

NOTICE OF PUBLIC HEARING

Petition Filed by Sui Southern Gas Company Limited for Determination of its Estimated Revenue Requirement/ Prescribed Prices for F.Y. 2019-20

Sui Southern Gas Company Limited (the Petitioner) filed a petition before the Authority under Section 8 (1) of the Oil and Gas Regulatory Authority Ordinance, 2002, read with Rule 4 (2) of the Natural Gas Tariff Rules, 2002, on November 30, 2018 for Determination of its Estimated Revenue Requirements / prescribed prices for FY 2019-20. The Petitioner has requested the Authority to approve a price increase of Rs.106.54 per MMBTU w.e.f. 1st July, 2019 in its tariff for F.Y. 2019-20.

The revenue requirement of the Petitioner will enable it to meet cost of gas, operating cost and return on assets. The cost of gas is linked to the international price of crude oil / fuel oil in accordance with the agreements between the Federal Government and the gas producers.

The breakup of the current and projected prescribed prices is provided below:

| PARTICULARS | Rs./MMBTU Estimates Related to Natural Gas For F.Y. 2019-20 |
|--|--|
| Volume (BBTU) | 356,872 |
| Cost of Gas | 641.92 |
| Operating Cost | 64.58 |
| Depreciation | 16.88 |
| Return on Assets | 22.16 |
| Subsidy for LPG Air-Mix Projects | 5.43 |
| UFG adjustment | (2.10) |
| UFG Adjustment on RLNG volume handled basis (ring fence) | (24.72) |
| Staggering of Financial Impact A/c of SHC Order | (10.29) |
| Other Operating Income | (15.64) |
| Average Prescribed Price | 698.21 |
| Current Average Prescribed Price | 591.67 |
| Increase in Average Prescribed Price | 106.54 |

Besides above, the petitioner has estimated tariff related to our LNG customers at Rs. 32.60/MMBTU.

In view of above petition, OGRA invites all consumers, interveners, general public and interested / affected persons and parties to furnish their comments / interventions / views, if any, on the petition filed by the petitioner, within 14 days from the date of publication of this notice. The intervention request be addressed to the Registrar, OGRA, must contain the name and address of the intervener and be accompanied by an affidavit verifying the contents of the intervention and intervention fee of Rs. 500/- (demand draft in favour of Oil & Gas Regulatory Authority, payable at Islamabad). In case of a person representing any organization/agency/body, he must file an authority letter of the same.

Copy of the petition can be downloaded from OGRA's official website: www.ogra.org.pk or can be obtained on payment of prescribed charges of Rs. 2/- per page from the office of Registrar, OGRA, Islamabad. For any information from the petitioner, please contact:

Syed Fasihuddin Fawad,

Acting Senior General Manager (Finance),

Sui Southern Gas Company Limited, ST 4/B, Block 14, Sir Shah Suleman Road,

Gulshan-e-Iqbal, P.O.Box17989, **KARACHI**. Phone No.: 021-99231616, Fax: 021-99021398

In addition to above, OGRA has also decided to hold a Public Hearings in the subject case according to the date, time and venue mentioned below:

- Public Hearing at Karachi**
Date : April 08, 2019 (Monday)
Time : 10:00 a.m.
Venue : Pearl Continental Hotel, Karachi
- Public Hearing at Quetta**
Date : April 10, 2019 (Wednesday)
Time : 10:00 a.m.
Venue : Serena Hotel, Quetta

All parties to the proceedings, stakeholders, general public and interested / affected persons are hereby informed and requested to attend the public hearing.

Registrar
Oil & Gas Regulatory Authority
54-B Fazal-e-Haq Road, Blue Area, Islamabad.
Phone: 051-9244296, 051-9244090-98 (Ext-157), Fax: 051-9244042
Website: www.ogra.org.pk