

No. OGRA-10-11(8)/2020

July 2020

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 July 2020.

Dear Sir,

Reference emails of PLL and PSO 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 July, 2020 has been computed as attached at Annexure- A and Annexure- B.

Best Regards,


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

- 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.

SNGPL

COMPUTATION OF PROVISIONAL WEIGHTED AVERAGE RLNG PRICE FOR SNGPL JULY 2020: Annex: A

| Particulars | Unit | (SNGPL JULY 2020) | | | |
|--|-------------|-------------------|------------|--------------|------------|
| | | 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 @ 0.66 and PLL @ 0.87 | | 126,720 | 83,494 | 126,720 | 83,494 |
| Quantity Delivered at Terminal | | 19,073,280 | 9,516,506 | 19,073,280 | 9,516,506 |
| Transmission Loss/(Gain): (SNGPL 0.38%) & (SSGCL -1.27%) | | 72,478 | 36,163 | | |
| T & D Loss: (SNGPL 10.67%) & (SSGCL 17.11%) | | | | | |
| Total Loss including Retainage | | 199,198 | 119,657 | 2,035,119 | 1,015,411 |
| %age Losses | | 1.04% | 1.25% | 2,161,839 | 1,098,905 |
| Quantity available for Sale | | 19,000,802 | 9,480,343 | 11.26% | 11.45% |
| LNG Price (DES) | | 4.5549 | 3.9600 | 17,038,161 | 8,501,095 |
| PSO/ PLL other imports related actual costs | | 0.3763 | 0.3339 | 4.5549 | 3.9600 |
| PSO / PLL margin (@ 2.50%) | | 0.1139 | 0.0990 | 0.3763 | 0.3339 |
| Terminal Charges | | 0.4125 | 0.7692 | 0.1139 | 0.0990 |
| RLNG Cost | | 5.4575 | 5.1621 | 0.4125 | 0.7692 |
| Retainage volume adjustment | | 0.0363 | 0.0453 | 5.4575 | 5.1621 |
| T & D volume adjustment | | 0.0209 | 0.0199 | 0.0363 | 0.0453 |
| LSA management fee (SSGC/PLTL) | | 0.0250 | 0.0250 | 0.6562 | 0.6220 |
| Cost of supply -SNGPL | | 0.2745 | 0.2745 | 0.0250 | 0.0250 |
| Cost of supply -SSGCL | | 0.1322 | 0.1322 | 0.2745 | 0.2745 |
| Total RLNG price without GST | | 5.9464 | 5.6590 | 0.1322 | 0.1322 |
| Quantity available for Sale | MMBTU | 19,000,802 | 9,480,343 | 6.5817 | 6.2611 |
| Total cost of RLNG | US \$ | 112,987,221 | 53,649,390 | 17,038,161 | 8,501,095 |
| sum of Total RLNG cost (PSO & PLL) | US \$ | 166,636,611 | | 112,140,831 | 53,226,319 |
| sum of quantity available for sale (PSO & PLL) | MMBTU | 28,481,145 | | 165,367,150 | |
| Weighted Average Sale Price without GST | US \$/MMBTU | 5.8508 | | 25,539,256 | |
| | | | | 6.4750 | |

Notes:

| i. Calculation of LNG DES Price | PSO | | | PLL | | |
|---|------------|-----------|-----------|------------|-----------|-----------|
| | 6 | 2 | 1 | 6 | 2 | 1 |
| No. of Cargoes | 6 | 2 | 1 | 6 | 2 | 1 |
| Quantity (No. MMBTU) | 19,200,000 | 6,400,000 | 3,200,000 | 19,200,000 | 6,400,000 | 3,200,000 |
| Bricem-April-20 | 26.6890 | 26.6890 | 26.6890 | 26.6890 | 26.6890 | 26.6890 |
| Bricem-May-20 | 32.5314 | 32.5314 | 32.5314 | 32.5314 | 32.5314 | 32.5314 |
| Bricem-June-20 | 40.7782 | 40.7782 | 40.7782 | 40.7782 | 40.7782 | 40.7782 |
| Brent_m | 33.3329 | 33.3329 | 33.3329 | 33.3329 | 33.3329 | 33.3329 |
| Slope | 13.3700% | 11.6247% | 11.9500% | 13.3700% | 11.6247% | 11.9500% |
| CP = Slope x Brent_m | 4.4566 | 3.8748 | 3.9833 | 4.4566 | 3.8748 | 3.9833 |
| Average DES | 4.4566 | 3.9110 | | 4.4566 | 3.9110 | |
| Port Charges (In the excess of limit borne by LNG supplier) | 0.0983 | 0.0490 | | 0.0983 | 0.0490 | |
| DES Price | 4.5549 | 3.9600 | | 4.5549 | 3.9600 | |

- ii. Weighted Average Sale Price has been worked out in light of the advice of the Ministry of Energy.
- iii. Retainage & UFG is provisional. UFG is taken from SNGPL FRR FY 2018-19. The same shall be finalized upon the actual results, as per ECC policy guidelines. Moreover the matter is subjudice in the Lahore High Court and will be reviewed and finalized accordingly, in the light of Court Decision.
- iv. Average cost of supply has been taken on provisional basis as per DERR-2019-20.
- 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.

SSGCL

COMPUTATION OF PROVISIONAL WEIGHTED AVERAGE RLNG PRICE FOR SSGC: JULY 2020 Annex: B

| Particulars | Unit | (SSGC JULY 2020) | | | |
|--|---------------|------------------|------------|--------------|------------|
| | | 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 @ 0.66 and PLL @ 0.87 | | | | | |
| Quantity Delivered at Terminal | MMBTU | 126,720 | 83,494 | 126,720 | 83,494 |
| Transmission Loss/(Gain): (SNGPL 0.38%) & (SSGCL -1.27%) | | 19,073,280 | 9,516,506 | 19,073,280 | 9,516,506 |
| T & D Loss: (SNGPL 10.67%) & (SSGCL 17.11%) | | (242,231) | (120,860) | | |
| Total Loss including Retainage | | | - | 3,263,438 | 1,628,274 |
| %age Losses | | (115,511) | (37,366) | 3,390,158 | 1,711,768 |
| Quantity available for Sale | | -0.60% | -0.39% | 17.66% | 17.83% |
| LNG Price (DES) | | 19,315,511 | 9,637,366 | 15,809,842 | 7,888,232 |
| PSO/ PLL other imports related actual costs | | 4.5549 | 3.9600 | 4.5549 | 3.9600 |
| PSO / PLL margin (@ 2.50%) | | 0.3763 | 0.3339 | 0.3763 | 0.3339 |
| Terminal Charges | | 0.1139 | 0.0990 | 0.1139 | 0.0990 |
| RLNG Cost | | 0.4125 | 0.7692 | 0.4125 | 0.7692 |
| Retainage volume adjustment | | 5.4575 | 5.1621 | 5.4575 | 5.1621 |
| T & D volume adjustment | US \$ /MMBTU | 0.0363 | 0.0453 | 0.0363 | 0.0453 |
| LSA management fee (SSGC/PLTL) | | (0.0689) | (0.0653) | 1.1340 | 1.0749 |
| Cost of supply -SNGPL | | 0.0250 | 0.0250 | 0.0250 | 0.0250 |
| Cost of supply -SSGCL | | | | | |
| Total RLNG price without GST | | 0.1322 | 0.1322 | 0.1322 | 0.1322 |
| Quantity available for Sale | | 5.5821 | 5.2993 | 6.7850 | 6.4395 |
| Total cost of RLNG | MMBTU | 19,315,511 | 9,637,366 | 15,809,842 | 7,888,232 |
| sum of Total RLNG cost (PSO & PLL) | US \$ | 107,821,112 | 51,071,421 | 107,269,777 | 50,796,375 |
| sum of quantity available for sale (PSO & PLL) | US \$ | 158,892,533 | | 158,066,152 | |
| | MMBTU | 28,952,876 | | 23,698,074 | |
| Weighted Average Sale Price without GST | US \$ / MMBTU | 5.4880 | | 6.6700 | |

Notes:

| i. Calculation of LNG DES Price | PSO | | PLL | |
|---|------------|-----------|-----------|---|
| | 6 | 2 | 1 | 1 |
| No. of Cargoes | 6 | 2 | 1 | 1 |
| Quantity (No. MMBTU) | 19,200,000 | 6,400,000 | 3,200,000 | |
| Bricem-April-20 | 26.6890 | 26.6890 | 26.6890 | |
| Bricem-May-20 | 32.5314 | 32.5314 | 32.5314 | |
| Bricem-June-20 | 40.7782 | 40.7782 | 40.7782 | |
| Brent_m | 33.3329 | 33.3329 | 33.3329 | |
| Slope | 13.3700% | 11.6247% | 11.9500% | |
| CP = Slope x Brent_m | 4.4566 | 3.8748 | 3.9833 | |
| Average DES | 4.4566 | 3.9110 | | |
| Port Charges (in the excess of limit borne by LNG supplier) | 0.0983 | 0.0490 | | |
| DES Price | 4.5549 | 3.9600 | | |

- ii. Weighted Average Sale Price has been worked out in light of the advice of the Ministry of Energy.
- iii. Retainage & UFG is provisional. UFG is taken from SSGCL FRR FY 2017-18. The same shall be finalized upon the actual results, as per ECC policy guidelines. Moreover the matter is subjudice in the Lahore High Court and will be reviewed and finalized accordingly, in the light of Court Decision.
- iv. Average cost of supply has been taken on provisional basis as per DERR-2019-20.
- 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.

By