

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

March 09, 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 March 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 March, 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 MARCH 2020:

Annex: A

SNGPL

Particulars	Unit	SNGPL (March 2020)			
		Transmission		Distribution	
		PSO	PLL	PSO	PLL
No. of Cargos		6	1	6	1
Quantity Received		19,200,000	3,200,000	19,200,000	3,200,000
Retainage % PSO @ 0.66 and PLL @ 1.375		126,720	44,000	126,720	44,000
Quantity Delivered at Terminal		19,073,280	3,156,000	19,073,280	3,156,000
Transmission Loss: (SNGPL 0.38%) & (SSGCL -0.74%)		72,478	11,993		
T & D Loss: (SNGPL 10.90%) & (SSGCL 13.29%)				2,078,988	344,004
Total Loss including Retainage		199,198	55,993	2,205,708	388,004
%age Losses		1.04%	1.75%	11.49%	12.13%
Quantity available for Sale		19,000,802	3,144,007	16,994,292	2,811,996
LNG Price (DES)		8.3029	7.1656	8.3029	7.1656
PSO/ PLL other imports related actual costs		0.6227	0.5479	0.6227	0.5479
PSO / PLL margin (@ 2.50%)		0.2076	0.1791	0.2076	0.1791
Terminal Charges		0.4125	2.2895	0.4125	2.2895
RLNG Cost		9.5456	10.1821	9.5456	10.1821
Retainage volume adjustment		0.0634	0.1420	0.0634	0.1420
T & D volume adjustment		0.0367	0.0393	1.1755	1.2629
LSA management fee (SSGC/PLTL)		0.0250	0.0250	0.0250	0.0250
Cost of supply -SNGPL		0.2993	0.2993	0.2993	0.2993
Cost of supply -SSGCL		0.1442	0.1442	0.1442	0.1442
Total RLNG price without GST		10.1142	10.8319	11.2530	12.0555
Quantity available for Sale	MMBTU	19,000,802	3,144,007	16,994,292	2,811,996
Total cost of RLNG	US \$	192,178,766	34,055,706	191,237,541	33,900,138
sum of Total RLNG cost (PSO & PLL)	US \$	226,234,472		225,137,679	
sum of quantity available for sale (PSO & PLL)	MMBTU	22,144,809		19,806,288	
Weighted Average Sale Price without GST	US \$/MMBTU	10.2161		11.3670	

Notes:

i. Calculation of LNG DES Price	PSO	PLL
No. of Cargoes	6	1
Quantity (No. MMBTU)	19,200,000	3,200,000
Bricem-December-19	65.0895	65.0895
Bricem-January-20	63.6027	63.6027
Bricem-February-20	55.4350	55.4350
Brent_m	61.3758	61.3758
Slope	13.3700%	11.6247%
CP = Slope x Brent_m	8.2059	7.1348
Average DES	8.2059	7.1348
Port Charges (in the excess of limit borne by LNG supplier)	0.0970	0.0308
DES Price	8.3029	7.1656

- ii. Average cost of supply for has been taken on provisional basis as per DERR-2019-20.
- 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. The provisional UFG in case of SNGPL is based on the FRR FY 2017-18.
- 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: MARCH 2020 Annex: B

SSGCL

Particulars	Unit	SSGC (March 2020)			
		Transmission		Distribution	
		PSO	PLL	PSO	PLL
No. of Cargos		6	1	6	1
Quantity Received		19,200,000	3,200,000	19,200,000	3,200,000
Retainage % PSO @ 0.66 and PLL @ 1.375					
Quantity Delivered at Terminal	MMBTU	126,720	44,000	126,720	44,000
Transmission Loss: (SNGPL 0.38%) & (SSGCL -0.74%)		19,073,280	3,156,000	19,073,280	3,156,000
T & D Loss: (SNGPL 10.90%) & (SSGCL 13.29%)		(141,142)	(23,354)		
Total Loss including Retainage				2,534,839	419,432
%age Losses		(14,422)	20,646	2,661,559	463,432
Quantity available for Sale		-0.08%	0.65%	13.86%	14.48%
LNG Price (DES)		19,214,422	3,179,354	16,538,441	2,736,568
PSO/ PLL other imports related actual costs		8.3029	7.1656	8.3029	7.1656
PSO / PLL margin (@ 2.50%)		0.6227	0.5479	0.6227	0.5479
Terminal Charges		0.2076	0.1791	0.2076	0.1791
RLNG Cost		0.4125	2.2895	0.4125	2.2895
Retainage volume adjustment	US \$ /MMBTU	9.5456	10.1821	9.5456	10.1821
T & D volume adjustment		0.0634	0.1420	0.0634	0.1420
LSA management fee (SSGC/PLTL)		(0.0706)	(0.0759)	1.4728	1.5823
Cost of supply -SNGPL		0.0250	0.0250	0.0250	0.0250
Cost of supply -SSGCL		0.1442	0.1442	0.1442	0.1442
Total RLNG price without GST		9.7076	10.4174	11.2510	12.0756
Quantity available for Sale	MMBTU	19,214,422	3,179,354	16,538,441	2,736,568
Total cost of RLNG	US \$	186,525,926	33,120,742	186,074,001	33,045,813
sum of Total RLNG cost (PSO & PLL)	US \$	219,646,668		219,119,813	
sum of quantity available for sale (PSO & PLL)	MMBTU	22,393,777		19,275,009	
Weighted Average Sale Price without GST	US \$ / MMBTU	9.8084		11.3681	

Notes:

i. Calculation of LNG DES Price	PSO	PLL
No. of Cargoes	6	1
Quantity (No. MMBTU)	19,200,000	3,200,000
Bricem-December-19	65.0895	65.0895
Bricem-January-20	63.6027	63.6027
Bricem-February-20	55.4350	55.4350
Brent_m	61.3758	61.3758
Slope	13.3700%	11.6247%
CP = Slope x Brent_m	8.2059	7.1348
Average DES	8.2059	7.1348
Port Charges (in the excess of limit borne by LNG supplier)	0.0970	0.0308
DES Price	8.3029	7.1656

- ii. Average cost of supply for has been taken on provisional basis as per DERR-2019-20.
- 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. The provisional UFG in case of SSGCL is based on the FRR FY 2016-17.
- 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.