

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

August 3, 2018

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 Price for the Month of August 2018.

Dear Sir,

Reference emails of PSO dated August 01, 2018 and PLL dated August 02, 2018 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 August, 2018 has been computed attached as Annexure- A and Annexure- B.

Regards,

Yours truly,


(Abdul Basit Qureshi)
Registrar

- 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 August, 2018

Particulars	Unit	SNGPL (August-2018)			
		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	MMBTU	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)		10.2562	9.4998	10.2562	9.4998
PSO/ PLL other imports related actual costs		0.2859	0.1466	0.2859	0.1466
PSO / PLL margin		0.2564	0.2375	0.2564	0.2375
Terminal Charges		0.4400	0.7925	0.4400	0.7925
RLNG Cost		11.2385	10.6764	11.2385	10.6764
Retainage volume adjustment	US \$/MMBTU	0.0849	0.0720	0.0849	0.0720
T & D volume adjustment		0.0216	0.0205	0.9940	0.9436
LSA management fee (SSGC/PLTL)		0.0250	0.0250	0.0250	0.0250
Cost of supply		0.4930	0.4930	0.4930	0.4930
Total RLNG price without GST		11.8630	11.2869	12.8354	12.2100
Quantity available for Sale	MMBTU	19,019,794	9,517,562	17,518,181	8,766,151
Total cost of RLNG	US \$/MMBTU	225,631,811	107,424,104	224,852,858	107,035,004
sum of Total RLNG cost (PSO & PLL)	US \$/MMBTU	333,055,915		331,887,862	
sum of quantity available for sale (PSO& PLL)	MMBTU	28,537,356		26,284,331	
Weighted Average Sale Price without GST	US \$/MMBTU	11.6709		12.6268	

Notes:

i. Calculation of LNG DES Price	PSO	PLL		
Cargoes	6	1	1	1
Quantity (No. MMBTU)	19,200,000	3,200,000	3,200,000	3,200,000
Brice_m3 May, 2018	77.0052	77.0052	77.0052	77.0052
Brice_m2 June, 2018	75.9314	75.9314	75.9314	75.9314
Brice_m1 July, 2018	74.9500	74.9500	74.9500	74.9500
Brent_m	75.9622	75.9622	75.9622	75.9622
Slope	13.37%	11.7323%	11.6247%	13.9799%
CP = Slope x Brent_m	10.1561	8.9121	8.8304	10.6194
Average DES of PLL		9.4540		
Port Charges (in the excess of limit borne by LNG supplier)	0.1001	0.04580		
Total DES	10.2562	9.4998		

- 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 August, 2018

		SSGC (August-18)			
		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)		10.2562	9.4998	10.2562	9.4998
PSO/ PLL other imports related actual costs		0.2859	0.1466	0.2859	0.1466
PSO / PLL margin		0.2564	0.2375	0.2564	0.2375
Terminal Charges		0.4400	0.7925	0.4400	0.7925
RLNG Cost		11.2385	10.6764	11.2385	10.6764
Retainage volume adjustment		0.0849	0.0720	0.0849	0.0720
T & D volume adjustment		(0.0832)	(0.0789)	1.7356	1.6474
LSA management fee		0.0250	0.0250	0.0250	0.0250
Cost of supply		0.1557	0.1557	0.1557	0.1557
Total RLNG price without GST		11.4209	10.8502	13.2397	12.5765
Quantity available for Sale	MMBTU	19,197,014	9,606,244	16,523,458	8,268,388
Total cost of RLNG	US \$/MMBTU	219,247,182	104,229,785	218,765,622	103,987,484
sum of Total RLNG cost (PSO & PLL)	US \$/MMBTU	323,476,967		322,753,105	
sum of quantity available for sale (PSO & PLL)	MMBTU	28,803,258		24,791,846	
Weighted Average Sale Price without GST	US \$/MMBTU	11.2306		13.0185	

Notes:

i. Calculation of LNG DES Price	PSO	PLL		
Cargoes	6	1	1	1
Quantity (No. MMBTU)	19,200,000	3,200,000	3,200,000	3,200,000
Brice_m3 May, 2018	77.0052	77.0052	77.0052	77.0052
Brice_m2 June, 2018	75.9314	75.9314	75.9314	75.9314
Brice_m1 July, 2018	74.9500	74.9500	74.9500	74.9500
Brent_m	75.9622	75.9622	75.9622	75.9622
Slope	13.37%	11.7323%	11.6247%	13.9799%
CP = Slope x Brent_m	10.1561	8.9121	8.8304	10.6194
Average DES of PLL		9.45397		
Port Charges (in the excess of limit borne by LNG supplier)	0.1001	0.04580		
Total DES	10.2562	9.4998		

- 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.