



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/ADG(Trf)/TRF-369/LEPCL-2016/14953-57


August 11, 2022

Chief Executive Officer
Lucky Electric Power Company Limited (LEPCL)
6-A, A. Aziz Hashim Tabba Street,
Muhammad Ali Housing Society,
Karachi
Tele: 021 – 111 786 555

Subject: Decision of the Authority in the matter of Fuel Price Adjustment for the month of April 2022 for Lucky Electric Power Company Limited (LEPCL) [Case No. NEPRA/TRF-369/LEPCL-2016]

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 Delivery from Thar Coal (Annex-III), Marine Freight Calculation (Annex-IV) (05 pages) regarding the fuel price adjustment on account of Coal price variation for the month of April 2022 in respect of Lucky Electric Power Company Limited.

Enclosure: As above


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(Syed Safeer Hussain)

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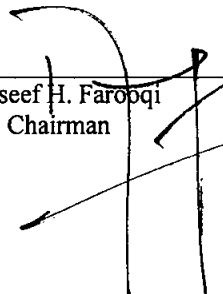
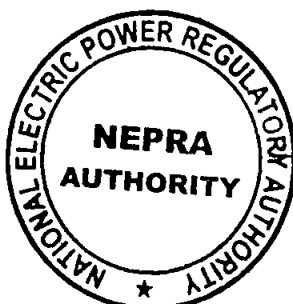
1. Secretary Ministry of Energy (Power Division), 'A' Block, Pak Secretariat, Islamabad
2. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
3. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
4. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited, Shaheen Plaza, 73-West, Fazl-e-Haq Road, Blue Area, Islamabad

DECISION OF THE AUTHORITY IN THE MATTER OF FUEL PRICE ADJUSTMENT FOR THE MONTH OF APRIL 2022 FOR LUCKY ELECTRIC POWER COMPANY LIMITED

1. Pursuant to the decision of the Authority dated October 20, 2016 in the matter of approval of upfront coal tariff for coal power plant of Lucky Electric Power Company (Private) Limited (LEPCL), decision dated September 23, 2016 regarding Sue Moto Review Proceedings in the Fuel Price Adjustment Mechanism determined in Upfront Coal Tariff and decision dated February 7, 2022 in the matter of procurement of imported coal using ICI-5 Index, the fuel portion of the energy charge part of LEPCL's tariff has been adjusted for variation in coal price(s). LEPCL requested weighted average coal price of US\$ 86.01/Ton for coal consumed during the month of April 2022. LEPCL requested Fuel Cost Components (FCC) of Rs. 12.6254/kWh for April 2022. The requested coal prices and fuel cost components were found on higher side.
2. LEPCL has also used Thar coal supplied by Sindh Engro Coal Mining Company Limited (SECMC) during the current month. The requested costs are Rs. 13,276/ton & Rs. 13,219/ton for Dec-2021 & Jan-2022 respectively which include, among others, invoice price of US\$ 65.7/ton charged by SECMC as per tariff approved by Thar Coal Energy Board (TCEB) for 1st phase of Thar coal Block II. The approved tariff comprised of fixed fuel price of US\$ 50.6/ton and variable fuel price of US\$ 15.10/ton.
3. The matter of Thar coal price was discussed and deliberated in detail in a meeting of stakeholders held on June 30, 2022. In response to the clarification sought by SECMC regarding pricing mechanism for LEPCL supplies, TCEB vide its letter No. TCEB/Registrar/2-1/FC-Phase.II/9003 dated July 5, 2022 clarified that full first year tariff of US\$ 46.14/ton for 7.6 Mpta Mine dated October 5, 2018 (Phase-II) is applicable. Accordingly, SECMC vide its letter dated July 7, 2022 informed LEPCL that as per the directions from TCEB, the applicable tariff for coal sale to LEPCL from October 2021 onwards are to be priced at the full first year tariff of coal i.e. US\$ 46.14/ton and credit note shall be issued for the difference. Accordingly, the Thar coal supplies have been assessed on the basis of US\$ 46.14/ton. along with other incidental charges such as insurance, freight etc.
4. 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 LEPCL's tariff indicated hereunder shall be immediately applicable to units delivered during the month.

Period	Fuel Cost Component (Rs./kWh)	
	Reference	Revised
April 2022	3.9768	11.4159

5. The instant Fuel Price Adjustment shall be subject to further clarification, if any, issued by TCEB on the pricing of Thar coal.
6. The above referred revised fuel cost component along with revised imported coal prices, revised local Thar coal prices and revised marine freight charges attached as **Annex-I, Annex-II, Annex-III and 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.
7. CPPA(G) to ensure that all payments are consistent with the tariff determination(s).

AUTHORITY
Engr. Maqsood Anwar Khan
Member
Engr. Rafique Ahmed Shaikh
Member
Tauseef H. Farooqi
Chairman

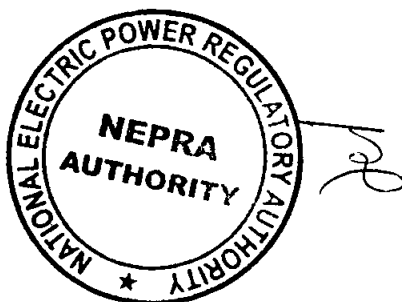
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Lucky Electric Power Company Limited
Schedule of Fuel Cost Part of Energy Charge
Adjustment on Account of Coal Price(s) Variation for the Month of April 2022

Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg	US\$/Ton	Rs/Ton	Rs./US\$
Consumption from Stock:					
Consumption from Shipment No. 010	46,157	2,723	87.79	15,464	176.14
Consumption from Shipment No. 013	58,805	2,726	81.43	14,343	176.14
Consumption from Shipment No. 014	55,497	2,695	78.01	13,741	176.14
Consumption from Shipment No. 015	58,719	2,795	87.43	15,401	176.14
Consumption from Shipment No. 016	24,647	2,583	97.77	17,598	180.00
Consumption from Thar Coal Purchases During Dec 2021	37,892	2,663	56.04	9,872	176.15
Consumption from Thar Coal Purchases During Jan 2022	19,974	2,627	55.67	9,851	176.95
Total Consumption	301,691	2,707	79.38	14,017	176.57

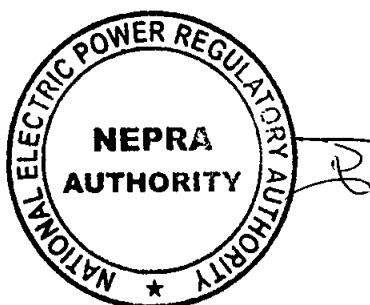
Description	Unit	Reference	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	10,069	14,163	14,017
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,559	2,822	2,707
Avg. net calorific value of stock consumed during the month	BTU/Kg	22,046	11,197	10,742
Net Heat Rates	BTU/kWh	8,749	8,749	8,749
Revised Fuel Cost Component	Rs./kWh	3.9768	11.0665	11.4159

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.



Lucky Electric Power Company Limited
Details of Shipments
For the Month of April 2022

Shipment Number		13	14	15	16
Vessel Name		Star Nike	Orient Lucky	Pacific Achievement	Xin Hai Tong
Bill of Lading Date		15-Feb-22	22-Feb-22	21-Feb-22	3-Mar-22
L/C Number		285LCFS213620001	285LCFS220280001	0525ILC052908	285LCFS220310001
Origin		Indonesia	Indonesia	Indonesia	Indonesia
Average ICI-5 Index Coal Price for B/L Month	US\$/Ton	49.77	49.77	49.77	66.82
Base Calorific Value	kCal/Kg	3,000	3,000	3,000	3,000
Actual Calorific Value	kCal/Kg	2,726	2,695	2,795	2,583
B/L Quantity	MT	58,660	56,000	59,110	53,000
FOB Coal ICI-5 Index Coal Price adjusted for CV	US\$/Ton	45.22	44.71	46.37	57.53
Marine Freight Charges	US\$/Ton	22.41	18.65	26.65	26.50
Marine Insurance	US\$/Ton	0.03	0.03	0.03	0.03
CIF Coal Price	US\$/Ton	67.67	63.39	73.05	84.06
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	67.67	63.39	73.05	84.06
Other Charges:	US\$/Ton	12.85	12.82	12.71	13.36
(i) Port Handling Charges	US\$/Ton	7.70	7.79	7.66	8.04
(a) PIBT Charges	US\$/Ton	4.28	4.29	4.30	4.24
(b) PQA Royalty Charges	US\$/Ton	2.30	2.30	2.31	2.28
(c) PDA Load Port Charges	US\$/Ton	0.21	0.20	0.19	0.45
(d) PDA Discharge Port Charges	US\$/Ton	0.68	0.77	0.63	0.85
(e) Wharfage	US\$/Ton	0.19	0.19	0.19	0.19
(f) Inspection Charges	US\$/Ton	0.03	0.03	0.03	0.03
(g) Truck Handling Charges	US\$/Ton	0.11	0.11	0.11	0.11
(ii) Customs Duty and Cess	US\$/Ton	5.07	4.94	4.96	5.24
(iii) LC Charges	US\$/Ton	0.04	0.04	0.03	0.03
(iv) Custom Clearance Charges	US\$/Ton	0.05	0.05	0.05	0.05
Inland Freight Charges	US\$/Ton	1.11	1.11	1.11	1.08
Delivered Coal Price before adjustment of handling loss	US\$/Ton	81.63	77.31	86.86	98.50
Handling Loss 1% or actual whichever is minimum	US\$/Ton	(0.20)	0.69	0.57	(0.74)
Delivered Coal Price with losses at Power Plant	US\$/Ton	81.43	78.01	87.43	97.77
Exchange Rate Average B/L Month	Rs./US\$	176.14	176.14	176.14	180.00
Delivered Coal Price with losses at Power Plant	Rs./Ton	14,343	13,741	15,401	17,598

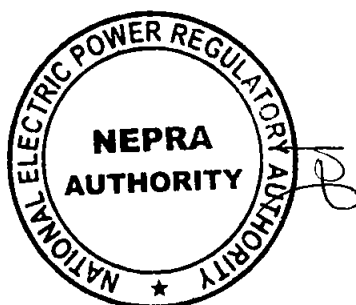


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Lucky Electric Power Company Limited
Details of Delivery from Thar Coal

Description	Unit	Dec-21	Jan-22
Quantity Purchased	Ton	37,998	19,996
Quantity Received	Ton	37,892	19,974
Handling Loss		0.28%	0.11%
Price	US\$/Ton	46.14	46.14
Base Calorific Value	kCal/Kg	2,701	2,701
Actual Calorific Value	kCal/Kg	2,663	2,627
Thar Coal Price after adjustment of CV	US\$/Ton	45.49	44.87
Insurance	US\$/Ton	0.02	0.02
Transportation	US\$/Ton	10.38	10.71
Delivered Coal Price before adjustment of handling loss	US\$/Ton	55.89	55.61
Handling Loss 1% or actual whichever is minimum	US\$/Ton	0.16	0.06
Adjusted Price after handling loss	US\$/Ton	56.04	55.67
Exchange Rate	Rs./US\$	176.15	176.95
Price (Rs./ton)	Rs./Ton	9,872	9,851

Sd/-



Lucky Electric Power Company Limited
Marine Freight Calculation
For the Month of April 2022

Description	Unit	Star Nike	Orient Lucky	Pacific Achievement	Xin Hai Tong
Loading Port Name		Muara Berau Anchorage, East Kalimantan	Muara Sabak, Jambi, South Sumatera	Muara Berau Anchorage, East Kalimantan	Tanah Kuning Anchorage, North Kalimantan
Discharge Port Name		PIBT	PIBT	PIBT	PIBT
Delivery Days:					
Voyage	Days	27.96	20.94	27.96	27.96
At Load Port	Days	6.75	7.50	7.88	7.13
At Discharge Port	Days	2.85	2.74	2.86	2.62
Total	Days	37.55	31.18	38.70	37.70
Average Time Charter Rate	US\$/Day	17,743	17,354	22,628	19,072
Time Charter Cost	US\$	666,297	541,054	875,690	719,038
Bunker Consumption:					
Bunker during Voyage	Ton	908.58	680.47	908.58	908.58
Bunker during Port Days	Ton	47.98	51.20	53.72	48.73
Total	Ton	956.56	731.67	962.29	957.30
Bunker Price	\$/Ton	678.00	688.00	727.00	716.00
Bunker Cost	US\$	648,548	503,388	699,588	685,429
Total Voyage Expense	US\$	1,314,844	1,044,442	1,575,278	1,404,467
Cargo Capacity	Tons	58,660	56,000	59,110	53,000
Marine Freight	\$/Ton	22.41	18.65	26.65	26.50

*PDA Charges both at load and discharge ports have been included in port handling charges.

