

PUBLIC NOTICE

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

Sui Northern Gas Pipelines Limited (the Petitioner) filed a petition before the Authority on December 31, 2020 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, for Determination of its Estimated Revenue Requirements / prescribed prices for FY 2021-22. Subsequently, the Petitioner filed a revised petition for Determination of its Estimated Revenue Requirements / prescribed prices for FY 2021-22 on March 1, 2021. The Petitioner has projected an increase of Rs.1,415.91 per MMBTU including previous years' shortfall Rs.669.75 per MMBTU for F.Y. 2021-22 in normal business. Cost of RLNG diverted towards domestic sector has also been claimed at Rs.27,940 million as part of cost of gas.

The breakup of projected prescribed price in respect of natural gas is provided below:

| PARTICULARS | The Estimates for F.Y. 2021 -22 as per the Petition | | |
|---|---|-----------------------------|------------------------------------|
| | Transmission | Transmission & Distribution | Transmission, Distribution & Sales |
| Rs. in Million | | | |
| Sales Volume (MMBTU) | - | - | 379,409 |
| Cost of Gas | - | - | 191,172 |
| Operating Cost | 6,558 | 15,754 | 61,427 |
| Depreciation | 5,205 | 24,502 | 24,873 |
| Return on Assets | 2,982 | 25,151 | 25,212 |
| Subsidy for LPG Air -Mix Projects | - | 167 | 167 |
| UFG Adjustment | - | - | (750) |
| Other Operating Income | (280) | (3,660) | (19,002) |
| Total Revenue Requirement | 14,465 | 61,914 | 283,099 |
| Sales Revenue at Current Prescribed Price | - | - | 211,900 |
| Total Shortfall in Revenue Requirement | 14,465 | 61,914 | 71,199 |
| Previous year Revenue Shortfall | - | - | 254,108 |
| Increase in Revenue Requirement Rs./MMBTU w.e.f. July 01, 2021 | - | - | 857.40 |

Besides above, the Petitioner has projected increase at Rs.137.47 per MMBTU w.e.f July 01, 2021 to cost of service for RLNG business for F.Y. 2021-22. Moreover, the exclusive rights held by the petitioner in its franchise areas i.e. Punjab & Khyber Pakhtoonkhawa have expired as per its license, however the petitioner has projected Rs.42,093 million for laying of 11,500 km distribution mains to connect various new towns and villages.

Oil & Gas Regulatory Authority invites all 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) and authority letter if representing an 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:

Mr. Kamran Akram,
General Manager (RA),
Sui Northern Gas Pipelines Limited, 21-Kashmir Road
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Registrar,
Oil & Gas Regulatory Authority
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