



SUI NORTHERN GAS PIPELINES LIMITED

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

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Ref: RA-TPA-12-23

Date: June 22, 2023

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

SED (F-I) [Signature] 27/6
SED (F-I) 09/02/23

Subject: Sui Northern Gas Pipelines Limited (SNGPL) - Determination of Provisional Transportation Tariff of Transmission and Distribution System for FY 2023-24

Dear Sir,

Please find enclosed the petition for determination of provisional Transportation Tariff of Transmission & Distribution network for FY 2023-24 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 Estimated Revenue Requirement (DERR) FY 2023-24 dated June 02, 2023.

In view of the above, it is requested to kindly determine the provisional transportation tariff for FY 2023-24 enabling the company to charge the shippers in accordance with the Point No. 4 of Schedule - I of TPA Rules, 2018.

Bank draft No. 16844240 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.

SED (47) 27/6
SED (Finance) 27/6
given to Anderson in Finance on 09/05/23

Yours Sincerely,
Sui Northern Gas Pipelines Ltd.

[Signature]
(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 2023-24
(WORKING BASED ON THE MODEL GIVEN IN NETWORK CODE)

Description	Reference	Value	Unit
Throughput volume of transmission network	TP-1 (A)	1,932	MMSCFD
Fixed components:			
i) Transmission operating cost	TP-2	10,822	Million Rs.
ii) Depreciation component of the transportation cost	TP-3	4,758	Million Rs.
iii) Return on Assets (Transmission assets)	TP-3	8,622	Million Rs.
Total Fixed Cost	(B)	24,201	Million Rs.
Variable components:			
i) Stores and spares consumed	TP-2	543	Million Rs.
ii) Repair and maintenance cost	TP-2	113	Million Rs.
iii) Fuel and power	TP-2	344	Million Rs.
iv) Any other cost of similar nature		-	
Total Variable Cost	(C)	1,000	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	$D=B / (A*365)*1000$	34.33	-
Average utilization charge rate for the year in volumetric terms	$E= C / (A*365)*1000$	1.42	-
Average capacity charge rate for the year in energy units	$F= D / GCV*1000$	-	36.13
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 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.

SUI NORTHERN GAS PIPELINES LIMITED
WORKING OF TRANSPORTATION TARIFF
FOR DISTRIBUTION NETWORK - FY 2023-24
(WORKING BASED ON THE MODEL GIVEN IN NETWORK CODE)

Description	Reference	Vaule	Unit
Throughput volume of distribution network	TP-1 (A)	1,097	MMSCFD
Fixed components:			
i) Distribution operating cost	TP-2	15,463	Million Rs.
ii) Depreciation component of the Distribution cost	TP-3	16,760	Million Rs.
iii) Return on Assets (Distribution assets)	TP-3	17,671	Million Rs.
Total Fixed Cost	(B)	49,894	Million Rs.
Variable components:			
i) Stores and spares consumed	TP-2	513	Million Rs.
ii) Repair and maintenance cost	TP-2	1,373	Million Rs.
iii) Fuel and power	TP-2	299	Million Rs.
iv) Any other cost of similar nature		-	
Total Variable Cost	(C)	2,185	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	$D = B / (A * 365) * 1000$	124.63	-
Average utilization charge rate for the year	$E = C / (A * 365) * 1000$	5.46	-
Average capacity charge rate for the year in energy units	$F = D / GCV * 1000$	-	131.19
Average utilization charge rate for the year in energy units	$G = E / GCV * 1000$	-	5.74

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.

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Sui Northern Gas Pipelines Limited
Working of Actual Through Put Volume in Transmission System
As per DERR FY 2023-24

TP-1

Description	Units	Reference	Indigenous	RLNG	Total
Transmission					
Net Gas Received in Transmission System	MMCF		337,492	378,234	715,726
Gas Used in operations of Transmission System (GIC etc)	MMCF		(1,294)	(3,591)	(4,885)
Loss in Transmission System	MMCF		(1,671)	(4,171)	(5,842)
Total Throughput Volume in Transmission System	MMCF	A	334,527	370,472	704,999
No. of Days	Days	B			365
Per day throughput volume in Transmission- MMCFD	MMCFD	C=A/B			1,932
Distribution					
Gas passed to Dist. System and sold to PFC consumers		D	(87,002)	(175,897)	(262,899)
Distribution Input	MMCF	E = A+D	247,525	194,575	442,100
GIC (in Distribution System)	MMCF		(613)	-	(613)
UFG in Distribution System	MMCF		(25,784)	(15,377)	(41,161)
RLNG Swap/diversion of LNG or vice versa	MMCF				-
Total Throughput Volume in Distribution System	MMCF	F	221,128	179,198	400,326
No. of Days	Days	G			365
Per day throughput volume in Distribution- MMCFD	MMCFD	H=F/G			1,097

TP-T

TP-D

Sui Northern Gas Pipelines Limited
Transmission and Distribution Cost
As per DERR FY 2023-24

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TP-2

Sr. No.	Description	Total FY 2023-24	Transmission Function	Distribution Function
1	HR Cost	20,268	8,122	12,146
2	Stores and spares consumed	1,056	543	513
3	Repairs and maintenance	1,486	113	1,373
4	Stationery and postage	324	20	304
5	Rent, rates, electricity and telephone	753	240	513
6	Travelling	190	72	118
7	Transportation charges	1,388	354	1,034
8	Insurance	300	91	209
9	Fuel and power	643	344	299
10	ISO certification	13	3	10
11	Advertisement	239	11	228
12	Protective Clothing	92	28	64
13	Security expenses	2,250	1,880	370
14	O/S of Call Center	33	-	33
15	UFG Control Activities	934		934
	Gross Operating Cost	29,970	11,822	18,148
	Less Allocation to CWIP (Other than HR Cost)	(500)	-	(500)
	Net Operating Cost (excl. GIC)	29,470	11,822	17,648

Variable costs				
	Stores and spares consumed	1,056	543	513
	Repair and maintenance	1,486	113	1,373
	Fuel and power	643	344	299
	Total Variable costs	3,185	1,000	2,185

	Total Fixed Costs	26,285	10,822	15,463
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Sui Northern Gas Pipelines Limited
 Schedule of Operating Fixed Assets for the Year Ended 30th June-2023
 As per DERR FY 2023-24

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	Closing Depreciation		
Land Freehold	2,807	-	-	-	2,807	-	-	-	-	2,807	0
Land Leasehold	0	-	-	-	0	-	-	-	-	0	0
Building On Freehold Land	2,582	-	87	-	2,669	1,819	131	-	1,951	719	5
Building On Leasehold Land	35	-	-	-	35	22	2	-	24	11	5
Transmission Mains	121,813	-	623	-	122,436	70,979	3,053	-	74,032	48,404	4.5
Distribution Mains	159,676	-	9,508	-	169,185	78,912	8,222	-	87,134	82,051	5
Compressors Station Equipment	17,041	-	70	-	17,111	12,330	1,280	-	13,610	3,501	8
Telecommunication Equipment	2,302	-	55	-	2,357	2,181	120	-	2,301	66	15
Plant And Machinery	5,396	-	345	-	5,741	4,525	557	-	5,082	659	10
Measuring And Regulating	72,628	-	4,623	-	77,251	47,432	7,494	-	54,926	22,325	10
Tools And Equipment	494	-	28	-	522	468	30	-	498	23	33
Motor Vehicles	3,972	-	-	-	3,972	3,972	-	-	3,972	-	20
Construction Equipment	9,670	-	218	-	9,888	9,443	249	-	9,692	196	20
Furniture & Fixtures	868	-	50	-	918	823	50	-	873	45	20
Office Equipments	248	-	50	-	299	244	10	-	253	45	20
Computer Hardware	3,064	-	235	-	3,299	2,839	254	-	3,094	206	25
Computer System Software	127	-	-	-	127	21	42	-	63	64	33
Scada Systems	558	-	-	-	558	558	-	-	558	-	15
Total	403,283	-	15,903	-	419,186	236,570	21,493	-	258,062	161,124	
Intangible Assets	1,107	-	142	-	1,249	1,105	25	-	1,130	119	33
Advances for Land	243	-	-	-	243	-	-	-	-	243	
Depreciation Capitalized	-	-	-	-	-	-	-	-	-	-	
Grand Total	404,633	-	16,045	-	420,678	237,675	21,518	-	259,193	161,485	

Opening Assets	166,958
Closing Assets	161,485
Depreciation	21,518

Reconciliation	Rupees in million				
	Description	Ref	Distribution	Ref	Total
Opening Assets	TP-3.2	108,527	58,432	TP-3.1	166,958
Closing Assets	TP-3.2	106,842	54,643	TP-3.1	161,485
Avg Assets		107,684	56,537		164,222
Deferred Credit Opening		23,064	14,948		38,011
Deferred Credit Closing		20,738	14,422		35,160
Avg Deferred Credit		21,901	14,685		36,586
Average Net Operating Fixed Assets		85,783	41,852		127,636
ROA @ 20.60%		17,671	8,622		26,293
Depreciation	TP-3.2	16,760	4,758	TP-3.1	21,518

Sui Northern Gas Pipelines Limited
 Schedule of Operating Fixed Assets for the Year Ended 30th June-2023
 As per DERR FY 2023-24

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			
	Rupees in million											
Land Freehold	2,680	-	-	-	2,680	-	-	-	-	2,680	0	
Land Leasehold	0	-	-	-	0	-	-	-	-	0	0	
Building On Freehold Land	1,411	-	38	-	1,449	1,235	71	-	1,306	142	5	
Building On Leasehold Land	-	-	-	-	-	-	-	-	-	-	5	
Transmission Mains	120,458	-	823	-	121,081	70,301	3,019	-	73,320	47,761	2.5	
Distribution Mains	55	-	-	-	55	33	3	-	36	19	5	
Compressors Station Equipment	16,966	-	70	-	17,036	12,255	1,280	-	13,535	3,501	8	
Telecommunication Equipment	1,690	-	65	-	1,755	1,629	63	-	1,691	64	15	
Plant And Machinery	2,965	-	147	-	3,012	2,517	294	-	2,810	201	10	
Measuring And Regulating	33	-	-	-	33	23	3	-	26	6	10	
Tools And Equipment	147	-	1	-	148	146	1	-	147	1	33	
Motor Vehicles	1,795	-	-	-	1,795	1,795	-	-	1,795	-	20	
Construction Equipment	6,947	-	13	-	6,960	6,942	6	-	6,948	12	20	
Furniture & Fixtures	319	-	5	-	324	319	1	-	320	5	20	
Office Equipments	48	-	5	-	54	48	1	-	49	5	20	
Computer Hardware	221	-	-	-	221	205	16	-	221	-	25	
Computer System Software	-	-	-	-	-	-	-	-	-	-	33	
Scada Systems	252	-	-	-	252	252	-	-	252	-	15	
Total	155,888	-	967	-	156,855	97,701	4,757	-	102,458	54,397	-	
Intangible Assets	3	-	-	-	3	2	1	-	3	3	33	
Advances for Land	243	-	-	-	243	-	-	-	-	243	-	
Depreciation Capitalized	-	-	-	-	-	-	-	-	-	-	-	
Grand Total	156,135	-	969	-	157,104	97,703	4,758	-	102,461	54,643	-	

Operating Assets	58,432	TP-3
Closing Assets	54,643	TP-3
Depreciation	4,758	TP-3

Sui Northern Gas Pipelines Limited

Schedule of Operating Fixed Assets for the Year Ended 30th June-2023
As per DERR FY 2023-24

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			
	Rupees in million											
Land Freehold	127	-	-	-	127	-	-	-	-	-	127	0
Land Leasehold	0	-	-	-	0	-	-	-	-	-	0	0
Building On Freehold Land	1,171	-	49	-	1,221	584	60	-	644	-	576	5
Building On Leasehold Land	35	-	-	-	35	22	2	-	24	-	11	5
Transmission Mains	1,355	-	-	-	1,355	678	34	-	712	-	643	2.5
Distribution Mains	159,621	-	9,508	-	169,129	78,879	8,219	-	87,098	-	82,032	5
Compressors Station Equipment	75	-	-	-	75	75	0	-	75	-	0	8
Telecommunication Equipment	612	-	-	-	612	552	58	-	610	-	2	15
Plant And Machinery	2,531	-	198	-	2,729	2,008	263	-	2,271	-	458	10
Measuring And Regulating	72,596	-	4,623	-	77,218	47,409	7,491	-	54,900	-	22,319	10
Tools And Equipment	346	-	27	-	373	322	29	-	351	-	23	33
Motor Vehicles	2,177	-	-	-	2,177	2,177	-	-	2,177	-	-	20
Construction Equipment	2,723	-	205	-	2,928	2,501	243	-	2,744	-	185	20
Furniture & Fixtures	549	-	45	-	594	504	50	-	553	-	41	20
Office Equipments	200	-	45	-	245	195	9	-	204	-	41	20
Computer Hardware	2,843	-	235	-	3,078	2,634	239	-	2,873	-	206	25
Computer System Software	127	-	-	-	127	21	42	-	63	-	64	33
Scada Systems	306	-	-	-	306	306	-	-	306	-	-	15
Total	247,395	-	14,936	-	262,330	138,868	16,736	-	155,604	-	106,726	-
Intangible Assets	1,104	-	140	-	1,244	1,104	24	-	1,128	-	116	33
Advances for Land	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Capitalized	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	248,499	-	15,076	-	263,574	139,972	16,760	-	156,732	-	106,842	-

Opening Assets	108,527	TP-3
Closing Assets	106,842	TP-3
Depreciation	16,760	TP-3

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