



SUI NORTHERN GAS PIPELINES LIMITED

GAS HOUSE, 21 KASHMIR ROAD, P.O. BOX 56, LAHORE (PAKISTAN)

①

Ref: RA-TPA-13-23

Date: June 19, 2023

The Registrar,
Oil and Gas Regulatory Authority,
Fazal -e- Haq Road, ZTE Plaza,
Blue Area,
Islamabad.

Subject: Sui Northern Gas Pipelines Limited (SNGPL) - Determination of Transportation Tariff of Transmission and Distribution System for FY 2021-22

Dear Sir,

Please find enclosed the petition for determination of Transportation Tariff of Transmission & Distribution network for FY 2021-22 worked out under relevant provisions of OGRA Ordinance, 2002, Natural Gas Tariff Rules, 2002, Rule 2(1)(cc), 3(3) and Schedule-I of TPA Rules, 2018.

Parameters for working out the transportation tariff are however, summarized hereunder:

- i) The transportation tariff in the instant petition has been worked out in line with the parameters set out in Schedule - I of TPA Rules, 2018 which states that:

Quote

"3. Transportation tariff in respect of transmission network and distribution network shall allow the prudent and efficient transporter to collect its relevant and fairly allocated costs of service including the return on assets as approved by the Authority from time to time." **Unquote**


- ii) Data in respect of Transmission and Distribution costs, Depreciation cost, ROA and variable operating costs has been taken as per the Authority's Determination against Company's petition for Final Revenue Requirement (DFRR) FY 2021-22 dated June 02, 2023.

In view of the above, it is requested to kindly determine the transportation tariff for FY 2021-22 enabling the company to charge the shippers in accordance with the Point No. 4 of Schedule - I of TPA Rules, 2018.

Bank draft No. 16844239 drawn on Habib Metropolitan Bank Ltd. Islamabad Branch (10), Islamabad, of Rs. 1,000,000/- being the fee for the above-mentioned petition is enclosed.

Thanking you.

Yours Sincerely,
Sui Northern Gas Pipelines Ltd.


(Liaqat Ali)
Incharge (RA)
for Managing Director

Encl: as above



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TP-T

SUI NORTHERN GAS PIPELINES LIMITED
WORKING OF TRANSPORTATION TARIFF
FOR TRANSMISSION NETWORK - FY 2021-22
(WORKING BASED ON THE MODEL GIVEN IN NETWORK CODE)

Description	Reference	Vaule	Unit
Throughput volume of transmission network	TP-1 (A)	1,882	MMSCFD
Fixed components:			
i) Operating cost	TP-2	9,309	
ii) Depreciation component of the transportation cost	TP-3	3,768	
iii) Return on Assets	TP-3	9,551	
Total Fixed Cost	(B)	22,628	Million Rs.
Variable components:			
i) Stores and spares consumed	TP-2	424	
ii) Repair and maintenance cost	TP-2	285	
iii) Fued and power	TP-2	307	
iv) Any other cost of similar nature		-	
Total Variable Cost	(C)	1,016	Million Rs.

Formulas Used:

Capacity Charge = (Fixed operating cost + depreciation + ROA) / Actual throughput volume during the year

Utilization Charge = (Variable operating cost) / Actual throughput volume during the year

Description	Formula	Rs./MCF	Rs./MMBTU
Average capacity charge rate for the year in volumetric terms	$D=B / (A*366)*1000$	32.85	-
Average utilization charge rate for the year in volumetric terms	$E= C / (A*366)*1000$	1.48	-
Average capacity charge rate for the year in energy units	$F= D / GCV*1000$	-	33.08
Average utilization charge rate for the year in energy units	$G = E / GCV*1000$	-	1.49

Notes:

- 1) In case of firm service, the shipper shall pay capacity charge equivalent to the capacity booked while utilization charge to be paid with respect to the volume actually transported.
- 2) In case of interruptible service, the shipper shall pay capacity charge and utilization charges equivalent to the volume actually transported.
- 3) For conversion of volumetric transportation tariff rates into energy units GCV has been taken as 993 BTU/SCF (based on the average GCV of sales of RLNG & Indigenous), however, it will change for shipper to shipper depending upon the GCV of its gas received at the entry point.

SUI NORTHERN GAS PIPELINES LIMITED
WORKING OF TRANSPORTATION TARIFF
FOR DISTRIBUTION NETWORK - FY 2021-22
(WORKING BASED ON THE MODEL GIVEN IN NETWORK CODE)

Description	Reference	Vaule	Unit
Throughput volume of distribution network	TP-1 (A)	987	MMSCFD
Fixed components:			
i) Operating cost	TP-2	14,042	
ii) Depreciation component of the transportation cost	TP-3	11,856	
iii) Return on Assets	TP-3	17,470	
Total Fixed Cost	(B)	43,368	Million Rs.
Variable components:			
i) Stores and spares consumed	TP-2	261	
ii) Repair and maintenance cost	TP-2	1,182	
iii) Fued and power	TP-2	204	
iv) Any other cost of similar nature		-	
Total Variable Cost	(C)	1,647	Million Rs.

Formulas Used:

Capacity Charge = (Fixed operating cost + depreciation + ROA) / Actual throughput volume during the year

Utilization Charge = (Variable operating cost) / Actual throughput volume during the year

Description	Formula	Rs./MCF	Rs./MMBTU
Average capacity charge rate for the year	$D = B / (A * 366) * 1000$	120.02	-
Average utilization charge rate for the year	$E = C / (A * 366) * 1000$	4.56	-
Average capacity charge rate for the year in energy units	$F = D / GCV * 1000$	-	120.87
Average utilization charge rate for the year in energy units	$G = E / GCV * 1000$	-	4.59

Notes:

- 1) In case of firm service, the shipper shall pay capacity charge equivalent to the capacity booked while utilization charge to be paid with respect to the volume actually transported.
- 2) In case of interruptible service, the shipper shall pay capacity charge and utilization charges equivalent to the volume actually transported.
- 3) For conversion of volumetric transportation tariff rates into energy units GCV has been taken as 993 BTU/SCF (based on the average GCV of sales of RLNG & Indigenous), however, it will change for shipper to shipper depending upon the GCV of its gas received at the entry point.
- 4) In addition to the Distribution Tariff, Distribution consumers will also pay the Transportation Tariff of Transmission network after grossing up the same with the distribution shrinkage multiplier.

WORKING OF ACTUAL THROUGH PUT VOLUME IN TRANSMISSION SYSTEM
As per DFRR FY 2021-22

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TP-1

Description	Units	Reference	Indigenous	RLNG	Total
Transmission					
Net Gas Received in Transmission System	MMCF		362,832	328,800	691,632
Gas Used in operations of Transmission System (GIC etc)	MMCF		(1,666)	(2,816)	(4,482)
Loss in Transmission System	MMCF		(132)	(115)	(247)
Energy Equivalence Volume related to PFC consumers	MMCF		(10,041)	10,041	-
RLNG Stock Additional sale of LNG or vice versa	MMCF		24,956	(24,956)	-
Total Throughput Volume in Transmission System	MMCF	A	375,949	310,954	686,903
No. of Days	Days	B			365
Per day throughput volume in Transmission- MMCFD	MMCFD	C=A/B			1,882
Gas sold to PFC consumers at Transmission Network		D	61,672	210,138	271,810
Distribution					
Distribution Input	MMCF	E=A-D	314,277	100,815	415,092
Gas carried for PPL	MMCF		(102)		(102)
Gas carried/consumed for Pak Arab	MMCF		(15,687)		(15,687)
Gas carried for POL	MMCF		(107)		(107)
GIC (in Distribution System)	MMCF		(566)		(566)
UFG in Distribution System	MMCF		(29,091)	(9,204)	(38,295)
Unrecovered Pilferage Volume (Reversed)	MMCF		(45)		(45)
Energy Equivalence Volume-Distribution	MMCF		(4,604)	4,604	-
RLNG Stock Additional sale of LNG or vice versa	MMCF		17,666	(17,666)	-
Total Throughput Volume in Distribution System	MMCF	F	281,741	78,549	360,335
No. of Days	Days	G			365
Per day throughput volume in Distribution- MMCFD	MMCFD	H=F/G			987

TP-T

TP-D

Sui Northern Gas Pipelines Limited
Transmission and Distribution Cost
As per DFRR FY 2021-22

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TP-2

Sr. No.	Description	Actual FY 2021-22	Transmission Function	Distribution Function
			On the basis of Actual FY 2021-22	
1	Net HR Cost (incl. impact of IAS-19)	18,431	7,386	11,045
2	Stores & spares consumed	686	424	261
3	Repairs & maintenance of system	1,467	285	1,182
4	Stationery, telegrams and postage	221	39	181
5	Rent, rates, royalty, electricity and telephones *	645	170	475
6	Travelling expenses	136	79	58
7	Transport expenses	1,159	393	766
8	Insurance	261	115	146
9	Fuel & Power	511	307	204
10	ISO 14001 & OHSAS Certification	7	4	4
11	Advertisement & publicity	183	-	183
12	Protective clothing & Supplies	54	18	36
13	Security expenses	1,591	1,161	430
14	KMI Implementation Plan FY 2021-22/ UFG Control Activities	983	-	983
15	Outsourcing of Call Centre	24	-	24
	Gross Operating Cost	26,359	10,381	15,977
	Less Allocation to CWIP (Other than HR Cost)	(344)	(57)	(287)
	Net Operating Cost (excl. GIC)	26,015	10,325	15,690

Variable costs				
	Stores and spares consumed	686	424	261
	Repair and maintenance	1,467	285	1,182
	Fuel and power	511	307	204
	Total Variable costs	2,664	1,016	1,647

	Total Fixed Costs	23,351	9,309	14,042
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TP-T TP-D
 TP-T TP-D

SUI NORTHERN GAS PIPELINES LIMITED
 SCHEDULE OF OPERATING FIXED ASSETS FOR THE YEAR ENDED 30TH JUNE 2022
 As per DFRY FY 2021-22

Description	Cost					Accumulated Depreciation			Book Value of Assets as on 30-06-2020	Depreciation Rate % age	
	Opening Cost	Adjustment	Addition	Deletion	Closing Cost	Opening Depreciation	For Period	Adjustments			Closing Depreciation
Land Freehold	2,666	-	364	-	3,030	-	-	-	-	3,030	0
Land Leasehold	0	-	-	-	0	-	-	-	-	0	0
Building On Freehold Land	2,415	(24)	146	(0)	2,537	1,526	68	(0)	1,595	942	6
Building On Leasehold Land	35	-	-	-	35	25	5	-	30	5	6
Transmission Mains	121,754	201	8,725	(1)	130,679	63,453	1,935	(1)	65,388	65,291	6
Distribution Mains	148,734	649	12,549	(1)	161,933	62,940	5,992	(1)	68,933	93,000	6
Compressor Station Equipment	17,200	48	427	(1)	17,675	10,058	1,574	(1)	11,631	6,043	6
Telecommunication Equipment	2,234	0	24	(5)	2,254	1,990	110	(5)	2,095	159	6
Plant And Machinery	4,604	12	337	(35)	4,918	2,928	331	(35)	3,225	1,693	20
Measuring And Regulating	63,264	17	5,911	(501)	68,690	34,571	4,713	(501)	38,783	29,908	10
Tools And Equipment	405	4	14	(0)	422	374	22	(0)	396	26	33
Motor Vehicles	3,832	5	88	(98)	3,827	3,328	188	(91)	3,425	403	25
Construction Equipment	8,962	3	77	(7)	9,054	8,343	239	(7)	8,575	479	20
Furniture & Fixtures	809	(0)	22	(2)	830	676	54	(2)	728	101	15
Office Equipments	220	(3)	31	(9)	239	163	23	(9)	177	62	20
Computer Hardware	2,419	(12)	220	(104)	2,523	1,763	253	(104)	1,912	611	25
Computer System Software	-	-	-	-	-	-	-	-	-	-	-
Scada Systems	536	-	-	-	536	-	-	-	536	-	33
Total	380,109	899	28,935	(761)	409,182	192,675	15,507	(755)	207,428	201,754	-
Intangible Assets	1,427	(11)	215	-	1,631	1,042	222	-	1,264	366	33
Advances for Land	541	(349)	984	-	776	-	-	-	-	776	-
Depreciation Capitalized	-	-	-	-	-	-	(106)	-	-	-	-
Grand Total	382,077	539	29,734	(761)	411,589	193,716	15,624	(755)	208,692	202,897	-

Opening Assets	188,360
Closing Assets	202,897
Depreciation	15,624

Description	Ref			Total		
	Ref	Distribution	Ref	Transmission	Total	
Opening Assets	TP-3.2	118,735	TP-3.1	69,625	188,360	
Closing Assets	TP-3.2	127,201	TP-3.1	75,695	202,897	
Avg Assets		122,968		72,660	195,628	
Deferred Credit Opening	TP-4	16,562	TP-4	14,694	31,255	
Deferred Credit Closing	TP-4	18,896	TP-4	15,552	34,448	
Avg Deferred Credit		17,729		15,123	32,852	
Average Net Operating Fixed Assets		105,239		57,537	162,777	
ROA @ 16.60		17,470		9,551	27,021	
Depreciation (net of capital allocation)	TP-3.2	11,856	TP-3.1	3,768	15,624	

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SUI NORTHERN GAS PIPELINES LIMITED
 SCHEDULE OF OPERATING FIXED ASSETS FOR THE YEAR ENDED 30TH JUNE 2022
 As per DFRY FY 2021-22

Transmission Assets	Description	Cost							Accumulated Depreciation			Book Value of Assets as on 30-06-2020	Depreciation Rate % age
		Opening Cost	Adjustment	Addition	Deletion	Closing Cost	Opening Depreciation	For Period	Adjustments	Closing Depreciation			
	Land Freehold	2,565	-	364	-	2,929	-	-	-	-	-	2,929	0
	Land Leasehold	0	-	-	-	0	-	-	-	-	-	0	0
	Building On Freehold Land	1,418	(4)	42	-	1,455	-	-	-	1,060	32	1,092	6
	Building On Leasehold Land	-	-	-	-	-	-	-	-	-	-	-	6
	Transmission Mains	120,191	165	8,497	(1)	128,852	62,789	1,802	(1)	28	2	64,590	6
	Distribution Mains	55	-	0	-	55	9,997	1,573	(1)	30	11,570	26	6
	Compressors Station Equipment	17,125	48	427	(1)	17,600	1,529	37	(3)	1,563	101	6,030	6
	Telecommunication Equipment	1,657	(1)	12	(9)	1,665	1,652	151	(16)	1,786	749	101	6
	Plant And Machinery	2,432	15	105	(16)	2,535	17	1	-	18	14	14	20
	Measuring And Regulating Tools And Equipment	33	-	-	-	33	134	5	-	138	4	4	10
	Motor Vehicles	139	(0)	4	-	143	1,657	45	(24)	1,677	77	77	33
	Construction Equipment	1,766	0	12	(24)	1,754	5,678	89	(4)	6,763	143	143	25
	Furniture & Fixtures	6,896	(1)	16	(4)	6,906	315	13	(1)	326	27	27	20
	Office Equipments	355	-	-	(1)	353	44	4	(2)	46	9	9	15
	Computer Hardware	55	(0)	2	(2)	54	213	28	(7)	234	83	83	20
	Computer System Software	322	-	1	(7)	316	-	-	-	-	-	-	29
	Scada Systems	-	-	-	-	-	230	-	-	230	-	-	33
	Total	230	-	230	-	230	86,342	3,782	(60)	90,064	74,818	74,818	15
	Intangible Assets	265	5	-	-	270	77	91	-	169	101	101	33
	Advances For LAPJ	541	(343)	584	-	778	-	-	-	-	776	776	-
	Depreciation Capitalized	-	-	-	-	-	(106)	3,768	(60)	90,233	75,895	75,895	-
	Grand Total	156,044	(123)	10,068	(60)	165,929	86,420	3,768	(60)	90,233	75,895	75,895	-

Opening Assets	69,625	
Closing Assets	75,695	TP-3
Depreciation	3,768	TP-3
		TP-3

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SUI NORTHERN GAS PIPELINES LIMITED
 SCHEDULE OF OPERATING FIXED ASSETS FOR THE YEAR ENDED 30TH JUNE 2022
 As per DFRR FY 2021-22

Description	Cost							Accumulated Depreciation			Book Value of Assets as on 30-06-2020	Depreciation Rate % age
	Opening Cost	Adjustment	Addition	Deletion	Closing Cost	Opening Depreciation	For Period	Adjustments	Closing Depreciation			
Land Freehold	101	-	-	-	101	-	-	-	-	101	0	
Land Leasehold	0	-	-	-	0	-	-	-	-	0	0	
Building On Freehold Land	998	(20)	104	(0)	1,082	466	36	(0)	503	579	6	
Building On Leasehold Land	35	-	-	-	35	25	5	-	30	5	6	
Transmission Mains	1,563	36	228	-	1,826	664	134	-	798	1,028	6	
Distribution Mains	148,678	649	12,549	-	161,877	62,912	5,990	-	68,902	92,975	6	
Compressors, Station Equipment	75	-	-	-	75	61	1	-	62	13	6	
Telecommunication Equipment	577	1	12	(2)	589	461	73	(2)	532	58	6	
Plant And Machinery	2,171	(3)	232	(18)	2,383	1,277	180	(18)	1,438	945	20	
Measuring And Regulating	63,231	17	5,911	(501)	68,658	34,554	4,711	(501)	38,765	29,893	10	
Tools And Equipment	266	4	9	(0)	279	241	17	(0)	257	22	33	
Motor Vehicles	2,086	5	76	(73)	2,073	1,671	143	(67)	1,748	326	25	
Construction Equipment	2,086	4	61	(3)	2,148	1,665	150	(3)	1,812	337	20	
Furniture & Fixtures	455	(0)	22	(1)	476	362	41	(1)	402	74	15	
Office Equipments	166	(3)	28	(7)	185	120	19	(7)	132	53	20	
Computer Hardware	2,097	(12)	218	(97)	2,207	1,550	225	(97)	1,679	528	25	
Computer System Software	-	-	-	-	-	-	-	-	-	-	33	
Scada Systems	305	-	-	-	305	305	-	-	305	0	15	
Total	224,871	678	19,452	(701)	244,300	106,333	11,725	(695)	117,364	126,936	-	
Intangible Assets	1,162	(16)	215	-	1,360	965	130	-	1,095	265	33	
Advances for Land	-	-	-	-	-	-	-	-	-	-	-	
Depreciation Capitalized	-	-	-	-	-	-	-	-	-	-	-	
Grand Total	226,033	662	19,666	(701)	245,660	107,298	11,856	(695)	118,459	127,201	-	

Opening Assets	118,735	TP-3
Closing Assets	127,201	TP-3
Depreciation	11,856	TP-3

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SUI NORTHERN GAS PIPELINES LIMITED
SCHEDULE OF DEFERRED CREDIT AND AMORTIZATION OF DEFERRED CREDIT AS ON JUNE-2022

Description Deferred Credit (Completed Jobs)	Recoveries Up to June 30, 2021	Recoveries During the Period	Total Recoveries Up to June 30, 2022	Rate	Accumulated Amortization June 30, 2021	This Year	Total	Balance as at June 30, 2022
	CONSUMER CONTRIBUTION							
TRANSMISSION	570,098,675	8,200,000	578,298,675		516,956,065	1,312,038	518,268,103	60,030,572
OTHER								
DISTRIBUTION	2,097,665,911	932,931,914	3,030,597,825		250,964,488	123,438,801	374,403,269	2,656,194,566
OTHER	29,503,862,908	2,023,673,330	31,527,536,238		24,153,193,279	544,424,431	24,697,617,710	6,829,918,527
	32,171,627,494	2,964,805,244	35,136,432,738		24,921,113,812	669,175,270	25,590,289,082	9,546,143,655
GOVERNMENT GRANT								
TRANSMISSION	11,111,223,791	982,265,268	12,093,489,059		2,124,266,716	259,543,486	2,383,810,201	9,709,678,858
OTHER	7,673,024,098	158,839,946	7,831,864,044		2,019,458,405	30,426,288	2,049,884,693	5,781,979,351
DISTRIBUTION	20,188,057,365	1,222,200,762	21,410,258,127		10,823,775,598	1,176,431,262	12,000,206,858	9,410,051,269
	38,972,305,254	2,363,305,976	41,335,611,230		14,967,500,717	1,466,401,036	16,433,901,753	24,901,709,477
Total Deferred Credit against Completed Work	71,143,932,748	5,328,111,220	76,472,043,968		39,888,614,529	2,135,576,306	42,024,190,835	34,447,853,133

Opening Balance	14,694	15,552	TP3
Closing Balance	16,562	18,896	TP3
Transmission Distribution			

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