

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 September 2020.

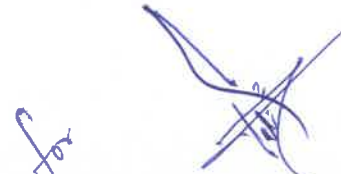
Dear Sir,

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 September, 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 SEPTEMBER 2020: Annex: A

Particulars	Unit	(SNGPL SEPTEMBER 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 @ 0.718%		126,720	114,825	126,720	114,825
Quantity Delivered at Terminal		19,073,280	15,885,175	19,073,280	15,885,175
Transmission Loss SNGPL @ 0.38% and SSGC @ 0.12%		72,478	60,364		
Distribution Loss: SNGPL @ 6.3% and SSGC @ 6.3%					
Total Loss Including Retainage		199,198	175,189	1,201,617	1,000,766
%age Losses		1.04%	1.09%	6.92%	6.97%
Quantity available for Sale		19,000,802	15,824,811	17,871,663	14,884,409
LNG Price (DES)		5.8500	4.2763	5.8500	4.2763
PSO/ PLL other imports related costs		0.4596	0.3587	0.4596	0.3587
PSO / PLL margin (@ 2.50%)		0.1463	0.1069	0.1463	0.1069
Terminal Charges		0.4012	0.4504	0.4012	0.4504
RLNG Cost		6.8571	5.1923	6.8571	5.1923
Retainage volume adjustment		0.0456	0.0375	0.0456	0.0375
T & D volume adjustment		0.0263	0.0200	0.0464	0.3517
LSA management fee (SSGC/PLTL)		0.0250	0.0250	0.0250	0.0250
Cost of supply -SNGPL		0.2522	0.2522	0.2522	0.2522
Cost of supply -SSGCL		0.0974	0.0974	0.0974	0.0974
Total RLNG price without GST		7.3036	5.6244	7.7414	5.9561
Quantity available for Sale	MMBTU	19,000,802	15,824,811	17,871,663	14,884,409
Total cost of RLNG	US \$	138,773,452	89,005,375	138,350,941	88,653,316
sum of Total RLNG cost (PSO & PLL)	US \$	227,778,828		227,004,257	
sum of quantity available for sale (PSO & PLL)	MMBTU	34,825,613		32,756,072	
Weighted Average Sale Price without GST	US \$/MMBTU	6.5406		6.9301	

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-June-20	40.7782	40.7782	40.7782	40.7782	40.7782	40.7782
Bricem-July-20	43.2317	43.2317	43.2317	43.2317	43.2317	43.2317
Bricem-August-20	45.0562	45.0562	45.0562	45.0562	45.0562	45.0562
Brent_m	43.0220	43.0220	43.0220	43.0220	43.0220	43.0220
Slope	13.3700%	11.9500%	7.9673%	11.6247%	10.8888%	6.9511%
CP = Slope x Brent_m	5.7520	5.1411	3.4277	5.0012	4.6846	2.9905
Average DES	5.7520			4.2490		
Port Charges (in the excess of limit borne by LNG supplier)	0.0980			0.0273		
DES Price	5.8500			4.2763		

- 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: SEPTEMBER 2020 Annex: B

Particulars	Unit	(SSGC SEPTEMBER 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 @ 0.718%					
Quantity Delivered at Terminal	MMBTU	126,720	114,825	126,720	114,825
Transmission Loss SNGPL @ 0.38% and SSGC @ 0.12%		19,073,280	15,885,175	19,073,280	15,885,175
Distribution Loss: SNGPL @ 6.3% and SSGC @ 6.3%		22,888	19,062		
Total Loss including Retainage				1,201,617	1,000,766
%age Losses		149,608	133,887	1,328,337	1,115,591
Quantity available for Sale		0.78%	0.84%	6.92%	6.97%
LNG Price (DES)		19,050,392	15,866,113	17,871,663	14,884,409
PSO/ PLL other imports related costs		5.8500	4.2763	5.8500	4.2763
PSO / PLL margin (@ 2.50%)		0.4596	0.3587	0.4596	0.3587
Terminal Charges		0.1463	0.1069	0.1463	0.1069
RLNG Cost		0.4012	0.4504	0.4012	0.4504
Retainage volume adjustment		6.8571	5.1923	6.8571	5.1923
T & D volume adjustment		0.0456	0.0375	0.0456	0.0375
LSA management fee (SSGC/PLTL)		0.0083	0.0063	0.4641	0.3517
Cost of supply -SNGPL		0.0250	0.0250	0.0250	0.0250
Cost of supply -SSGCL					
Total RLNG price without GST		0.0974	0.0974	0.0974	0.0974
Quantity available for Sale		7.0334	5.3585	7.4892	5.7039
Total cost of RLNG	MMBTU	19,050,392	15,866,113	17,871,663	14,884,409
sum of Total RLNG cost (PSO & PLL)	US \$	133,989,028	85,018,873	133,844,461	84,899,469
sum of quantity available for sale (PSO & PLL)	MMBTU		219,007,900		218,743,930
Weighted Average Sale Price without GST	US \$/ MMBTU		34,916,505		32,756,072
			6.2723		6.6780

Notes:

i. Calculation of LNG DES Price						
No. of Cargoes	PSO		PLL			
	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-June-20	40.7782	40.7782	40.7782	40.7782	40.7782	41
Bricem-July-20	43.2317	43.2317	43.2317	43.2317	43.2317	43.2317
Bricem-August-20	45.0562	45.0562	45.0562	45.0562	45.0562	45.0562
Brent_m	43.0220	43.0220	43.0220	43.0220	43.0220	43.0220
Slope	13.3700%	11.9500%	7.9673%	11.6247%	10.8888%	6.9511%
CP = Slope x Brent_m	5.7520	5.1411	3.4277	5.0012	4.6846	2.9905
Average DES	5.7520			4.2490		
Port Charges (in the excess of limit borne by LNG supplier)	0.0980			0.0273		
DES Price	5.8501			4.2763		

- 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.