

NOTICE FOR PUBLIC CONSULTATION

i: REVISION IN THE OGRA NATURAL GAS (REGULATED THIRD PARTY ACCESS) RULES, 2012

ii: TARIFF REGIME FOR THE NATURAL GAS SECTOR

1. In exercise of the powers conferred by section 41 of the Oil and Gas Regulatory Authority Ordinance, 2002 OGRA, with the approval of the Federal Government, notified OGRA Natural Gas (Regulated Third Party Access) Rules 2012. Subsequently GoP suspended the various operative Rules i.e. Rule 5, 9, 10, 11, 12, 13, 15 & 16 of Rules 2012 in year 2015.
2. Currently, GoP is developing a medium to long term vision for the natural gas sector, which includes among others promoting competition in natural gas supply, moving towards a liberalized gas market. The subject Gas Sector Reforms have been initiated in collaboration with the World Bank. It has been envisaged that in the new structure of the competitive gas market in the country a new set of TPA rules is required which will apply to the all essential infrastructure facilities. Third Party Access Rules have been developed as high level principles with commercial arrangements placed in the network code. Accordingly, OGRA Natural Gas (Regulated Third Party Access) Rules 2012 and network code have been revised/prepared and placed on OGRA's website (www.ogra.org.pk).
3. Further, under Section 6, 7 & 21 of the OGRA Ordinance, 2002, OGRA has to prescribe Tariff including determination of reasonable rate of return which may be earned by Licensees in undertaking of its regulated activity pertaining to natural gas. As per existing license condition No. 5.2 of the respective licenses granted to Sui Northern Gas Pipelines Limited (SNGPL) and Sui Southern Gas Company Limited (SSGCL), the revenue requirement of gas companies comprise; cost of gas, transmission and distribution costs and return on assets @17 % (SSGCL) & 17.5 % (SNGPL). Currently, OGRA is in the process of reviewing the existing tariff regime for the natural gas sector in Pakistan view of the prevalent integrated companies, proposed unbundled structure, changing business dynamics in the local market and international best practices. Accordingly, a proposal "proposed tariff regime for natural gas sector in Pakistan" responsive to balancing the interest of all stakeholders has been developed and placed on OGRA's website.
4. All relevant stakeholders including gas utility companies /LNG Developers /licensees / general public are requested to furnish their comments in writing within fifteen days. Further, in order to make the process meaningful, stakeholders engagement sessions will be held as per following schedule, during which a brief presentation and general comments will be elicited. Interested stakeholders desirous of attending the same are cordially invited as well.

| Location | Peshawar | Lahore | Karachi | Quetta | Islamabad |
|----------|-----------------------------------|---------------------------------|-------------------------|---------------------|---------------------------|
| Date | 30.11.2017 | 04.12.2017 | 06.12.2017 | 07.12.2017 | 12.12.2017 |
| Time | 11:00 am | 09:30 am | 09:30 am | 11:00 am | 09:30 am |
| Venue | Pearl Continental Hotel, Peshawar | Pearl Continental Hotel, Lahore | Movenpick Hotel Karachi | Serena Hotel Quetta | Islamabad Hotel Islamabad |

Registrar

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