



Registrar

National Electric Power Regulatory Authority

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No. NEPRA/ADG(Trf)/TRF-369/LEPCL-2015/10204-08

July 07, 2025

Chief Executive Officer,
Lucky Electric Power Company Limited (LEPCL),
11th Floor, Al-Tijarah Center,
32-1-A, PECHS, Shahra-e-Faisal,
Karachi

Subject: **Decision of the Authority in the matter of Fuel Price Adjustments for the months of November 2021 to February 2022 (Before Commissioning Test) for Lucky Electric Power Company Limited**

Enclosed please find herewith the subject Decision of the Authority alongwith **Annex-1A to Annex-ID, Annex-II, Annex-III & Annex-IV** (total 10 Pages) regarding the fuel price adjustment on account of Coal price variation for the months of **November 2021 to February 2022** in respect of Lucky Electric Power Company Limited in Case No. TRF-369/LEPCL-2015.

Enclosure: **As above**


(Wasim Anwar Bhinder)

Copy to:

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 (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Blue Area, Islamabad



**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL PRICE
ADJUSTMENTS FOR THE MONTHS OF NOVEMBER 2021 TO FEBRUARY
2022 (BEFORE COMMISSIONING TEST) 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, 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 and decision of the Authority dated June 4, 2024 notified vide S.R.O. No. 906(I)/2024 on June 14, 2024 regarding Motions for Leave for Review against decisions of the Authority in the matter of fuel price adjustment for the months of March 2022 onwards, the fuel portion of the energy charge part of LEPCL's tariff is required to be adjusted on account of fuel price variation.
2. LEPCL through its letters dated June 4, 2025 submitted fuel price adjustments requests for Pre-COD period (prior to the commissioning test conducted on March 2, 2022) for the months of November 2021 to February 2022. LEPCL submitted that company and CPPA-G has executed the amendment No. 01 to PPA dated June 4, 2025. Accordingly, company required to submit its invoices for energy payment to CPPA-G for the period before commissioning test.
3. LEPCL submitted Fuel Cost Components (FCCs) based on consumptions of both imported Indonesian coal and local Thar coal. The summary of initially requested FCCs and weighted average fuel prices is as follows:

Reference			Month	Requested		
Coal Price	Calorific Value Net	FCC		Coal Price	Calorific Value Net	FCC
Rs./Ton	BTU/Kg	Rs/kWh		Rs./Ton	BTU/Kg	Rs/kWh
10,069	22,046	3.9768	November 2021	9,356	10,448	7.8076
			December 2021	9,877	10,463	8.2311
			January 2022	11,191	10,484	9.3070
			February 2022	18,249	11,026	14.4319

4. LEPCL on June 25, 2025 submitted revised FCCs calculations for November 2021 to January 2022, correcting computation errors in cost per ton for SECMC-Oct-2021. The revised request is hereunder:

Reference			Month	Requested		
Coal Price	Calorific Value Net	FCC		Coal Price	Calorific Value Net	FCC
Rs./Ton	BTU/Kg	Rs/kWh		Rs./Ton	BTU/Kg	Rs/kWh
10,069	22,046	3.9768	November 2021	9,339	10,448	7.7940
			December 2021	9,876	10,463	8.2580
			January 2022	11,109	10,484	9.2696

5. LEPCL on June 25, 2025 stated that the company had invoiced CPPA-G for 493.75 MWh of energy supplied during the Pre-COD period from late October 2021 to March 1, 2022. According to the PPA, Pre-COD energy is defined as Energy supplied prior to the commissioning test. However, CPPA-G objected to processing of these invoices on the grounds that the executed PPA lacked the payment provisions (Section 9.5 and 9.8), which govern Pre-COD payments. The company engaged with CPPA-G on the matter and highlighted that the entitlement for Pre-COD payment is established under Section 3.1 (c) and Section 8.8 of PPA. These sections provide the contractual basis for the company's right to claim Pre-COD payments. Following the company's continued engagement and the possibility of referring the matter to arbitration, CPPA-G sought guideline from the Ministry of Law and Justice. The Ministry, through its Office Memorandum dated April 20, 2023, opined as follow:



LEPCL would be entitled for payments in light of Section 3.1 (c) and Section 8.8 of PPA, and (ii) for the purposes of determining sale consideration (if not determined already) and procedure for billing, the referring Division may consider evaluating reinstatement of provisions omitted from the standard PPA by way of amendment to the PPA.

Consequently, the CPPA-G Board agreed to amend the PPA by incorporating the relevant payment clauses from the Standard PPA for power project based on coal as approved by the ECC. The approval to amend the PPA was granted by CPPA-G in view of the overall settlement of other pending disputes with the company. Both parties have now executed the amendment.

7. LEPCL has also consumed Thar coal supplied by Sindh Engro Coal Mining Company Limited (SECMC). Thar Coal Energy Board (TCEB) vide its decision dated October 5, 2018 determined reference tariff of Thar Cola Block II in the matter of reference contract stage tariff for SECMC for developing of mine expansion to 7.6 MPTA. The general condition (ix) of TCEB determination defined that Pre-COD sale of lignite coal will be priced at the full first year tariff i.e. US\$ 46.10/Ton. The proceeds of this sale will be utilized to finance the capital for expansion of mine to 7.6 MPTA capacity. Accordingly, Thar coal supplies have been assessed on the basis of US\$ 46.14/Ton along with other incidental charges such as insurance, freight etc.
8. The Marine freight has been worked out on the basis of 50,000 tons or actual ship quantity whichever is higher for ships unloaded at PIBTL and on the basis of provided documentary evidences, PDA charges have also been worked out on the basis of respective quantities.
9. The Authority in its collective and joint wisdom considering all aspects decided with consensus as under which shall be hereafter called as decision of the Authority in the matter:

Qu 7

“Based on the documentary evidence and information submitted by LEPCL, the fuel cost components for Pre-COD (before commissioning test) for the months of November 2021 to February 2022 of energy charge part of LEPCL’s tariff has been adjusted for variation in coal price(s). 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”

10. The revised fuel cost component of energy charge part of LEPCL’s tariff indicated hereunder shall be immediately applicable to units delivered during the respective period.

Period	Fuel Cost Component (Rs./kWh)	
	Reference Oct 20, 2016	Revised
November 2021	3.9768	7.2640
December 2021		8.0997
January 2022		9.0733
February 2022		13.1842

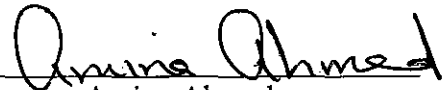
11. The above referred revised fuel cost component along with revised imported coal prices, revised marine freight charges and Thar coal price details are attached as **Annex-IA to Annex-ID, Annex-II, Annex-III and Annex-IV**, respectively are to be notified in the official Gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

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

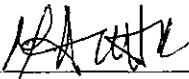
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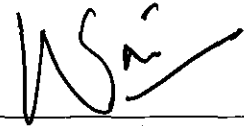
Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Engr. Maqsood Anwar Khan
Member



Waseem Mukhtar
Chairman



Lucky Electric Power Company Limited
Schedule of Fuel Cost Part of Energy Charge

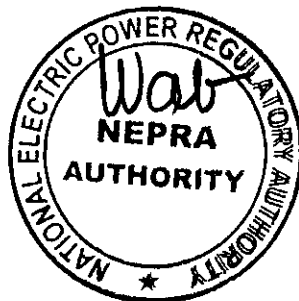
Adjustment on Account of Coal Price(s) Variation for November 2021 (Before Commissioning Test)

Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg	US\$/Ton	Rs/Ton	Rs./US\$
Consumption from Stock:					
Consumption from Shipment No. 1	3,074	2,633	56.41	8,675	153.78
Total Consumption	3,074	2,633	56.41	8,675	153.78

Description	Unit	Reference Oct 20, 2016	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	10,069	-	8,675
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,559	-	2,633
Avg. net calorific value of stock consumed during the month	BTU/Kg	22,046	-	10,448
Net Heat Rates	BTU/kWh	8,749	-	8,749
Revised Fuel Cost Component	Rs./kWh	3.9768	-	7.2640

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.

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



4/10

Lucky Electric Power Company Limited
Schedule of Fuel Cost Part of Energy Charge

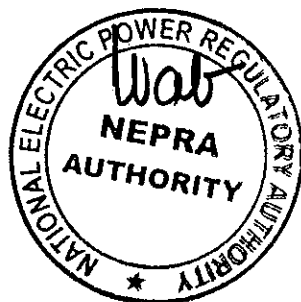
Adjustment on Account of Coal Price(s) Variation for December 2021 (Before Commissioning Test)

Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg	US\$/Ton	Rs/Ton	Rs./US\$
Consumption from Stock:					
Consumption from Shipment No. 1	39,429	2,633	56.41	8,675	153.78
Consumption from Thar Coal Purchases During June 2021	163	2,701	46.43	7,195	154.95
Consumption from Thar Coal Purchases During Oct 2021	98,589	2,638	59.00	10,095	171.10
Total Consumption	138,181	2,637	58.25	9,686	166.30

Description	Unit	Reference Oct 20, 2016	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	10,069	8,675	9,686
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,559	2,633	2,637
Avg. net calorific value of stock consumed during the month	BTU/Kg	22,046	10,448	10,463
Net Heat Rates	BTU/kWh	8,749	8,749	8,749
Revised Fuel Cost Component	Rs./kWh	3.9768	7.2640	8.0997

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.

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



Lucky Electric Power Company Limited
Schedule of Fuel Cost Part of Energy Charge

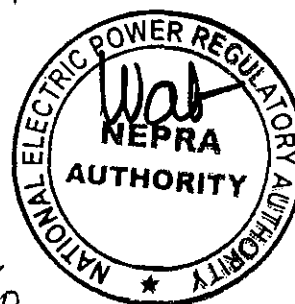
Adjustment on Account of Coal Price(s) Variation for January 2022 (Before Commissioning Test)

Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg	US\$/Ton	Rs/Ton	Rs./US\$
Consumption from Stock:					
Consumption from Thar Coal Purchases During Oct 2021	20,244	2,638	59.00	10,095	171.10
Consumption from Thar Coal Purchases During Nov 2021	97,438	2,632	58.69	10,095	172.00
Consumption from Shipment No. 2	12,460	2,727	104.85	18,220	173.78
Total Consumption	130,142	2,642	63.16	10,873	172.15

Description	Unit	Reference Oct 20, 2016	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	10,069	9,686	10,873
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,559	2,637	2,642
Avg. net calorific value of stock consumed during the month	BTU/Kg	22,046	10,463	10,484
Net Heat Rates	BTU/kWh	8,749	8,749	8,749
Revised Fuel Cost Component	Rs./kWh	3.9768	8.0997	9.0733

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.

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



6/10

Lucky Electric Power Company Limited
Schedule of Fuel Cost Part of Energy Charge

Adjustment on Account of Coal Price(s) Variation for February 2022 (Before Commissioning Test)

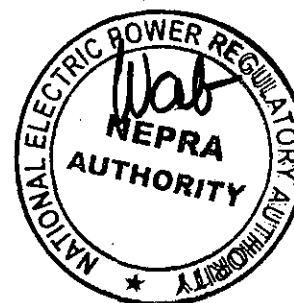
Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg	US\$/Ton	Rs/Ton	Rs./US\$
Consumption from Stock:					
Consumption from Shipment No. 2	28,728	2,727	104.85	18,220	173.78
Consumption from Shipment No. 3	39,706	2,761	96.21	16,719	173.78
Consumption from Shipment No. 4	48,731	2,823	89.67	15,583	173.78
Total Consumption	117,165	2,778	95.61	16,615	173.78

Description	Unit	Reference Oct 20, 2016	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	10,069	10,873	16,615
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,559	2,642	2,778
Avg. net calorific value of stock consumed during the month	BTU/Kg	22,046	10,484	11,026
Net Heat Rates	BTU/kWh	8,749	8,749	8,749
Revised Fuel Cost Component	Rs./kWh	3.9768	9.0733	13.1842

***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.*

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

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Lucky Electric Power Company Limited
Details of Imported Shipments

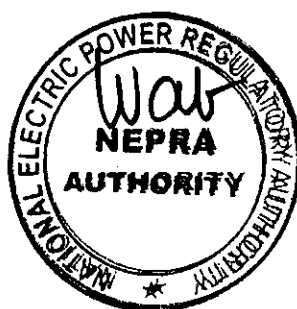
Shipment Number		1	2	3
Vessel Name		MV Daimongate	MV Star Gaia	MV Freedom Line
Bill of Lading Date		14-Apr-21	07-Nov-21	21-Nov-21
L/C Number		0525ILC049551	0525IL051856	0525IL051890
Origin		Indonesia	Indonesia	Indonesia
Average ICI-5 Index Coal Price for B/L Month	US\$/Ton	25.92	50.41	50.41
Base Calorific Value	kCal/Kg	3,000	3,000	3,000
Actual Calorific Value	kCal/Kg	2,633	2,727	2,761
B/L Quantity	MT	59,050	41,370	40,000
FOB Coal ICI-5 Index Price adjusted for CV	US\$/Ton	22.75	45.82	46.39
Marine Freight Charges	US\$/Ton	22.12	40.30	31.69
Marine Insurance	US\$/Ton	0.02	0.05	0.04
CIF Coal Price	US\$/Ton	44.89	86.16	78.12
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	44.89	86.16	78.12
Other Charges:	US\$/Ton	10.52	17.11	16.27
(i) Port Handling Charges	US\$/Ton	8.00	9.33	9.31
(a) PIBT Charges	US\$/Ton	4.68	5.76	5.82
(b) PQA Royalty Charges	US\$/Ton	2.28	2.28	2.31
(c) PDA Load Port Charges	US\$/Ton	0.77	0.25	0.26
(d) PDA Discharge Port Charges	US\$/Ton	0.21	0.89	0.78
(e) Wharfage	US\$/Ton	-	-	-
(f) Inspection Charges	US\$/Ton	0.05	0.04	0.04
(g) Truck Handling Charges	US\$/Ton	-	0.10	0.11
(ii) Customs Duty and Cess	US\$/Ton	2.48	7.71	6.90
(iii) LC Charges	US\$/Ton	-	0.02	0.01
(iv) Custom Clearance Charges	US\$/Ton	0.04	0.05	0.05
Inland Freight Charges	US\$/Ton	0.88	1.12	1.11
Delivered Coal Price before adjustment of handling loss	US\$/Ton	56.29	104.39	95.51
Handling Loss 1% or actual whichever is minimum	US\$/Ton	0.12	0.46	0.70
Delivered Coal Price with losses at Power Plant	US\$/Ton	56.41	104.85	96.21
Exchange Rate Average B/L Month	Rs./US\$	153.78	173.78	173.78
Delivered Coal Price with losses at Power Plant	Rs./Ton	8,675	18,220	16,719



Lucky Electric Power Company Limited
Marine Freight Calculation

Description	Unit	MV Daimongate	MV Star Gaia	MV Freedom Line
Loading Port Name		Tanjung Selor, North Kalimantan, Indonesia	Muara Berau Anchorage, East Kalimantan, Indonesia	Muara Berau Anchorage, East Kalimantan, Indonesia
Discharge Port Name		PIBT	PIBT	PIBT
Delivery Days:				
Voyage	Days	27.96	27.96	27.96
At Load Port	Days	7.88	5.67	5.50
At Discharge Port	Days	2.86	2.15	2.10
Total	Days	38.70	35.78	35.56
Average Time Charter Rate	US\$/Day	21,813	39,860	28,191
Time Charter Cost	US\$	844,207	1,426,233	1,002,366
Bunker Consumption:				
Bunker during Voyage	Ton	908.70	908.58	908.58
Bunker during Port Days	Ton	53.71	39.12	38.00
Total	Ton	962.41	947.70	946.58
Bunker Price	\$/Ton	480.00	621.00	615.00
Bunker Cost	US\$	461,957	588,523	582,146
Total Voyage Expense	US\$	1,306,164	2,014,756	1,584,512
Cargo Capacity	Tons	59,050	50,000	50,000
Marine Freight	S/Ton	22.12	40.30	31.69

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



Am 9

Lucky Electric Power Company Limited
Details of Delivery from Thar Coal

Description	Unit	June 2021	Oct 2021	Nov 2021
Shipment Number		-	-	-
Quantity Purchased	Ton	164	119,806	100,046
Quantity Received	Ton	163	119,233	97,438
Handling Loss	%	0.61%	0.48%	2.61%
Price	US\$/Ton	46.14	46.14	46.14
Base Calorific Value	kCal/Kg	2,701	2,701	2,701
Actual Calorific Value	kCal/Kg	2,701	2,638	2,632
Thar Coal Price after adjustment of CV	US\$/Ton	46.14	47.24	47.34
Insurance	US\$/Ton	0.01	0.01	0.01
Transportation	US\$/Ton	-	11.47	10.76
Delivered Coal Price before adjustment of handling loss	US\$/Ton	46.15	58.72	58.11
Handling Loss 1% or actual whichever is minimum	US\$/Ton	0.28	0.28	0.58
Adjusted Price after handling loss	US\$/Ton	46.43	59.00	58.69
Exchange Rate	Rs./US\$	154.95	171.10	172.00
Price (Rs./ton)	Rs./Ton	7,195	10,095	10,095

