

No. OGRA-10-11(8)/2018

February 08, 2019

Managing Director
Pakistan State Oil Limited,
PSO House, Khayaban-e-Iqbal,
Clifton, Karachi.

Managing Director
Pakistan LNG Limited,
Petroleum House, G-5,
Islamabad.

Subject: Determination of Re-gasified Liquefied Natural Gas (RLNG) Weighted Average Sale Provisional Price for the Month of February 2019.

Dear Sir,

Reference emails of PLL and PSO dated February 02, 2018 & February 06, 2019 on the above subject.

2. In accordance with the Federal Government decision regarding "RLNG Allocation, Pricing and Associated Matters" and advice from Ministry of Energy regarding weighted average sale price dated January 22, 2018, RLNG Weighted Average Sale prices for the month of February, 2019 has been computed attached as Annexure- A and Annexure- B.

Best Regards,



Dr. Abdul Basit Qureshi
(Dr. Abdul Basit Qureshi)
Registrar
For and behalf of Authority

o/c

- Cc to: 1. Managing Director, SSGCL, St-4-B, Block 14, Sir Shah Suleman Road, Gulshan-e-Iqbal, Karachi.
2. Managing Director, SNGPL, 21-Kashmir Road, Gas House, Lahore.

Computation of RLNG Provisional Price for the month of February, 2019

Particulars	Unit	SNGPL (February-2019)			
		Transmission		Distribution	
		PSO	PLL	PSO	PLL
No. of Cargos		6	3	6	3
Quantity Received		19,200,000	9,600,000	19,200,000	9,600,000
Retainage (PSO @0.75% & PLL 0.67%)		144,000	64,320	144,000	64,320
Quantity Delivered at Terminal		19,056,000	9,535,680	19,056,000	9,535,680
Transmission Loss: 0.19%		36,206	18,118	-	-
T & D Loss: 8.07%				1,537,819	769,529
Total Loss including Retainage		180,206	82,438	1,681,819	833,849
%age Losses		0.94%	0.86%	8.76%	8.69%
Quantity available for Sale		19,019,794	9,517,562	17,518,181	8,766,151
LNG Price (DES)		8.2854	8.6558	8.2854	8.6558
PSO/ PLL other imports related actual costs		0.1259	0.1322	0.1259	0.1322
PSO / PLL margin		0.2071	0.2164	0.2071	0.2164
Terminal Charges		0.4012	0.6959	0.4012	0.6959
RLNG Cost		9.0196	9.7003	9.0196	9.7003
Retainage volume adjustment		0.0682	0.0654	0.0682	0.0654
T & D volume adjustment		0.0173	0.0186	0.7977	0.8573
LSA management fee (SSGC/PLTL)		0.0250	0.0250	0.0250	0.0250
Cost of supply		0.4428	0.4428	0.4428	0.4428
Total RLNG price without GST		9.5729	10.2521	10.3533	11.0908
Quantity available for Sale	MMBTU	19,019,794	9,517,562	17,518,181	8,766,151
Total cost of RLNG	US \$/MMBTU	182,074,582	97,575,000	181,370,981	97,223,623
sum of Total RLNG cost (PSO & PLL)	US \$/MMBTU	279,649,582		278,594,605	
sum of quantity available for sale (PSO& PLL)	MMBTU	28,537,356		26,284,331	
Weighted Average Sale Price without GST	US \$/MMBTU	9.7994		10.5993	

Notes:

i. Calculation of LNG DES Price	PSO	PLL	PLL	PLL
Cargoes	6	1	1	1
Quantity (No. MMBTU)	19,200,000	3,200,000	3,200,000	3,200,000
Brice_m3 November, 2018	65.9832	65.9832	65.9832	65.9832
Brice_m2 December, 2018	57.7250	57.7250	57.7250	57.7250
Brice_m1 January, 2019	60.1932	60.1932	60.1932	60.1932
Brent_m	61.3005	61.3005	61.3005	61.3005
Slope	13.37%	15.7777%	11.6247%	14.7900%
CP = Slope x Brent_m	8.1959	9.6718	7.1260	9.0663
Average DES		8.6214		
Port Charges (in the excess of limit borne by LNG supplier)	0.0895	0.0344		
DES Price	8.2854	8.6558		

- ii. Average cost of supply for has been taken on provisional basis as per DERR-2018-19.
- iii. Weighted Average Sale Price has been worked out in light of the advice of the Ministry of Energy
- iv. Retainage incase of PLL has been taken at 0.67% and in respect of PSO, it has been determined at 0.75%. Retainage has been taken on provisional basis subject to final outcome of the audit.
- v. The above prices have been computed on the basis of data provided by M/s PSO & M/s PLL. The parties (SNGPL, SSGCL, PSO & PLL) shall scrutinize the same on the basis of evidences before making payments as per their mutual agreements.

Computation of RLNG Provisional Price for the month of February, 2019

		SSGC (February-19)			
		Transmission		Distribution	
		PSO	PLL	PSO	PLL
No. of Cargos		6	3	6	3
Quantity Received		19,200,000	9,600,000	19,200,000	9,600,000
Retainage (PSO @0.75% & PLL 0.67%)		144,000	64,320	144,000	64,320
Quantity Delivered at Terminal		19,056,000	9,535,680	19,056,000	9,535,680
Transmission Loss: -0.74%		(141,014)	(70,564)	-	-
T & D Loss: 13.29%		-	-	2,532,542	1,267,292
Total Loss including Retainage		2,986	(6,244)	2,676,542	1,331,612
%age Losses		0.02%	-0.07%	13.94%	13.87%
Quantity available for Sale		19,197,014	9,606,244	16,523,458	8,268,388
LNG Price (DES)		8.2854	8.6558	8.2854	8.6558
PSO/ PLL other imports related actual costs		0.1259	0.1322	0.1259	0.1322
PSO / PLL margin		0.2071	0.2164	0.2071	0.2164
Terminal Charges		0.4012	0.6959	0.4012	0.6959
RLNG Cost		9.0196	9.7003	9.0196	9.7003
Retainage volume adjustment		0.0682	0.0654	0.0682	0.0654
T & D volume adjustment		(0.0668)	(0.0717)	1.3928	1.4968
LSA management fee		0.0250	0.0250	0.0250	0.0250
Cost of supply		0.1398	0.1398	0.1398	0.1398
Total RLNG price without GST		9.1858	9.8588	10.6454	11.4273
Quantity available for Sale	MMBTU	19,197,014	9,606,244	16,523,458	8,268,388
Total cost of RLNG	US \$/MMBTU	176,339,935	94,706,039	175,898,816	94,485,352
sum of Total RLNG cost (PSO & PLL)	US \$/MMBTU	271,045,974		270,384,167	
sum of quantity available for sale (PSO & PLL)	MMBTU	28,803,258		24,791,846	
Weighted Average Sale Price without GST	US \$/MMBTU	9.4103		10.9062	

Notes:

i. <u>Calculation of LNG DES Price</u>	PSO	PLL	PLL	PLL
Cargoes	6	1	1	1
Quantity (No. MMBTU)	19,200,000	3,200,000	3,200,000	3,200,000
Brice_m3 November, 2018	65.9832	65.9832	65.9832	65.9832
Brice_m2 December, 2018	57.7250	57.7250	57.7250	57.7250
Brice_m1 January, 2019	60.1932	60.1932	60.1932	60.1932
Brent_m	61.3005	61.3005	61.3005	61.3005
Slope	13.37%	15.7777%	11.6247%	14.7900%
CP = Slope x Brent_m	8.1959	9.6718	7.1260	9.0663
Average DES			8.6214	
Port Charges (in the excess of limit borne by LNG supplier)	0.1051		0.0344	
DES Price	8.3010		8.6558	

- ii. Average cost of supply for has been taken on provisional basis as per DERR-2018-19.
- iii. Weighted Average Sale Price has been worked out in light of the advice of the Ministry of Energy
- iv. Retainage incase of PLL has been taken at 0.67% and in respect of PSO, it has been determined at 0.75%. Retainage has been taken on provisional basis subject to final outcome of the audit.
- v. The above prices have been computed on the basis of data provided by M/s PSO & M/s PLL. The parties (SNGPL, SSGCL, PSO & PLL) shall scrutinize the same on the basis of evidences before making payments as per their mutual agreements.