



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-2015/16207-11

October 28, 2024

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

Subject: **Decision of the Authority in the matter of Fuel Price Adjustment for the month of September 2024 for Port Qasim Electric Power Company (Private) Limited**

Enclosed please find herewith the subject Decision of the Authority along with Annex-I, II, III & IV (total 06 pages) regarding the adjustment in the fuel portion of energy charge part of tariff for the month of **September 2024** on account of **Coal price(s)** variation in respect of Port Qasim Electric Power Company (Private) Limited in Case No. NEPRA/TRF-299/PQEPCPL-2015.

Enclosure: **As above**

Wasim Anwar Bhinder
(Wasim Anwar Bhinder)

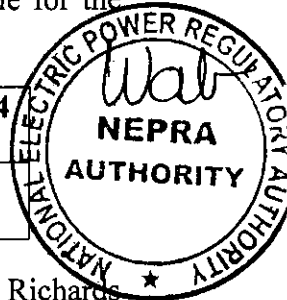
Copy to:

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, Islamabad

DECISION OF THE AUTHORITY IN THE MATTER OF FUEL PRICE ADJUSTMENT FOR THE MONTH OF SEPTEMBER 2024 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 (PQEPCL), decision dated September 23, 2016 regarding Suo 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. 36,794/Ton for the coal consumed during the month of September 2024. PQEPCL requested Fuel Cost Component (FCC) of Rs. 14.6644/kWh for September 2024.
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 months of July 2024 and August 2024:

| Description | Heat kcal/kg | Unit | July 2024 Average | August 2024 Average |
|--------------------|--------------|----------|-------------------|---------------------|
| 5,500 differential | 5,500 | US\$/ton | (7.15) | (12.55) |



3. In accordance with the above differentials, the API 4 price for the 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) |
|--------------|------------------------|-------------------------|------------------------|----------------|-----------------------|--------------------------------|----------------------------|-----------------------|
| 202402 | 107.86 | (7.15) | 100.71 | 5,500 | 5,470 | 100.16 | 98.33 | 1.83 |
| 202403 | 107.86 | (7.15) | 100.71 | 5,500 | 5,622 | 102.94 | 100.76 | 2.18 |
| 202404 | 114.73 | (12.55) | 102.18 | 5,500 | 5,452 | 101.29 | 101.29 | - |

4. Since the requested coal prices of shipments No. 202402 & 202403 are less than the calculated coal price as per price differentials, therefore, the requested prices have been considered. However, in case of Shipment No. 202404, the linear adjusted price worked out US\$ 104.25/ton which is higher than the requested price after adjustment of price differentials. Further, Shipment No. 202403 was procured from Mozambique, therefore, load port PDA charges of subject shipment have been benchmarked on the basis of South African coal import(s).
5. 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:

“Based on the documentary evidence and information submitted by PQEPCL, the fuel cost component of energy charge part of PQEPCL's tariff is adjusted for variation in coal price for the month of September 2024.”

[Signature]



6. 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 (Sep 27,2019) | Revised |
| September 2024 | 4.6936 | 14.6441 |

7. The above referred revised fuel cost component along with details of spot coal purchases, revised imported coal price and revised marine freight charges attached as **Annex-I, Annex-II Annex-III & Annex-IV**, respectively, are to be notified in the official Gazette, in accordance with the Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997).
8. 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



Waseem Mukhtar
Chairman

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 September 2024

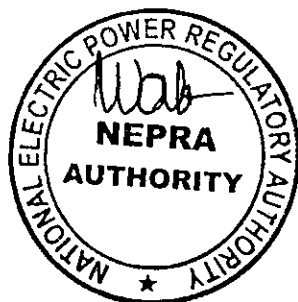
| Description | Quantity | Net CV | Coal Price | | Exchange Rate |
|----------------------------------------|----------------|--------------|---------------|---------------|---------------|
| | Ton | kCal/Kg. | US\$/Ton | Rs/Ton | Rs/US\$ |
| Coal Consumed from Stock: | | | | | |
| Awan Trading Co - Invoice No. 23240110 | 8,490 | 5,633 | 145.58 | 43,754 | 300.55 |
| Consumption from Shipment No. 202401 | 14,736 | 5,325 | 127.42 | 35,522 | 278.78 |
| Consumption from Shipment No. 202402 | 53,645 | 5,470 | 129.14 | 36,004 | 278.80 |
| Consumption from Shipment No. 202403 | 53,655 | 5,622 | 131.57 | 36,681 | 278.80 |
| Consumption from Shipment No. 202404 | 52,726 | 5,452 | 131.80 | 36,771 | 278.98 |
| Total Consumption: | 183,252 | 5,505 | 131.24 | 36,743 | 279.97 |

| Description | Unit | Reference Sep 27, 2019 | Previous | Revised |
|-------------------------------------------------------------|----------------|---------------------------|----------------|----------------|
| Avg. Price of stock consumed during the month | Rs./Ton | 9,672 | 37,483 | 36,743 |
| Avg. Net Calorific Value of stock consumed during the month | kCal/kg | 4,521 | 5,438 | 5,505 |
| Avg. Net Calorific Value of stock consumed during the month | BTU/kg | 17,942 | 21,580 | 21,846 |
| Net Heat Rates | BTU/kWh | 8,707 | 8,707 | 8,707 |
| Revised Fuel Cost Component | Rs./kWh | 4.6936 | 15.1234 | 14.6441 |

- 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 September 1, 2024 to September 30, 2024

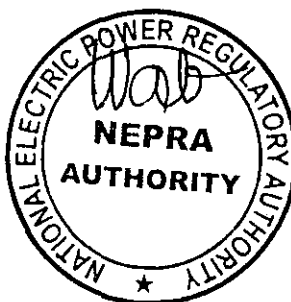
- Based on data declared by Port Qasim Electric Power Company (Private) Limited.



for

Port Qasim Electric Power Company (Private) Limited
Details of Spot Coal Purchases
For the month of September 2024

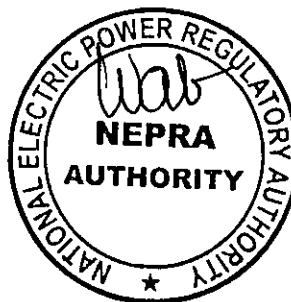
| Consignment Detail | | Awan 23240110 |
|-----------------------------------------------------|------------------|--------------------------|
| Bidding Month | | Sep-23 |
| Invoice Date | | 19-Oct-23 |
| Quantity | MT | 11,119 |
| Base Price | Rs./Ton | 42,709 |
| Base NCV | kCal/Kg | 5,500 |
| Actual NCV | kCal/Kg | 5,633 |
| CV Adjusted Price | (Rs./Ton) | 43,743 |
| Inspection Charges | Rs./Ton | 10.85 |
| Delivered Coal Price As Per Request | Rs./Ton | 43,754 |
| Adjustment against Benchmark Price of Imported Coal | Rs./Ton | - |
| Net Delivered Coal Price | Rs./Ton | 43,754 |
| Notional Exchange Rate | Rs./US\$ | 300.55 |
| Net Delivered Coal Price | US\$/Ton | 145.58 |



Q. 9

Port Qasim Electric Power Company (Private) Limited
Details of Shipments
For the Month of September 2024

| Shipment Number | Unit | 202402 | 202403 | 202404 |
|--------------------------------------------------------------------|-----------------|--------------------------|-----------------------------|-------------------|
| Vessel Name | | MV OREINTE GLORIA | MV IVS NORTH BERWICK | MV AMORGOS |
| Bill of Lading Date (B/L) | | 16-Jul-24 | 20-Jul-24 | 11-Aug-24 |
| L/C Number | | - | - | - |
| Origin | | South Africa | Mozambique | South Africa |
| API-4 Coal Price Index for the month of B/L Date | US\$/Ton | 107.86 | 107.86 | 114.73 |
| Coal Price Differential to API 4 for the month of B/L | US\$/Ton | - | - | (12.55) |
| Adjustment for Sulphur | US\$/Ton | - | (0.32) | |
| Fixed Price | US\$/Ton | 107.86 | 107.54 | 102.18 |
| Base Calorific Value | kCal/Kg | 6,000 | 6,000 | 5,500 |
| Actual Calorific Value | kCal/Kg | 5,470 | 5,622 | 5,452 |
| Quantity | MT | 53,645 | 53,655 | 52,726 |
| FOB Coal Price Index as per B/L month Adjusted for CV | US\$/Ton | 98.33 | 100.76 | 101.29 |
| Marine Freight Charges | US\$/Ton | 19.32 | 19.28 | 18.48 |
| Marine Insurance | US\$/Ton | 0.08 | 0.08 | 0.08 |
| CIF Coal Price | US\$/Ton | 117.73 | 120.12 | 119.85 |
| Handling Loss 1% of CIF Coal Price or actual whichever is minimum | US\$/Ton | - | - | - |
| CIF Coal Price with losses at Karachi | US\$/Ton | 117.73 | 120.12 | 119.85 |
| Other Charges: | US\$/Ton | 11.41 | 11.45 | 11.95 |
| (i) Port Handling Charges | US\$/Ton | 3.58 | 3.59 | 3.56 |
| (a) PQA Royalty Charges | US\$/Ton | 2.38 | 2.38 | 2.38 |
| (b) Wharfage Charges | US\$/Ton | 0.12 | 0.12 | 0.12 |
| (c) Port Disbursement Account Charges at Load Port | US\$/Ton | 0.59 | 0.59 | 0.55 |
| (d) Port Disbursement Account Charges at Discharge Port | US\$/Ton | 0.49 | 0.49 | 0.51 |
| (ii) Custom Duties & Cess | US\$/Ton | 7.72 | 7.76 | 8.29 |
| (iii) Custom Clearness Charges | US\$/Ton | 0.06 | 0.06 | 0.06 |
| (iv) Draft Survey, Sampling, Sample preparation & Analysis Charges | US\$/Ton | 0.04 | 0.04 | 0.04 |
| Delivered Coal Price at Power Plant | US\$/Ton | 129.14 | 131.57 | 131.80 |
| Average Exchange Rate for the month of B/L | Rs./US\$ | 278.80 | 278.80 | 278.98 |
| Delivered Coal Price at Power Plant | Rs./Ton | 36,004 | 36,681 | 36,771 |



Q. 7

Port Qasim Electric Power Company (Private) Limited
Marine Freight
For the Month of September 2024

| Description | Unit | MV OREINTE GLORIA | MV IVS NORTH BERWICK | MV AMORGOS |
|----------------------------|-----------------|----------------------|----------------------------|--------------|
| Loading Port Name | | Richards Bay | Maputo | Richards Bay |
| Origin | | South Africa | Mozambique | South Africa |
| Delivery Days: | | | | |
| Voyage | Days | 27.04 | 27.04 | 27.04 |
| At Port-Load | Days | 2.29 | 2.29 | 2.08 |
| At Port-Discharge | Days | 2.20 | 2.57 | 2.43 |
| Total | Days | 31.53 | 31.90 | 31.55 |
| Time Charter Rate | US\$/Day | 15,004 | 15,069 | 14,313 |
| Time Charter Cost | US\$ | 473,032 | 480,685 | 451,565 |
| Bunker Consumption: | | | | |
| Bunker during Voyage | Ton | 878.72 | 878.72 | 878.72 |
| Bunker during Port Days | Ton | 22.45 | 24.31 | 22.56 |
| Total | Ton | 901.17 | 903.03 | 901.28 |
| Bunker Price | US\$/Ton | 625.00 | 613.00 | 580.00 |
| Bunker Cost | US\$ | 563,229 | 553,555 | 522,741 |
| Total Voyage Expense | US\$ | 1,036,261 | 1,034,240 | 974,306 |
| Quantity | Tons | 53,645 | 53,655 | 52,726 |
| Marine Freight | US\$/Ton | 19.32 | 19.28 | 18.48 |



29