



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad
Ph: +92-51-9206500, Fax: +92-51-2600026
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/R/ADG(Trf)/TRF-299/PQEPCPL-2015/2323-27

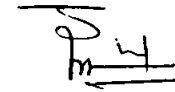
February 16, 2022

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 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 **January 2022** in respect of Port Qasim Electric Power Company (Private) Limited.

Enclosure: As above


(Syed Safeer Hussain) 16.02.22

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 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. 41,281/Ton for the coal consumed during the month of January 2022. PQEPCL requested Fuel Cost Component (FCC) of Rs. 17.1050/kWh for January 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 October 2021:

Description	Heat kcal/kg	Unit	October Average
5,700 differential	6,000	US\$/ton	(8.66)
5,500 differential	5,500	US\$/ton	(21.97)
4,800 differential	4,800	US\$/ton	(34.70)



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 #	API 4 Price (US\$/ton)	Differential (US\$/ton)	Fixed Price (US\$/ton)	Heat kcal/kg	Actual Heat kcal/kg	Heat Adjusted Price (US\$/ton)
202154	210.02	21.97	188.05	5,500	5,613	191.91
202155	210.02	21.97	188.05	5,500	5,551	189.79
202156	210.02	21.97	188.05	5,500	5,590	191.13
202157	210.02	21.97	188.05	5,500	5,410	184.97

4. 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
January 2022	4.6936	16.6909

5. 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

✓

8

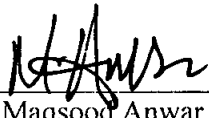
of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

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

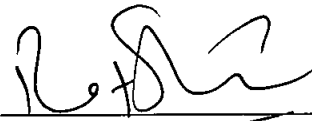
AUTHORITY



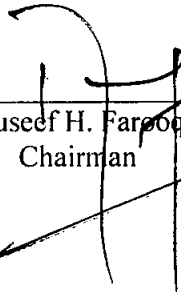
Rehmatullah Baloch
Member



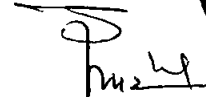
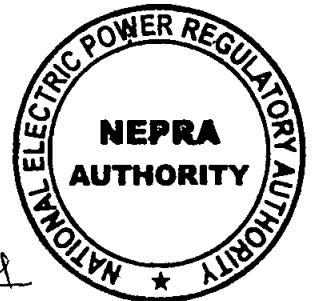
Engr. Maqsood Anwar Khan
Member



Engr. Rafique Ahmed Shaikh
Member
9/2/22



Tauseef H. Farooqi
Chairman



16 02 22

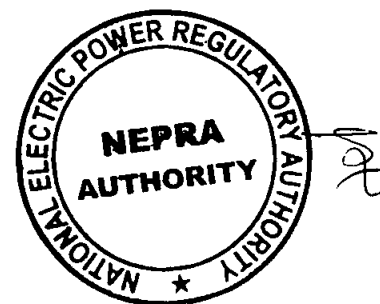
Port Qasim Electric Power Company (Private) Limited
Schedule of Fuel Cost Part of Energy Charge

Adjustment on Account of Coal Price(s) Variation for the Month of January 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. 202150	20,863	5,641	194.27	32,773	168.70
Consumption from Shipment No. 202151	26,831	5,665	250.59	43,211	172.44
Consumption from Shipment No. 202154	45,803	5,613	244.59	42,178	172.44
Consumption from Shipment No. 202155	50,969	5,551	242.77	41,862	172.44
Consumption from Shipment No. 202156	50,992	5,590	245.21	42,284	172.44
Consumption from Shipment No. 202157	51,008	5,410	239.04	41,220	172.44
Consumption from Shipment No. 202158	50,490	4,161	213.37	36,794	172.44
Total Consumption:	296,957	5,323	235.13	40,495	172.22

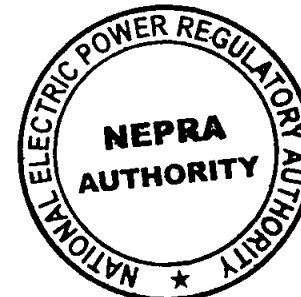
Description	Unit	Reference	Previous	Revised
Avg. Price of stock consumed during the month	Rs./Ton	9,672	36,019	40,495
Avg. Net Calorific Value of stock consumed during the month	kCal/kg	4,521	4,872	5,323
Avg. Net Calorific Value of stock consumed during the month	BTU/kg	17,942	19,332	21,124
Net Heat Rates	BTU/kWh	8,707	8,707	8,707
Revised Fuel Cost Component	Rs./kWh	4.6936	16.2229	16.6909

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
For the Month of January 2022

Shipment Number	Unit	202154	202155	202156	202157	202158
Vessel Name		MV IVS ATSUGI	MV SHENG HE HAI	MV ROYAL FAIRNESS	MV KIRAN CHINA	MV ELEN NEPTUNE
Bill of Lading Date (B/L)		12-Oct-21	17-Oct-21	20-Oct-21	20-Oct-21	29-Oct-21
L/C Number		-	-	-	-	-
Origin		South Africa	South Africa	South Africa	South Africa	Indonesian
ICI-3/API-4 Coal Price Index for the month of B/L Date	US\$/Ton	210.02	210.02	210.02	210.02	180.84
Coal Price Differential (5500) to API 4 for the month of B/L	US\$/Ton	(21.97)	(21.97)	(21.97)	(21.97)	-
Fixed Price	US\$/Ton	188.05	188.05	188.05	188.05	180.84
Base Calorific Value	kCal/Kg	5,500	5,500	5,500	5,500	4,600
Actual Calorific Value	kCal/Kg	5,613	5,551	5,590	5,410	4,161
Quantity	MT	50,994	50,969	50,992	51,008	51,000
FOB Coal Price Index as per B/L month Adjusted for CV	US\$/Ton	191.91	189.79	191.13	184.97	163.58
Marine Freight Charges	US\$/Ton	33.27	34.15	35.40	35.61	33.38
Marine Insurance	US\$/Ton	0.08	0.08	0.09	0.11	0.08
CIF Coal Price	US\$/Ton	225.26	224.02	226.61	220.68	197.04
Handling Loss 1% of CIF Coal Price or actual whichever is minimum	US\$/Ton	-	-	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	225.26	224.02	226.61	220.68	197.04
Other Charges:	US\$/Ton	19.34	18.74	18.60	18.36	16.33
(i) Port Handling Charges	US\$/Ton	3.67	3.71	3.42	3.77	3.46
(a) PQA Royalty Charges	US\$/Ton	2.30	2.26	2.32	2.24	2.25
(b) Wharfage Charges	US\$/Ton	0.20	0.20	0.20	0.20	0.20
(c) Port Disbursement Account Charges at Load Port	US\$/Ton	0.57	0.42	0.40	0.71	0.50
(d) Port Disbursement Account Charges at Discharge Port	US\$/Ton	0.61	0.83	0.50	0.62	0.51
(ii) Custom Duties & Cess	US\$/Ton	15.51	14.88	15.03	14.44	12.72
(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	244.59	242.77	245.21	239.04	213.37
Average Exchange Rate for the month of B/L	Rs./US\$	172.44	172.44	172.44	172.44	172.44
Delivered Coal Price at Power Plant	Rs./Ton	42,177.96	41,862.45	42,284.49	41,220.26	36,794.35



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

Description	Unit	MV IVS ATSUGI	MV SHENG HE HAI	MV ROYAL FAIRNESS	MV KIRAN CHINA	MV ELEN NEPTUNE
Loading Port Name		RBCT	RBCT	RBCT	RBCT	Muara Banyuasin Anchorage
Origin		South Africa	South Africa	South Africa	South Africa	Indonesian
Delivery Days:						
Voyage	Days	27.04	27.04	27.04	27.04	21.73
At Port-Load	Days	2.20	2.20	2.20	2.20	6.88
At Port-Discharge	Days	2.54	2.54	2.54	2.54	2.54
Total	Days	31.78	31.78	31.78	31.78	31.14
Time Charter Rate	US\$/Day	37,201	37,744	39,333	39,547	39,799
Time Charter Cost	US\$	1,182,138	1,199,324	1,249,881	1,256,728	1,239,341
Bunker Consumption:						
Bunker during Voyage	Ton	878.72	878.72	878.72	878.72	706.06
Bunker during Port Days	Ton	23.70	23.69	23.70	23.70	47.08
Total	Ton	902.42	902.41	902.42	902.42	753.14
Bunker Price	US\$/Ton	570.00	600.00	615.00	620.00	615.00
Bunker Cost	US\$	514,377	541,444	554,986	559,501	463,180
Total Voyage Expense	US\$	1,696,516	1,740,769	1,804,867	1,816,229	1,702,520
Quantity	Tons	50,994	50,969	50,992	51,008	51,000
Marine Freight	US\$/Ton	33.27	34.15	35.40	35.61	33.38

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

