



# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/DG(Trf)/TRF-369/LEPCL-2015 / 20807-11

August 08, 2023

Chief Executive Officer  
Lucky Electric Power Company Limited  
11<sup>th</sup> Floor, Al-Tijarah Center,  
32-1-A, PECHS, Shahra-e-Faisal, Karachi  
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Subject: **Decision of the Authority in the matter of Fuel Price Adjustment for the month of June 2023 for Lucky Electric Power Company Limited (LEPCL) [Case No. NEPRA/TRF-369/LEPCL-2015]**

Enclosed please find herewith the subject decision of the Authority along with Schedule of Fuel Cost Part of Energy Charge at **Annex-I**, Details of Shipments at **Annex-II**, Details of Delivery from Thar Coal at **Annex-III** and Marine Freight Calculation at **Annex-IV** (total 05 Pages) regarding the fuel price adjustment on account of Coal price variation for the month of **June 2023** in respect of Lucky Electric Power Company 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, Blue Area, Islamabad



**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL PRICE ADJUSTMENT FOR THE MONTH OF JUNE 2023 FOR LUCKY ELECTRIC POWER COMPANY LIMITED**

1. Pursuant to the decision of the Authority dated October 20, 2016 notified vide S.R.O. No. 946(I)/2017 on September 15, 2017 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 notified vide S.R.O. No. 684(I)/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\$ 65.09/Ton for coal consumed during the month of June 2023. LEPCL requested Fuel Cost Components (FCC) of Rs. 14.3491/kWh for June 2023. The requested coal price and fuel cost component were found on higher side.
2. In accordance with the prescribed mechanism, the revised coal price 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 Oct 20, 2016	Revised
June 2023	3.9768	10.1361

3. The fixed fuel price of mine tariff has been worked out by Thar Coal Energy Board (TCEB) on the basis of annual coal quantity of 7.6 MTPA, keeping in view the coal requirement of three dedicated coal power plants of 1,320 MW i.e. Engro Powergen Thar, ThalNova Power Thar and Thar Energy. With effect from 17<sup>th</sup> February 2023, these power plants pay the entire fixed fuel cost of mine to SECMC irrespective of actual utilization as fixed payment on 'take or pay' basis. The charging of fixed fuel price to LEPCL by Sindh Engro Coal Mining Company Limited (SECMC) is a clear duplication and without any justification. Accordingly, the supplies made by SECMC to LEPCL have been assessed on the basis of variable fuel price of US\$ 14.44/ton along with other incidental charges such as insurance, freight etc.
4. The above referred revised fuel cost component along with revised imported coal prices, details of local Thar coal price 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.
5. CPPA(G) to ensure that all payments are consistent with the tariff determination(s).

**AUTHORITY**

Mathar Niaz Rana (nsc)  
Member

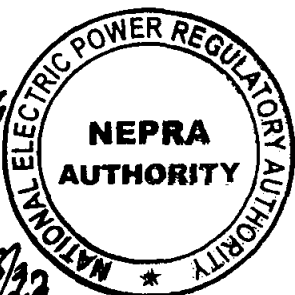
Engr. Maqsood Anwar Khan  
Member

Engr. Rafique Ahmed Shaikh  
Member

Amina Ahmed  
Member

  
Tauseef H. Farooqi  
Chairman

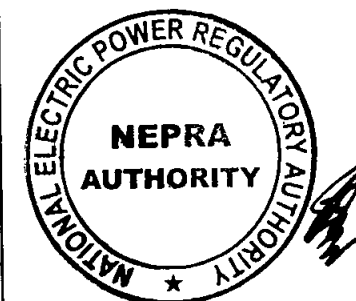
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**Lucky Electric Power Company Limited**  
**Schedule of Fuel Cost Part of Energy Charge**  
**Adjustment on Account of Coal Price(s) Variation for the Month of June 2023**

Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg	US\$/Ton	Rs/Ton	Rs./US\$
<b>Consumption from Stock:</b>					
Consumption from Thar Coal No. 063	81,368	2,854	23.50	6,679	284.20
Consumption from Thar Coal No. 064	83,813	2,847	23.88	6,789	284.30
Consumption from Shipment No. 065	56,572	2,859	72.12	20,627	286.02
Consumption from Shipment No. 066	53,422	2,851	75.11	21,482	286.02
Consumption from Shipment No. 067	21,675	2,759	73.58	21,045	286.02
<b>Total Consumption</b>	<b>296,850</b>	<b>2,845</b>	<b>45.82</b>	<b>13,081</b>	<b>285.51</b>

Description	Unit	Reference Oct 20, 2016	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	10,069	11,610	13,081
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,559	2,810	2,845
Avg. net calorific value of stock consumed during the month	BTU/Kg	22,046	11,152	11,291
Net Heat Rates	BTU/kWh	8,749	8,749	8,749
<b>Revised Fuel Cost Component</b>	<b>Rs./kWh</b>	<b>3.9768</b>	<b>9.1084</b>	<b>10.1361</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.*

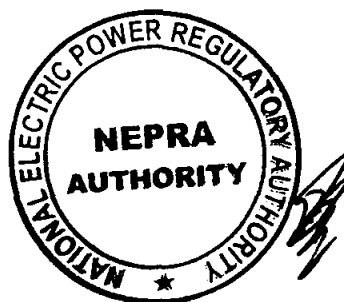
*-The Coal Consumption is for the period of 1st June 2023 to 30th June 2023.*

*-Based on data declared by Lucky Electric Power Company Limited.*

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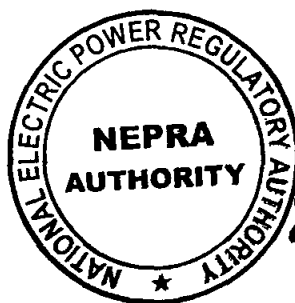
**Lucky Electric Power Company Limited**  
**Details of Shipments**  
**For the Month of June 2023**

Shipment Number		65	66	67
Vessel Name		MV Spirit of Seatrek	MV Ton Hil II	MV Ning Tai Hai
Bill of Lading Date		11-May-23	12-May-23	25-May-23
L/C Number		285LCFS231220002	23INSC000502327	23INSC000502635
Origin		Indonesia	Indonesia	Indonesia
Average ICI-5 Index Coal Price for B/L Month	US\$/Ton	46.33	46.33	46.33
Base Calorific Value	kCal/Kg	3,000	3,000	3,000
Actual Calorific Value	kCal/Kg	2,859	2,851	2,759
B/L Quantity	MT	57,000	53,550	55,000
FOB Coal ICI-5 Index Price adjusted for CV	US\$/Ton	44.15	44.03	42.61
Marine Freight Charges	US\$/Ton	14.55	17.96	17.84
Marine Insurance	US\$/Ton	0.02	0.03	0.02
CIF Coal Price	US\$/Ton	58.73	62.02	60.47
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	58.73	62.02	60.47
Other Charges:	US\$/Ton	12.18	12.23	12.28
(i) Port Handling Charges	US\$/Ton	7.86	7.83	7.96
(a) PIBT Charges	US\$/Ton	4.14	4.11	4.14
(b) PQA Royalty Charges	US\$/Ton	2.40	2.38	2.39
(c) PDA Load Port Charges	US\$/Ton	0.37	0.49	0.53
(d) PDA Discharge Port Charges	US\$/Ton	0.73	0.63	0.68
(e) Wharfage	US\$/Ton	0.12	0.12	0.12
(f) Inspection Charges	US\$/Ton	0.02	0.02	0.02
(g) Truck Handling Charges	US\$/Ton	0.08	0.08	0.08
(ii) Customs Duty and Cess	US\$/Ton	4.25	4.32	4.25
(iii) LC Charges	US\$/Ton	0.04	0.05	0.04
(iv) Custom Clearance Charges	US\$/Ton	0.03	0.03	0.03
Inland Freight Charges	US\$/Ton	0.67	0.68	0.68
Delivered Coal Price before adjustment of handling loss	US\$/Ton	71.58	74.93	73.43
Handling Loss 1% or actual whichever is minimum	US\$/Ton	0.54	0.18	0.15
Delivered Coal Price with losses at Power Plant	US\$/Ton	72.12	75.11	73.58
Exchange Rate Average B/L Month	Rs./US\$	286.02	286.02	286.02
Delivered Coal Price with losses at Power Plant	Rs./Ton	20,627	21,482	21,045



**Lucky Electric Power Company Limited**  
**Details of Delivery from Thar Coal**

Description	Unit	May 2023
Shipment Number		64
Quantity Purchased	Ton	83,915
Quantity Received	Ton	83,813
Handling Loss	%	0.12%
Price	US\$/Ton	14.44
Base Calorific Value	kCal/Kg	2,701
Actual Calorific Value	kCal/Kg	2,847
Thar Coal Price after adjustment of CV	US\$/Ton	13.70
Insurance	US\$/Ton	0.004
Transportation	US\$/Ton	10.14
Delivered Coal Price before adjustment of handling loss	US\$/Ton	23.85
Handling Loss 1% or actual whichever is minimum	US\$/Ton	0.03
Adjusted Price after handling loss	US\$/Ton	23.88
Exchange Rate	Rs./US\$	284.3
<b>Price (Rs./ton)</b>	<b>Rs./Ton</b>	<b>6,789</b>



**Lucky Electric Power Company Limited**  
**Marine Freight Calculation**  
**For the Month of June 2023**

Description	Unit	MV Spirit of Seatrek	MV Ton Hil II	MV Ning Tai Hai
Loading Port Name		Tanjung Buyut Anchorage, South Sumatera	Muara Sangkulirang Anchorage, East Kalimantan	Muara Sangkulirang Anchorage, East Kalimantan
Discharge Port Name		PIBT	PIBT	PIBT
Delivery Days:				
Voyage	Days	21.73	27.96	27.96
At Load Port	Days	6.27	4.17	5.93
At Discharge Port	Days	2.78	2.64	2.29
Total	Days	30.77	34.76	36.17
Average Time Charter Rate	US\$/Day	13,036	12,352	12,235
Time Charter Cost	US\$	401,121	429,416	442,581
Bunker Consumption:				
Bunker during Voyage	Ton	706.06	908.58	908.58
Bunker during Port Days	Ton	45.23	34.04	41.09
Total	Ton	751.29	942.62	949.66
Bunker Price	\$/Ton	570.00	565.00	567.00
Bunker Cost	US\$	428,235	532,581	538,459
Total Voyage Expense	US\$	829,356	961,997	981,040
Cargo Capacity	Tons	57,000	53,550	55,000
<b>Marine Freight</b>	<b>\$/Ton</b>	<b>14.55</b>	<b>17.96</b>	<b>17.84</b>
*PDA Charges both at load and discharge ports have been included in port handling charges.				

