

No. OGRA-10-11(8)/2019

September 6, 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 September 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 September, 2019 has been computed attached as Annexure- A and Annexure- B.

Best Regards,



(Raheela Mustafa)

Registrar
For and behalf of Authority

o/c

- 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: September 2019 **Annex: A**

Particulars	Unit	SNGPL (September-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 0.699%)		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%)		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)		8.4145	6.0662	8.4145	6.0662
PSO/ PLL other imports related actual costs		0.6260	0.4748	0.6260	0.4748
PSO / PLL margin (@ 2.50%)		0.2104	0.1517	0.2104	0.1517
Terminal Charges		0.4012	0.4504	0.4012	0.4504
RLNG Cost		9.6520	7.1430	9.6520	7.1430
Retainage volume adjustment	US \$/MMBTU	0.0572	0.0498	0.0572	0.0498
T & D volume adjustment		0.0370	0.0274	1.1878	0.8799
LSA management fee (SSGC/PLTL)		0.0250	0.0250	0.0250	0.0250
Cost of supply -SNGPL		0.2943	0.2943	0.2943	0.2943
Cost of supply -SSGCL		0.1418	0.1418	0.1418	0.1418
Total RLNG price without GST		10.2073	7.6813	11.3581	8.5338
Quantity available for Sale	MMBTU	19,014,382	15,828,901	17,006,439	14,157,348
Total cost of RLNG	US \$	194,086,295	121,586,812	193,161,542	120,816,228
sum of Total RLNG cost (PSO & PLL)	US \$	315,673,107		313,977,770	
sum of quantity available for sale (PSO & PLL)	MMBTU	34,843,282		31,163,787	
Weighted Average Sale Price without GST	US \$/MMBTU	9.0598		10.0751	

Notes:

i. Calculation of LNG DES Price	PSO	PLL	PLL	PLL	PLL
No. of Cargoes	6	1	1	2	1
Quantity (No. MMBTU)	19,200,000	3,200,000	3,200,000	6,400,000	3,200,000
Brice_m3 June, 2019	62.9475	62.9475	62.9475	62.9475	62.9475
Brice_m2 July, 2018	64.2096	64.2096	64.2096	64.2096	64.2096
Brice_m1 August, 2019	59.4482	59.4482	59.4482	59.4482	59.4482
Brent_m	62.2017	62.2017	62.2017	62.2017	62.2017
Slope	13.37%	8.1750%	8.4200%	11.6247%	8.5419%
CP = Slope x Brent_m	8.3164	5.0850	5.2374	7.2308	5.3132
Average DES	8.3164	6.0194			
Port Charges (in the excess of limit borne by LNG supplier)	0.0981	0.0468			
DES Price	8.4145	6.0662			

- 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: September 2019 Annex: B

Particulars	Unit	SSGC (September-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 0.699%)		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)		8.4145	6.0662	8.4145	6.0662
PSO/ PLL other imports related actual costs		0.6260	0.4748	0.6260	0.4748
PSO / PLL margin (@ 2.50%)		0.2104	0.1517	0.2104	0.1517
Terminal Charges		0.4012	0.4504	0.4012	0.4504
RLNG Cost		9.6520	7.1430	9.6520	7.1430
Retainage volume adjustment		0.0572	0.0498	0.0572	0.0498
T & D volume adjustment		(0.0713)	(0.0529)	1.4881	1.1024
LSA management fee (SSGC/PLTL)		0.0250	0.0250	0.0250	0.0250
Cost of supply -SNGPL					
Cost of supply -SSGCL		0.1418	0.1418	0.1418	0.1418
Total RLNG price without GST		9.8047	7.3067	11.3641	8.4620
Quantity available for Sale	MMBTU	19,228,155	16,006,861	16,550,261	13,777,595
Total cost of RLNG	US \$	188,526,293	116,957,609	188,078,826	116,586,247
sum of Total RLNG cost (PSO & PLL)	US \$	305,483,902		304,665,073	
sum of quantity available for sale (PSO & PLL)	MMBTU	35,235,016		30,327,856	
Weighted Average Sale Price without GST	US \$/ MMBTU		8.6699		10.0457

Notes:

i. Calculation of LNG DES Price					
	PSO	PLL	PLL	PLL	PLL
No. of Cargoes	6	1	1	2	1
Quantity (No. MMBTU)	19,200,000	3,200,000	3,200,000	6,400,000	3,200,000
Brice_m3 June, 2019	62.9475	62.9475	62.9475	62.9475	62.9475
Brice_m2 July, 2018	64.2096	64.2096	64.2096	64.2096	64.2096
Brice_m1 August, 2019	59.4482	59.4482	59.4482	59.4482	59.4482
Brent_m	62.2017	62.2017	62.2017	62.2017	62.2017
Slope	13.37%	8.1750%	8.4200%	11.6247%	8.5419%
CP = Slope x Brent_m	8.3164	5.0850	5.2374	7.2308	5.3132
Average DES	8.3164			6.0194	
Port Charges (in the excess of limit borne by LNG supplier)	0.0981		0.0468		
DES Price	8.4145		6.0662		

- 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.