$/Ton	(0.50)
Fixed Price	US\$/Ton	85.47
Base Calorific Value	kCal/Kg	5,500
Actual Calorific Value	kCal/Kg	5,695
Quantity	MT	42,500
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	88.50
Penalty for Ash	US\$/Ton	(0.16)
Marine Freight Charges	US\$/Ton	16.77
Marine Insurance	US\$/Ton	0.07
CIF Coal Price	US\$/Ton	105.19
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-
CIF Coal Price with losses at Karachi	US\$/Ton	105.19
Other Charges:	US\$/Ton	14.72
(i) Port Handling Charges	US\$/Ton	4.23
(ii) Port Qasim Royalty Charge	US\$/Ton	2.52
(iii) Customs Duties & Cess	US\$/Ton	6.21
(iv) PDA Charges at Load Port*	US\$/Ton	0.42
(v) PDA Charges at Discharge Port	US\$/Ton	1.02
(vi) Freight Forwarding/Custom Clearance	US\$/Ton	0.04
(vii) Wharfage Charges	US\$/Ton	0.12
(viii) Commodity & Ash Fusion Temperature Inspection	US\$/Ton	0.07
(ix) L/C / TT Charges	US\$/Ton	0.10
Inland Freight Charges	US\$/Ton	26.22
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	146.13
Handling Loss 1% or actual whichever is minimum	US\$/Ton	0.66
Delivered Coal Price with losses at Power Plant	US\$/Ton	146.79
Exchange Rate	Rs./US\$	279.83
Delivered Coal Price with losses at Power Plant	Rs./Ton	41,077

* PDA charges of Mozambique Port have been benchmarked with the PDA charges of Richard Bay Port South Africa.

- 4.18. Consequently, the applicable fuel cost component for the month of June 2024 is revised to Rs. 15.6728/kWh. Since HSR also consumed leftover quantity of instant shipment in the month of July 2024, therefore, FCC for July 2024 is also revised to Rs. 16.6184/kWh. However, there is no change in cost of working capital and ROE components for July-September 2024 and October-December 2024 quarters, due to revised FCCs.

CORRECTION IN MARINE INSURANCE RATE

- 4.19. The Authority has considered HSR's request regarding the marine insurance rate applicable to shipment LT-32 (MV MEDROSE).
- 4.20. The Authority finds that the applicable marine insurance rate is US\$ 0.13/ton, whereas US\$ 0.09/ton was inadvertently assessed in the previous decision. Accordingly, the fuel cost component for April 2025 is revised to Rs. 17.4786/kWh.



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- 4.21. However, there is no change in cost of working capital and ROE components for July-September 2025, due to revised FCC.

WITHDRAWAL OF MLRS

- 4.22. The Authority has considered and accepted the HSR's request to withdraw its MLRs against the FPAs decisions for the months of August, September and October 2024.

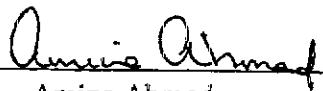
5. ORDER

- 5.1. In pursuance of Section 7 read with Section 31 of National Electric Power Regulatory Authority Act, the Authority hereby revises the following tariff components:

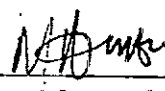
Description		Unit	Tariff Component
Oct-Dec 2024	Local Fixed O&M	Rs. /kW/h	0.3957
	Local Variable O&M	Rs./kWh	0.1257
	Cost of Working Capital	Rs./kW/h	1.2781
Jan-Mar 2024	Foreign Fixed O&M	Rs. /kW/h	0.5378
	Foreign Variable O&M	Rs./kWh	0.2563
FPA for June 2024		Rs./kWh	15.6728
FPA for July 2024		Rs./kWh	16.6184
FPA for April 2025		Rs./kWh	17.4786

- 5.2. The above decisions of the Authority shall 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 (XL of 1997).

AUTHORITY

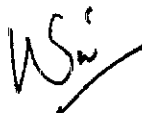


Amina Ahmed
Member



Engr. Maqsood Anwar Khan
Member





Waseem Mukhtar
Chairman



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**OFFICE OF THE
REGISTRAR**

No. NEPRA/TRF-100/Notifications/ **18787-89**

September 16, 2026

The Manager

Printing Corporation of Pakistan Press (PCPP)

Khayaban-e-Suharwardi,

Islamabad

Subject: NOTIFICATION REGARDING DECISION OF THE AUTHORITY

In pursuance of Proviso (ii) to 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 a notification in respect of the following Decision of the Authority for immediate publication in the official Gazette of Pakistan:

S. No.	Decision	Issuance No. and Date	SRO No. allotted by PCPP
1.	Decision of the Authority on the Motions for Leave for Review filed by Huaneng Shandong Ruyi (Pakistan) Energy Private Limited (HSR) against Quarterly Indexation/Adjustments and Monthly Fuel Price Adjustments.	18138-42 31-08-2026	1605

2. Please also furnish ten (10) copies of the Notification to this Office after its publication.

Encl: 01 Notification

(Syed Zavar Haider)
Director

CC:

1. Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Limited, Blue Area, Islamabad
2. Syed Mateen Ahmed, Deputy Secretary (T&S), Ministry of Energy – Power Division, Islamabad