



SUI NORTHERN GAS PIPELINES LIMITED

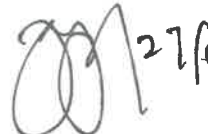
GAS HOUSE, 21 KASHMIR ROAD, P.O. BOX 56, LAHORE (PAKISTAN)

Ref: RA-TPA-11-23

Date: June 22, 2023

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

SED (F-1)  27/6

SED (F-1)  27/6

Subject: Sui Northern Gas Pipelines Limited (SNGPL) - Determination of Provisional Transportation Tariff of Transmission and Distribution System for FY 2022-23

Dear Sir,

Please find enclosed the petition for determination of provisional Transportation Tariff of Transmission & Distribution network for FY 2022-23 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 Review of Estimated Revenue Requirement (DRERR) FY 2022-23 dated January 09, 2023.

In view of the above, it is requested to kindly determine the provisional transportation tariff for FY 2022-23 enabling the company to charge the shippers in accordance with the Point No. 4 of Schedule - I of TPA Rules, 2018.

Bank draft No. 16844241 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.

It is pertinent to mention here that the Company vide its Motion for Review against DERR FY 2022-23 dated July 01, 2022 had submitted the provisional transportation tariff of Transmission and Distribution system for Authority's determination, which was subsequently made part of the Review of Estimated revenue requirement (RERR) for FY 2022-23. However, the same was not considered while determining the RERR for FY 2022-23.

Thanking you.

Yours Sincerely,
Sui Northern Gas Pipelines Ltd.

Encl: as above




(Liaqat Ali)
Incharge (RA)
for Managing Director

given to Ambreen in (Firm I) on 05/7/2023

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SUI NORTHERN GAS PIPELINES LIMITED
WORKING OF TRANSPORTATION TARIFF
FOR TRANSMISSION NETWORK - FY 2022-23
(WORKING BASED ON THE MODEL GIVEN IN NETWORK CODE)

Description	Reference	Value	Unit
Throughput volume of transmission network	TP-1 (A)	1,740	MMSCFD
Fixed components:			
i) Transmission operating cost	TP-2	9,967	Million Rs.
ii) Depreciation component of the transportation cost	TP-3	4,396	Million Rs.
iii) Return on Assets (Transmission assets)	TP-3	8,199	Million Rs.
Total Fixed Cost	(B)	22,562	Million Rs.
Variable components:			
i) Stores and spares consumed	TP-2	545	Million Rs.
ii) Repair and maintenance cost	TP-2	281	Million Rs.
iii) Fuel and power	TP-2	340	Million Rs.
iv) Any other cost of similar nature		-	
Total Variable Cost	(C)	1,166	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	$D = B / (A * 365) * 1000$	35.53	-
Average utilization charge rate for the year in volumetric terms	$E = C / (A * 365) * 1000$	1.84	-
Average capacity charge rate for the year in energy units	$F = D / GCV * 1000$	-	37.40
Average utilization charge rate for the year in energy units	$G = E / GCV * 1000$	-	1.93

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 assumed as 950 BTU/SCF, however, it will change for shipper to shipper depending upon the GCV of its gas received at the entry point.

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SUI NORTHERN GAS PIPELINES LIMITED
WORKING OF TRANSPORTATION TARIFF
FOR DISTRIBUTION NETWORK - FY 2022-23

(WORKING BASED ON THE MODEL GIVEN IN NETWORK CODE)

Description	Reference	Vaule	Unit
Throughput volume of distribution network	TP-1 (A)	1,004	MMSCFD
Fixed components:			
i) Distribution operating cost	TP-2	14,548	Million Rs.
ii) Depreciation component of the Distribution cost	TP-3	16,130	Million Rs.
iii) Return on Assets (Distribution assets)	TP-3	14,572	Million Rs.
Total Fixed Cost	(B)	45,250	Million Rs.
Variable components:			
i) Stores and spares consumed	TP-2	335	Million Rs.
ii) Repair and maintenance cost	TP-2	1,167	Million Rs.
iii) Fuel and power	TP-2	227	Million Rs.
iv) Any other cost of similar nature		-	
Total Variable Cost	(C)	1,729	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	$D = B / (A * 365) * 1000$	123.42	-
Average utilization charge rate for the year	$E = C / (A * 365) * 1000$	4.71	-
Average capacity charge rate for the year in energy units	$F = D / GCV * 1000$	-	129.91
Average utilization charge rate for the year in energy units	$G = E / GCV * 1000$	-	4.96

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 assumed as 950 BTU/SCF, 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 shippers will also pay the Transportation Tariff of Transmission network on metered volumes after grossing up the same with the distribution shrinkage multiplier.

Sui Northern Gas Pipelines Limited
Working of Actual Through Put Volume in Transmission System
As per DRERR FY 2022-23

TP-1

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Description	Units	Reference	Indigenous	RLNG	Total
Transmission					
Net Gas Received in Transmission System	MMCF		355,436	289,536	644,972
Gas Used in operations of Transmission System (GIC etc)	MMCF		(1,357)	(2,816)	(4,173)
Loss in Transmission System	MMCF		(2,249)	(3,529)	(5,778)
Total Throughput Volume in Transmission System	MMCF	A	351,830	283,191	635,021
No. of Days	Days	B			365
Per day throughput volume in Transmission- MMCFD	MMCFD	C=A/B			1,740
Distribution					
Gas passed to Dist. System and sold to PFC consumers		D	(84,780)	(144,136)	(228,916)
Distribution Input	MMCF	E=A+D	267,050	139,055	406,105
GIC (in Distribution System)	MMCF		(622)	-	(622)
UFG in Distribution System	MMCF		(27,475)	(11,368)	(38,843)
RLNG Swap/diversion of LNG or vice versa	MMCF				-
Total Throughput Volume in Distribution System	MMCF	F	238,952	127,687	366,639
No. of Days	Days	G			365
Per day throughput volume in Distribution- MMCFD	MMCFD	H=F/G			1,004

-0.9%

TP-T

TP-D

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Sui Northern Gas Pipelines Limited
Transmission and Distribution Cost
As per DRERR FY 2022-23

Sr. No.	Description	Actual FY 2020-21	Transmission Function	Distribution Function
1	Net HR Cost (incl. impact of IAS-19)	19,554	7,836	11,718
2	Stores & spares consumed	880	545	335
3	Repairs & maintenance of system	1,448	281	1,167
4	Stationery, telegrams and postage	270	48	222
5	Rent, rates, royalty, electricity and telephones *	673	178	495
6	Travelling expenses	163	94	69
7	Transport expenses	1,156	392	764
8	Insurance	279	123	156
9	Fuel & Power	567	340	227
10	ISO 14001 & OHSAS Certification	-	-	-
11	Advertisement & publicity	235	-	235
12	Protective clothing & Supplies	77	26	51
13	Security expenses	1,853	1,352	501
14	KMI Implementation Plan FY 2021-22/ UFG Control Activities	722	-	722
15	Outsourcing of Call Centre	33	-	33
	Gross Operating Cost	27,910	11,215	16,694
	Less Allocation to CWIP (Other than HR Cost)	(500)	(82)	(418)
	Net Operating Cost (excl. GIC)	27,410	11,133	16,276
		29,380	11,681	17,698
	Variable costs			
	Stores and spares consumed	880	545	335
	Repair and maintenance	1,448	281	1,167
	Fuel and power	567	340	227
	Total Variable costs	2,895	1,166	1,729
	Total Fixed Costs	24,515	9,967	14,548

Sui Northern Gas Pipelines Limited
 Schedule of Operating Fixed Assets for the Year Ended 30th June-2023
 As per DRERR FY 2022-23

TP-3

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Description	Cost				Accumulated Depreciation			Book Value of Assets as on 30-06-2023	Depreciation Rate % age	
	Opening Cost	Adjustment	Addition	Deletion	Closing Cost	Opening Depreciation	For Period			Adjustments
Land Freehold	2,807	-	-	-	2,807	-	-	-	-	0
Land Leasehold	0	-	-	-	0	-	-	-	-	0
Building On Freehold Land	2,459	-	123	-	2,582	1,693	126	-	1,819	5
Building On Leasehold Land	35	-	-	-	35	20	2	-	22	5
Transmission Mains	121,314	-	499	-	121,813	67,880	3,039	-	70,919	2.5
Distribution Mains	151,234	-	8,442	-	159,676	71,142	7,771	-	78,912	5
Compressors Station Equipment	17,041	-	-	-	17,041	11,307	1,024	-	12,332	8
Telecommunication Equipment	2,252	-	50	-	2,302	2,187	54	-	2,241	45
Plant And Machinery	5,053	-	343	-	5,396	4,003	522	-	4,525	10
Measuring And Regulating	69,700	-	2,928	-	72,628	40,316	7,116	-	47,432	10
Tools And Equipment	464	-	30	-	494	428	40	-	468	33
Motor Vehicles	3,972	-	-	-	3,972	3,956	16	-	3,972	20
Construction Equipment	9,418	-	252	-	9,670	9,119	324	-	9,443	20
Furniture & Fixtures	818	-	50	-	868	775	48	-	823	20
Office Equipments	243	-	5	-	248	225	19	-	244	5
Computer Hardware	2,807	-	257	-	3,064	2,526	313	-	2,839	25
Computer System Software	-	-	127	-	127	-	21	-	21	33
Scada Systems	558	-	-	-	558	557	1	-	558	15
Total	390,177	-	13,105	-	403,283	216,134	20,437	-	236,572	
Intangible Assets	1,105	-	2	-	1,107	1,017	88	-	1,105	33
Advances for Land	243	-	-	-	243	-	-	-	-	-
Depreciation Capitalized	-	-	-	-	-	-	-	-	-	-
Grand Total	391,525	-	13,108	-	404,633	217,152	20,525	-	237,677	
Opening Assets	174,374									
Closing Assets	166,956									
Depreciation	20,525									

Opening Assets	174,374
Closing Assets	166,956
Depreciation	20,525

Reconciliation	Description	Rupees in million			
		Ref	Distribution	Ref	Total
Opening Assets		TP-3.2	112,331	TP-3.1	174,374
Closing Assets		TP-3.2	108,527	TP-3.1	166,956
Avg Assets			110,429		170,665
Deferred Credit Opening			23,080		34,805
Deferred Credit Closing			22,229		32,170
Avg Deferred Credit			22,644		33,487
Average Net Operating Fixed Assets			87,785		137,178
ROA @ 16.60			14,572		22,772
Depreciation		TP-3.2	16,130	TP-3.1	20,525

Sui Northern Gas Pipelines Limited
 Schedule of Operating Fixed Assets for the Year Ended 30th June-2023
 As per DRERR FY 2022-23

TP-3.1

Description	Cost						Accumulated Depreciation			Book Value of Assets as on 30-06-2023	Depreciation Rate % age
	Opening Cost	Adjustment	Addition	Deletion	Closing Cost	Opening Depreciation	For Period	Adjustments	Closing Depreciation		
Land Freehold	2,680	-	-	-	2,680	-	-	-	-	2,680	0
Land Leasehold	0	-	-	-	0	-	-	-	-	0	0
Building On Freehold Land	1,411	-	-	-	1,411	1,164	71	-	1,235	176	5
Building On Leasehold Land	-	-	-	-	-	-	-	-	-	-	5
Transmission Mains	119,959	-	499	-	120,458	67,296	3,005	-	70,301	50,157	29
Distribution Mains	55	-	-	-	55	31	3	-	33	22	5
Compressors Station Equipment	16,966	-	-	-	16,966	11,239	1,018	-	12,257	4,709	8
Telecommunication Equipment	1,640	-	50	-	1,690	1,616	13	-	1,629	62	15
Plant And Machinery	2,657	-	208	-	2,865	2,241	276	-	2,517	348	10
Measuring And Regulating	33	-	-	-	33	20	3	-	23	10	10
Tools And Equipment	146	-	1	-	147	146	1	-	146	1	33
Motor Vehicles	1,795	-	-	-	1,795	1,795	-	-	1,795	-	20
Construction Equipment	6,942	-	5	-	6,947	6,939	3	-	6,942	5	20
Furniture & Fixtures	319	-	-	-	319	319	-	-	319	-	20
Office Equipments	48	-	-	-	48	48	-	-	48	-	20
Computer Hardware	203	-	18	-	221	203	2	-	205	16	25
Computer System Software	-	-	-	-	-	-	-	-	-	-	33
Scada Systems	252	-	-	-	252	252	-	-	252	-	15
Total	155,107	-	781	-	155,888	93,308	4,395	-	97,703	58,185	-
Intangible Assets	1	-	-	-	1	1	0	-	1	2	33
Advances for Land	243	-	2	-	245	243	-	-	243	-	-
Depreciation Capitalized	-	-	-	-	-	-	-	-	-	243	-
Grand Total	155,352	-	783	-	156,135	93,309	4,395	-	97,705	58,430	-

Opening Assets	62,042	TP-3
Closing Assets	58,430	TP-3
Depreciation	4,396	TP-3

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Schedule of Operating Fixed Assets for the Year Ended 30th June-2023
As per DRERR FY 2022-23

Description	Cost						Accumulated Depreciation			Book Value of Assets as on 30-06-2023	Depreciation Rate % age
	Opening Cost	Adjustment	Addition	Deletion	Closing Cost	Opening Depreciation	For Period	Adjustments	Closing Depreciation		
Land Freehold	127	-	-	-	127	-	-	-	-	127	0
Land Leasehold	0	-	-	-	0	-	-	-	-	0	0
Building On Freehold Land	1,048	-	123	-	1,171	529	55	-	584	587	5
Building On Leasehold Land	35	-	-	-	35	20	2	-	22	13	5
Transmission Mains	1,355	-	-	-	1,355	584	34	-	618	737	2.5
Distribution Mains	151,179	-	8,442	-	159,621	71,111	7,768	-	78,879	80,742	5
Compressors Station Equipment	75	-	-	-	75	69	6	-	75	0	8
Telecommunication Equipment	612	-	-	-	612	571	41	-	612	-	15
Plant And Machinery	2,936	-	135	-	3,071	1,762	246	-	2,008	523	10
Measuring And Regulating	69,668	-	2,928	-	72,596	40,296	7,713	-	47,409	25,187	10
Tools And Equipment	317	-	29	-	346	283	39	-	322	24	33
Motor Vehicles	2,177	-	-	-	2,177	2,161	16	-	2,177	-	20
Construction Equipment	2,476	-	247	-	2,723	2,180	321	-	2,501	222	20
Furniture & Fixtures	499	-	50	-	549	455	48	-	504	45	20
Office Equipments	195	-	5	-	200	176	19	-	195	5	20
Computer Hardware	2,604	-	239	-	2,843	2,324	311	-	2,634	209	25
Computer System Software	-	-	127	-	127	-	21	-	-	106	33
Scada Systems	306	-	-	-	306	305	1	-	306	-	15
Total	235,070	-	12,325	-	247,395	122,826	16,042	-	138,868	108,527	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
Advances for Land	1,104	-	-	-	1,104	1,016	88	-	1,104	-	33
Depreciation Capitalized	-	-	-	-	-	-	-	-	-	-	-
Grand Total	236,174	-	12,325	-	248,499	123,842	16,130	-	139,972	108,527	-

Opening Assets	112,331	TP-3
Closing Assets	108,527	TP-3
Depreciation	16,130	TP-3