

No. OGRA-10-11(8)/2020

December 10, 2020

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 December 2020.

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 price for the month of December, 2020 has been computed as attached at Annexure- A and Annexure- B.

Best Regards,



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

OK

- 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.

SNGPL

COMPUTATION OF WEIGHTED AVERAGE RLNG PRICE FOR SNGPL DECEMBER 2020: Annex: A

Particulars	Unit	(SNGPL December 2020)			
		Transmission		Distribution	
		PSO	PLL	PSO	PLL
No. of Cargos		6	6	6	6
Quantity Received		19,200,000	19,200,000	19,200,000	19,200,000
Retainage PSO @ 0.66 % and PLL @ 0.683%		126,720	131,113	126,720	131,113
Quantity Delivered at Terminal	MMBTU	19,073,280	19,068,887	19,073,280	19,068,887
Transmission Loss SNGPL @ 0.38%		72,478	72,462		
Distribution Loss: SNGPL @ 6.3%				1,201,617	1,201,340
Total Loss including Retainage		199,198	203,575	1,328,337	1,332,453
%age Losses		1.04%	1.06%	6.92%	6.94%
Quantity available for Sale		19,000,802	18,996,425	17,871,663	17,867,547
LNG Price (DES)	US \$/MMBTU	5.7795	7.0606	5.7795	7.0606
PSO/ PLL other imports related costs		0.4590	0.5379	0.4590	0.5379
PSO / PLL margin (@ 2.50%)		0.1445	0.1765	0.1445	0.1765
Terminal Charges		0.4125	0.3891	0.4125	0.3891
RLNG Cost		6.7955	8.1641	6.7955	8.1641
Retainage volume adjustment		0.0451	0.0561	0.0451	0.0561
T & D volume adjustment		0.0261	0.0314	0.0261	0.0314
LSA management fee (SSGC/PLTL)		0.0250	0.0250	0.0250	0.0250
Cost of supply -SNGPL		0.2633	0.2633	0.2633	0.2633
Cost of supply -SSGCL		0.1017	0.1017	0.1017	0.1017
Total RLNG price without GST		7.2567	8.6416	7.6906	9.1629
Quantity available for Sale	MMBTU	19,000,802	18,996,425	17,871,663	17,867,547
Total cost of RLNG	US \$	137,882,483	164,158,670	137,443,218	163,717,759
sum of Total RLNG cost (PSO & PLL)	US \$	302,041,153		301,160,978	
sum of quantity available for sale (PSO & PLL)	MMBTU	37,997,227		35,739,210	
Weighted Average Sale Price without GST	US \$/MMBTU	7.9490		8.4266	

Notes:

i. Calculation of LNG DES Price	PSO		PLL			
	6	1	1	1	1	1
No. of Cargoes	6	1	1	1	1	1
Quantity (No. MMBTU)	19,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Bricem-Sep-20	41.9350	41.9350	41.9350	41.9350	41.9350	41.9350
Bricem-Oct-20	41.5459	41.5459	41.5459	41.5459	41.5459	41.5459
Bricem-Nov-20	43.9938	43.9938	43.9938	43.9938	43.9938	43.9938
Brent_m	42.4916	42.4916	42.4916	42.4916	42.4916	42.4916
Slope	13.3700%	16.8403%	16.9870%	16.9720%	16.5513%	15.9759%
CP = Slope x Brent_m	5.6811	7.1557	7.2180	7.2117	7.0329	6.7884
Average DES	5.6811			7.0255		
Port Charges (in the excess of limit borne by LNG supplier)	0.0984			0.0351		
DES Price	5.7795			7.0606		

- ii. Average cost of supply for has been taken on provisional basis as per DERR-FY 2020-21.
- 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. UFG allowed in DERR 2019-20 has been taken on provisional basis as FRR petition for the same year has not yet been submitted by SNGPL.
- 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.

SSGCL

COMPUTATION OF WEIGHTED AVERAGE RLNG PRICE FOR SSGC: DECEMBER 2020 Annex: B

Particulars	Unit	(SSGC December 2020)			
		Transmission		Distribution	
		PSO	PLL	PSO	PLL
No. of Cargos		6	6	6	6
Quantity Received		19,200,000	19,200,000	19,200,000	19,200,000
Retainage PSO @ 0.66 % and PLL @ 0.683%		126,720	131,113	126,720	131,113
Quantity Delivered at Terminal		19,073,280	19,068,887	19,073,280	19,068,887
Transmission Loss SSGCL @ 0.12%		22,888	22,883		
Distribution Loss: SSGCL @ 6.3%			-	1,201,617	1,201,340
Total Loss including Retainage		149,608	153,996	1,328,337	1,332,453
%age Losses		0.78%	0.80%	6.92%	6.94%
Quantity available for Sale		19,050,392	19,046,004	17,871,663	17,867,547
LNG Price (DES)		5.7795	7.0606	5.7795	7.0606
PSO/ PLL other imports related costs		0.4590	0.5379	0.4590	0.5379
PSO / PLL margin (@ 2.50%)		0.1445	0.1765	0.1445	0.1765
Terminal Charges		0.4125	0.3891	0.4125	0.3891
RLNG Cost		6.7955	8.1641	6.7955	8.1641
Retainage volume adjustment		0.0451	0.0561	0.0451	0.0561
T & D volume adjustment		0.0083	0.0099	0.4600	0.5527
LSA management fee (SSGC/PLTL)		0.0250	0.0250	0.0250	0.0250
Cost of supply -SNGPL					
Cost of supply -SSGCL		0.1017	0.1017	0.1017	0.1017
Total RLNG price without GST		6.9756	8.3568	7.4273	8.8996
Quantity available for Sale	MMBTU	19,050,392	19,046,004	17,871,663	17,867,547
Total cost of RLNG	US \$	132,887,915	159,162,809	132,738,205	159,013,234
sum of Total RLNG cost (PSO & PLL)	US \$	292,050,724		291,751,439	
sum of quantity available for sale (PSO & PLL)	MMBTU	38,096,396		35,739,210	
Weighted Average Sale Price without GST	US \$/ MMBTU	7.6661		8.1633	

Notes:

i. Calculation of LNG DES Price	PSO	PLL					
		1	1	1	1	1	1
No. of Cargoes	6	1	1	1	1	1	1
Quantity (No. MMBTU)	19,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Bricem-Sep-20	41.9350	41.9350	41.9350	41.9350	41.9350	41.9350	41.9350
Bricem-Oct-20	41.5459	41.5459	41.5459	41.5459	41.5459	41.5459	41.5459
Bricem-Nov-20	43.9938	43.9938	43.9938	43.9938	43.9938	43.9938	43.9938
Brent_m	42.4916	42.4916	42.4916	42.4916	42.4916	42.4916	42.4916
Slope	13.3700%	16.8403%	16.9870%	16.9720%	16.5513%	15.9759%	15.8761%
CP = Slope x Brent_m	5.6811	7.1557	7.2180	7.2117	7.0329	6.7884	6.7460
Average DES	5.6811	7.0255					
Port Charges (in the excess of limit borne by LNG supplier)	0.0984	0.0351					
DES Price	5.7795	7.0606					

- ii. Average cost of supply for has been taken on provisional basis as per DERR-2020-21.
- 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. UFG allowed in DERR 2019-20 has been taken on provisional basis as FRR petition for the same year has not yet been submitted by SSGCL.
- 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.