



OIL & GAS REGULATORY AUTHORITY

OGRA-6(1)-23/2013

Licence No. NG-19/2014

IN THE MATTER OF

**ELENGY TERMINAL PAKISTAN LIMITED (ETPL)'s
GRANT OF LICENCE TO CARRY OUT REGULATED ACTIVITY OF
TRANSMISSION OF NATURAL GAS FROM APPLICANT'S
ANTICIPATED LNG RECEIVING TERMINAL AT PORT QASIM,
KARACHI TO SSGCL's TRANSMISSION LINE INJECTION POINT**

UNDER

OIL AND GAS REGULATORY AUTHORITY ORDINANCE, 2002

AND

**OIL AND GAS REGULATORY AUTHORITY
LICENCING RULES, 2002**

DECISION

JULY 02, 2014

Saeed Ahmad Khan, Chairman

Sabar Hussain, Vice Chairman/ Member (Oil)

Aamir Naseem, Member (Gas)

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AUTHORITY'S DECISION

1. Engro Vopak Terminal Limited (EVTL) ["Applicant"] filed a petition on August 27, 2013 under Section 23 of Oil and Gas Regulatory Authority (OGRA) Ordinance, 2002 ('the Ordinance') read with Rule 4 of the Natural Gas Regulatory Authority (Licencing) Rules 2002 ('the rules') for grant of Licence to carry out regulated activity of Transmission of Natural Gas from their anticipated LNG receiving terminal at Port Qasim, Karachi to SSGCL's transmission line injection point. Subsequently, EVTL informed that their application may be treated in the name of Elengy Terminal Pakistan Limited (ETPL) which is a subsidiary of Engro and has been specifically registered to execute the said LNG project.
2. The applicant informed that Inter State Gas Systems (ISGS) was given the mandate by Govt. of Pakistan to invite tenders for installation of LNG receiving terminal, re-gasification of LNG and delivery of gas into SSGCL's existing natural gas network which is to be located in vicinity of Port Qasim, Karachi. The LNG cargoes shall be procured by a Govt. of Pakistan designated entity under a separate LNG supply contract.
3. ETPL being the short listed entity by ISGS for the said project applied for natural gas Transmission License for transmission of RLNG from their upcoming LNG receiving terminal at Port Qasim, Karachi to SSGCL transmission line injection point through a 24" dia 6 Km and a 42" dia 18 Km pipeline. The pipeline capacity shall be upto 690 MMCFD, whereas the estimated throughput for first year shall be 200 MMCFD and for remaining 14 years it shall be 400 MMCFD.
4. Being in conformity with the Rules, the Authority admitted the petition for consideration without requiring attendance of the applicant.
5. OGRA, through Public Notice published in the newspapers on 14-02-2014 invited all interveners and interested / affected persons and parties to furnish their comments / interventions / views, if any, within 14 days from the date of publication of the said notice and decided to hold public hearing which was held on 27-02-2014 in the office of OGRA at Islamabad which was adjourned on the request of the interveners.
6. The matter was re-considered by the Authority and Public hearing was re-fixed for 25-03-2014 at Karachi. Public hearing notices were published in the newspapers on 06-03-2014 & 11-03-2014 through which all interveners and interested / affected persons and parties were again invited to furnish their comments / interventions / views, if any, within 14 days from the date of publication of the said notices. In response thereto, the following interveners filed intervention requests with the Authority but did not submit any comments in this regard:-
 - (i) Mr. Muhammad Arif Bilvani
 - (ii) M/s Legal Blackstone, Karachi
 - (iii) Consumer Rights Commission of Pakistan

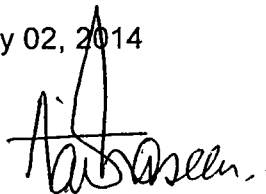
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7. Public Hearing was held on 25-03-2014 at Karachi wherein Mr. Shahid M. Satter, Islamabad and Ms. Huma Ejaz Zaman on behalf of Pakistan Gasport, Lahore made participation and submitted their valuable comments.
8. The Authority, after detailed scrutiny of the petition / available record and hearing viewpoints of the parties concludes that the interveners have failed to substantiate their intervention requests as required under NGRA (Licencing) Rules, 2002 as to how they would likely to be substantially and specifically affected by the grant of Licence for the aforementioned regulated activities to the applicant.
9. Further, the Authority arrives at the conclusion that the applicant fulfills the legal requirements and is entitled to the requisite licence. Therefore, the Authority, in exercise of its powers conferred under Sections 22(1) and 23(6) of the Oil and Gas Regulatory Authority Ordinance, 2002, read with Rule 3(3) of the NGRA (Licencing) Rules, 2002, hereby grants a licence to the applicant to carry out regulated activity of Transmission of Natural Gas from their upcoming LNG receiving terminal at Port Qasim, Karachi to SSGCL's transmission line injection point effective from October 01, 2014 for a period of 10 years.
10. The licensee shall be liable to pay the fee in accordance with Schedule-II of Natural Gas Regulatory Authority (Licencing) Rules, 2002.
11. The terms and conditions imposed on the licensee are contained in the licence document consisting of five [05] pages, which is issued to the Applicant today alongwith this decision.

Dated: July 02, 2014



(Aamir Naseem)
Member (Gas)



(Sabar Hussain)
Vice Chairman/ Member (Oil)



(Saeed Ahmad Khan)
Chairman



Oil and Gas Regulatory Authority

Islamic Republic of Pakistan

LICENCE

For

Transmission of Natural Gas

Granted to

Elengy Terminal Pakistan Limited (ETPL)

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Licence No. NG-019/2014

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OIL & GAS REGULATORY AUTHORITY

Islamic Republic of Pakistan

Islamabad, 2nd July, 2014

Licence No. NG-019/2014

THE LICENCE

The Oil & Gas Regulatory Authority, (the "Authority"), established under the Oil & Gas Regulatory Authority Ordinance, 2002 (Ordinance No. XVII of 2002) (hereinafter referred to as "the Ordinance"), in exercise of its powers conferred by Sections 22 (1) and 23(6) of the Ordinance and Rule 3(3) of Natural Gas Regulatory Authority (Licensing) Rules, 2002 (the "Licensing Rules") hereby grants to Elengy Terminal Pakistan Limited (ETPL) having its registered office at 16th Floor, The Harbor Front Building, HC-3, Marine Drive, Clifton, Block 4, Karachi (the "Licensee") to undertake the following regulated activity subject to the "Terms and Conditions Applicable to the Licensee" given hereinafter;

Transmission of Natural Gas

Construction and operation of following pipeline alongwith ancillary/connected facilities for the purpose of transmission of natural gas from ETPL Jetty at Port Bin Qasim till SSGCL's tie in point:-

- (i) A combination of 24 inch diameter 6 km and 42 inch diameter 18 km pipeline from ETPL Jetty Head upto SSGCL tie in point at SMS Pakland.

Validity

The Licence shall be valid from 1st October, 2014 (effective date) for a period of [10] ten years or till the expiry of the between ISGS/SSGCL and Licensee, whichever comes first, unless the Licence is revoked earlier under the provisions of the Ordinance and the Rules.

(Aamir Naseem)
Member (Gas)

(Sabar Hussain)
Member (Oil)/Vice Chairman

(Saeed Ahmad Khan)
Chairman

Terms and Conditions Applicable to the Licensee

1. Definitions

- 1.1. Words and expressions used in the Licence but not defined, unless the contrary intention appears, shall have the same meaning as are assigned to them in the Ordinance and the Rules.
- 1.2. The following words shall have the following meanings:-
 - 1.2.1. "Agreement" means Agreement between ISGS /SSGCL and ETPL
 - 1.2.2. "Licence" means this licence and any amendment, modification, extension or renewal thereof under the provisions of the Ordinance and the Rules;
 - 1.2.3. "Rules" means the rules made under the provisions of the Ordinance; and Any reference to a statute or a delegated legislation shall be deemed to mean and include its modification, amendment, replacement or substitution by a subsequent law.

2. Renewal, Modification, Revocation and Early Termination of Licence

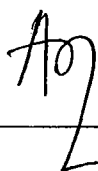
- 2.1. On an application made by the Licensee to the Authority at least two years prior to the expiry date of the Licence, the Authority may renew the Licence on the terms and conditions, as deemed appropriate by the Authority, in accordance with the provisions of the Ordinance and the Rules.
- 2.2. The terms and conditions of the Licence may be amended, varied, modified, extended or revoked by the Authority, in accordance with the provisions of the Ordinance and the Rules.
- 2.3. On an application by the Licensee, for an early termination of the Licence with 2 (two) years prior notice, the Authority may terminate the Licence in accordance with the provisions of the Ordinance and the Rules.

3. Compliance with Laws/Ordinance/Rules

- 3.1 The Licensee shall ensure that it complies at all times with the applicable Laws of Pakistan and in particular with the provisions of the Ordinance and the Rules.
- 3.2 The breach of any provision of the Ordinance or the Rules shall be deemed to be a breach of the terms and conditions of the Licence and vice versa.

4. Gas Sale or Utilization of Transmission Capacity

- 4.1 The Licensee shall not sell or transport gas to any person without obtaining a Licence from the Authority, in accordance with the provisions of the Ordinance and the Rules.
- 4.2 The Licensee shall not provide its transmission capacity to any other person without obtaining prior approval of the Authority in accordance with the provisions of the Ordinance and the Rules.







5. Payment of Fee

5.1 The Licensee shall not be liable to pay annual fee, as long as, it is carrying out the regulated activity of transmission of natural gas exclusively for self consumption.

6. Maintenance of Record and Provision of Information

6.1. The Licensee shall keep complete and accurate record and data regarding the transmission of natural gas as may be required for the purpose of this Licence in appropriate manner. The Licensee shall provide to the Authority promptly such documents, records or information regarding the transmission of natural gas and the pipeline, as the Authority may require pursuant to the Ordinance, the Rules, and the Regulations made thereunder.

7. Miscellaneous

7.1 The Licensee shall conform to the requirements of the Pakistan Environmental Protection Act, 1997 (XXXIV of 1997), as amended from time to time.

7.2 The Licensee shall locate, design, construct, operate and maintain its facilities in strict accordance with the technical and other standards prescribed by the Authority and in a manner so as not to endanger public health or safety.

7.3 The Licensee shall not abandon any facility or pipeline without the prior consent of the Authority.

7.4 If the pipeline is constructed or operated and maintained by a third party, that party must be holder of a valid Licence for this purpose.

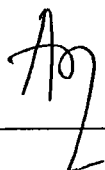
8. Assignment and Transfer

8.1. The Licensee shall not assign or transfer the Licence or any rights or obligations therein without having obtained the prior written approval of the Authority in accordance with the provisions of the Ordinance and the Rules.

9. Notices

9.1. All notices to be given under any statute or terms and conditions of this licence shall be given in writing and shall be deemed to have been properly served if delivered in person or sent by registered mail or transmitted by facsimile to the relevant party at the address set out below or at such other address as that party may from time to time specify in writing to the other:-

Licensee: Chief Executive Officer,
Elengy Terminal Pakistan Limited (ETPL)
16th Floor, The Harbor Front Building, HC-3,
Marine Drive, Clifton, Block-4,
Karachi, Pakistan
Telephone No: 92-21-35293901-3
Facsimile No: 92-21-35293906







Authority: Registrar,
Oil and Gas Regulatory Authority
54-B, Fazal-e- Haq Road, Blue Area
Islamabad, Pakistan.
Telephone No: 92-51-9221715-18
Facsimile No: 92-51-9221714

9.2 Any notice given under the provisions of Condition 9.1 shall be deemed to have been duly served and received:

9.2.1. at the actual time of delivery, if delivered personally;

9.2.2. ten (10) working days subsequent to the date of postage, if sent by registered mail; and

9.2.3. at the time of receipt, if transmitted by facsimile where there is confirmation of uninterrupted transmission by a transmission report and provided that the original of the notice is then delivered personally or sent by registered mail as soon as reasonably practicable.

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