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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-299/PQEPCPL-2015/7320-261

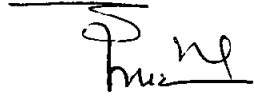
May 16, 2022

Chief Executive Officer
Port Qasim Electric Power Company (Pvt.) Limited
Level 6, West Wing, Serena Business Complex, Sector G-5/1,
Islamabad
Tele: 051 – 835 7171

Subject: **Decision of the Authority in the matter of Fuel Price Adjustment for the month of April 2022 for Port Qasim Electric Power Company (Private) Limited (PQEPCPL) [Case No. NEPRA/TRF-299/PQEPCPL-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) (05 pages) regarding the fuel price adjustment on account of Coal price(s) variation for the month of April 2022 in respect of Port Qasim Electric Power Company (Private) Limited.

Enclosure: As above


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(Syed Safer 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, Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad.

DECISION OF THE AUTHORITY IN THE MATTER OF FUEL PRICE ADJUSTMENT FOR THE MONTH OF APRIL 2022 FOR PORT QASIM ELECTRIC POWER COMPANY (PRIVATE) LIMITED.

1. Pursuant to the decision of the Authority dated February 13, 2015 in the matter of approval of upfront coal tariff for coal power plant of Port Qasim Electric Power Company (Private) Limited (hereafter "PQEPCL"), decision dated September 23, 2016 regarding Sue Moto Review Proceedings in the Fuel Price Adjustment Mechanism determined in Upfront Coal Tariff, decision dated September 27, 2019 in the matter of tariff adjustment at Commercial Operation Date of PQEPCL and decision dated March 3, 2020 in the matter of Motions for Leave for Review regarding fuel price adjustments, the fuel portion of the energy charge part of PQEPCL's tariff has been adjusted for variation in coal price(s). PQEPCL requested weighted average coal price of Rs. 36,508/Ton for the coal consumed during the month of April 2022. PQEPCL requested Fuel Cost Component (FCC) of Rs. 15.3065/kWh for April 2022.
2. It has been observed that Argus/McCloskey's published coal price index also specifies price differentials to API 4. It has been provided in the index report that to calculate a fixed price, apply the differential to the API 4 contract. Following differentials are applicable for the month of February 2022:

Description	Heat kcal/kg	Unit	February 2022 Average
5,500 differential	5,500	US\$/ton	2.42

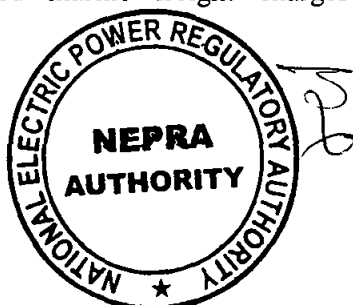
3. In accordance with the above differentials, the API 4 price for each shipment from Richards Bay has been calculated and fixed as under:

Shipment No.	API 4 Price (US\$/ton)	Differential (US\$/ton)	Fixed Price (US\$/ton)	Heat (kcal/kg)	Actual Heat (kcal/kg)	Heat Adjusted Price (US\$/ton)	Requested Price (US\$/ton)	Difference (US\$/ton)
202173	205.98	2.42	208.40	5,500	5,523	209.27	189.60	19.67
202174	205.98	2.42	208.40	5,500	5,313	201.31	182.4	18.92
202175	205.98	2.42	208.40	5,500	5,676	215.07	194.86	20.21

4. Since the requested coal price is less than the calculated coal price as per price differentials, therefore, the same has been considered.
5. Accordingly, the revised coal price for each shipment has been worked out and attached as annex to this decision. The revised FCC of energy charge part of PQEPCL's tariff indicated hereunder shall be immediately applicable to the units delivered during the month:

Period	Fuel Cost Component (Rs./kWh)	
	Reference	Revised
April 2022	4.6936	15.3063

6. 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

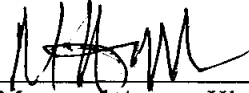


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respectively are to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

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

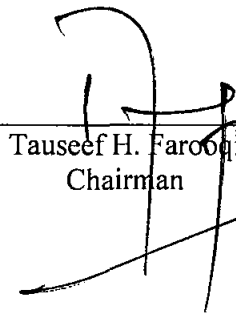
AUTHORITY



Engr. Maqsood Anwar Khan
Member

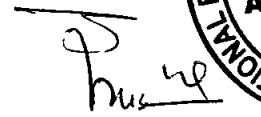


Engr. Rafique Ahmed Shaikh
Member



Tauseef H. Farooqi
Chairman




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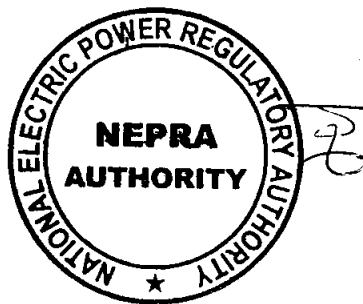
Port Qasim Electric Power Company (Private) Limited
Schedule of Fuel Cost Part of Energy Charge

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\$
Coal Consumed from Stock:					
Consumption from Shipment No. 202169	17,515	5,640	200.34	35,459	176.99
Consumption from Shipment No. 202171	50,490	4,474	146.06	25,382	173.78
Consumption from Shipment No. 202172	10,627	4,296	134.48	23,933	177.97
Consumption from Shipment No. 202173	51,118	5,523	229.70	40,459	176.14
Consumption from Shipment No. 202174	51,009	5,313	229.30	40,390	176.14
Consumption from Shipment No. 202175	50,351	5,676	242.63	42,736	176.14
Total Consumption:	231,110	5,233	207.55	36,507	175.89

Description	Unit	Reference	Previous	Revised
Avg. Price of stock consumed during the month	Rs./Ton	9,672	34,292	36,507
Avg. Net Calorific Value of stock consumed during the month	kCal/kg	4,521	5,559	5,233
Avg. Net Calorific Value of stock consumed during the month	BTU/kg	17,942	22,060	20,767
Net Heat Rates	BTU/kWh	8,707	8,707	8,707
Revised Fuel Cost Component	Rs./kWh	4.6936	13.5346	15.3063

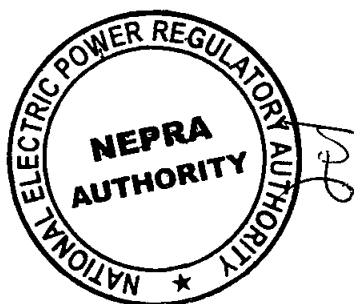
Note: The above adjustment of fuel cost component on coal shall be subject to verification by a consultant/Independent third party to be appointed for the purpose by the Authority. In case the verified delivered coal price is different, the fuel cost component shall be revised accordingly.



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Port Qasim Electric Power Company (Private) Limited
Details of Shipments
For the Month of April 2022

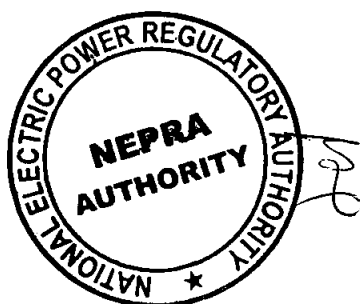
Shipment Number	Unit	202171	202172	202173	202174	202175
Vessel Name		MV THOR CALIBER	MV AL WATHBA	MV BLUE AKIHABARA	MV CP SHENZHEN	MV COMMON FAITH
Bill of Lading Date (B/L)		24-Nov-21	24-Dec-21	4-Feb-22	23-Feb-22	24-Feb-22
L/C Number		-	-	-	-	-
Origin		Indonesian	Indonesian	South Africa	South Africa	South Africa
ICI-3/API-4 Coal Price Index for the month of B/L Date	US\$/Ton	115.42	98.38	205.98	205.98	205.98
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	-	-	-	-	-
Fixed Price	US\$/Ton	115.42	98.38	205.98	205.98	205.98
Base Calorific Value	kCal/Kg	4,600	4,600	6,000	6,000	6,000
Actual Calorific Value	kCal/Kg	4,474	4,296	5,523	5,313	5,676
Quantity	MT	51,000	51,000	51,118	51,009	50,351
FOB Coal Price Index as per B/L month Adjusted for CV	US\$/Ton	112.26	91.88	189.60	182.40	194.86
Marine Freight Charges	US\$/Ton	20.98	30.99	23.24	28.69	29.46
Marine Insurance	US\$/Ton	0.06	0.05	0.08	0.09	0.09
CIF Coal Price	US\$/Ton	133.30	122.92	212.93	211.18	224.40
Handling Loss 1% of CIF Coal Price or actual whichever is minimum	US\$/Ton	-	-	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	133.30	122.92	212.93	211.18	224.40
Other Charges:	US\$/Ton	12.76	11.56	16.77	18.13	18.23
(i) Port Handling Charges	US\$/Ton	3.78	3.55	3.55	4.11	3.55
(a) PQA Royalty Charges	US\$/Ton	2.32	2.26	2.27	2.30	2.31
(b) Wharfage Charges	US\$/Ton	0.20	0.19	0.19	0.19	0.19
(c) Port Disbursement Account Charges at Load Port	US\$/Ton	0.74	0.53	0.52	1.03	0.50
(d) Port Disbursement Account Charges at Discharge Port	US\$/Ton	0.53	0.57	0.57	0.59	0.54
(ii) Custom Duties & Cess	US\$/Ton	8.83	7.86	13.07	13.86	14.53
(iii) Custom Clearness Charges	US\$/Ton	0.10	0.10	0.10	0.10	0.10
(iv) Draft Survey, Sampling, Sample preparation & Analysis Charges	US\$/Ton	0.05	0.05	0.05	0.05	0.05
Delivered Coal Price at Power Plant	US\$/Ton	146.06	134.48	229.70	229.30	242.63
Average Exchange Rate for the month of B/L	Rs./US\$	173.78	177.97	176.14	176.14	176.14
Delivered Coal Price at Power Plant	Rs./Ton	25,381.92	23,933.27	40,458.84	40,389.77	42,736.44



Port Qasim Electric Power Company (Private) Limited
Marine Freight
For the Month of April 2022

Description	Unit	MV THOR CALIBER	MV AL WATHBA	MV BLUE AKIHABARA	MV CP SHENZHEN	MV COMMON FAITH
Loading Port Name		Tarahan Port, Bandar Lampung	Muara Berau Anchorage, East Kalimantan	RBCT	Matola Port, Mozambique	RBCT
Origin		Indonesian	Indonesian	South Africa	Mozambique	South Africa
Delivery Days:						
Voyage	Days	21.83	27.96	27.04	27.04	27.04
At Port-Load	Days	1.27	6.58	2.20	2.20	2.18
At Port-Discharge	Days	2.54	2.54	2.46	2.18	2.51
Total	Days	25.63	37.08	31.70	31.41	31.73
Time Charter Rate	US\$/Day	24,671	27,158	17,278	25,576	25,758
Time Charter Cost	US\$	632,410	1,006,894	547,781	803,467	817,299
Bunker Consumption:						
Bunker during Voyage	Ton	709.31	908.58	878.72	878.72	878.72
Bunker during Port Days	Ton	19.04	45.60	23.33	21.89	23.46
Total	Ton	728.36	954.17	902.05	900.61	902.18
Bunker Price	US\$/Ton	601.00	601.00	710.00	733.00	738.00
Bunker Cost	US\$	437,742	573,459	640,456	660,144	665,809
Total Voyage Expense	US\$	1,070,152	1,580,353	1,188,237	1,463,611	1,483,108
Quantity	Tons	51,000	51,000	51,118	51,009	50,351
Marine Freight	US\$/Ton	20.98	30.99	23.24	28.69	29.46

*PDA Charges both at load and discharge ports have been included in Port Handling Charges.



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