

PUBLIC NOTICE

Petition Filed by Sui Southern Gas Company Limited for Determination of its Estimated Revenue Requirement/Prescribed Prices for F.Y. 2021-22

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 January 13, 2021 for Determination of its Estimated Revenue Requirements / prescribed prices for FY 2021-22. Subsequently, the Petitioner filed an amended petition on February 19, 2021 segregating Revenue Requirement petition in terms of activities i.e. Transmission, Distribution & Sales. Accordingly, activity-wise shortfall in respect of Revenue Requirement of indigenous gas is tabulated below:

PARTICULARS	Rs. In Million		
	Transmission Activities	Distribution & Sales Activities	Total
Sales Volume (MMBTU)	-	318,783	318,783
Cost of Gas	-	224,152	224,152
Operating Cost	4,962	20,633	25,595
Depreciation	1,327	6,377	7,704
Return on Assets	2,714	5,742	8,456
Subsidy for LPG Air-Mix Projects	-	944	944
UFG adjustment on RLNG volume handled basis (ring fence)	-	(10,192)	(10,192)
Other Operating Income	(1,179)	(3,884)	(5,062)
Total Revenue Requirement	7,825	243,771	251,596
Sale Revenue at current Prescribed Price	-	216,602	216,602
Total Shortfall in Revenue Requirement	7,825	27,169	34,994
Increase in Revenue Requirement w.e.f 1st July, 2021 (Rs./MMBTU)	-	-	109.78

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.

Besides above, the petitioner has estimated RLNG cost of service at Rs.16,715 million or Rs.43.38/MMBTU w.e.f. July 01, 2021. Moreover, the exclusive rights held by the petitioner in its franchise areas i.e. Sindh and Balochistan has expired as per the respective license, however the petitioner has projected Rs.1044 million for laying of 278 km distribution mains to connect various new towns and villages.

Oil & Gas Regulatory Authority invites all the interested / affected persons including gas consumers and general public to furnish their comments, suggestions and intervention requests, within 14 days from the date of publication of this notice in terms of Rule 7 of the Natural Gas Tariff Rules, 2002. All correspondence in this connection may be addressed to Registrar, OGRA and should contain the names and addresses of applicant.

All interveners must indicate the manner in which they are likely to be affected by determination of the Authority in this case. Intervention request should be accompanied by an affidavit verifying the contents of the intervention, intervention fee of Rs.500/- demand draft in favour of OGRA (payable at Islamabad) alongwith authority letter if representing any organization.

Copy of the petition can be obtained on payment of prescribed charges of Rs.2/- per page from the office of Registrar, OGRA, Islamabad. For any information required from the Petitioner, please contact:

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Registrar
Oil & Gas Regulatory Authority
54-B Fazal-e-Haq Road, Blue Area, Islamabad.
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