

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

November 11, 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 October 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 prices for the month of October, 2020 has been computed as attached at Annexure- A and Annexure- B.

Best Regards,



(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 OCTOBER 2020: Annex: A

Particulars	Unit	(SNGPL OCTOBER 2020)			
		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 @ 0.66 % and PLL @ 0.695%		126,720	111,270	126,720	111,270
Quantity Delivered at Terminal	MMBTU	19,073,280	15,888,730	19,073,280	15,888,730
Transmission Loss SNGPL @ 0.38% and SSGC @ 0.12%		72,478	60,377		
Distribution Loss: SNGPL @ 6.3% and SSGC @ 6.3%				1,201,617	1,000,990
Total Loss including Retainage		199,198	171,648	1,328,337	1,112,260
%age Losses		1.04%	1.07%	6.92%	6.95%
Quantity available for Sale		19,000,802	15,828,352	17,871,663	14,887,740
LNG Price (DES)		5.8914	5.1091	5.8914	5.1091
PSO/ PLL other imports related costs		0.4628	0.4115	0.4628	0.4115
PSO / PLL margin (@ 2.50%)		0.1473	0.1277	0.1473	0.1277
Terminal Charges		0.4125	0.4651	0.4125	0.4651
RLNG Cost		6.9139	6.1135	6.9139	6.1135
Retainage volume adjustment	US \$/MMBTU	0.0459	0.0428	0.0459	0.0428
T & D volume adjustment		0.0266	0.0235	0.4680	0.4139
LSA management fee (SSGC/PLTL)		0.0250	0.0250	0.0250	0.0250
Cost of supply -SNGPL		0.2531	0.2531	0.2531	0.2531
Cost of supply -SSGCL		0.0978	0.0978	0.0978	0.0978
Total RLNG price without GST		7.3623	6.5557	7.8037	6.9461
Quantity available for Sale	MMBTU	19,000,802	15,828,352	17,871,663	14,887,740
Total cost of RLNG	US \$	139,889,940	103,765,635	139,465,418	103,411,451
sum of Total RLNG cost (PSO & PLL)	US \$	243,655,575		242,876,869	
sum of quantity available for sale (PSO & PLL)	MMBTU	34,829,154		32,759,403	
Weighted Average Sale Price without GST	US \$/MMBTU	6.9957		7.4140	

Notes:

i. Calculation of LNG DES Price	PSO		PLL	
	6	2	2	1
No. of Cargoes	6	2	2	1
Quantity (No. MMBTU)	19,200,000	6,400,000	6,400,000	3,200,000
Bricem-July-20	43.2317	43.2317	43.2317	43.2317
Bricem-August-20	45.0562	45.0562	45.0562	45.0562
Bricem-September-20	41.9350	41.9350	41.9350	41.9350
Brent_m	43.4076	43.4076	43.4076	43.4076
Slope	13.3700%	11.9500%	11.3877%	11.6247%
CP = Slope x Brent_m	5.8036	5.1872	4.9431	5.0460
Average DES	5.8036	5.0613		
Port Charges (In the excess of limit borne by LNG supplier)	0.0878	0.0478		
DES Price	5.8914	5.1091		

- 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.

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

Particulars	Unit	(SSGC OCTOBER 2020)			
		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 @ 0.66 % and PLL @ 0.695%		126,720	111,270	126,720	111,270
Quantity Delivered at Terminal	MMBTU	19,073,280	15,888,730	19,073,280	15,888,730
Transmission Loss SNGPL @ 0.38% and SSGC @ 0.12%		22,888	19,066		
Distribution Loss: SNGPL @ 6.3% and SSGC @ 6.3%			-	1,201,617	1,000,990
Total Loss including Retainage		149,608	130,337	1,328,337	1,112,260
%age Losses		0.78%	0.81%	6.92%	6.95%
Quantity available for Sale		19,050,392	15,869,663	17,871,663	14,887,740
LNG Price (DES)		5.8914	5.1091	5.8914	5.1091
PSO/ PLL other imports related costs		0.4628	0.4115	0.4628	0.4115
PSO / PLL margin (@ 2.50%)		0.1473	0.1277	0.1473	0.1277
Terminal Charges		0.4125	0.4651	0.4125	0.4651
RLNG Cost		6.9139	6.1135	6.9139	6.1135
Retainage volume adjustment	US \$ /MMBTU	0.0459	0.0428	0.0459	0.0428
T & D volume adjustment		0.0084	0.0074	0.4680	0.4139
LSA management fee (SSGC/PLTL)		0.0250	0.0250	0.0250	0.0250
Cost of supply -SNGPL					
Cost of supply -SSGCL		0.0978	0.0978	0.0978	0.0978
Total RLNG price without GST		7.0910	6.2865	7.5506	6.6930
Quantity available for Sale	MMBTU	19,050,392	15,869,663	17,871,663	14,887,740
Total cost of RLNG	US \$	135,086,330	99,764,342	134,941,781	99,643,364
sum of Total RLNG cost (PSO & PLL)	US \$	234,850,672		234,585,145	
sum of quantity available for sale (PSO& PLL)	MMBTU	34,920,055		32,759,403	
Weighted Average Sale Price without GST	US \$ / MMBTU	6.7254		7.1608	

Notes:

i. Calculation of LNG DES Price	PSO		PLL	
	6	2	2	1
No. of Cargoes	6	2	2	1
Quantity (No. MMBTU)	19,200,000	6,400,000	6,400,000	3,200,000
Bricem-July-20	43.2317	43.2317	43.2317	43.2317
Bricem-August-20	45.0562	45.0562	45.0562	45.0562
Bricem-September-20	41.9350	41.9350	41.9350	41.9350
Brent_m	43.4076	43.4076	43.4076	43.4076
Slope	13.3700%	11.9500%	11.3877%	11.6247%
CP = Slope x Brent_m	5.8036	5.1872	4.9431	5.0460
Average DES	5.8036		5.0613	
Port Charges (in the excess of limit borne by LNG supplier)	0.0878		0.0478	
DES Price	5.8914		5.1091	

- 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 SSGC.
- 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.