

**Addendum / amendment in para 6.4.25 of the Authority's
decision dated July 03, 2014 w.r.t. SNGPL's Petition for
Estimated Revenue Requirement for F.Y. 2014-15**

The Authority has considered the request of SNGPL vide its letter No. RA-TAR-14-15(P)-023 dated July 16, 2014 (copy enclosed) on the above subject. Accordingly, para 6.4.25 may be read as under:-

“6.4.25. In view of above, the Authority allows 300,000 new connections including 10% on urgent fee basis. The Authority also observes that the petitioner has over estimated the cost for domestic connections, therefore, by giving 10% inflation on weighted average per unit cost of 2013-14; an amount of Rs. 3,289 million for 300,000 domestic gas connections is allowed for the said year.”



SUI NORTHERN GAS PIPELINES LIMITED

Reference: RA-TAR-14-15(P)-023

Date: July 16, 2014

Registrar,
Oil & Gas Regulatory Authority,
Plot # 54, ZTE Plaza, Fazal-e-Haq Road,
Near PIA Building, Blue Area,
Islamabad.

Subject: INSTALLATION OF NEW CONNECTIONS

Madam,

Reference is made to the decision of the Authority for ERR FY 2014-15 dated July 03, 2014. The Authority while allowing 300,000 new domestic connections added the following caveat:

"6.4.24. Regarding, 300,000 new domestic connections, the Authority observes that all the categories of consumers are facing severe load shedding owing to gas shortfall. In this situation, further addition in gas connections shall aggravate the existing situation if the new supplies are not added in the system."

6.4.25. In view of the above, the Authority allows 300,000 new connections including 10% on urgent fee basis. The Authority also observes that the petitioner has over estimated the cost of domestic connections, therefore by giving 10% inflation on weighted average per unit cost of 2013-04, the amount works out to be Rs. 3,289 million for 300,000 domestic gas connections under the "new connections" for the said year subject to addition in gas supplies."

The Authority further added as follows:

"6.4.26. The Authority further observes that it has allowed 500,000 new connections during FY 2013-14 as requested by the petitioner for the existing network. The requested number of connections would not be provided during the same period. The Authority in view of the public suffering and backlog of 1.2 million allows that the balance meter connections including 10% urgent fee connections may be installed during the said year. This however shall form part of the rate base once the progress in this respect is reviewed at the time of review of the estimated revenue requirement for the said year."

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*SED (FSA)
ED (Gas)*

*18/7/14 9:55 am
10/7 9:50 am*




SUI NORTHERN GAS PIPELINES LIMITED

It is submitted that the above mentioned stance of the Authority may be self contradictory. On one hand, OGRA has not only allowed the 300,000 new domestic connections including 10% on urgent fee basis, but also advised the Company to provide balance of unutilized connections in respect of FY 2013-14 in FY 2014-15, over and above the said 300,000 connections. On the other hand, the Authority as per Para 6.4.25 of its decision on ERR for FY 2014-15, *has subjected the allowance of additional gas connections to the condition of provision of additional gas supplies only.*

In view of the above, clear cut decision/ directions of the Authority are solicited please on the matter, in order to alleviate the suffering of domestic consumers.

Yours sincerely,
Sui Northern Gas Pipelines Ltd


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Dy. Chief Accountant (RA)
for Managing Director

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