

No. OGRA-10-11(8)/2018

August 9, 2019

Managing Director
Pakistan State Oil Limited,
PSO House, Khayaban-e-Iqbal,
Clifton, Karachi.

Managing Director
Pakistan LNG Limited,
Petroleum House, G-5,
Islamabad.

Subject: Determination of Re-gasified Liquefied Natural Gas (RLNG) Weighted Average Sale Provisional Price for the Month of August 2019.

Dear Sir,

Reference emails of PLL and PSO on the above subject.

2. In accordance with the Federal Government decision regarding "RLNG Allocation, Pricing and Associated Matters" and advice from Ministry of Energy regarding weighted average sale price dated January 22, 2018, RLNG Weighted Average Sale prices for the month of August, 2019 has been computed attached as Annexure- A and Annexure- B.

Best Regards,



For

(Dr. Abdul Basit Qureshi)
Registrar
For and behalf of Authority

- Cc to: 1. Managing Director, SSGCL, St-4-B, Block 14, Sir Shah Suleman Road, Gulshan-e-Iqbal, Karachi.
2. Managing Director, SNGPL, 21-Kashmir Road, Gas House, Lahore.

COMPUTATION OF WEIGHTED AVERAGE RLNG PRICE FOR SNGPL: August 2019

Annex: A

Particulars	Unit	SNGPL (August-2019)			
		Transmission		Distribution	
		PSO	PLL	PSO	PLL
No. of Cargos		6	5	6	5
Quantity Received		19,200,000	16,000,000	19,200,000	16,000,000
Retainage (PSO @0.589% & PLL 0.692%)		113,088	110,720	113,088	110,720
Quantity Delivered at Terminal	MMBTU	19,086,912	15,889,280	19,086,912	15,889,280
Transmission Loss: (SNGPL 0.38%) & (SSGCL -0.74%)		72,530	60,379		
T & D Loss: (SNGPL 10.90%) & (SSGCL 13.29%)				2,080,473	1,731,932
Total Loss including Retainage		185,618	171,099	2,193,561	1,842,652
%age Losses		0.97%	1.07%	11.42%	11.52%
Quantity available for Sale		19,014,382	15,828,901	17,006,439	14,157,348
LNG Price (DES)		8.8934	7.1607	8.8934	7.1607
PSO/ PLL other imports related actual costs		0.6547	0.5439	0.6547	0.5439
PSO / PLL margin (@ 2.50%)		0.2223	0.1790	0.2223	0.1790
Terminal Charges		0.4125	0.4651	0.4125	0.4651
RLNG Cost		10.1829	8.3488	10.1829	8.3488
Retainage volume adjustment		0.0603	0.0582	0.0603	0.0582
T & D volume adjustment		0.0391	0.0320	1.2531	1.0284
LSA management fee (SSGC/PLTL)		0.0250	0.0250	0.0250	0.0250
Cost of supply -SNGPL		0.2890	0.2890	0.2890	0.2890
Cost of supply -SSGCL		0.1392	0.1392	0.1392	0.1392
Total RLNG price without GST		10.7355	8.8922	11.9495	9.8886
Quantity available for Sale	MMBTU	19,014,382	15,828,901	17,006,439	14,157,348
Total cost of RLNG	US \$	204,129,240	140,753,308	203,218,746	139,995,960
sum of Total RLNG cost (PSO & PLL)	US \$	344,882,548		343,214,706	
sum of quantity available for sale (PSO & PLL)	MMBTU	34,843,282		31,163,787	
Weighted Average Sale Price without GST	US \$/MMBTU	9.8981		11.0133	

Notes:

i. Calculation of LNG DES Price			
	PSO	PLL	PLL
No. of Cargoes	6	4	1
Quantity (No. MMBTU)	19,200,000	12,800,000	3,200,000
Brice_m3 May, 2018	70.1943	70.1943	70.1943
Brice_m2 June, 2018	62.9475	62.9475	62.9475
Brice_m1 July, 2019	64.2096	64.2096	64.2096
Brent_m	65.7838	65.7838	65.7838
Slope	13.37%	11.6247%	7.6005%
CP = Slope x Brent_m	8.7953	7.6472	4.9999
Average DES	8.7953	7.1177	
Port Charges (in the excess of limit borne by LNG supplier)	0.0981	0.0430	
DES Price	8.8934	7.1607	

- ii. Average cost of supply for has been taken on provisional basis as per DERR-2019-20.
- iii. Weighted Average Sale Price has been worked out in light of the advice of the Ministry of Energy
- iv. The figure of Retainage & UFG have been taken on provisional basis. The same shall be finalized upon the actual results, as per ECC policy guidelines. The provisional UFG in case of SNGPL is based on the FRR FY 2017-18.
- v. The above prices have been computed on the basis of data provided by M/s PSO & M/s PLL. The parties (SNGPL, SSGCL, PSO & PLL) shall scrutinize the same on the basis of evidences before making payments as per their mutual agreements.

COMPUTATION OF WEIGHTED AVERAGE RLNG PRICE FOR SSGC: August 2019 Annex: B

Particulars	Unit	SSGC (August-2019)			
		Transmission		Distribution	
		PSO	PLL	PSO	PLL
No. of Cargos		6	5	6	6
Quantity Received		19,200,000	16,000,000	19,200,000	16,000,000
Retainage (PSO @0.589% & PLL 0.692%)		113,088	110,720	113,088	110,720
Quantity Delivered at Terminal		19,086,912	15,889,280	19,086,912	15,889,280
Transmission Loss: (SNGPL 0.38% & (SSGCL -0.74%)		(141,243)	(117,581)		
T & D Loss: (SNGPL 10.90% & (SSGCL 13.29%)			-	2,536,651	2,111,685
Total Loss including Retainage		(28,155)	(6,861)	2,649,739	2,222,405
%age Losses		-0.15%	-0.04%	13.80%	13.89%
Quantity available for Sale		19,228,155	16,006,861	16,550,261	13,777,595
LNG Price (DES)		8.8934	7.1607	8.8934	7.1607
PSO/ PLL other imports related actual costs		0.6547	0.5439	0.6547	0.5439
PSO / PLL margin (@ 2.50%)		0.2223	0.1790	0.2223	0.1790
Terminal Charges		0.4125	0.4651	0.4125	0.4651
RLNG Cost		10.1829	8.3488	10.1829	8.3488
Retainage volume adjustment		0.0603	0.0582	0.0603	0.0582
T & D volume adjustment		(0.0752)	(0.0618)	1.5700	1.2885
LSA management fee (SSGC/PLTL)		0.0250	0.0250	0.0250	0.0250
Cost of supply -SNGPL					
Cost of supply -SSGCL		0.1392	0.1392	0.1392	0.1392
Total RLNG price without GST		10.3322	8.5094	11.9774	9.8597
Quantity available for Sale	MMBTU	19,228,155	16,006,861	16,550,261	13,777,595
Total cost of RLNG	US \$	198,669,145	136,208,332	198,229,101	135,842,565
sum of Total RLNG cost (PSO & PLL)	US \$	334,877,477		334,071,666	
sum of quantity available for sale (PSO & PLL)	MMBTU	35,235,016		30,327,856	
Weighted Average Sale Price without GST	US \$ / MMBTU	9.5041		11.0153	

Notes:

i. Calculation of LNG DES Price

	PSO	PLL	PLL
No. of Cargoes	6	4	1
Quantity (No. MMBTU)	19,200,000	12,800,000	3,200,000
Brice_m3 May, 2018	70.1943	70.1943	70.1943
Brice_m2 June, 2018	62.9475	62.9475	62.9475
Brice_m1 July, 2019	64.2096	64.2096	64.2096
Brent_m	65.7838	65.7838	65.7838
Slope	13.37%	11.6247%	7.6005%
CP = Slope x Brent_m	8.7953	7.6472	4.9999
Average DES	8.7953	7.1177	
Port Charges (in the excess of limit borne by LNG supplier)	0.0981	0.0430	
DES Price	8.8934	7.1607	

- ii. Average cost of supply for has been taken on provisional basis as per DERR-2019-20.
- iii. Weighted Average Sale Price has been worked out in light of the advice of the Ministry of Energy
- iv. The figure of Retainage & UFG have been taken on provisional basis. The same shall be finalized upon the actual results, as per ECC policy guidelines. The provisional UFG in case of SSGCL is based on the FRR FY 2016-17.
- v. The above prices have been computed on the basis of data provided by M/s PSO & M/s PLL. The parties (SNGPL, SSGCL, PSO & PLL) shall scrutinize the same on the basis of evidences before making payments as per their mutual agreements.