



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/DG(Trf)/TRF-369/LEPCL-2015 / 18887-91

July 20, 2023

Chief Executive Officer
Lucky Electric Power Company Limited
11th Floor, Al-Tijarah Center,
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Subject: Decision of the Authority in the matter of Fuel Price Adjustment for the month of May 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 **May 2023** in respect of Lucky Electric Power Company Limited.

Enclosure: As above


20/07/23
(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 MAY 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\$ 63.75/Ton for coal consumed during the month of May 2023. LEPCL requested Fuel Cost Components (FCC) of Rs. 13.6651/kWh for May 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
May 2023	3.9768	9.1084

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 17th 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 w.e.f. 17th February 2023 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. Similarly, supplies during 14-16 February 2023 made by SECMC to LEPCL have been assessed on the basis of US\$ 44.32/ton instead of requested of US\$ 46.14/ton as the same has been revised by TCEB to US\$ 44.32/ton in Phase-II FC stage tariff.
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).

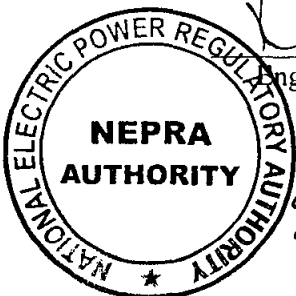
AUTHORITY

Mathar Niaz Rana (nsc)
Member

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh
Member

Amina Ahmed
Member



Tauseef H. Farooqi
Chairman

Annex-I

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 May 2023

Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg	US\$/Ton	Rs/Ton	Rs./US\$
Consumption from Stock:					
Consumption from Thar Coal No. 057	47,254	2,811	54.77	14,697	268.35
Consumption from Thar Coal No. 058	23,496	2,844	52.71	14,145	268.35
Consumption from Thar Coal No. 059	57,982	2,844	24.13	6,475	268.35
Consumption from Shipment No. 060	55,106	2,707	73.98	19,810	267.76
Consumption from Shipment No. 061	52,664	2,751	72.57	20,370	280.71
Consumption from Thar Coal No. 062	91,373	2,842	24.92	6,527	261.95
Consumption from Thar Coal No. 063	72,293	2,854	23.50	6,679	284.20
Total Consumption	400,168	2,810	42.73	11,610	271.69

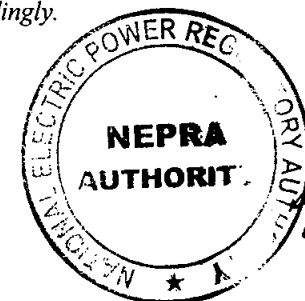
Description	Unit	Reference Oct 20, 2016	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	10,069	15,685	11,610
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,559	2,859	2,810
Avg. net calorific value of stock consumed during the month	BTU/Kg	22,046	11,345	11,152
Net Heat Rates	BTU/kWh	8,749	8,749	8,749
Revised Fuel Cost Component	Rs./kWh	3.9768	12.0966	9.1084

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 16th April 2023 to 31st May 2023.

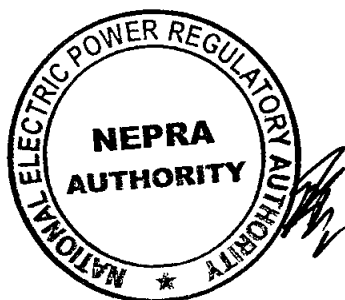
-Based on data declared by Lucky Electric Power Company Limited.

For the purpose of



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

Shipment Number		60	61
Vessel Name		MV World Royal	MV Melody Fair
Bill of Lading Date		16-Feb-23	10-Mar-23
L/C Number		23INSC000500645	0525ILC056414
Origin		Indonesia	Indonesia
Average ICI-5 Index Coal Price for B/L Month	US\$/Ton	48.64	49.12
Base Calorific Value	kCal/Kg	3,000	3,000
Actual Calorific Value	kCal/Kg	2,707	2,751
B/L Quantity	MT	55,000	53,000
FOB Coal ICI-5 Index Price adjusted for CV	US\$/Ton	43.89	45.04
Marine Freight Charges	US\$/Ton	16.98	14.03
Marine Insurance	US\$/Ton	0.01	0.02
CIF Coal Price	US\$/Ton	60.88	59.09
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	60.88	59.09
Other Charges:	US\$/Ton	12.52	12.33
(i) Port Handling Charges	US\$/Ton	8.03	7.96
(a) PIBT Charges	US\$/Ton	4.29	4.17
(b) PQA Royalty Charges	US\$/Ton	2.48	2.41
(c) PDA Load Port Charges	US\$/Ton	0.23	0.31
(d) PDA Discharge Port Charges	US\$/Ton	0.79	0.83
(e) Wharfage	US\$/Ton	0.13	0.12
(f) Inspection Charges	US\$/Ton	0.02	0.04
(g) Truck Handling Charges	US\$/Ton	0.08	0.08
(ii) Customs Duty and Cess	US\$/Ton	4.43	4.29
(iii) LC Charges	US\$/Ton	0.03	0.05
(iv) Custom Clearance Charges	US\$/Ton	0.03	0.03
Inland Freight Charges	US\$/Ton	0.73	0.69
Delivered Coal Price before adjustment of handling loss	US\$/Ton	74.13	72.11
Handling Loss 1% or actual whichever is minimum	US\$/Ton	(0.14)	0.46
Delivered Coal Price with losses at Power Plant	US\$/Ton	73.98	72.57
Exchange Rate Average B/L Month	Rs./US\$	267.76	280.71
Delivered Coal Price with losses at Power Plant	Rs./Ton	19,810	20,370



Lucky Electric Power Company Limited
Details of Delivery from Thar Coal

Description	Unit	14-16 Feb 2023	17-28 Feb 2023	March 2023	April 2023
Shipment Number		58	59	62	63
Quantity Purchased	Ton	23,725	58,220	111,702	175,522
Quantity Received	Ton	23,496	57,982	111,348	174,741
Handling Loss	%	0.97%	0.41%	0.32%	0.44%
Price	US\$/Ton	44.32	14.44	14.44	14.44
Base Calorific Value	kCal/Kg	2,701	2,701	2,701	2,701
Actual Calorific Value	kCal/Kg	2,844	2,844	2,842	2,854
Thar Coal Price after adjustment of CV	US\$/Ton	42.09	13.71	13.72	13.67
Insurance	US\$/Ton	0.01	0.01	0.01	0.01
Transportation	US\$/Ton	10.11	10.30	11.10	9.72
Delivered Coal Price before adjustment of handling loss	US\$/Ton	52.20	24.03	24.84	23.40
Handling Loss 1% or actual whichever is minimum	US\$/Ton	0.51	0.10	0.08	0.10
Adjusted Price after handling loss	US\$/Ton	52.71	24.13	24.92	23.50
Exchange Rate	Rs./US\$	268.35	268.35	261.95	284.2
Price (Rs./ton)	Rs./Ton	14,145	6,475	6,527	6,679



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

Description	Unit	MV World Royal	MV Melody Fair
Loading Port Name		Muara Berau Anchorage, East Kalimantan	Tanjung Kampeh Anchorage, South Sumatera
Discharge Port Name		PIBT	PIBT
Delivery Days:			
Voyage	Days	27.96	21.73
At Load Port	Days	7.38	7.13
At Discharge Port	Days	2.70	2.62
Total	Days	38.03	31.47
Average Time Charter Rate	US\$/Day	7,529	9,591
Time Charter Cost	US\$	286,337	301,829
Bunker Consumption:			
Bunker during Voyage	Ton	908.58	706.06
Bunker during Port Days	Ton	50.38	48.73
Total	Ton	958.95	754.79
Bunker Price	\$/Ton	675.00	585.00
Bunker Cost	US\$	647,293	441,551
Total Voyage Expense	US\$	933,631	743,379
Cargo Capacity	Tons	55,000	53,000
Marine Freight	S/Ton	16.98	14.03

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

