



Registrar

**National Electric Power Regulatory Authority**  
**Islamic Republic of Pakistan**

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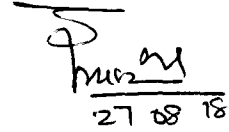
No. NEPRA/TRF-299/PQEPCL-2015/13446-50  
August 27, 2018

Chief Executive Officer  
Port Qasim Electric Power Company (Pvt.) Limited  
House No. 63, Street No. 5  
F-8/3, Islamabad.  
Ph: 051-2266341

Subject: **Decision of the Authority in the matter of Fuel Price Adjustment for Port Qasim Electric Power Company (Private) Limited (PQEPCL) [Case No. NEPRA/TRF-299/PQEPCL-2015]**

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), Marine Freight (Annex-III) (04 pages) regarding the fuel price adjustment on account of Coal price(s) variation for the month of **July 2018** in respect of Port Qasim Electric Power Company (Private) Limited.

Enclosure: As above

  
27 08 18

( Syed Safeer Hussain )

CC:

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  
NEECA Building, Sector G-5/2, Islamabad.



**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL PRICE ADJUSTMENT FOR PORT QASIM  
ELECTRIC POWER COMPANY (PRIVATE) LIMITED.**

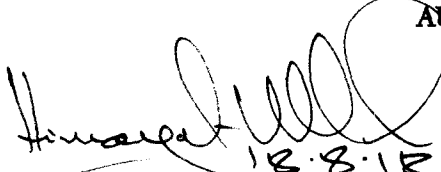
Pursuant to the Decision of the Authority dated 13<sup>th</sup> February 2015 in the matter of approval of upfront coal tariff for coal power plant of Port Qasim Electric Power Company (Private) Limited (hereafter "PQEPCL") and the Decision of the Authority dated 23<sup>rd</sup> September 2016 regarding Sue Moto Review Proceedings in the Fuel Price Adjustment Mechanism determined in Upfront Coal tariff, the fuel portion of the energy charge part of PQEPCL's tariff needs to be adjusted for variation in coal price(s). PQEPCL requested weighted average coal price of Rs. 11,430/ton (US\$ 98.81/ton) for the coal consumed during the month of July 2018. PQEPCL further requested fuel cost component of Rs. 5.3214/kWh for July 2018 which was found on higher side. In accordance with the prescribed mechanism and on the basis of information and documents submitted by PQEPCL, the revised coal prices have been worked out and attached as Annex to this decision. Accordingly, the fuel cost component has been adjusted. The revised fuel cost component of energy charge part of PQEPCL's tariff indicated hereunder shall be immediately applicable to the units delivered during the month:

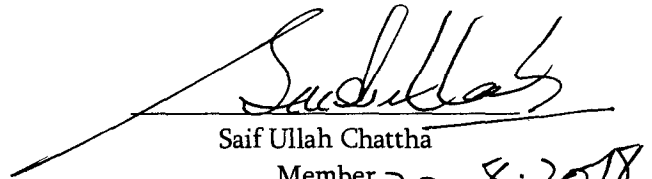
Period	Revised Fuel Cost Component Rs./kWh
July 2018	5.1523

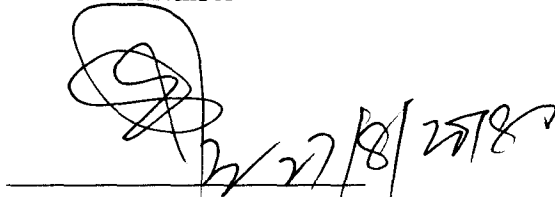
PQEPCL requested PDA charges of US\$ 62,545/- for the Vessel 'Mandarin Singapore' loaded at Panjang Port, South Sumatra, Indonesia. The requested PDA charges are substantially on the higher side as compared to average PDA charges of US\$ 32,283/- of five shipments approved in April-June 2018 for the Indonesian ports. PQEPCL could not provide the justification for the abnormal PDA charges for this specific port. In the absence of reasonability/justification of the requested PDA charges, average PDA charges of US\$ 32,283/- has been considered at load port for the Vessel 'Mandarin Singapore' on the basis of actual PDA charges of five shipments from Indonesia approved in April-June 2018.

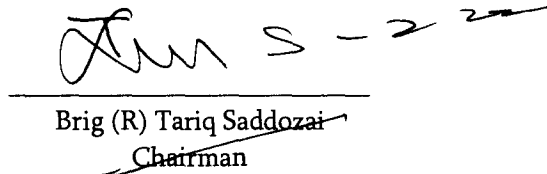
The above referred revised fuel cost component along with revised coal prices and revised marine freight charges attached as Annex-I, Annex-II & Annex-III respectively are to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

**AUTHORITY**

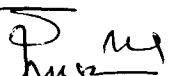
  
18.8.18  
Himayat Ullah Khan  
Member

  
20.8.2018  
Saif Ullah Chattha  
Member

  
27/8/2018  
Rehmatullah Baloch  
Vice Chairman

  
Brig (R) Tariq Saddozai  
Chairman



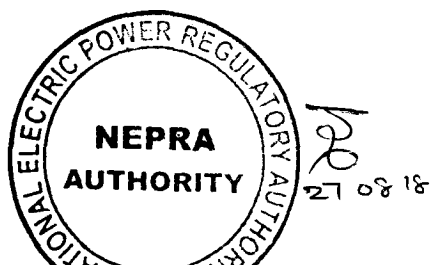
  
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**Port Qasim Electric Power Company (Private) Limited**  
**Schedule of Fuel Cost Part of Energy Charge**  
**Adjustment on Account of Coal Price(s) Variation**

Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg.	US\$/Ton	Rs/Ton	Rs/US\$
Coal Consumed from stock:					
Consumption from Shipment No. 201822	2,425.00	4,198	75.52	8,728.60	115.58
Consumption from Shipment No. 201823	53,800.00	4,644	83.14	9,609.32	115.58
Consumption from Shipment No. 201824	51,628.00	4,908	105.13	12,163.54	115.70
Consumption from Shipment No. 201825	50,300.00	4,745	89.33	10,335.48	115.70
Consumption from Shipment No. 201826	48,832.00	4,885	107.79	12,471.30	115.70
Consumption from Shipment No. 201827	52,231.00	4,739	105.07	12,156.60	115.70
Consumption from Shipment No. 201828	49,800.00	4,525	85.06	9,841.44	115.70
Total consumption	309,016.00	4,736	95.67	11,067.57	115.68

Description	Unit	Reference	Previous	Revised
Avg. Price of stock consumed during the month	Rs./Ton	12,532	9,732	11,068
Avg. net calorific value of stock consumed during the month	kCal/kg	6,441	4,564	4,736
Avg. net calorific value of stock consumed during the month	BTU/Kg.	25,556	18,113	18,794
Net Heat Rates	BTU/kWh	8,749	8,749	8,749
Revised Fuel cost component for July 2018	Rs./kWh	4.2913	4.7007	5.1523

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.

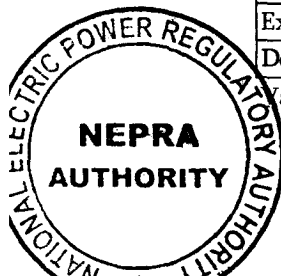


## Port Qasim Electric Power Company (Private) Limited

## Details of Shipments

Shipment Number		201823	201824	201825	201826	201827	201828
Vessel Name		Young Spirit	Bulk Chile	Lmz Phoebe	Sea Lavender	Forever Sw	Mandarin Singapore
Bill of Lading Date (B/L)		24-Apr-18	1-May-18	7-May-18	11-May-18	25-May-18	26-May-18
L/C Number		-	-	-	-	-	-
Origin		Indonesian	South Africa	Indonesian	South Africa	South Africa	Indonesian
API-4/ICI-3 Coal Price Index for the month of B/L Date		62.35	102.29	64.07	102.29	102.29	64.07
Base Calorific Value	kCal/Kg	4,600	6,000	4,600	6,000	6,000	4,600
Actual Calorific Value	kCal/Kg	4,644	4,908	4,745	4,885	4,739	4,525
Quantity	MT	53,800	51,628	50,300	48,832	52,231	49,800
FOB Coal Price Index as per B/L month Adjusted for CV	US\$/Ton	62.95	83.67	66.09	83.28	80.79	63.03
Discount	US\$/Ton	-	-	-	-	-	-
Marine Freight Charges	US\$/Ton	14.09	14.18	15.46	15.22	14.81	13.97
Marine Insurance	US\$/Ton	0.07	0.08	0.07	0.08	0.08	0.07
CIF Coal Price	US\$/Ton	77.11	97.93	81.62	98.58	95.68	77.07
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	77.11	97.93	81.62	98.58	95.68	77.07
Other Charges:	US\$/Ton	6.03	7.20	7.71	9.21	9.39	7.99
(i) Port Handling Charges	US\$/Ton	3.42	3.96	3.36	3.96	4.28	3.82
(a) PQA Royalty Charges	US\$/Ton	2.27	2.27	2.27	2.27	2.35	2.27
(b) Wharfage	US\$/Ton	0.29	0.29	0.29	0.29	0.29	0.29
(c) Port Disbursement Account Charges at Load Port	US\$/Ton	0.24	0.86	0.24	0.85	0.93	0.65
(d) Port Disbursement Account Charges at Discharge Port	US\$/Ton	0.62	0.54	0.56	0.55	0.70	0.61
(ii) Custom Duties	US\$/Ton	2.34	2.97	4.07	4.98	4.83	3.89
(iii) Custom Clearness Charges	US\$/Ton	0.15	0.15	0.15	0.15	0.15	0.15
(iv) Draft Survey, Sampling, Sample preparation & Analysis Charges	US\$/Ton	0.13	0.13	0.13	0.13	0.13	0.13
Delivered Coal Price at Power Plant	US\$/Ton	83.14	105.13	89.33	107.79	105.07	85.06
Exchange Rate	Rs./US\$	115.58	115.70	115.70	115.70	115.70	115.70
Delivered Coal Price at Power Plant	Rs./Ton	9,609.32	12,163.54	10,335.48	12,471.30	12,156.60	9,841.44

Variation in Royalty charge for Shipment No.201827 is due to exchange rate difference used by PQA of Rs. 120/USD



**Port Qasim Electric Power Company (Private) Limited**  
**Marine Freight**

Description	Unit	Young Spirit	Bulk Chile	Lmz Phoebe	Sea Lavender	Forever Sw	Mandarin Singapore
Loading Port Name		Samarinda Anchorage, East Kalimantan	Maputo Port	Samarinda Anchorage, East Kalimantan	Maputo Port	Maputo Port	Panjang Port, South Sumatra
Delivery Days:							
Voyage	Days	27.96	27.04	27.96	27.04	27.04	21.83
At Port	Days	5.521	3.892	5.227	3.736	3.926	7.208
Total	Days	33.48	30.93	33.18	30.77	30.96	29.03
Average Time Charter Rate	US\$/Day	11,312	11,507	11,495	11,465	11,500	11,450
Time Charter Cost	US\$	378,691	355,911	381,437	352,816	356,083	332,427
Bunker Consumption:							
Bunker during Voyage	Ton	908.58	878.72	908.58	878.72	878.72	709.31
Bunker during Port	Ton	27.60	19.46	26.13	18.68	19.63	36.04
MGO Consumption	Ton	3.90	3.90	3.90	3.90	3.90	3.90
Total	Ton	940.08	902.08	938.61	901.30	902.25	749.25
Bunker Price	\$/Ton	402.50	415.85	421.00	432.00	461.50	484.00
MGO Price	\$/Ton	636.0	685.0	642.00	710.00	730.00	672.00
Bunker Cost	US\$	379,293	376,180	396,017	390,445	417,436	363,371
Total Voyage Expense	US\$	757,985	732,091	777,454	743,261	773,519	695,798
Quantity Minimum	Tons	53,800	51,628	50,300	48,832	52,231	49,800
<b>Marine Freight</b>	<b>\$/Ton</b>	<b>14.09</b>	<b>14.18</b>	<b>15.46</b>	<b>15.22</b>	<b>14.81</b>	<b>13.97</b>

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

