

Amendment in Third Party Access Rules
(*Introductory Remarks*)
by
Shahzad Iqbal
Executive Director (Gas)
OGRA

Outline

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Notification of TPA Rules

- i. After consultation with the stakeholders the rules i.e. OGRA Natural Gas (Regulated Third Party Access) Rules, 2012, were notified.
- ii. The said Rules aim at establishing industry wide transparent and uniform principles for allowing entities to gain access to the Natural Gas Transmission and Distribution Pipeline networks.
- iii. The said Rules aim to promote the development of a competitive gas market.

Reasons for Review

1. GoP on the advice of the gas companies suspended the various operative Rules (Rule 5, 9, 10, 11, 12, 13, 15 & 16) to provide an interim arrangements to facilitate RLNG transactions, in 2015
2. Under this scenarios the GTA was still to be approved by OGRA.

Review of TPA Rules

1. Different companies / stakeholders approached OGRA stating therein certain issues which are not properly addressed in TPA Rules and therefore rules require review.
2. World Bank / IMF also pointed out that OGRA TPA Rules 2012 are more LNG specific and needs to be made generic particularly w.r.t indigenous natural gas shippers.
3. Some of the issues which needs review may include but not limited to, applicability of the requirement of furnishing exorbitant amount of performance guarantee to OGRA, BTU equivalence issue and UFG loss sharing etc.
4. OGRA hired services of a consultant for review of TPA Rules.
5. The proposed amendments finalized by Consultant after incorporating input of all the stakeholders were forwarded to the Federal Govt. for approval and notification in the official gazette.

Gas Sector Reforms

- Ministry of Energy in the meantime initiated Gas Sector Reforms with prime focus on an un-bundling of the two gas utility companies, in collaboration with the World Bank.
- Ministry of Energy formulated working groups for preparation of revised TPA Rules and tariff regime.
- In this regard various meeting has been held between World Bank, Consultants, OGRA's officers and sui companies representatives.

Gas Sector Reforms-Proposal

- i. **TPA Rules may be segregated into (i)TPA Rules (ii) NWC (iii)Tariff Rules(iv)Gas transporters licence**
- ii. First Come First served basis be preferred for Pakistan and the detail of the approach need not be enshrined in TPA Rules.
- iii. Regulatory Authority should not be involved in allocating capacity in the network since this is a commercial transaction and may only be involved if dispute arises.
- iv. The transporters shall prepare the Network Code and submit it to the Authority for approval which may be granted by the Authority after necessary consultation with the interested parties.

Format

- Mr. Muneeb Zia, Legal expert will moderate further on TPA Rules and NWC.
- All relevant stakeholders who are interested to give their input may register with Registrar OGRA.

Q & A