

# OGRA — NEWS BRIEF

A daily news brief brought to you by Corporate and Media Affairs Department

**April 9, 2021**

## **SAPM visits Ogra head office**

ISLAMABAD: Special Assistant to the Prime Minister (SAPM) on Petroleum Tabish Gauhar visited the Oil and Gas Regulatory Authority (OGRA) head office and met the Chairman, authority members, and the senior management.

While speaking to the senior management, the SAPM emphasized on the collaboration of a policy maker and the regulator for the implementation of fair and transparent regulatory framework, which will not only facilitate the regulatees but also bring in efficiency, productivity, and competitiveness, within the oil and gas sector.

The SAPM categorically pointed out that a regulator should work according to its mandate and take decisions independently.

The Chairman OGRA, Masroor Khan, assured the SAPM that the OGRA will operate within its laid down regulatory framework with utmost efficiency, transparency, specially enforcing “ease on doing business”, while watching the consumer interest.

<https://www.brecorder.com/news/40082658>

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## **SAPM tells OGRA to take decisions ‘independently’ as per its mandate**

Special Assistant to the Prime Minister (SAPM) on Petroleum Tabish Gauhar Thursday visited the Head Office of Oil and Gas Regulatory Authority (OGRA) and discussed professional matters with its chairman, members and management.

During the meeting, the SAPM emphasized that “a regulator should work according to its mandate and take decisions independently,” a news release said.

Speaking to the senior management, he highlighted the importance of effective collaboration between ‘a policymaker and the regulator’ for implementation of a fair and transparent regulatory framework. “It will not only facilitate the regulatees but also bring in efficiency, productivity and competitiveness within the oil and gas sector.”

OGRA Chairman Masroor Khan assured the SAPM that the authority would operate within its laid down regulatory framework with utmost efficiency and transparency, especially enforcing the government’s ease-of-doing-business plan, keeping in view the consumers’ interest.

The authority members also thanked the SAPM for his inspiring thoughts.

<https://dailytimes.com.pk/743531/sapm-tells-ogra-to-take-decisions-independently-as-per-its-mandate/>

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## **Motor gasoline transportation: ECC asks Ogra to revise MFM, KMK tariffs**

ISLAMABAD: The Economic Coordination Committee (ECC) of the Cabinet has directed Oil and Gas Regulatory Authority (Ogra) to revise tariffs of Mahmoodkot-Faisalabad- Machike (MFM) and Karachi Mehmoodkot (KMK) for motor gasoline transportation, official sources told Business Recorder. Sharing details, sources said Pak-Arab Refinery Limited (PARCO) was incorporated in 1974, which is 60:40 joint venture between the Government of Pakistan and the Emirate of Abu Dhabi. The company has grown with the passage of time through its major development/infrastructure projects including a 120,000 BPD refinery, a cross-country pipeline network of 2,000 KM, oil marketing with Total of France, largest LPG marketing company in Pakistan and a substantial network of oil storages in the country.

In 1986, a Memorandum of Understanding (MoU) was signed between the Government of Pakistan and Abu Dhabi, which proposed to undertake a joint refinery project at Multan comprising a crude oil pipeline from Karachi to the refinery. Subsequently, PARCO refinery was commissioned in 2000. The MoU provided the basis for tariff determination relating to Karachi-Mehmoodkot (KMK) crude oil pipeline linked with 85% of the prevalent railway tariff, in force adjustable.

Currently, entire up-country demand of diesel is being transported from Karachi to Sheikhpura through PAPCO's White Oil Pipeline (WOP) from Karachi to Mehmoodkot and PARCO's Mehmoodkot Faisalabad-Machike (MFM) pipelines. PARCO and PAPCO (a subsidiary of PARCO and operator of the WOP) are pursuing a project for converting the two pipelines from the present single product (diesel) to multiproduct (diesel & gasoline) with an investment of around \$ 194 million.

Physical works have been completed and commissioning of the project is expected as soon as tariff is decided. WOP was developed commercially and its tariff was determined independently.

Oil & Gas Regulatory Authority (Ogra) has determined the tariff on this pipeline if gasoline is to be moved from Karachi to Mehmoodkot. This amount is \$ 17.7/MT for a distance of 786 km. There is no tariff for moving gasoline from Mehmoodkot to Machike.

MFM pipeline was commissioned by PARCO in 1997 for transportation of diesel for the Oil Marketing Companies (OMCs). The tariff for transportation of diesel through MFM was approved in 1994 by the Cabinet Committee on Energy (CCoE) in line with the basis of 85% of the prevalent railway tariff, as provided in the MoU between the two Governments.

The current tariff for KMK and MFM pipelines was last notified by the Federal Government effective from April 2000 and May 2002, respectively. Petroleum Division and PARCO have time and again approached Ogra for revision in the tariff for the two pipelines, as per the earlier policy guidelines of the Government (i.e., the MoU of 1986 and the decision of Cabinet Committee on Energy of 1994), as the railway tariff has been frequently and substantially revised from time to time.

However, Ogra argues that the documents do not allow the revision in tariff and has denied the tariff revision for about two decades. As a consequence, the tariff notified for diesel for MFM pipeline does not support new investment needed for the dualization.

Presently, gasoline is being transported from Karachi to Machike through road tankers. In order to enable PARCO to transport gasoline through the MFM pipeline, a transportation tariff needs to be notified in line with the terms of the MOU before

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commencement of the multi-product movement. PARCO's board of directors has, therefore, decided to initiate approval of the gasoline tariff for MFM pipeline at 85% of the railway tariff through the ECC/Cabinet as per the MoU.

The sources said, in accordance with Section 23 (3) of the Ogra Ordinance 2002, construction and operation of any pipeline for oil, is a regulated activity, which requires a specific licence from OGRA. Section 7 of the Ogra Ordinance requires the Authority to determine or to approve tariff for regulated activities subject to policy guidelines.

Ogra has commented that the opinion of Law Division may be sought on the understanding of the MoU signed between the Government of Pakistan and the Emirates of Abu Dhabi in which the basis for tariff determination was linked with 85% of the prevalent railway tariff. Law Division may therefore clarify as to whether the prevalent tariff of the year 1994 is to be taken as a basis or the prevalent tariff for the subsequent years has to be made the basis for calculation. Law Division has opined that the MoU signed is still in force and provides a mechanism for determination of tariff. The legal queries referred to Law Division are related to agreed terms of the MoU and require a policy decision to be taken by the Petroleum Division and Ogra as for the price applicable today. No legal question is said to be involved in the matter.

The Federal Government's policy guidelines on this matter already exist in Cabinet Committee on Energy's (CCoE's) decision referred in the Annex-II and the ECC's decision of February 26 2013, which requires, in clear terms, that transportation tariff should be approved on the basis of the railway tariff. Accordingly, in view of the provisions of the MoU and earlier policy guidelines issued by the CCoE/ECC, the Petroleum Division proposed gasoline tariff for the MFM pipeline may be approved at 85% of the prevalent railway tariff - existing road tariff, Mahmoodkot-Faisalabad, Rs 2,268/ MT, Mahmoodkot-Machike, Rs 3,031/MT. Current Railway Tariff for Mahmoodkot-Faisalabad, Rs 2,155/MT and Mahmoodkot-Machike Rs 2,620/MT. Petroleum Division proposed MFM pipeline tariff (85% of Railway tariff) for Mahmoodkot-Faisalabad at Rs 1,832/MT and Mahmoodkot-Machike at Rs 2,227/MT. The ECC has also proposed that Ogra may also be directed to consider revising the tariff for both KMK and MFM pipelines for crude oil and diesel oil transportation respectively (which has not been revised for two decades), in line with the provisions of the Ogra Ordinance 2002, the MOU signed by the Government of Pakistan and legal advice rendered by the Law and Justice Division. However, assuming the approval is granted Ogra may decide on the suitability of full increase on the MFM pipeline. The proposed pipeline tariff for transportation of gasoline through the MFM is likely to lead to a saving of Rs 2.4 billion annually in the freight pool, which will be passed on to the end consumers. There may also be forex savings due to reduction in diesel consumption by road tankers since the country is a net importer of diesel. It will improve transportation reliability and efficiency with a reduction in the detrimental impact on road infrastructure and the environment.

<https://www.brecorder.com/news/40082214>

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## تابش گوہر کا اوگرا ہیڈ آفس کا دورہ

### چیسر مین، ممبرز سے ملاقات

اسلام آباد (نامہ نگار) وزیر اعظم کے معاون خصوصی برائے پیٹرولیم تابش گوہر نے کہا ہے کہ اوگرا اپنے مینڈیٹ کے مطابق آزادانہ فیصلے کرے۔ ان خیالات کا اظہار گزشتہ روز وزیر اعظم کے معاون خصوصی برائے پیٹرولیم تابش گوہر نے اوگرا ہیڈ آفس دورہ کے موقع پر چیسر مین اتھارٹی ممبرز اور سینئر مینجمنٹ سے ملاقات میں کیا۔ معاون خصوصی برائے پیٹرولیم نے سینئر مینجمنٹ سے بات کرتے ہوئے، منصفانہ اور شفاف ریگولیٹری فریم ورک کے نفاذ کے لئے پالیسی سازوں اور ریگولیٹر کے باہمی تعاون پر زور دیا۔

<https://e.jang.com.pk/04-09-2021/pindi/pic.asp?picname=431.png>

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## اوگرا مکمل آزادی سے اپنے فیصلے کرے، تابش گوہر

اتھارٹی کا دورہ، چیئرمین، ارکان سے ملاقات، تعاون کے فروغ پر زور دیا  
اسلام آباد (واقعہ نگار خصوصی) وزیر اعظم کے معاون خصوصی برائے پٹرولیم تابش گوہر نے اوگرا پر زور  
دیا ہے کہ وہ اپنے مینڈیٹ کے تحت کام کرتے ہوئے مکمل آزادی سے اپنے فیصلے کرے، پالیسی بنانے والوں  
اور ریگولیٹرز کے درمیان تعاون سے آئل اور گیس سیکٹر میں شفافیت آئے گی اور مسابقت میں اضافہ ہوگا۔ انہوں  
نے پالیسی بنانے والوں اور ریگولیٹرز کے درمیان تعاون کے فروغ پر زور دیتے ہوئے کہا کہ اس سے صاف و  
شفاف ریگولیٹری فریم ورک کا نفاذ ہو سکے گا۔ جمعرات کو معاون خصوصی نے اوگرا ہیڈ آفس کا دورہ کیا اور اتھارٹی  
کے چیئرمین، ارکان اور سینئر انتظامیہ سے ملاقات کی۔ چیئرمین اوگرا مسرور خان نے معاون خصوصی کو یقین دلایا  
کہ اوگرا ریگولیٹری فریم ورک کے تحت صارفین کے مفاد کو مد نظر رکھتے ہوئے کاروبار میں آسانیاں پیدا کرنے  
کیلئے مکمل شفافیت اور صلاحیت کے ساتھ کام کریگا۔

[https://e.dunya.com.pk/detail.php?date=2021-04-09&edition=ISL&id=5580840\\_55100208](https://e.dunya.com.pk/detail.php?date=2021-04-09&edition=ISL&id=5580840_55100208)

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## اوگر مکمل آزادی سے

### اپنے فیصلے کرے، تابش گوہر

اسلام آباد (سپیشل رپورٹر) وزیر اعظم کے معاون خصوصی برائے پٹرولیم تابش گوہر نے اوگر پر زور دیا ہے کہ وہ اپنے مینڈیٹ کے تحت کام کرتے ہوئے مکمل آزادی سے اپنے فیصلے کرے، پالیسی بنانے والوں اور ریگولیشنز کے درمیان تعاون سے آئل اور گیس سیکٹر میں شفافیت، بہتری اور مقابلہ میں اضافہ ہوگا اور آئل اور گیس سیکٹرز کو فائدہ اور سہولت ملے گی، انہوں نے پالیسی بنانے والوں اور ریگولیشنز کے درمیان تعاون کے فروغ پر زور دیا تاکہ صاف و شفاف ریگولیشنری فریم ورک کا نفاذ ہو سکے۔ جمعرات کو وزیر اعظم کے معاون خصوصی برائے پٹرولیم تابش گوہر نے اوگر ایڈ آفس کا دورہ کیا اور اوگر کے چیئرمین، اوگر اتھارٹی کے ارکان اور سینئر انتظامیہ سے ملاقات کی، اس موقع پر تابش گوہر نے پالیسی بنانے والوں اور ریگولیشنز کے درمیان تعاون کے فروغ پر زور دیا تاکہ صاف و شفاف ریگولیشنری فریم ورک کا نفاذ ہو سکے، اس سے آئل اور گیس سیکٹر میں شفافیت، بہتری اور مقابلہ میں اضافہ ہوگا اور آئل اور گیس سیکٹرز کو فائدہ اور سہولت ملے گی۔

<https://www.dailyausaf.com/epaper/popup.php?newsrc=issues/2021-04-09/133067/p830.gif>

## Jehan e Pakistan



تاریخ	صفحہ	تعداد
21	جانش	1

کیا اور اوگر کے چیئرمین، اوگر اتھارٹی کے ارکان اور سینئر انتظامیہ سے ملاقات کی، اس موقع پر تابش گوہر نے پالیسی بنانے والوں اور ریگولیشنز کے درمیان تعاون کے فروغ پر زور دیا تاکہ صاف و شفاف ریگولیشنری فریم ورک کا نفاذ ہو سکے۔ جمعرات کو تابش گوہر نے اوگر ایڈ آفس کا دورہ کیا اور اوگر کے چیئرمین، اوگر اتھارٹی کے ارکان اور سینئر انتظامیہ سے ملاقات کی۔