



Registrar

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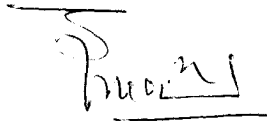
No. NEPRA/TRF-299/PQEPCPL-2015/2062-72
February 13, 2018

Mr. Zhong Haiziang
Director / Authorized representative
Port Qasim Electric Power Company (PQEPCPL)
House No. 63, Street No. 5,
F-8/3, Islamabad

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) and Marine Freight (Annex-III) (05 pages) regarding the fuel price adjustment on account of Coal price variation for the month of November 2017 in respect of Port Qasim Electric Power Company (Private) Limited.

Enclosure: As above


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(Syed Safeer Hussain)

CC:

1. Secretary Ministry of Water & Power, 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
ENERCON Building, Sector G-5/2, Islamabad.

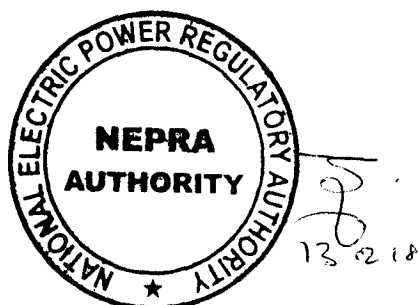
DECISION OF THE AUTHORITY IN THE MATTER OF FUEL PRICE ADJUSTMENT FOR PORT QASIM ELECTRIC POWER COMPANY (PRIVATE) LIMITED

Pursuant to the Decision of the Authority dated 13th 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 23rd September 2016 regarding Sue Moto Review Proceedings in the Fuel Price Adjustment Mechanism prescribed in Upfront Coal tariff, based on information submitted by PQEPCL, the fuel portion of the energy charge part of PQEPCL's tariff has been adjusted for variation in coal price(s). The requested coal price was found on higher side. In accordance with the prescribed mechanism, the revised coal price for each shipment has been worked out and is attached as Annexure-II to this decision. 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
November 2017	3.9788

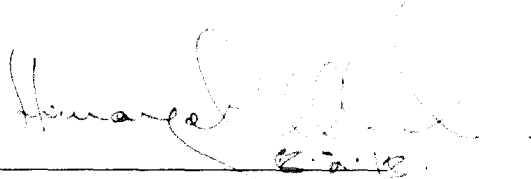
PQEPCL entered into coal supply and transportation agreement with Powerchina Resources (Singapore) Holding Pte. Ltd. (hereinafter "Fuel Supplier") for 3 years. The coal supplier is responsible for coal purchasing, transportation, handling and custom clearance of delivery of the coal and PQEPCL shall assist to provide relevant necessary documents and pay/reimburse the charges incurred with respect to these activities. The coal supplier shall submit invoice(s) summarizing all expenses along with separate invoices from original traders, shippers, insurance agencies, customs clearance agencies and other service agencies involved.

PQEPCL was required to submit invoices from the original coal traders/suppliers and shippers for verification of the FOB coal price and calculation of discount, if any and marine freight. PQEPCL submitted that the fuel supplier is not providing the invoices from the original coal traders/suppliers and shippers, therefore, they are unable to provide the same to the Authority. PQEPCL requested to process the subject request incorporating discount determined by the Authority. PQEPCL assured that for all future shipments, invoices from original coal traders/suppliers shall be provided. Accordingly, the Authority has decided to process the instant fuel cost component adjustment request incorporating a discount of US\$ 8.72/ton for shipments in August 2017 and US\$ 4.33/ton for shipments in September 2017 on the basis of discount determined in similar power project. Marine freight has also been re-calculated in accordance with the prescribed mechanism.



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(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

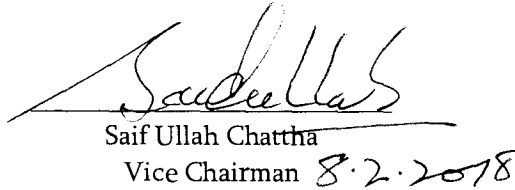
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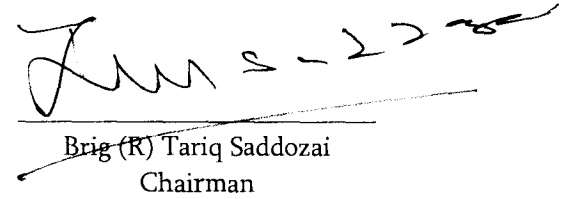
Hmayat Ullah Khan
Member



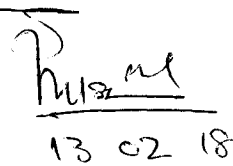
Syed Masood-ul-Hassan Naqvi
Member



Saif Ullah Chattha
Vice Chairman 8.2.2018



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	Price
	Ton	kCal/Kg.	Rs/Ton
Consumption from Shipment No. 201701	19,320.00	5,200	8,890
Consumption from Shipment No. 201702	18,924.00	5,102	8,794
Consumption from Shipment No. 201703	12,601.00	4,895	9,411
Consumption from Shipment No. 201704	49,049.00	4,249	7,874
Total consumption:	99,894.00	4,676	8,439

Description	Unit	Revised
Avg. Price of stock consumed during the month	Rs./Ton	8,439
Avg. net calorific value of stock consumed during the month	kCal/kg	4,676
Avg. net calorific value of stock consumed during the month	BTU/Kg.	18,556
Net Heat Rates	BTU/kWh	8,749
Revised Fuel cost component for November 2017	Rs./kWh	3,9788

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 Shipment

Shipment Number		201701	201702	201703	201704
Vessel Name		Friendly Seas	Sophia Z	Luisia Colossus	ILFA
Bill of Lading Date (B/L)		21-Aug-17	22-Aug-17	4-Sep-17	22-Sep-17
L/C Number		-	-	-	-
API-4 Index for the month of B/L Date		86.68	86.68	91.52	64.66
Base Calorific Value	kCal/Kg	6.000	6.000	6.000	4.600
Actual Calorific Value	kCal/Kg	5.200	5.102	4.895	4.249
Quantity	MT	52.578	50.202	50.945	52.500
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	75.12	73.71	74.67	59.73
Discount	US\$/Ton	(8.72)	(8.72)	(4.33)	(4.33)
Marine Freight Charges	US\$/Ton	10.60	11.08	11.41	12.14
Marine Insurance	US\$/Ton	0.08	0.08	0.08	0.07
CIF Coal Price	US\$/Ton	77.08	76.14	81.82	67.61
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	77.08	76.14	81.82	67.61
Other Charges:	US\$/Ton	7.20	7.23	7.39	7.04
(i) Port Handling Charges	US\$/Ton	3.71	3.78	3.70	3.94
(a) PQA Royalty Charges	US\$/Ton	2.27	2.27	2.27	2.27
(b) Wharfage	US\$/Ton	0.31	0.32	0.32	0.31
(c) Port Disbursement Account Charges at Load Port	US\$/Ton	0.46	0.48	0.47	0.58
(d) Port Disbursement Account Charges at Discharge Port	US\$/Ton	0.67	0.71	0.64	0.78
(ii) Custom Duties and CESS	US\$/Ton	3.20	3.16	3.40	2.81
(iii) Custom Clearness Charges	US\$/Ton	0.15	0.15	0.15	0.15
(iv) Draft Survey, Sampling, Sample preparation & Analysis Charges	US\$/Ton	0.14	0.14	0.14	0.14
Delivered Coal Price at Power Plant	US\$/Ton	84.28	83.37	89.21	74.64
Exchange Rate	Rs./US\$	105.48	105.48	105.49	105.49
Delivered Coal Price at Power Plant	Rs./Ton	8,889.81	8,793.86	9,411.00	7,873.87



Port Qasim Electric Power Company (Private) Limited
Marine Freight

Description	Unit	Friendly Seas	Sophia Z	Luisia Colossus	ILFA
Delivery Days:					
Voyage	Days	27.04	27.04	27.04	25.00
At Port	Days	3.665	3.545	3.583	8.474
Total	Days	30.70	30.58	30.62	33.47
Average Time Charter Rate	US\$/Day	9,145	9,145	9,698	10,450
Time Charter Cost	US\$	280,778	279,677	296,954	349,803
Bunker Consumption:					
Bunker during Voyage	Ton	878.72	878.72	878.72	812.50
Bunker during Port	Ton	18.33	17.72	17.91	42.37
MGO Consumption	Ton	3.90	3.90	3.90	3.90
Total	Ton	900.95	900.34	900.53	858.77
Bunker Price	\$/Ton	306	306	315	334
MGO Price	\$/Ton	540	540	540	540
Bunker Cost	US\$	276,602	276,418	284,097	287,633
Total Voyage Expense	US\$	557,380	556,094	581,051	637,435
Quantity Minimum	Tons	52,578	50,202	50,945	52,500
Marine Freight	\$/Ton	10.60	11.08	11.41	12.14

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



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