



ANNUAL REPORT 2014-15



Oil & Gas Regulatory Authority



Annual Report 2014-15



Mission Statement

**Safeguard public interest through
efficient and effective regulation
in the midstream and downstream
petroleum sector**



Report on Conduct of OGRA Affairs



The Authority



Aamir Naseem
Member (Gas)

Saeed Ahmad Khan
(Chairman)

Noorul Haque
Member (Finance)

Senior Executives



Sitting Left to Right:

Misbah Yaqoob, Lt. Col (R) Farrukh Nadeem, Muhammad Yasin, Shahzad Iqbal, Muazzam Hussain Ch.

Standing Left to Right:

Sarmad Aslam, Muhammad Afzal Bajwa, Anwar Ali Sheikh



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AJK	Azad Jammu & Kashmir
API	American Petroleum Institute
ARL	Attock Refinery Limited
BBL	Barrel
BCF	Billion Cubic Feet
CCI	Council of Common Interest
CIE	Chief Inspector Explosives
CMS	Consumer Meter Station
CNG	Compressed Natural Gas
CP	Contract Price
CPGCL	Central Power Generation Company Limited
CRPR	Complaint Resolution Procedure Regulations
DCO	District Coordination Officer
DERR	Determination of Estimated Revenue Requirement
DHDS	Diesel Hydro De-Sulphurization
E-10	Ethanol Blended Gasoline
ECC	Economic Coordination Committee
ECPL	Engro Chemicals Pakistan Limited
EETL	Engro Elengy Terminal Limited
ERR	Estimated Revenue Requirement
EVC	Electronic Volume Corrector
FATA	Federally Administered Tribal Areas
FFCL	Fauji Fertilizer Company Limited
FOB	Free on Board/Freight on Board
FOTCO	Fauji Oil Terminal Company
FRR	Final Revenue Requirement
FSRU	Floating Storage and Re-gasification Unit
FY	Fiscal Year/Financial Year
GDS	Gas Development Surcharge
GoP	Government of Pakistan
GSA	Gas Sale Agreement



GSPA	Gas Sale Purchase Agreement
HDIP	Hydrocarbon Development Institute of Pakistan
HOBC	High Octane Blending Component
HP	Horsepower
HSD	High Speed Diesel
HSFO	High Sulphur Fuel Oil
IA	Implementation Agreement
IFEM	Inland Freight Equalization Margin
IPP	Independent Power Producers / Import Parity Price
JJVL	Jamshoro Joint Venture Limited
JP	Jet Propellant (Aviation Fuel)
KERO	Kerosene Oil
KPK	Khyber Pakhtunkhwa
LAN	Local Area Network
LDO	Light Diesel Oil
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
LPS	Late Payment Surcharge
LUMS	Lahore University of Management Sciences
MMBTU	Million British Thermal Unit
MMcfd	Million Cubic Feet per Day
MMP	Meter Manufacturing Profit
MP&NR	Ministry of Petroleum & Natural Resources
MPCL	Mari Petroleum Company Limited
MS	Motor Spirit
NFPA	National Fire Protection Association
NGEP	Natural Gas Efficiency Project
NGLR	Natural Gas Licensing Rules
NGRA	Natural Gas Regulatory Authority
NICT R&D	National Information, Communication, Telecom Research & Development
NRL	National Refinery Limited

OGDCL	Oil and Gas Development Company Limited
OGRA	Oil and Gas Regulatory Authority
OMC	Oil Marketing Company
OPL	Ocean Pakistan Limited
PARCO	Pak-Arab Refinery Company
PDC	Price Differential Claim
PL	Petroleum Levy
POL	Petroleum Oil Lubricant / Pakistan Oil Field Limited
PPL	Pakistan Petroleum Limited
PRL	Pakistan Refinery Limited
PSO	Pakistan State Oil
PTCL	Pakistan Telecommunication Company Limited
QPL	Quetta Pipeline
RLNG	Re-gasified Liquid Natural Gas
RR	Revenue Requirement
Rs.	Rupees
SCADA	Supervisory Control and Data Acquisition System
SHC	Sindh High Court
SKO	Superior Kerosene Oil
SMS	Sales Meter Station
SNGPL	Sui Northern Gas Pipelines Limited
SOP	Standard Operating Procedures
SPL	Shell Pakistan Limited
SRO	Statutory Regulatory Order
SSGCL	Sui Southern Gas Company Limited
TBS	Town Border Station
TPI	Third Party Inspector
TRS	Town Regulating Station
UFG	Unaccounted for Gas
US\$	US Dollar



Chairman's Review

1. Chairman's Review

“Effective regulatory governance is an essential prerequisite to sustainable public service performance. Organizations that operate with integrity at all times will maintain the trust of their stakeholders.”

This has been another successful year for OGRA and I am proud of presenting the 13th Annual Report of OGRA's Performance for the year ended on June 30, 2015, in pursuance of Section 20 (1)(a) of the OGRA Ordinance, 2002.

During fiscal year 2014-15, OGRA has been quite successful in achieving its objectives to foster competition with increased private investment and ownership in the midstream and downstream petroleum industry and protect the public interest by providing effective and efficient regulations. The report highlights the important and considerable efforts of OGRA to implement the government's reform agenda in the oil and gas sectors.

OGRA remained engaged in determination of revenue requirement/prescribed prices of gas utilities and expeditious resolution of complaints. Activities carried out include the grant of approval of expansion in the transmission and distribution network of SNGPL & SSGCL, grant of licences for construction of LPG storage & filling plants, construction of LPG auto-refuelling stations, grant of permission to establish Oil Marketing Companies (OMCs), construction/operation of oil terminal/storage facilities, registration of lube oil blending/reclamation plants and lube oil importers, enforcement of ordinance, rules, regulations & licence conditions on the operations of licensees.

One of the main functions of the Authority is the determination of revenue requirement of natural gas utilities which are entitled to a return of 17.5% in case of Sui Northern Gas Pipelines Ltd. (SNGPL) and 17% in case of Sui Southern Gas Company Ltd. (SSGCL) on their net operating fixed assets before tax and financial charges. During the year under review, owing to the deficiency of quorum, the Authority could only issue one decision i.e. DERR for FY 2014-15 in respect of SSGCL and SNGPL. This decision was made after in-depth scrutiny of the capital and operating expenditure based on prudence, optimization, improved service to customers and safeguarding public interest. The Authority provided full opportunity to all stakeholders to express their viewpoint which were given due consideration before taking the decision. The Authority issued forty eight well-head gas price notifications and thirteen notifications of ex-depot sale price of petroleum products.



One of the important aspects of OGRA's function is the redressal of consumers' complaints against the Oil & Gas Companies, Licensees of LPG and CNG. These complaints are dealt in accordance with the Complaint Resolution Procedure Regulations (CRPR), 2003. Expeditious resolution of public complaints against the Oil, Gas, CNG and LPG companies, improving quality of service and compliance of performance and service standards by the licensees are Authority's priorities and there is growing satisfaction in the public about OGRA's system. A separate department for complaint redressal receives public complaints and processes the same to provide quick and effective relief to the consumers. During FY 2014-15, OGRA received 4,439 complaints out of which 4,097 were resolved/disposed. On the intervention of OGRA, during the reported period, gas utility companies provided 273 gas connections and relief amounting to Rs. 18.27 million to consumers in 506 cases.

OGRA granted approval of expansion in the transmission and distribution network to SNGPL & SSGCL with some deletions and disallowances where prudence of investments was not established in the light of design parameters or the assumptions on which the project was based.

The regulatory functions of LPG were transferred from Ministry of Petroleum & Natural Resources (MP&NR) to OGRA on March 15, 2003 and since then OGRA has been regulating the sector in accordance with the OGRA Ordinance, 2002, LPG (Production & Distribution) Rules, 2001 and the policies of the Federal Government received from time to time. During FY 2014-15, two licences for operation and thirty licences for construction of LPG storage and filling plants were issued. OGRA has also issued four licences for construction of LPG auto-refuelling stations. During the year, an investment of Rs. 1.45 billion has been made in the LPG supply infrastructure whereas total investment in the sector till date, is estimated at about Rs. 19.95 billion.

The Federal Government enforced the provisions of sub-section (3) of Section 23; (a) and (b) of sub-section (3) of Section 44 of the OGRA Ordinance, 2002 with effect from March 15, 2006 empowering the Authority to regulate midstream and downstream oil sector in the country under the existing Pakistan Petroleum (Refining, Blending and Marketing) Rules, 1971. OGRA has granted the permission to three companies to establish Oil Marketing Companies during a period of three years. Three OMCs were granted permission for construction/operation of new oil storages/depots or extension in the existing oil storages in the country. This will further strengthen the supply chain of the petroleum products in the country. During the period under review, eleven applicants requested for registration of their Lube Oil Blending/Reclamation plants in accordance with Rule 16 of the Pakistan Petroleum (Refining, Blending and Marketing) Rules 1971, the Authority registered one plant whereas rest of the applications are under process. In addition, OGRA has so far registered ninety one lube oil importers out of which fifteen were registered during FY 2014-15.

For effective regulation of Oil and Gas Sector in mid and downstream, it is essential that an efficacious check and balance of licensed activities shall be maintained and for the purpose OGRA has dedicated Enforcement Department. Enforcement Department carries surprise inspections of randomly selected facilities ensuring supply of quality products at notified prices to consumers. Moreover, world's best known practices for safe operation are also ensured through surprise checks of licensed facilities. The progress of Enforcement Department during fiscal year 2014-15 was encouraging, overall 1,837 facilities were inspected and fine was imposed on 654 outlets/stations/distributors after following due legal procedures as stipulated in applicable OGRA laws.

I would like to pay tribute to our employees, the most valuable resource of the organization, whose commitment and hard work during the last 13 years enabled us to pursue our objectives. Dedication and team work towards duty and focus to achieve set targets is cultivated in OGRA's work culture. Our people take their job assignments seriously and with passion to excel on all fronts, not just for their own career development but for the fulfilment of the organization's objectives. Employees of OGRA deserve appreciation for their exceptional spirit of cooperation and professionalism in discharge of their responsibilities that has helped the organization meet challenges with success.

Corporate responsibility is critical to the future success and sustainability of our organisation. We also need to ensure that we are focusing our attention on the issues and areas that are most material to us, and that are most important to our stakeholders. In order to face the challenging conditions prevalent in Pakistan, especially in the Energy Sector, we need to put in our collaborated efforts for a prosperous sustainable future, both at organizational and national levels. Due to its relentless pursuit of quality and efficiency in the regulatory sphere, OGRA has earned a respectable reputé of being an impartial and effective regulator.

As an organization, OGRA is committed to a strategy of creating value and growth, while contributing to the Energy Sector of Pakistan.

Today, as the Chairman OGRA, I am committed to preserving the original principles upon which the OGRA was established, and now succeeds. It is vital to have consistency between short-term organizational goals and actions and long-term strategy. For OGRA to excel, it needs to develop into a transparent body. Transparency is rewarding because it builds stronger motivation among the people working in and with OGRA.



(Saeed Ahmad Khan)
Chairman

Islamabad
December 30, 2015

The background is a solid dark blue. It features decorative elements: a top and bottom border of thin, light blue vertical stripes. On the left and right sides, there are vertical white lines. Near the bottom of these lines, there are small, staggered white squares, creating a stepped or pixelated effect.

Profile of the Authority

2. Profile of the Authority

2.1 Composition

The Authority, established under the Oil and Gas Regulatory Authority Ordinance, 2002, comprises Chairman, Member Oil, Member Finance and Member Gas. The incumbents are selected by the Federal Government through open competition and appointed on tenure basis. The qualifications and other terms & conditions of their appointment, as provided in the Ordinance, are:-

- a) The Chairman shall be an eminent professional of known integrity and competence with a minimum of twenty years of related experience in law, business, engineering, finance, accounting, economics, petroleum technology, public administration or management.
- b) The Member Oil shall be a person who holds an appropriate degree in the relevant field and is an experienced, eminent professional of known integrity and competence with a minimum of twenty years of related experience in the field of oil, including the transportation thereof.
- c) The Member Gas shall be a person who holds an appropriate degree in the relevant field and is an experienced, eminent professional of known integrity and competence with a minimum of twenty years of related experience in the field of natural gas, including the transmission and distribution thereof.
- d) The Member Finance shall be a person who holds an appropriate degree in the relevant field and is an experienced, eminent professional of known integrity and competence with a minimum of twenty years of related experience in the field of corporate finance or accounting.
- e) The Chairman shall be appointed by the Federal Government for an initial term of four years and shall be eligible for reappointment for a similar term.
- f) The Member Oil and Member Gas shall be appointed by the Federal Government for an initial term of three years and shall be eligible for reappointment for another term of four years.
- g) The Member Finance shall be appointed by the Federal Government for an initial term of two years and shall be eligible for reappointment for another term of four years.
- h) The Chairman and other Members shall retire on attaining the age of sixty five years.

2.1.1 Chairman



Mr. Saeed Ahmad Khan

Mr. Saeed Ahmad Khan joined as Chairman OGRA on April 16, 2012. He is Masters in Public Administration from Rockefeller College of Public Affairs and Policy (SUNY-Albany), USA and also MS in Zoology from University of the Punjab.

During his long career of 34 years, he served as Federal Secretary, Ministry of Information Technology, Ministry of Overseas Pakistanis, Statistics & Economic Division, Additional Secretary, Cabinet Division (Economic Committees / Regulatory Authorities), Additional Secretary, Ministry of Finance, Senior Member, Prime Minister Inspection Commission / Chief Coordinator, Federal Relief Commission, Executive Director, National Institute of Population Studies, Chairman Pakistan Telecommunication Company Limited (PTCL) Board, President Board of Directors of Cooperative Bank of Punjab, Chairman Pakistan Software Export Board (PSEB), Chairman Board of Directors of Telephone Industries of Pakistan (TIP), Chairman Telecom Foundation, Vice Chairman Universal Science Fund, Vice Chairman NICT R & D Fund, and Chairman Board of Directors of Virtual University.

He has also held senior positions in Government of Punjab / Balochistan. He has attended a number of conferences / professional courses / seminars in Pakistan, India, Sri Lanka, Indonesia, Abu Dhabi, Bahrain, Philippines, France, Switzerland, Canada, USA, China, Russia and Turkey.

2.1.2**Member Gas****Mr. Aamir Naseem**

Mr. Aamir Naseem joined OGRA as Member Gas on December 23, 2013. Mr. Aamir Naseem holds Bachelor's Degree in Mechanical Engineering from University of Engineering and Technology, Lahore. He has diversified work experience of more than 32 years in country's largest integrated Transmission and Distribution Gas Company. He has expertise in gas distribution encompassing design, construction and operation of distribution network. He served in highly technical department of Gas Measurement for more than 10 years. He had been pioneer in introducing latest measurement techniques including, electronic / smart measurement and remote data collection in the company. He was instrumental in introducing overhead and laser based underground leak detection programmes in the company. He accomplished Changed Management Metering workshop to enormously improve output, quality and integrity.

He worked in senior management positions and attended various technical courses within and outside Pakistan including prominent courses in Gas Measurement from Robert Morris University, USA, Leak Detection from Nova Gas, Canada, Human Resource Management course by Cabinet Division and Changed Management course from LUMS. He is fully geared up to use his technical knowledge and expertise of gas utility company to help OGRA in capacity building and decision making.

2.2 Powers and Functions

The Powers & Functions of the Authority as embodied in the Ordinance are as under:-

- o Exclusive power to grant, amend or revoke licences for regulated activities and enforce compliance of licence conditions to promote efficiency, cost effectiveness, best practices, high safety and service standards etc. The regulated activities are:

- ❖ **Natural Gas**

- Construction or operation of pipelines or storage facilities or other installations
- Transmission
- Distribution
- Sale

- ❖ **Oil**

- Construction or operation of refinery, pipelines, storage facilities, blending facilities and installations.
- Marketing and storage of refined oil products.

- ❖ **Liquefied Petroleum Gas (LPG)**

- Construction or operation of pipelines, production or processing facilities, storage facilities and installations.
- Transporting, filling, marketing and distribution.

- ❖ **Compressed Natural Gas (CNG)**

- Construction or operation of installations including testing or storage facilities.
- Transporting, filling, marketing and distribution.

- ❖ **Liquefied Natural Gas (LNG)**

- Construction or operation of production and processing facilities.
- Construction or operation of installation including testing or storage facilities.
- Transporting, filling, marketing and distribution.

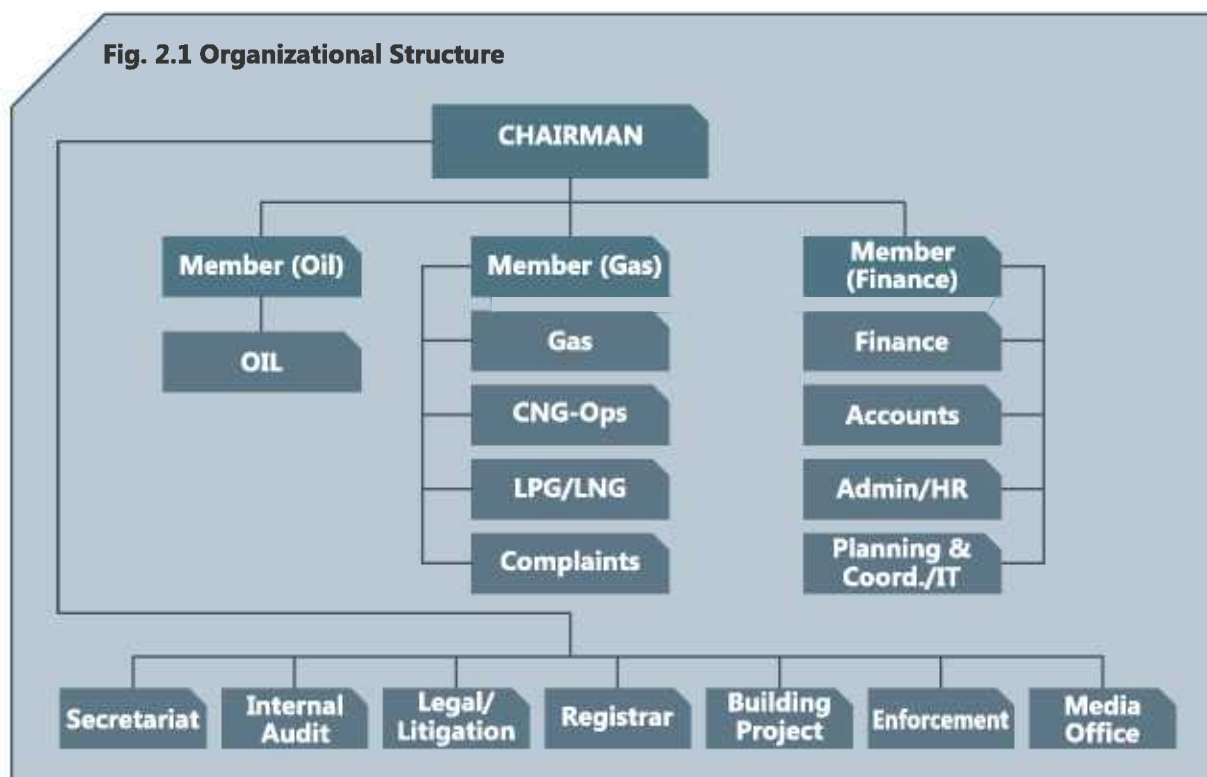
- o Determine in consultation with the Federal Government and the licensees, a reasonable rate of return to the natural gas licensees.
- o Determine the revenue requirement of gas utilities covering the cost of gas, transmission and distribution cost and the prescribed return.

- Develop and enforce performance and service standards.
- Prescribe procedures and standards for investment programmes of the gas utilities and oversee their capital expenditure to ensure prudence.
- Resolution of complaints and disputes between a person and a licensee or between licensees.
- Enforce standards and specifications for refined oil products as notified by the Federal Government.
- Implement policy guidelines of the Federal Government, issued under Section 21 of the OGRA Ordinance subject to their being consistent with the provisions of the Ordinance.
- Exclusive power to employ officers, staff, experts, consultants, advisors and other employees on such terms and conditions as it may deem fit.
- Exclusive powers to decide upon all matters in its jurisdiction.

2.3 Organizational Structure

2.3.1 Organogram

The Authority is organized as reflected by **Fig. 2.1**.



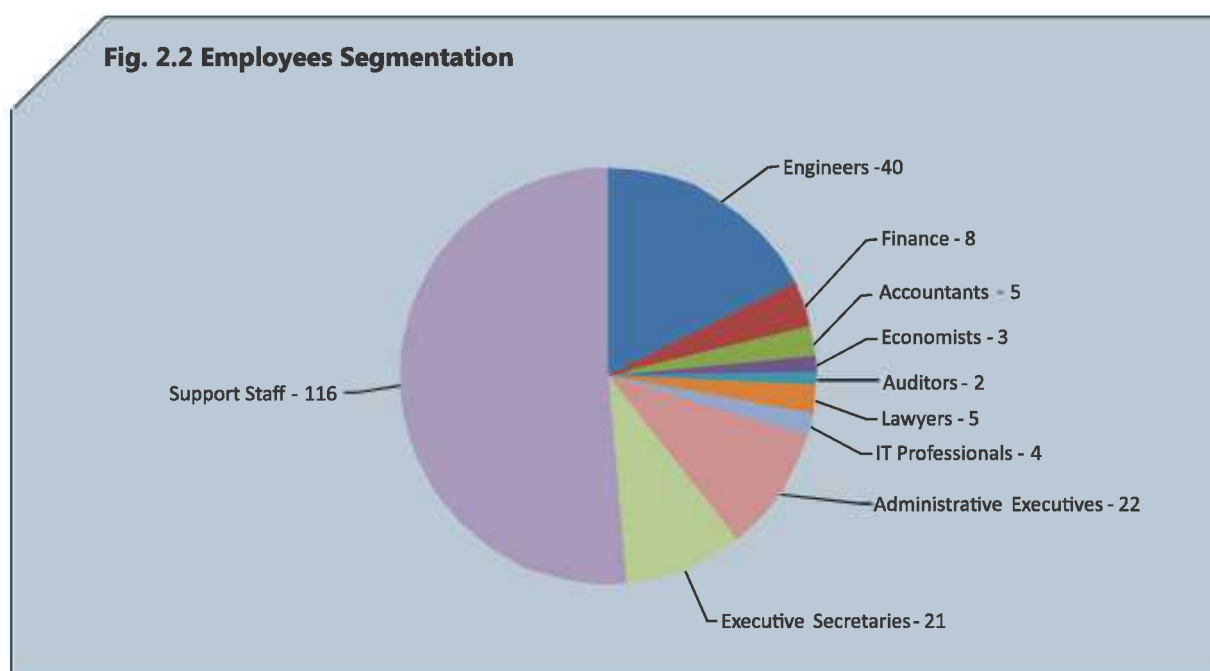
2.3.2 The Human Capital

OGRA is a vibrant organization where due emphasis is given on quality, efficiency and goal-orientation. The departments are essentially small teams of highly motivated professionals with bare minimum support staff. The working environment of OGRA in terms of cohesiveness and team work is very healthy where a sense of responsibility is induced among the peers & seniors which provide them confidence and full freedom of action. OGRA provides a climate where employees are encouraged to fully participate in the process of feedback/input for consideration in the decision making process.

The organizational goals and objectives would not have been achieved without the commitment and hard work of its employees. The employees are provided the opportunities of broad based trainings to improve professionalism which ultimately help to meet with the contemporary challenges. The provision of market based emoluments & salaries to its employees reciprocate in shape of their dedication to take their assignments seriously and passionately.

The officers and staff are recruited strictly on the terms and conditions as stipulated in the OGRA Service Regulations, 2005 notified under the OGRA Ordinance, 2002. OGRA believes to attract and retain best human capital, therefore the appointments are made on merit through a transparent and competitive process keeping in view the regional quotas.

The human resource in OGRA is a combination of diversified professionals. The employees' of different segments as on June 30th, 2015 is given in **Fig. 2.2**:



In other words OGRA represents a progressive corporate culture consist of a fine blend of highly qualified & experienced professionals of different disciplines.

2.3.3 Capacity Building

Capacity building is a coordinated process of deliberate interventions to (i) upgrade skills (ii) improves procedures and (iii) strengthen organizations. It refers to the investment in people, institutions and practices that enable to achieve development objectives.

OGRA is a dynamic organization committed to making the most effective use of the talent, skills and abilities of its workforce and helping all employees maximize their contribution to improve OGRA performance. To demonstrate its commitment, it has formalized its training programs through the allocation of specific budget resources and through the policy statement: "Opportunities for training will be based on an assessment of employees' development needs and will be provided to each employee." OGRA is cognizant of the importance to invest in human capital. It realizes the "quality of people" which is key factor that separates best from the good. It therefore encourages training & development of its employees in management as well as technical/regulatory matters not only to equip them to the international best regulatory practices and techniques in energy sector.

In order to inculcate the requisite expertise, OGRA provides extensive training opportunities to its staff through its own funds. During the year under review, 43 officials attended local training courses / seminars / conferences / workshops which provided them an opportunity to learn requisite skills.

2.3.4 IT Orientation

There is need to ensure that information technology is embedded into the culture of an organization with knowledge spread throughout, rather than solely concentrated at an operational level. OGRA's IT policy is inspired by this thought. All officials in OGRA have dedicated computers and are connected to Local Area Network (LAN) to share resources like printers, scanners, heavy duty network printers etc. OGRA building has dedicated Fibre Optic Internet links. For efficient communication OGRA internet email facility is provided to all officers. The Authority is continuously striving to reduce paper usage and achieving efficiency through more intense use of information technology.

OGRA maintains web portal "www.ogra.org.pk" which has been designed using latest and secure web development tools. It is user friendly and being updated regularly. Anyone can access it and reach the OGRA Ordinance, Rules and Regulations, Decisions, Press releases, Oil price

notifications, Gas & well-head pricing notifications, LPG price notifications & licences, List of provisional & operational CNG stations, Enforcement press release & news, Tender notices, Job announcements etc. OGRA's website is most popular, frequently viewed domain in the country as 6.5 million hits were recorded till the reported year. It is favourite amongst consumers of petroleum & gas products, media and stakeholders.

OGRA has implemented Licensed Accounting Software in order to provide better services and utilization of resources efficiently. This project is for the development and implementation of a new financial accounting system in OGRA after a thorough study of the functions and processes. OGRA has also launched online complaints registration for an easy and rapid access by the complainants.



Process

3. Process

3.1 The Authority's Regulatory Decision Making Process

The regulatory framework is quasi-judicial for issuance of licences, tariff setting and maintenance of proper standards and quality of services by the licensees. Therefore, the Authority is vested under the Ordinance and Rules with the power of delivering decisions.

The Authority exercises the power of original jurisdiction in case of petitions filed for grant of licences for various types of regulated activities, and setting of tariff which include determination of estimated and final revenue requirement of natural gas transmission and distribution licensees at the beginning and the end of each financial year respectively, and also of review during the year.

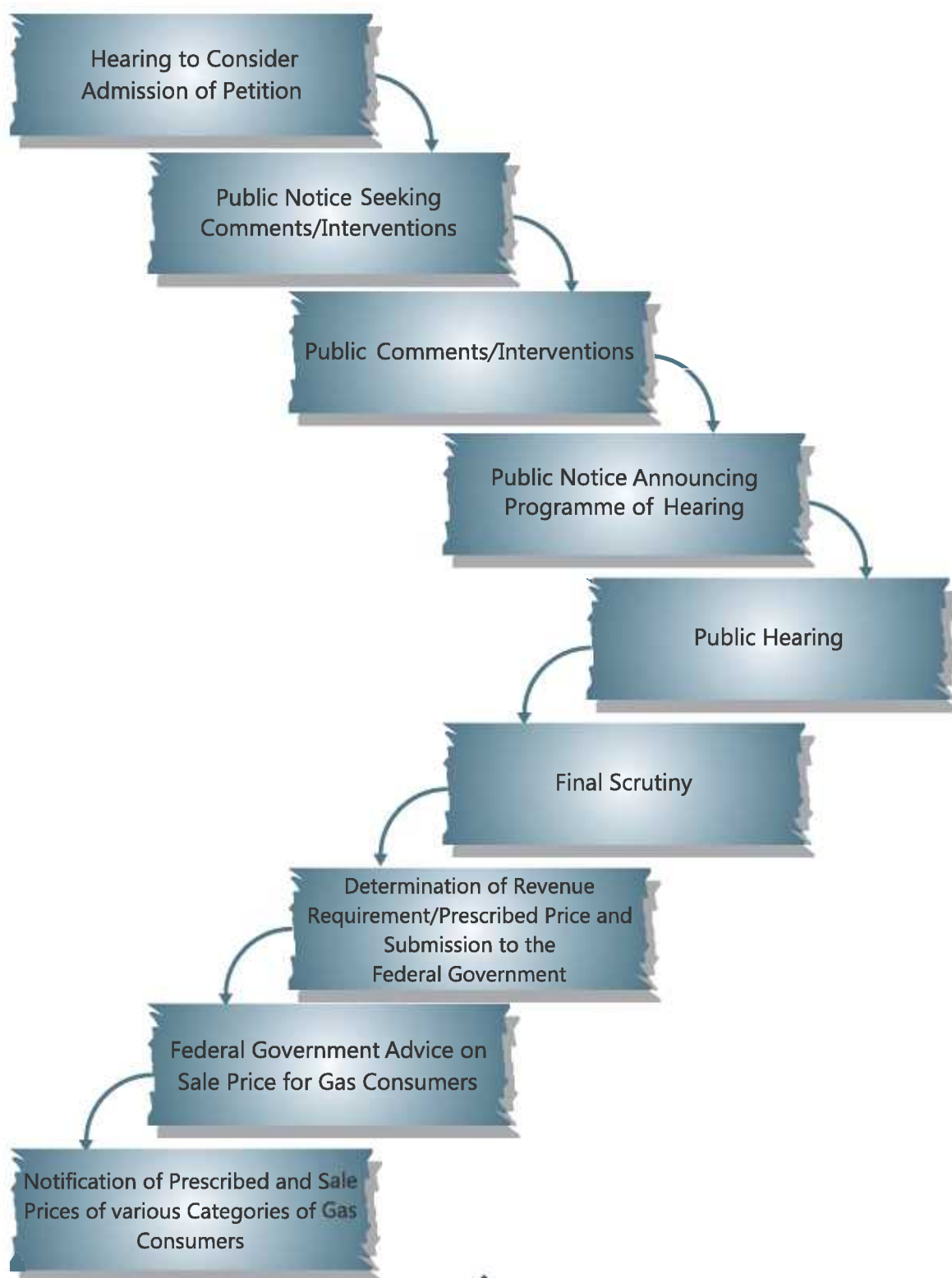
In addition to natural gas, the Authority is empowered to grant licences for Oil, CNG, LPG and LNG related regulated activities. The Authority is also vested under the law with the appellate power against the decisions of its delegates and power to review its own decisions.

All petitions are examined in light of relevant rules, which, inter-alia, involve interactive process of consultation with all stakeholders including consumers through public hearings. This provides the general public an opportunity to put across its point of view on the cost and quality of service provided by the utility companies.

This enables the Authority to have the benefit of a wider range of information and all shades of opinion, which it evaluates before reaching a decision. To give a bird's eye view of the process, **Fig. 3.1** shows the steps involved in determination of revenue requirement of a gas company from receipt of petition to notification of prescribed and sale prices.



Fig. 3.1 The Process of Determination of Revenue Requirement, Notification of Prescribed and Consumer Gas Prices





Performance

4. Performance

4.1 Formulation of Rules & Regulations

The Oil and Gas Regulatory Authority was established by the Federal Government on March 28, 2002 in pursuance of the Oil and Gas Regulatory Authority Ordinance, 2002. The objective of OGRA is to “foster competition, increase private investment and ownership in the midstream and downstream petroleum industry, protect the public interest while respecting individual rights and provide effective and efficient regulations”. Sections 41 and 42 of the OGRA Ordinance, 2002 require the Authority to formulate Rules and Regulations respectively to carry out the Authority's functions as provided in the Ordinance. The Rules are to be approved and notified by the Federal Government, whereas the regulations are to be approved and notified by the Authority itself. Rules and Regulations are fundamental instruments to achieve the above-mentioned objectives and OGRA's exclusive responsibilities under the OGRA Ordinance, 2002. One of the fundamental instruments i.e. the Natural Gas Licencing Rules, were framed under the former NGRA Ordinance. Since its inception in March 2002, the Authority has put in place a comprehensive regulatory framework as described in **Appendix – I**.

Drafting of rules and regulations, is one of the important functions of the Authority. At present, comprehensive amendments to OGRA Ordinance, 2002 in Sections 2, 3, 6, 8, 9, 25 & 43(B) have been approved by ECC and shall be promulgated as and when notified in official gazette. Detail of the Regulation notified during FY 2014-15 is given as under:-

Sr. No.	Regulation	Notification Date
(i)	Amendment in OGRA Service Regulation, 2005 (Regulation 19A)	July 7, 2014

4.2 Natural Gas Sector

4.2.1 Licence Granted to Engro Elengy Terminal Limited (EETL)

Licence granted to Engro Elengy Terminal Limited on July 02, 2014 to carry out regulated activity of Transmission of Natural Gas from applicant's jetty to tie in point at SMS Pakland. OGRA issued licences for Transmission, Distributions, Sale and Storage of Natural Gas and for Constrution of LNG Import Terminal as given in **Appendix-II**.

4.2.2 Revenue Requirement

OGRA received 17 different petitions relating to Revenue Requirement and Natural Gas Licensing associated matters wherein Pre-admission hearings, hearings and public hearings were to be conducted by the Authority and accordingly OGRA issued decisions on SNGPL's & SSGCL's Estimated Revenue Requirement petitions for FY 2014-15 on 3rd July 2014, however rest of the petitions could not be heard due to short of Authority's quorum.

4.2.3 Determination of Revenue Requirement (RR) of Gas Utilities and Gas Tariff

OGRA determines revenue requirement / prescribed prices of natural gas utilities for various categories of retail consumers, for carrying out regulated activities of transmission, distribution and sale of natural gas under Section 8 of the OGRA Ordinance, 2002. The revenue requirement consists of the following major components:

- (i) Cost of gas paid to the gas producers (approx. over 80% of prescribed price)
- (ii) Transmission and distribution cost including depreciation
- (iii) Prescribed return per Government's policy decision, which currently is, 17.5% in case of Sui Northern Gas Pipelines Limited (SNGPL) and 17% in case of Sui Southern Gas Company Limited (SSGCL) of the value of their average net operating fixed assets

The cost of gas, which constitutes bulk of the revenue requirement of the gas utilities, is linked with international prices of Crude Oil and High Sulphur Fuel Oil (HSFO) according to the Gas Pricing Agreements between the Federal Government (GoP) and the gas producers. Any change in cost of gas is, therefore, practically a pass through amount which is closely monitored by OGRA and its impact on revenue requirement is assessed on frequent basis.

The Authority scrutinizes main head of accounts with major focus on operating revenues, operating cost and assets base. Detailed analysis of each item of operating expenditure and revenue is carried out in terms of rationality and prudence. Only justified and reasonable operating expenditures and revenues are included as part of revenue requirement computations.

The evaluation of addition to fixed assets is carried out to establish prudence of investment. In this whole process need assessment and cost effectiveness is ensured to protect consumers from unnecessary burden as all approved cost is reflected in the tariff.

The gas utility companies submit their Estimated Revenue Requirement (ERR) to the Authority for each financial year by December 1 of the preceding year in accordance with OGRA Ordinance and the Natural Gas Tariff Rules, 2002. These petitions are scrutinized, processed and decided in accordance with the Rules and in light of comments and suggestions of all the stakeholders and general public. Later, determination of Final Revenue Requirement (FRR) is carried out at the end of the financial year on the basis of auditor's initialed accounts.

The companies may also file motion for review against any decision of the Authority, within thirty days, under the relevant provisions of law, and they more often than not, do avail this opportunity.

The Authority has also directed SSGCL & SNGPL to submit review petitions to the Authority for revision in cost of gas on the basis of actual and anticipated changes in international prices of Crude Oil and HSFO in October every year, with a view to ensure the half yearly review, in any case.

The process of determination of revenue requirements is transparent and ensures effective participation of consumers and general public. This interaction process provides all stakeholders an opportunity to put across their point of view on the cost and quality of service provided by the utility companies. This enables the Authority to have the benefit of a wider range of information and all shades of opinion, which it evaluates before reaching a decision.

The Authority, while fully conscious of its duty to balance the divergent interest of the stakeholders, attaches primary importance to protecting consumers' interest who, by and large are voiceless, remaining however, within the Government's policy framework and providing incentives to entities to perform optimally. During FY 2014-15, owing to deficiency of quorum, the Authority remained able to issue only one decision i.e. DERR for FY 2014-15 in respect of SSGCL & SNGPL.

4.2.3.1 Estimated Revenue Requirement (ERR) of SSGCL for FY 2014-15

The Authority determined the estimated revenue requirement of SSGCL for FY 2014-15 at Rs. 191,068 million against Rs. 200,383 million demanded by the petitioner. **Table 4.1** summarizes the OGRA's determination in comparison to SSGCL request in various components of revenue requirement.

Table 4.1: OGRA's Determination of ERR of SSGCL for FY 2014-15

(Rs. Million)			
Particulars	SSGCL Request	OGRA Determination	Difference
Sales Volume (BBTU)	361,419	361,419	-
Cost of Gas	164,075	143,283	(20,792)
Transmission & Distribution Cost and Others	16,279	13,428	(2,851)
UFG Disallowance	-	(6,403)	(6,403)
Depreciation	5,964	5,371	(593)
Return on Net Operating Assets	13,463	12,460	(1,003)
Additional Revenue Required for LPG Air-Mix Projects	601	601	-
Previous Years Shortfall	-	22,328	-
Total Revenue Requirement	200,383	191,068	(9,315)
Total Revenue Available	161,280	182,794	21,514
Surplus/(Shortage)	(39,103)	(8,274)	30,829
Average Prescribe Price (Rs./MMBTU)	538.73	469.03	(69.69)

SSGCL challenged the Authority's decision of DERR FY 2014-15 in SHC and prayed that it may be allowed the same treatment with respect to UFG benchmark and operating revenues such as MMP, LPS, Royalty from JJVL and Sale of Gas Condensate as provided in FRR FY 2009-10.

The SHC has granted interim relief to SSGCL in DERR FY 2014-15 by relaxing UFG benchmark to 7%

and treating aforementioned operating revenues as non-operating. The said SHC decision was implemented by the Authority and additional revenue of Rs. 10,656 million was provided to SSGCL through increase in prescribed prices. The revised revenue requirement in light of SHC Order is given in **Table 4.2**.

Table 4.2: OGRA's Determination of DERR per Court Orders

(Rs. Million)

Particulars	OGRA Determination	As per Court Order	Difference
Sales Volume (BBTU)	361,419	361,419	-
Cost of Gas	143,283	143,283	-
Transmission & Distribution Cost and Others	13,428	13,428	-
UFG Disallowance	(6,403)	(2,906)	3,497
Depreciation	5,371	5,371	-
Return on Net Operating Assets	12,460	12,389	(71)
Additional Revenue Required for LPG Air-Mix Projects	601	601	-
Previous Year Shortfall	22,328	22,328	-
Total Revenue Requirement	191,068	194,494	3,426
Total Revenue Available	182,794	175,564	(7,230)
Surplus/(Shortage)	(8,274)	(18,930)	(10,656)
Average Prescribe Price (Rs./MMBTU)	469.03	498.52	29.48

4.2.3.2 Estimated Revenue Requirement of SNGPL for FY 2014-15

OGRA determined ERR of SNGPL at Rs. 244,432 million against the request of Rs. 286,685 million for FY 2014-15. **Table 4.3** summarizes the OGRA's determination in comparison to SNGPL request in various components of revenue requirement.

Table 4.3: OGRA's Determination of ERR of SNGPL FY 2014-15

(Rs. Million)

Particulars	SNGPL Request	OGRA Determination	Difference
Sale Volume (BBTU)	509,103	509,103	-
Cost of Gas	224,301	195,929	(28,372)
Transmission & Distribution Cost and Others	24,405	18,765	(5,640)
UFG Disallowance	-	(10,871)	(10,871)
Depreciation	17,828	17,553	(275)
Return on Net Operating Assets	20,151	12,935	(7,216)
Previous Year Shortfall	-	10,121	(10,121)

Total Revenue Requirement	286,685	244,432	(42,253)
Total Revenue Available	195,273	214,757	19,484
Surplus/(Shortage)	(91,412)	(29,675)	61,737
Average Prescribe Price (Rs./MMBTU)	554.64	464.94	(89.70)

4.2.3.3. Human Resource Cost Benchmark

The Authority had introduced HR benchmark first on experimental basis for a period of three years i.e. FY 2005-06 to FY 2007-08. Later on, the Authority decided to review and revise these benchmarks which remained applicable for another three years period i.e. FY 2008-09 to FY 2010-11. During FY 2014-15, the Authority revised its HR cost benchmark effective from FY 2011-12, after conducting an in-house study. The Authority gave an anxious thought and considered the ground realities in respect of current business dynamics, manpower rationalization and uniform base rate for both gas utilities. The Authority decided as under;

- FY 2010-11 shall be adopted as base year and same should be rolled to adopt the base cost for next year. The HR cost provisionally allowed however shall be finalized at the time of FRR.
- Cost of reinstated employees shall form part of HR benchmark and the same therefore has been added in the base cost. Accordingly, no cost on this account shall be allowed separately.
- HR benchmark shall comprise all the HR related cost of the petitioner. No cost/claim on account of bonuses, CBA, casual/temporary labor etc; shall be allowed over and above the benchmark.
- IAS cost shall be allowed as per actual.
- Operating factors have been re-aligned as under;
 - 65% weightage to number of consumers
 - 25% weightage to T&D network
 - 10% weightage to sale volume
 - 50% CPI of last year HR cost
- HR cost provisionally allowed during FY 2012-13 & FY 2013-14 shall be finalized/adjusted at the time of respective FRRs. Adjustment on account of FY 2011-12 will be made during FRR for FY 2012-13.

The Authority intends to review the HR benchmark effective from FY 2011-12 in FY 2015-16, when the actual results for FY 2014-15 are made available.

4.2.3.4 Weighted Average Cost of Gas (WACOG)

The cost of gas is a major part of the prescribed price of gas, retainable by two gas utilities. Under the existing pricing agreements, the cost of gas (well-head price) of producers is indexed to the international price of crude oil/fuel oil. The gas prices differ for different gas fields, therefore, the cost of input gas into SSGCL and SNGPL systems also differs substantially causing a significant variation on the prescribed prices. The GoP, as a policy, has always maintained uniform consumer prices of gas all over the country and resultantly, it issued a policy guideline under Section 21 of OGRA Ordinance 2002 on June 18, 2003 that the cost of gas of SSGCL and SNGPL should be worked out on an overall weighted average basis to keep this major input cost uniform for both the utilities. To implement this policy guideline, the two gas companies have signed an agreement, with the approval of OGRA, for making adjustments of the cost of gas paid to the producers on the basis of WACOG. For FY 2014-15, WACOG at the beginning of the year was at Rs. 345 per MMBTU.

4.2.3.5 Notification of Prescribed and Sale Prices (Natural Gas Sector)

Under the OGRA Ordinance, 2002, the Authority is required to notify the prescribed prices for each category of consumers for natural gas of both the gas companies in order to enable each licensee to achieve the revenue requirement as determined by the Authority. During the year under review, the Authority has not issued notifications of prescribed prices for both the gas utilities i.e. SNGPL and SSGCL.

Pursuant to the provision of the OGRA Ordinance, GoP advises the sale prices for various categories of consumers, after adjustment of Gas Development Surcharge in the Prescribed Prices determined by the Authority. During FY 2014-15, no revision in natural gas sale price has been done by FG, whereas the price notified during FY 2013-14 remained valid during FY 2014-15. The category-wise breakup is placed at **Appendix-III**.

4.2.3.6 Compressed Natural Gas (CNG)

OGRA is obligated to determine and notify the CNG consumer price under Rule 13 of CNG (Production & Marketing), Rules, 1992 which inter-alia provides as under;

“The Authority shall determine and notify the sale price in accordance with the policy guidelines issued by the Federal Govt., from time to time”.

In December 2012, Federal Government issued policy guidelines, approved by the ECC of the Cabinet, which inter-alia provides the following;

The sale price of CNG shall be determined / fixed on the basis of following components:-

- a. Cost of Gas as selling price +

- b. Value Added cost for compression/Electricity cost +
- c. Operating Expense for CNG Station owner +
- d. Margin for CNG station owner (Equal to margin allowed on one liter of Petrol as determined/notified by the Government from time to time) +
- e. GIDC (Gas Infrastructure Development Cess at rates notified by MP&NR) +
- f. Sales Tax (applicable under the law)
- g. Maximum CNG sale price to consumers

Accordingly, OGRA notifies the maximum sale price of CNG from time to time. The maximum sale price notified by OGRA during FY 2014-15 is given below:-

Table 4.4: Maximum Sale Price of CNG

Rs. /Kg

Description	Region I	Region II
Price Effective	KPK, Baluchistan & Potohar Region (Rawalpindi, Islamabad & Gujarkhan) @ 1040 BTU	Sindh & Punjab (Excluding Potohar Region) @ 950 BTU
1-7-2014	76.35	71.50

4.3 Major Projects of SNGPL and SSGCL

Gas Companies, under the provisions of rules and terms and conditions of their licences, obtain prior permission of the Authority for undertaking extension in their Transmission and Distribution network to cater demand of different sectors including Domestic, Commercial and Industrial sectors.

Based on the same, new projects for the transmission and distribution of natural gas are envisaged by the Gas Companies / Licensees and placed before the Authority for approval. The projects are approved by the Authority, if found prudent, feasible, delivering tangible benefits to the end consumers. Brief detail of the infrastructure development projects of SNGPL and SSGCL approved during 2014-15 is as follows:-

4.3.1 Sui Northern Gas Pipelines Limited

4.3.1.1 Transmission Projects

SNGPL projected Rs. 58,004 million under the head of Transmission in its ERR Petition for FY 2015-16. It includes Phase-II of SNGPL's LNG Project, i.e. laying of 762.43 Km different diameter loop lines (varying from 16" to 42") by SNGPL from Qadirpur to Shahkot involving pipeline laying, SCADA system up gradation of existing coating plant, machinery / construction equipment, camping facility and 25,000 HP Compression. This will transport 1.2 BCF of LNG and anticipated indigenous gases.

SNGPL submitted its LNG Project Phase-II implementation schedule. The Authority observed that only three pipelines [42" dia x 70.3 Km Pipeline Qadirpur - AC1X Bhong, 18" dia x 64.76 Km Pipeline Phoolnagar – MP59 and 16" dia x 70.32 Km Loop line MP59-Tatlayali and BV3 (Khurrianwali-B1 (Shahkot)] are expected to be completed in the current fiscal year. Keeping in view the implementation schedule furnished by SNGPL, the Authority allowed only the above pipelines which are expected to be completed in FY 2015-16. The Authority, therefore, allowed Rs. 11,848 million for laying of the said pipelines.

SNGPL submitted to allow Rs. 8,403 million for SCADA system, machinery, construction equipment, tools, vehicles and compression. The Authority, keeping in view the implementation schedule provided by SNGPL, allowed Rs. 4,202 million for the said activities. SNGPL projected Rs. 50 million for any unforeseen activity that may arise during the year on Transmission System and also projected Rs. 14 million for normal regular expenditure. The Authority, keeping in view the prudence allows 50% i.e. and Rs. 7 million under the heads for normal expenditure at this stage, to be reviewed at the time of FRR. In view of these observations, the Authority allowed Rs. 16,057 million under the head of Transmission as against Rs. 58,005 million projected by SNGPL.

4.3.1.2 Distribution Projects

The Authority in SNGPL's DERR 2015-16 approved an amount of Rs. 5,605 million, the details of which are given as under:

Rs. Million			
Sr. No.	Distribution Projects	Amount Projected by SNGPL	Amount Allowed by OGRA
1.	Laying of Distribution Mains	12,968	4,533
2.	Laying of Distribution Mains at Cost Sharing Basis	263	263
3.	Distribution System Rehabilitations	1,500	544
4.	Cathodic Protection (C.P.) System	280	265
	Total	15,011	5,605

4.3.2 Sui Southern Gas Company Limited

4.3.2.1 Transmission Projects

SSGCL had projected an amount of Rs. 5,676 million on account of additions of assorted diameters of pipelines to its Transmission Network in its Petition of ERR for FY 2015-16. The details of amount projected by SSGCL and determined by OGRA are as follow:

Rs. Million			
Sr. No.	Transmission Projects	Projected by SSGCL	Determined by OGRA
1.	8" dia x 85 Km pipeline from Jhal Magsi to Shori	568	0

2.	16" dia × 9 Km Re-Route of Kotri Barrage	165	165
3.	12" dia × 344 Km QPL Rehabilitation and Intelligent Pigging	317	0
4.	Construction of Sub-merge Crossings	80	40
5.	42" dia × 20 Km loop between Nara-Sawan	2,253	1,485
6.	24" dia × 21 Km Interlink between Pakland to Khadeji	1,039	998
7.	Mixing Skid, Metering, Regulation setup at KDJ/Pakland	450	450
8.	Tie-in and integration arrangement from Tie-in point 2 to Pakland	804	804
	Total	5,676	3,942

4.3.2.2 Distribution Projects

SSGCL had projected an amount of Rs. 6,714 million on account of Distribution Development in its ERR petition for FY 2015-16. The details of amount projected by SSGCL and determined by OGRA are as follow:

		Rs. Million	
Sr. No.	Distribution Projects	Projected by SSGCL	Determined by OGRA
1.	Laying of Distribution Mains including Services-Existing Areas	2,851	1,444
2.	Rehabilitation Services	278	84
3.	Installation of New Connections (Meters)	664	638
4.	Replacement/Repair of Industrial & Commercial Meters	173	173
5.	Construction of CMSs, TBSs, and TRSs/Cathodic Protection	439	110
6.	New Towns	1,745	60
7.	12" dia × 5 Km Old City Area Augmentation Main	98	0
8.	16" Supply Main Hyderabad for Re-alignment	59	0
9.	16" dia × 18 Km Augmentation Gas Line from Quetta to Mastung (Ph-II)	227	0
10.	24" dia × 33 Km from SMS Kathore to SMS Surjani	582	291
	Less Excess Allowed in Previous Years	-400	-400
	Total Distribution System	6,714	2,400

4.3.3 SSGCL's Natural Gas Efficiency Project (NGEP)

SSGCL, in its ERR for FY 2015-16, had projected capital expenditure amounting Rs. 4,433 million against NGEP related activities in the heads of gas distribution development system, plant & machinery, telecommunication and vehicles.

The Authority noted that the World Bank in its latest Aide Memoire forwarded vide its letter dated 16.11.2015 had reported that SSGC's action plan had projected to disburse over \$8 million by November, 2015, but in reality the expected disbursements will stand at about \$2 million by end December, 2015. For the life of project i.e. project closing date of December 31, 2017, a revised

disbursement estimate was emerging to be much lower than the current programmed amount of \$40 million. Therefore, the World Bank had decided to move into an orderly closure of the project by May 31, 2016 and cancel the remaining funds.

The Bank will honor its commitment for contracts already awarded and for the bids already received/under evaluation and limit the signing of fresh contract latest by December 31, 2015, with deliveries scheduled to be completed by April 30, 2016.

The Authority noted that the company had projected an amount of Rs. 5,600 million in ERR for FY 2013-14 for NGEP and the Authority had allowed Rs. 3,162 million under this head. However, the company had incurred Nil expenditure under this head during FY 2013-14. Keeping in view the historical trend and the World Bank's Aide Memoire the Authority allowed an amount of Rs. 1,111 million, as per following breakup:

Rs. Million			
Sr. No.	Project Description	Projected by SSGCL	Determined by OGRA
1.	High Accuracy Meters	1,175	465
2.	Rehabilitation Mains & Services	1,722	350
3.	Replacement Meters - Domestic	871	200
4.	Plant and Machinery	453	50
5.	Telecommunication	6	6
6.	Vehicles	206	40
	Total	4,433	1,111

4.3.4 Approval of Agreements

The Authority under provisions of the NGLR, 2002 approves the Gas Supply / Purchase Agreements for supply of gas between the gas producers and gas companies / consumers:-

- Gas supply contract of a quantity greater than 10 MMCFD of natural gas executed between licensee and consumer.
- Gas supply contract of natural gas executed between licensee and producer.

The following agreements / contracts were considered approved by OGRA during FY 2014-15:

- Approval of First Supplemental Agreement to Gas Sale Purchase Agreement (GSPA) for Chachar Gas Field executed between PPL and SNGPL on 27th October, 2014.
- Approval of Novation Agreement (Mari - Engro GSA) and Side Agreement to the GSA between SNGPL and Engro Fertilizer Limited for supply of 100 MMCFD gas from Mari Gas Field to ENGRO's new Fertilizer Plant on 27th February, 2015.

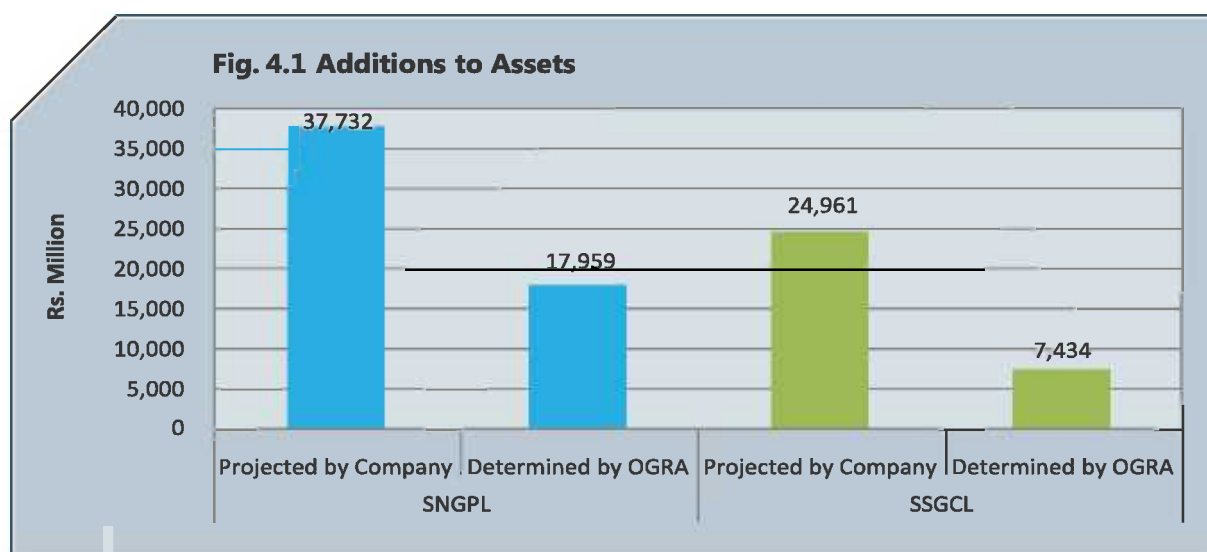
- iii. Approval of Term Sheet on 2nd July, 2014 to be executed between Mari Gas Company Ltd and Engro Fertilizer Limited for supply and sale of 22 MMCFD gas from Mari Gas Field (Dharki) to Engro's Plant.
- iv. Approval of Addendum No. 6 of the GSPA dated 03rd June, 1986 of Dhurnal Gas Field to be executed between OPL & SNGPL.

4.3.5 Addition of Assets, Natural Gas Network and Gas Consumers

The Gas Companies are obligated under Rule 4(2) of Natural Gas Tariff Rules to submit Petition, containing projections / estimates with reference to addition in assets pertaining to the infrastructure development projects, for the Determination of Estimated Revenue Requirement to the Authority. The Petition is thoroughly scrutinized and determination is passed by the Authority as per Section 8(1) of the OGRA Ordinance, 2002, allowing only the prudent projects, and imposing cuts on the investments where felt necessary.

4.3.5.1 Increase in Assets

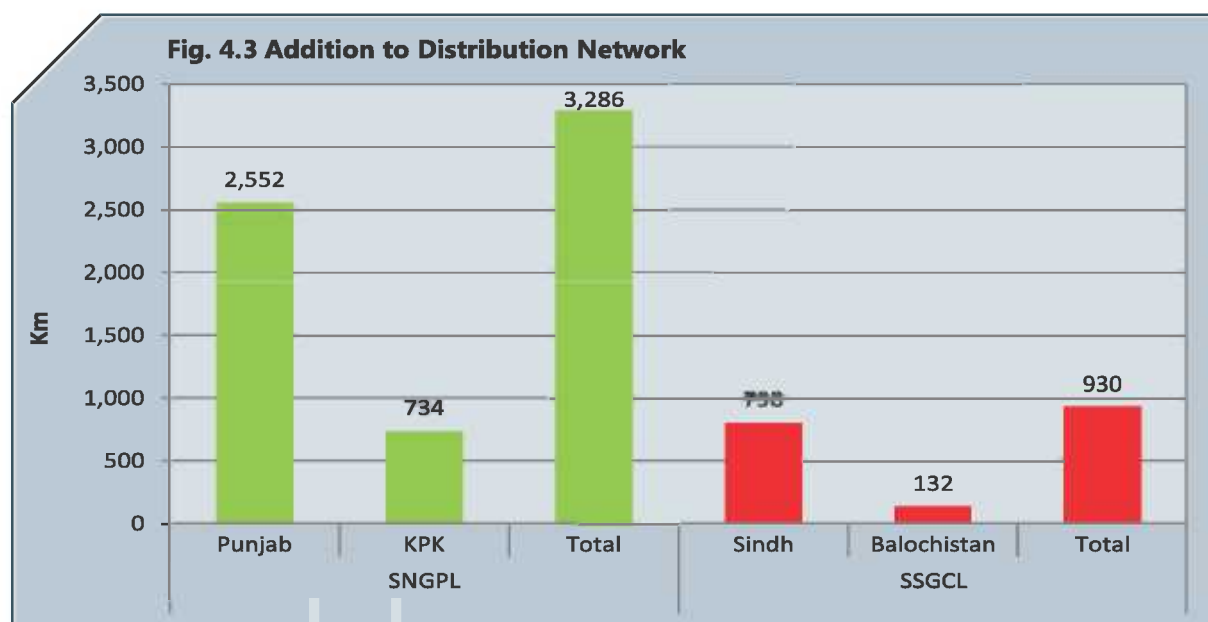
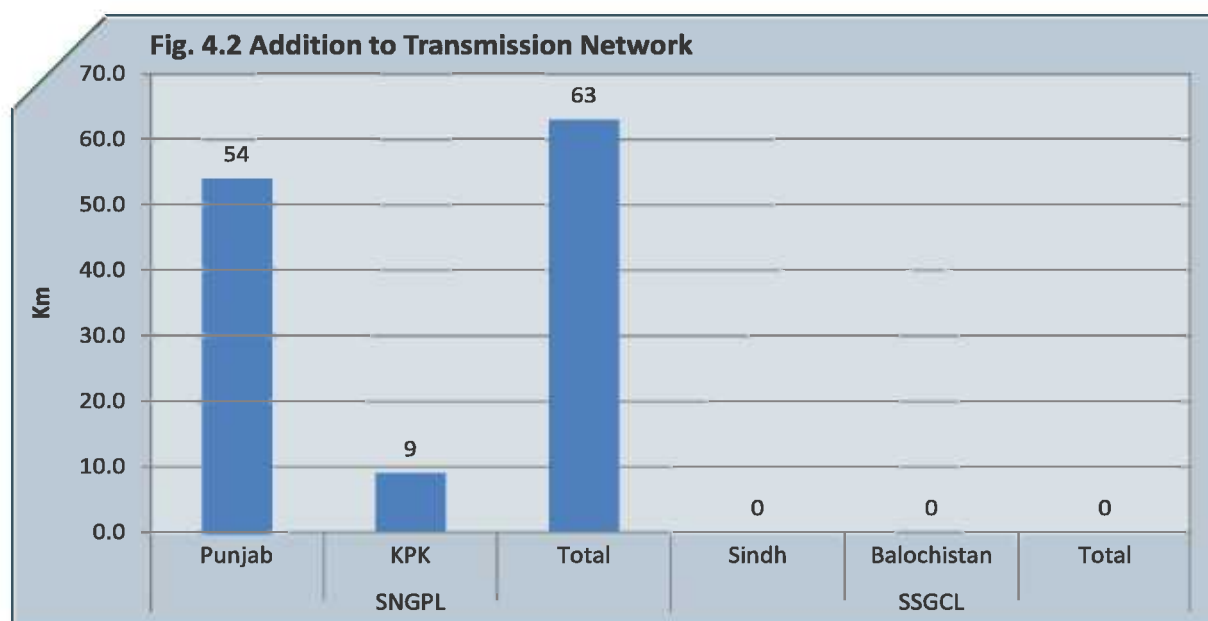
SNGPL and SSGCL requested for increase in their assets valuing Rs. 37,732 million and Rs. 24,961 million respectively as per their Estimated Revenue Requirement Petition for FY 2015-16. As per the Determination, OGRA allowed a sum of Rs. 17,959 million and Rs. 7,434 million respectively to the companies, which is shown in **Fig. 4.1**.



4.3.5.2 Addition in Transmission & Distribution Network

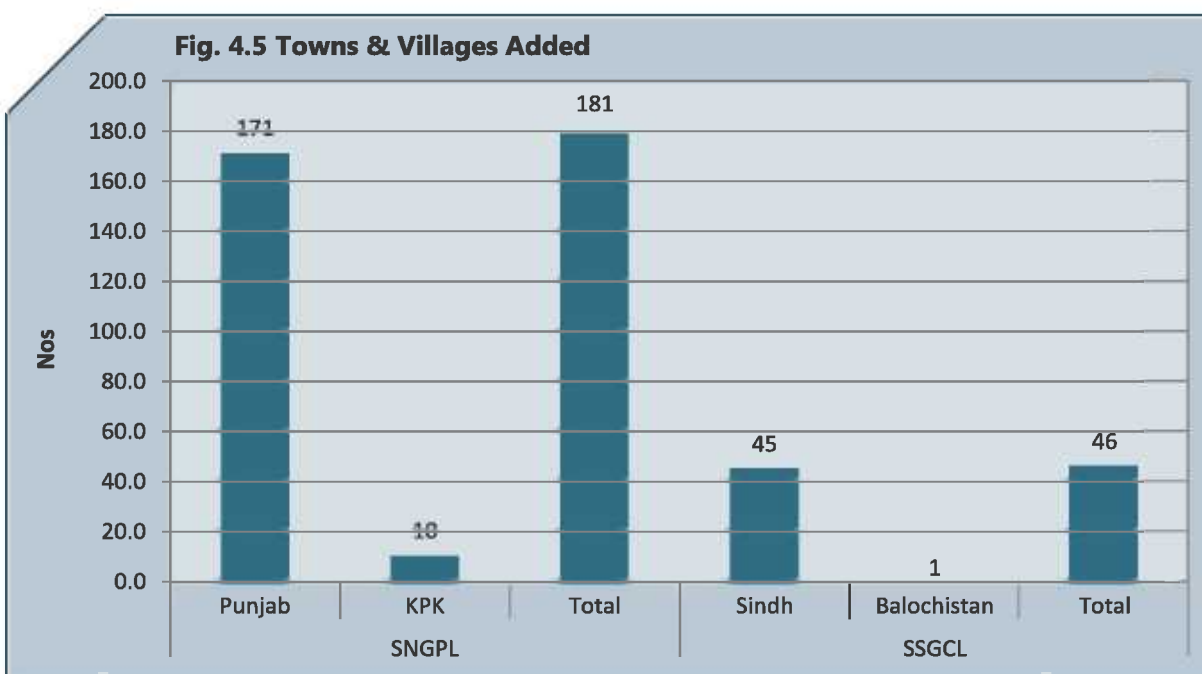
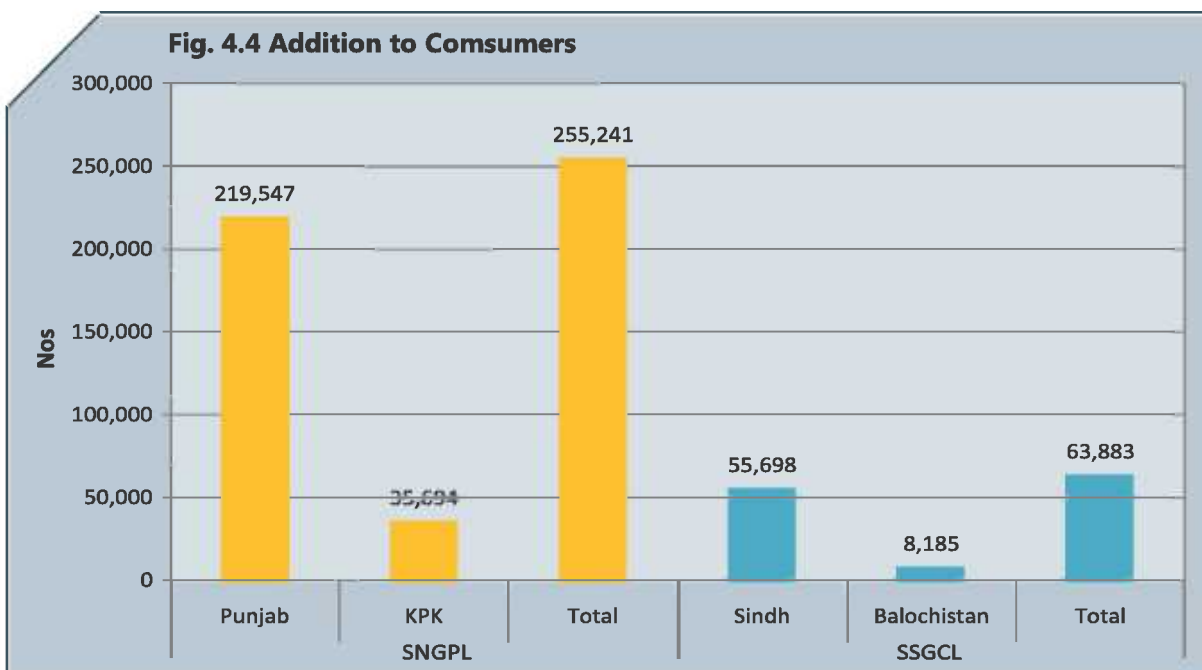
SNGPL expanded its transmission network by 63 Km during FY 2014-15 whereas SSGCL did not make any addition to its transmission network as shown in **Fig. 4.2**, however, SNGPL and SSGCL

have expanded their distribution network by 3,286 Km and 930 Km respectively during FY 2014-15 as shown in **Fig. 4.3**.



4.3.5.3 Number of Consumers Added / Towns & Villages Connected

Figs. 4.4 and 4.5 show that as a result of increase in network, 255,241 and 63,883 number of consumers were added to SNGPL and SSGCL network respectively whereas 181 towns and villages were connected to gas network of SNGPL and 46 towns and villages were connected to the gas network of SSGCL during FY 2014-15.



4.3.6 Determination and Notification of Well-Head Gas Prices

Section 6(2) (w) of OGRA Ordinance, 2002 read with the Natural Gas (Well-head Price) Regulations, 2009 empowers the Authority to determine the Well-head gas prices for the producers of natural gas in accordance with the relevant agreement or contracts, and notify the same in the official gazette. The Authority accordingly issued 48 well-head gas price notifications during FY 2014-15 (**Appendix- IV**)

4.4 Liquefied Petroleum Gas (LPG)

4.4.1 Regulation

The Oil & Gas Regulatory Authority is empowered to regulate the LPG sector under the OGRA Ordinance, 2002 and LPG (Production & Distribution) Rules, 2001 with effect from 15th March, 2003. Since then OGRA has been regulating the sector in accordance with LPG (Production & Distribution) Rules, 2001 and the policies of the Federal Government.



Salient regulatory functions of OGRA related to LPG sector are hereunder:-

- Grant of licences for construction and operation of LPG storage & filling plants, LPG air mix plants and LPG auto refueling stations.
- Grant of licences for production/extraction of LPG from Oil/Gas fields and refineries.
- Periodic inspection of LPG works and facilities to ensure their conformity with the laid down standards.
- Redressal of consumer complaints and resolution of disputes between or among the licensees.

4.4.2 LPG Licensing and Operating Rules

The Authority is empowered for issuing licences for construction and operation of LPG production / extraction plants, LPG storage & filling facilities, LPG air mix plants and LPG auto refueling stations under the LPG (Production and Distribution) Rules, 2001. The licence is granted in two stages. Firstly, a licence is granted for one year for the construction of the LPG facilities followed by operational licence for 15 years after completion of works to the satisfaction of Authority.

4.4.3 Licensing Procedure

Any company as defined in LPG (Production and Distribution) Rules, 2001 can apply for grant of a licence to the Authority on the prescribed Form / Proforma available free of cost from OGRA's office as well as on its website (www.ogra.org.pk) along with other related documents, as required under the rules. The licensed LPG marketing companies, licensed oil marketing companies and automobile original equipment manufacturers along with CNG stations and petrol pumps are eligible for grant of licence for construction of LPG auto refueling stations.



OGRA has simplified the procedure for grant of LPG licence and a licence is granted on fast track basis once the requirements are met / complied. During FY 2014-15, two (2) licences for operation and 30 licences for construction of LPG Storage and Filling Plants were issued. In addition, OGRA has also issued 04 licences for construction of LPG auto refueling stations and 1 licence for storage and refueling of LPG at LPG auto refueling stations during FY 2014-15. Further, one licence for LPG production & storage facility to Byco Oil Pakistan Limited was issued by OGRA during the same period.

4.4.4 Amendments in LPG (Production & Distribution) Rules, 2001

In the wake of public safety, following amendments in LPG (Production and Distribution) Rules, 2001 have been made:

- (i) For safety reasons, installation of LPG cylinder on motorcycles, scooters and public service vehicles i.e. three wheelers, buses, coaches and wagons shall not be allowed and treated as illegal.
- (ii) No LPG cylinder shall be installed beneath the seats and within the passenger compartment of vehicle. The licensee shall ensure that vehicles having LPG cylinders

installed beneath the seats and within the passenger compartment of vehicle shall not be refueled or entertained.

4.4.5 Regulatory Enforcement

In order to ensure safe, reliable and cost effective supply to consumers, OGRA took following steps in light of LPG (Production & Distribution) Rules, 2001 and the Federal Government policies:

- All LPG marketing companies were directed to ensure that the distributors'/ dealers premises meet the requirements / guidelines of NFPA-58 Standard as given in the LPG (Production and Distribution) Rules, 2001. A list of minimum safety requirements to be met / complied with at the distributors' premises was also issued. In addition, Provincial Governments were also requested to ensure compliance of minimum requirements through respective DCOs and taking necessary action against the defaulters in their areas to ensure public safety.
- To ensure compliance of safety standards throughout LPG supply chain, and to protect public lives and property, OGRA from time to time pre-qualifies authorized manufacturers of LPG equipment. The purpose to pre-qualify manufacturers of LPG equipment is to eradicate manufacturing, sale, and use of substandard / spurious LPG equipment manufacturers, thereby, avoiding any untoward incident, endangering public lives and property. Details of authorized manufacturers have been placed on OGRA's website.
- The authorized manufacturers of LPG storage tanks / bullets / bowsers / cylinders cylinder valves / LPG dispensers and LPG conversion kits have been pre-qualified by the Authority based on their experience / expertise, capability, documentation and thorough inspections by designated third party inspectors. OGRA has also formulated criteria for registration of foreign manufacturers of LPG equipment and the same has also been placed on OGRA's website. All LPG licensees have been advised to get their equipment manufactured only from OGRA's authorized manufacturers in order to be ensured that LPG equipment have been manufactured as per desired standards.
- In order to stop / minimize the illegal decanting of LPG, marketing companies have been encouraged to promote the usage of small sized LPG cylinders in their distribution network.
- Action against the illegal decanting of LPG continued through the Provincial Governments and public awareness campaign launched in the print media to curb such malpractices.

- Enforcement of laid down technical/ safety standards.
- All LPG marketing companies were directed to ensure that all of their LPG cylinders fulfill the requirements of LPG standards (NFPA-58/ DOT), as specified in LPG Rules, 2001. The companies were also advised to closely monitor the activities of their distributors so as to ensure that their distributors only distribute company's branded cylinders.
- Appropriate actions were taken to address the complaints of the consumers / public pertaining to LPG sector.
- Strict punitive actions were taken against the number of companies which were found violating LPG Rules, 2001. In addition, penalties were also imposed upon those companies which were found in violation of LPG Rules, 2001.
- To ensure safety throughout the LPG supply chain, OGRA carried out inspections of the storage and filling plants of LPG marketing companies.
- Checklist of technical parameters for 3rd party inspection for LPG storage and filling plants and LPG auto refueling stations is provided at the stage of issuance of licence for construction so that the requisite facilities are completed in accordance with the applicable standards.



A View of LPG Filling Plant

4.4.6 Investment in LPG Sector

Due to augmented investment and future expansion plans of the LPG marketing companies, significant investment in LPG supply and distribution infrastructure has been witnessed. OGRA has made noteworthy contribution in national economic progress and created an environment for additional investment especially in auto sector which will not only result in creation of infrastructure in LPG sector all over the country but will also provide jobs to hundreds of unemployed people. OGRA is playing its vital regulatory role to increase private investment in midstream and downstream petroleum industry. During fiscal year 2014-15, an estimated investment of Rs. 1.45 billion has been made in the LPG supply infrastructure whereas total investment in the sector till date, is estimated at about Rs. 19.95 billion.

4.5 Compressed Natural Gas

4.5.1 Regulation

In 1992, the Government of Pakistan introduced CNG as alternative fuel for automobiles to reduce environmental degradation and save foreign exchange. The CNG (Production & Marketing) Rules, 1992 along with Standard Code of Practice were framed to regulate construction as well as operational phases of CNG refueling stations. OGRA is empowered to regulate the CNG sector under the OGRA Ordinance, 2002 and CNG (Production & Marketing) Rules, 1992.

4.5.2 Moratorium (Ban on New Provisional Licences)

The Federal Government imposed a ban on issuance of new provisional licences for establishment of CNG stations in February 2008, whereas GoP lifted the ban on new provisional licences for Balochistan in August, 2008. Currently, ban on issuance of new CNG provisional licences is in force across the country since October, 2011.

4.5.3 Present Licensing Policy

During FY 2014-15, OGRA has not granted any new CNG provisional licence all across the country. Ten (10) existing CNG licences have been extended in the country including the province of Balochistan to operate CNG stations as per Rule 7 of CNG Rules, 1992 during FY 2014-15.

4.5.4 Regulatory Enforcement

In order to ensure compliance to the Standard Code of Practice & other applicable Technical Standards, annual safety inspection of operational CNG stations is conducted through OGRA's designated third party inspectors as per Rule 10 of CNG Rules. Licensees involved in repeated violations are penalized in accordance with provision of CNG Rules, 1992. In addition, CNG stations found selling CNG at excessive price than the notified price are also penalized as per applicable Rules 1992.

4.5.5 Investment in CNG Sector

Pakistan is one of the largest CNG user in the world with around 3,500 operational CNG stations and more than 2.35 million CNG vehicles. As a result, an overall investment of approximate Rs. 90 billion (direct and indirect) have been made in the CNG sector since inception.

4.6 Mid and Downstream Oil Sector

4.6.1 Regulation

The Federal Government enforced the provisions of sub-section (3) of Section 23 and clauses (a) & (b) of sub-section (3) of Section 44 of the OGRA Ordinance, 2002 with effect from 15th March, 2006, empowering the Authority to regulate mid and downstream oil sector in the country under the existing Pakistan Petroleum (Refining, Blending and Marketing) Rules, 1971.



4.6.2 Powers and Functions

In view of the above, the powers and functions conferred under the OGRA Ordinance/Pakistan Petroleum (Refining, Blending and Marketing) Rules, 1971 mainly pertain to the following areas:-

- Grant of licences to construct or operate any refinery, construct or operate any pipeline for oil, construct or operate any oil testing facility; oil storage facility (other than storage associated with a refinery) or oil blending facility, construct or operate any installation relating to oil, undertake storage of oil or undertake marketing of refined oil products.

- In consultation with the licensees, specify and review the standards for the equipment and the materials to be used in undertaking regulated activity.
- Promote effective competition and efficiency in the activities within the jurisdiction of the Authority.
- Resolve complaints and other claims against licensees for contravention of the provisions of the OGRA Ordinance, Rules and Regulations.
- Enforce standards and specifications for refined oil products as specified by the Federal Government.



4.6.3 New Oil Rules

The draft of new Oil Rules [i.e. Pakistan Oil (Refining, Blending, Transportation, Storage and Marketing) Rules] developed by the Authority, after being discussed in the Council of Common Interest (CCI), has been granted principle approval by the Competent Authority i.e. the Prime Minister of Pakistan and its notification/publication by the Cabinet Division is awaited. The notification of new Oil Rules will open new avenues for OGRA in addition to existing activities/ licensing to regulate oil sector as under:

- Construction or operation of (a) any pipeline for oil (b) any oil testing facility (c) oil storage facility (other than storage associated with a refinery) (d) oil blending facility (e) any installation relating to oil (f) any oil refinery,
- Undertake marketing of refined oil products.

4.6.4 OGRA's Activities in Oil Sector

The details of the activities carried out by the Authority to regulate mid and downstream oil sector are as under:-

4.6.4.1 Enforcement of Technical Standards

In order to ensure compliance with the notified Technical Standards, OGRA through different Third Party Inspectors (TPI) undertook the inspection of Oil Storage Infrastructure developed by various Oil Marketing Companies (OMCs): Byco Petroleum Pakistan Limited at Mehmood Kot, Shell Pakistan Limited at Keamari, Exceed Petroleum Limited at Shiekhupura, Pakistan State Oil at Gatti, Faisalabad.



4.6.4.2 Permission to Establish Oil Marketing Companies

OGRA has granted permission to three companies i.e. M/s Oilco Petroleum (Pvt.) Limited, M/s Outreach (Pvt.) Limited and M/s Quality-1 Petroleum (Pvt.) Limited, to establish Oil Marketing Companies during a period of three years.

4.6.4.3 Permission Granted for Construction / Operation of Oil Terminal/Storage Facilities

OGRA has granted permission for construction of new oil storages/depot or extension in the existing oil storages to various Oil Marketing Companies viz. (i) Hascol Petroleum Limited at Daulatpur, (storage extensions) in Machike & Shikarpur (ii) Attock Petroleum Limited at Sahiwal,

Shikarpur & Habibabad (iii) Byco Petroleum Pakistan Limited at Shikarpur & Machike. This will further strengthen the supply chain for petroleum products in the country.

4.6.4.4 Quality Assurance

Under section 6 (2) (x) of the OGRA Ordinance, OGRA endeavours to ensure the quality of POL products throughout supply chain. For this purpose, OGRA undertakes quality testing of POL products through Hydrocarbon Development Institute of Pakistan (HDIP) as follows:-

- Imported Cargoes / Ship Samples (before off-loading)
- Oil Refineries (on monthly basis)
- OMCs' Depots/Terminals (on bi-annual basis)
- Blending/Reclamation Plants (on quarterly basis)

OMCs, as per directions of OGRA, also carry out self quality monitoring on regular basis at their respective retail outlets and submit monthly reports to OGRA. During the period under review, OMCs reportedly conducted around 28,000 quality checks at their retail outlets. During the reported period, 296 quality checks of the imported energy products and 676 of imported lubricants (non energy products) were carried out. Similarly, 378 & 162 quality checks were carried out at lube blending plants and oil depots respectively. Moreover, with respect to quality testing at refinery level, 99 samples from five (5) refineries of Pakistan were qualitatively analyzed through HDIP against the GoP approved specifications.



4.6.4.5 Registration of Lube Oil Blending/Reclamation Plants

During the period under review, 11 applicants requested for registration of their Lube Oil Blending/Reclamation plants in accordance with Rule 16 of the Pakistan Petroleum (Refining,

Blending and Marketing) Rules, 1971.

The Authority, registered 01 plant after its inspection through HDIP to assess the conformity of the plant with the mandatory technical requirements given in the aforementioned Rules, whereas rest of the applications are under process.



Lube Refinery

4.6.4.6 Registration of Lube Oil Importers

After formulation of a regulatory framework and prescribed criteria in response to amendment in the Import Policy Order, 2009 (vide SRO No. 1119(I)/2011) issued on 28th December, 2011, OGRA began registration of lube oil importers.

According to the amendment, import of automotive engine oils of quality level (API) SC/CC & above and automotive gear oils of (API) GL-4 and above shall be imported by commercial importers, lubricants blending companies, lube/oil marketing companies and refineries having valid registration with OGRA under the rules. So far, OGRA has registered 91 importers, out of which 15 were registered during 2014-15.

4.7 Oil Pricing

OGRA was mandated by the Federal Government vide Cabinet's decision No. 41/03/2006, dated March 02, 2006, to fix prices of petroleum products w.e.f. April 01, 2006, in accordance with the Government's prescribed formula, under Section 6(2)(r) (relating to power and functions of OGRA) and Section 21(2)(b) (relating to policy guidelines) of the OGRA Ordinance, 2002. However, the Federal Government w.e.f June 1, 2011 has deregulated the prices of petroleum products of Motor

Spirit, High Octane Blending Component, Light Diesel Oil, Jet Propellant 1, 4 & 8.

As a result, refineries and oil marketing companies fix and announce their ex-refinery prices and ex-depot prices of above mentioned products.

Furthermore, Federal Government deregulated ex-refinery price of High Speed Diesel w.e.f September 17, 2012 in pursuance of ECC decision of September 04, 2012.

4.7.1 OGRA Role under Deregulation

- i. OGRA only computes & notifies ex-refinery price of Superior Kerosene Oil including ex-depot prices of SKO & E-10.
- ii. OGRA will continue to compute & notify Inland Freight Equalization Margin for all products.
- iii. Monitoring the pricing of petroleum products under the deregulated scenario, necessary intervention is carried out, as and when required.
- iv. OGRA submits quarterly report on pricing of petroleum products indicating the trend in international market and petroleum products pricing announced by OMCs/refineries along with their analysis/findings and suggestions, if any, on regular basis to ECC.

4.7.2 ECC Approved Pricing Parameters

Brief description of the ECC approved parameters under price deregulation is as follows;

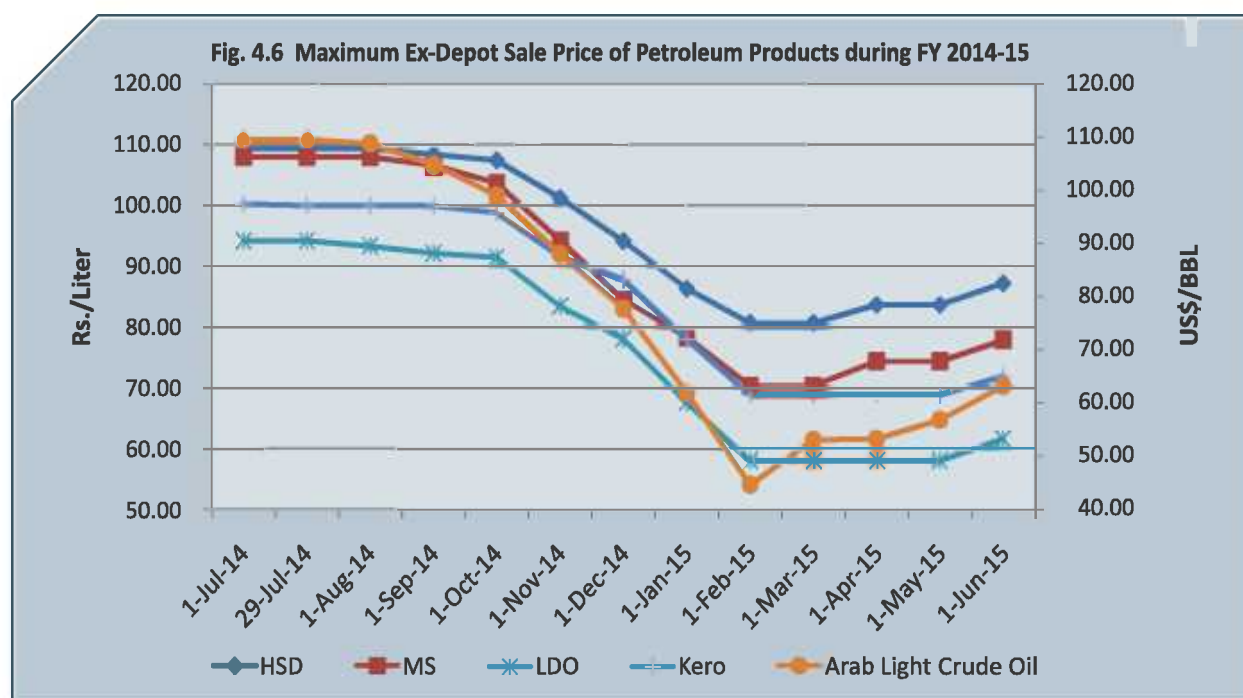
- Ex-Refinery price of POL products (HOBC, LDO, JP1, JP4 & JP8) cannot be more than the PSO average actual import prices of the previous month excluding PSO import incidentals.
- For Ex-refinery formula of HSD & MS, PSO actual import incidentals excluding ocean losses are to be adopted (ECC meeting dated August 16, 2011 & September 04, 2012).
- For imported products, OMCs are allowed to include actual incidentals, if any, in the calculation of import price.
- In case of non-availability of PSO import prices, the refineries will fix their ex-refinery price as per existing Import Parity Pricing formula.

4.7.3 Ex-Refinery/Ex-Depot Formula

- Ex-refinery import parity price/PSO weighted average cost of purchases
- Inland Freight Equalization Margin
- Distribution Margin
- Dealer Commission
- Petroleum Levy (PL) as fixed and notified by MP&NR
- Sale Tax

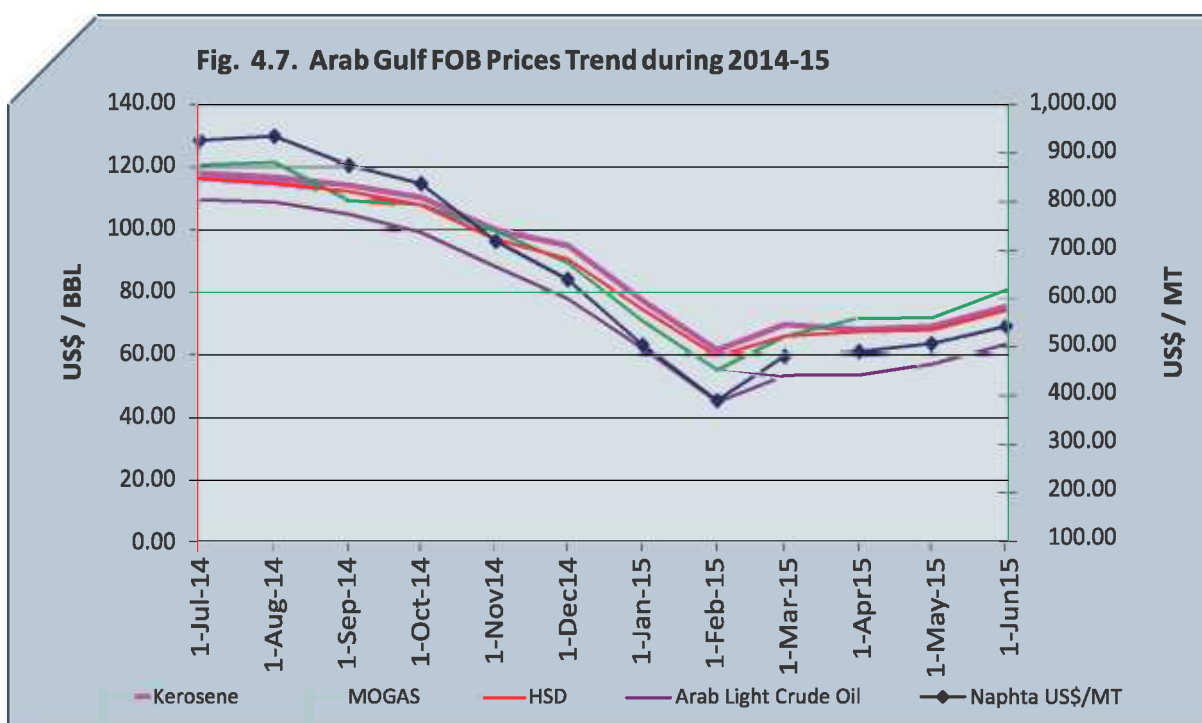
The Federal Government decides to increase/decrease/maintain the consumer prices by making adjustment in PL through its notification issued under Petroleum Products (Petroleum Levy) Ordinance, 1961 (XXV of 1961).

Accordingly, OGRA/OMCs issued petroleum products price notifications for the period July, 2014 to June, 2015, duly incorporating the said amendments. The comparative price trend of ex-depot sale prices of petroleum products with Arab Light Crude Oil during FY 2014-15 is shown in **Fig. 4.6**.



- HSD ex-depot is notified by OMCs on cost competition basis.
- POL prices effective June 01, 2011 onwards are notified by OMCs/Refineries except Kero whose price was notified by OGRA.

International petroleum prices showed mix trend during FY 2014-15. A graphical representation of changes in Arab Gulf petroleum product prices is given in **Fig. 4.7**.



Federal Government by changing petroleum levy rates, curtailed/passed on the impact of international oil prices to the local consumer.

Notified Petroleum Levy Rates during FY 2014-15

Period Effective	Rs./Liter				
	HSD	MS	Kerosene	LDO	HOBC
July 1, 2014	7.77	9.28	5.75	2.81	10.90
August 1, 2014	7.47	8.13	6.00	3.00	10.09
September 1, 2014	8.00	10.00	6.00	3.00	14.00
October 1, 2014	8.00	10.00	6.00	3.00	14.00
November 1, 2014	8.00	10.00	6.00	3.00	14.00
December 1, 2014	8.00	10.00	6.00	3.00	14.00
January 1, 2015	8.00	10.00	6.00	3.00	14.00
February 1, 2015	8.00	10.00	6.00	3.00	14.00
March 1, 2015	7.69	9.82	3.93	2.15	8.89
April 1, 2015	7.94	10.00	4.68	0.85	7.51
May 1, 2015	7.86	9.80	4.65	0.55	6.59
June 1, 2015	7.76	8.30	3.41	-	5.66

4.7.4 Inland Freight Equalization Margin (IFEM)

Inland Freight Equalization is an integral part of Oil pricing formula. Federal Government had transferred the management of IFEM, including its computation, to OGRA w.e.f September 01, 2008.

IFEM mechanism is used to equalize prices of HSD, LDO, MS, SKO at 22 depots. Secondary Transportation cost from depot to Retail outlets is deregulated and Dealers have been allowed to recover it from the retail consumer by including it in the pump/retail price. Furthermore, secondary freight in special areas is also picked up through IFEM mechanism to provide relief to the consumers of those areas.

Federal Government in pursuance of ECC decision of August 07, 2012, removed HOBC from IFEM w.e.f September 24, 2012.

4.7.5 IFEM Management

OGRA is managing the computation and determination of IFEM through two committees comprising of Oil industry, namely IFEM Committee and Cartage Committee. IFEM committee provides a forum for computing IFEM and cartage committee computes the cartage rates as per the Government approved formula. IFEM mechanism is used to equalize prices of fuel products at 22 depots spread throughout the country despite disparity in transportation costs. Components of IFEM are listed below:

- a. Actual transportation cost on the movement of petroleum products to 22 storage depots, spread throughout Pakistan, as per movement plan of Oil Marketing Companies.
- b. PARCO Price Differential Claim (PDC), which is computed on the basis of differential of its Import Parity Price (IPP) under its Implementation Agreement (IA) and the ex-refinery price of ARL, NRL & PRL. After deregulation, PARCO is allowed to recover PDC on HSD and Kerosene Oil only. Furthermore, w.e.f August 16, 2011 PARCO has also been allowed the recovery of Diesel Hydro De-Sulphurization (DHDS) price differential, crude transportation and PDC backlog through IFEM mechanism.
- c. ARL is allowed to recover its Southern crude transportation cost differential including Adhi and Dhurnal fields in the North from the IFEM.
- d. Adjustment of extra margins earned by OMCs and HSD price differential surplus by refineries, except PARCO.

The month wise detail of IFEM during the reported period is given as under:-

Inland Freight Equalization Margin

Rs./Liter

Effective Period	Motor Gasoline	Kerosene Oil	LDO	HSD
July 1, 2014	3.45	1.51	2.84	1.72
August 1, 2014	3.45	1.51	2.84	1.72
September 1, 2014	3.52	2.23	2.60	1.72
October 1, 2014	3.51	1.84	2.68	1.73
November 1, 2014	3.47	1.40	2.70	1.78
December 1, 2014	3.36	1.36	2.70	1.76
January 1, 2015	3.23	1.15	2.53	1.75
February 1, 2015	3.11	0.66	2.47	1.69
March 1, 2015	3.29	1.05	2.59	1.56
April 1, 2015	3.21	1.05	2.60	1.42
May 1, 2015	3.28	0.92	2.73	1.44
June 1, 2015	3.28	0.92	2.67	1.32

5. Complaints Resolution Procedure

OGRA deals with the complaints against the licensees and their dealers in accordance with the Complaint Resolution Procedure Regulations, 2003 (CRPR). It entertains the consumer complaints without any fee. The consumers are not required to come to OGRA for filing the complaints. They can file the same through e-mail, fax and normal post. In conformity with CRPR, the Authority has designated specific officers for handling complaints with specific jurisdiction. The designated officers resolve most complaints through correspondence. If aggrieved with the decision of the designated officer, either party may file an appeal before the Authority under Section 12 of the OGRA Ordinance, 2002 and the Authority decides the appeal after providing an opportunity of hearing to the parties.

OGRA received 4,439 complaints during FY 2014-15 from all over the country regarding delay in provision of gas connections, excessive/estimated billing due to sticky meter, malfunctioning of Electronic Volume Corrector (EVC)/Emcorrector, alleged tampering/theft charges, enhancement of delivery pressure, low pressure of gas, late delivery of gas bills, waiver of Late Payment Surcharge (LPS) and demand of additional security for natural gas etc. The status of complaints during FY 2014-15 is given as under:-

Complaints	Natural Gas
No. of complaints received	4,439
No. of complaints resolved/disposed	4,097

On OGRA's intervention, gas utilities provided 273 gas connections and a relief of Rs. 18.27 million to consumers in 506 cases during FY 2014-15. On the directions of OGRA, Gas Utility Companies issued 175 proposal letters to the consumers. On receipt of complaints from the residents of a number of localities/areas inhabited by weaker sections of the society, OGRA also issued necessary directions to SNGPL and SSGCL to provide gas facility to these localities/areas.

6. Enforcement

6.1 Need for Enforcement

Safeguard public interest through efficient and effective regulation in the midstream and downstream petroleum sector, is the Mission Statement of Oil and Gas Regulatory Authority. Since the promulgation of OGRA Ordinance, 2002, the Authority aims to protect and safe guard the interests of all stakeholders. OGRA is entrusted with the regulation of LPG, CNG, Oil and Natural Gas sectors, which are directly related to public interest. However with expansion and penetration of oil and gas sectors in the market, a need was felt to enforce provisions of OGRA Ordinance, Rules, Regulations, Standards, Terms and Conditions of licences and directions/decisions of the Authority, upon licensee, as without enforcement mechanism number of complaints were reported through media and from consumers directly with respect to delivery of quality products measuring exact quantity at notified prices round the clock to the general public, it became indispensable to establish stringent and pragmatic dedicated Enforcement Department responsible primarily for following activities:

- i. Conduct surprise inspections of licensed premises on regular basis;
- ii. Ensuring supply of regulated commodities at notified prices utilizing multiple mechanisms such as through District Administrations, Oil Marketing Companies, conducting surprise inspections of randomly selected outlets by Enforcement Department or through Third Party Inspectors.
- iii. Constitute the inspection teams in collaboration with 3rd party inspectors as well as licensees for conducting the inspection/monitoring;
- iv. Monitoring of the quality checks and maintenance of the standards.
- v. To take necessary action against all violators, as per applicable laws that may lead to imposition of fine/penalty or suspension of supplies/licences in extreme cases even revocation of licence.

6.2 Enforcement Activities

The Authority created Enforcement Department in October, 2009 for effective enforcement and monitoring in order to provide safe, reliable and efficient services by the licensees to the

consumers. Such random inspections by officers of OGRA are helpful in getting first hand information of the said sectors, enabling to perform its obligations in a more practical way and better enforcement of rules, regulations and standards. OGRA's initiative has proved to be a deterrent for others and an indication that rules and regulations are to be fully adhered, thus benefiting the consumers in general. Presence of a strong regulator in the field has sent a powerful message. From big units like oil marketing companies to small entities like LPG distributors are being brought in the competitive regulatory environment. The various activities performed by the Department are summarized hereunder:-

6.3 Oil Sector

OGRA's Enforcement Department has endeavored to develop an efficient & effective mechanism to check and control the malpractices in Oil Sector. In accordance with the GOP's Policy for pricing of petroleum products, the product prices of retail outlets (as informed by the OMCs to OGRA for their respective Outlets) are revised / updated on OGRA's Website on monthly / fortnightly basis. It is observed that the retailers of different OMCs tend to charge prices of petroleum products higher than the officially notified prices from the consumers. This happens particularly in remote locations due to lack of monitoring / vigilance of the OMCs on their retailers. In order to curb the menace of profiteering / overcharging by the retailers, OGRA, through its effective "Enforcement Set-up", has started conducting surprise inspections at the OMC's retail outlets.

It is also observed that whenever there is a speculation of price change of petroleum products, the OMCs / Retailers tend to hoard / with hold the POL stock, for inventory gain. OGRA has taken cognizance of this issue and has started to depute its teams for inspections ahead of the notification of POL prices. Such inspections have been conducted at the Outlets, located in remote / rural areas and backward areas as well as provincial metropolitans of the Country. Considering the position that there are more than 6,500 OMCs Retail Outlets operating in the Country, OGRA has also assigned the tasks of conducting inspections at OMCs Outlets to its authorized third party inspectors.

The purpose is to increase the frequency of inspections and to cover all regions of the Country. Such inspections shall continue to take place in addition to OGRA's inspections through its Enforcement Department. Inspections of OMCs' outlets to check and control less-filling and adulteration of petroleum products has also been started. These inspections are carried out by utilizing Mobile Quality Testing units / Vans of the OMCs.

During FY 2014-15, number of petrol pumps have been inspected and Show Cause notices are served on to respective OMCs on account of overcharging, stock deficiency at their outlets and on

the basis of submissions of OMCs, further action is taken i.e., imposition of penalty or serving warnings on case to case basis in accordance with the provisions of OGRA Ordinance, 2002 and applicable rules / regulations.

6.4 LPG Sector

The business of LPG in the country is de-regulated with respect to price and allocation of LPG to an extent. Allocation of LPG from LPG producers to LPG marketing companies is de-regulated whereby LPG producers themselves dispose of their LPG keeping in view their commercial interest and broad policy outlines. OGRA does not fix the prices both at producer as well as consumer level. The producer prices are presently linked with Saudi Aramco Contract Price (CP) while the consumer prices are determined by the market forces under cost competition mechanism. However, OGRA regularly monitors the consumer price of each LPG marketing company and if the prices are found unreasonably high due to cartelization or otherwise then OGRA intervenes, under the rules, and determine maximum reasonable consumer prices of LPG marketing companies.

In order to protect consumers from exploitation of LPG marketing companies and black marketing by their distributors the Authority enforces certain minimum parameters pertaining to retail consumer price, safety and operational guidelines at distributors' premises as well as storage & filling plants.

In view of the above, the Enforcement department conducts following activities in the LPG sector:

- (a) Surprise inspection of LPG storage and filling plants to ensure compliance with applicable safety standards, check and eradicate illegal cross-filling, inter company un-authorized bulk trade of LPG and correct measurement of LPG in cylinders.
- (b) Surprise inspection of the premises/sale points of authorized distributors of LPG marketing companies; in order to:-
 - i. Ensure compliance with minimum safety and operational requirements.
 - ii. Check and eradicate decanting of LPG from cylinder to cylinder, cross filling, hoarding and black marketing.
 - iii. Ensure sale of LPG at company's announced and notified consumer price.
 - iv. Ensure correct measurement of LPG.
 - v. Ensure availability and supply of LPG to far-flung LPG starved hilly areas as per policy provisions.

During the current fiscal year, inspection of authorized distributors of various LPG companies and filling plants has been conducted and Show Cause Notices were served to the Companies whose distributors were violating laws/rules/instructions of the Authority and on the basis of submissions of LPG Marketing Companies, further action is taken i.e., imposition of penalty or serving warnings on case to case basis in accordance with the provisions of OGRA Ordinance, 2002 and applicable rules / regulations.

6.5 CNG Sector

CNG Sector is an important energy sector; it is catering the need of almost 30% of total transport in the country. It is fueling approximately 3.1 million vehicles and there are nearly 3,500 Operational CNG Stations, spread all over the country. At present Pakistan tops the list among CNG user countries. The important issue related with CNG is its safety.

In order to have strict check, surprise inspections of CNG Stations are now being conducted by OGRA's Enforcement officers, to primarily check the following:-

- i. Dispensing pressure;
- ii. Refueling procedure as per CNG Rules, 1992, including checking of the vehicle cylinder;
- iii. Measurement accuracy;
- iv. Price charged from consumers;
- v. Safety Orientation.

Enforcement Department is actively conducting above mentioned inspections. This has forced CNG Stations to observe rules, regulations, directions of the Authority and Standard Code of Practice.

During the current fiscal year, number of CNG stations have been inspected and violating stations have been served Show Cause Notices and on the basis of licensees replies re-inspections are conducted/ fine imposed or served warnings on case to case basis.

In view of the increasing CNG fire related accidents in the Country, a task force was constituted by the Ministry of Interior under the leadership of Chairman OGRA, with Ministry of Petroleum and Natural Resources (MP&NR), Chief Inspector Explosives (CIE) & Hydro Carbon Development Institute of Pakistan (HDIP) and Transport Authorities as its members. Standard Operating Procedures (SOPs) to mitigate accidents had been prepared and circulated to all other stakeholders for implementation and were also forwarded to MP & NR. Lahore High Court in a Case titled Rana Mehtab Vs Federation of Pakistan has directed Provincial Government for implementation of Task Force SOPs. Whereas Supreme Court of Pakistan in Suo Moto case on Gujrat Van accidents have

issued number of directions to various concerned departments including OGRA and transporters. OGRA has been directed by Supreme Court to take strict action against CNG Stations involved in refueling unapproved/unbranded cylinders. It is stated that CNG associations have been conveyed actions to be taken against CNG stations on violations of Supreme Court's directions and individuals CNG stations have also been directed through public notices.

6.6 Natural Gas Sector

The ambit of OGRA with reference to enforcement of Natural Gas Sector is to check adherence to relevant provision of OGRA Ordinance, NGRA (Licensing) Rules, Licence Conditions, Performance & Service Standards and Procedure for dealing with theft of gas cases by natural gas Transmission and Distribution Companies.

6.7 Complaints

Enforcement Department also handles various complaints relating to CNG, LPG and Oil Sector. Illegal activities like decanting, operation of dabba stations etc are referred to the District Authorities and Chief Inspector of Explosives. Whereas the complaints relating to the various violations like cross filling, overcharging, less filling, shortage of stocks etc. by the licensees / authorized dealers are added in the complaints database and physical verification is done when the inspections are carried out in the said areas. That in case of complaint with proof the same is undertaken with licensee without carrying further inspection as per applicable laws. In case of an urgent requirement, immediate inspection by OGRA team or third party inspectors is done.

6.8 Brief Summary

The total Outlets/Stations/Distributor premises inspected as well as actions taken on the violators during FY 2014-15 is given as under:

Achievements during FY 2014-15

Sector	Inspections	Fine Imposed on
CNG	1,017	499
LPG	468	104
OIL	352	51
Total	1,837	654



Anticipated Developments Next Year

7. Anticipated Developments - Next Year

7.1 Determination of Revenue Requirement

The Authority shall make the following determinations during the next financial year.

- I. Final revenue requirement of SNGPL & SSGCL for FY 2012-13, 2013-14 and 2014-15 based on the actual audited results.
- ii. Estimated revenue requirement of SNGPL & SSGCL for FY 2015-16.
- iii. The process of determination and notification of well-head prices of natural gas under Section 6 (2) (w) and prescribed prices of gas companies, consumer prices under Section (8) of OGRA Ordinance will continue.
- iv. Determination and notification of maximum sale price of CNG to be charged by a licensee from the consumer under Rule 13 of CNG (Production & Marketing), Rules, 1992 as and when required.
- v. Determination of RLNG price under Petroleum Product (Petroleum Levy) Ordinance, 1961 and Petroleum Products (Petroleum Levy) Rules, 1967 in accordance with the FG's approved formula.

7.2 Petroleum Product Pricing

- i. The process of notification of oil prices on monthly basis will also continue.
- ii. The deregulation of POL pricing will continue and IFEM management will be carried out coupled with enhanced number of depots to curtail abrupt shortages in different parts of the country.
- iii. OGRA will be notifying Kerosene ex-refinery prices including ex-depot price of Kerosene & E-10 Gasoline. OGRA will closely monitor the petroleum product prices in accordance with the Federal Government laid down criteria after deregulation in public interest.

7.3 Natural Gas / LNG Sector

OGRA will continue to process applications for licences under NGRA (Licensing) Rules, 2002 and LNG Rules, 2007 during FY 2015-16. The Government of Pakistan has planned to establish 2nd LNG Terminal which is expected to be operational by 2017.

The project shall include a floating storage and re-gasification unit (FSRU) along with the building of infrastructure such as a new jetty and pipeline etc. The OGRA shall grant the licence after receipt of application for 2nd LNG Terminal in due course of time.

7.4 Gas Sale Agreements

Approval of Gas Sales Agreements between Producers and Licensees and Gas Supply Contracts between Licensees and the Consumers shall be processed as and when required.

7.5 LPG Sector

A rapid growth of LPG auto refueling stations is anticipated in near future. LPG marketing companies and OMCs are applying for a number of LPG refueling stations in light of LPG Policy and regulatory framework for use of LPG in automobiles.

Further, it is expected that 10-15 companies will be granted licences for marketing of LPG once satisfactory inspection of their LPG facilities is completed. It is also anticipated that few production / extraction licences would be issued during next year.

7.6 Mid and Downstream Oil Sector

New Pakistan Oil (Refining, Blending, Transportation, Storage and Marketing) Rules are likely to be notified in January 2016

New Oil depots are expected to be completed / operational by certain OMCs as per their commitment to develop backup storage infrastructure (i.e. 20 days of sales).

New Oil Marketing Companies are expected to enter into the market of fuel business resulting into installation of new oil infrastructure. Registrations of new lube oil blending plants and persons selling imported lubricants are expected to be undertaken.

7.7 Enforcement Activities

In addition to the routine inspections the Authority is planning to include more activities which will further strengthen the role of the regulator to facilitate consumers. Some of the sector-wise future planning with reference to enforcement activities is summarized hereunder:-

7.7.1 CNG

- i. Checking of CNG Stations that no vehicle fitted with unapproved brand of cylinder are not refueled.
- ii. Enforcement of Supreme Court Directions by physical verification at CNG Stations.
- iii. Safety Orientation of owners of CNG Stations,

7.7.2 Petrol Pumps

- i. Inspection of quality checks at OMCs retail outlets through third party labs.
- ii. Checking of stock availability at Petrol Pumps.

7.7.3 LPG

- i. Surprise visits of manufacturing facilities of authorized manufactures of LPG cylinders and equipments.
- ii. Verification of LPG specifications at plants / terminals/ premises.
- iii. Inspections of LPG Auto Refueling Stations.

7.7.4 Gas

- i. Inspection of Regional Offices of SNGPL & SSGCL to ensure redressal of grievances of applicants / complainants.
- ii. Visit of Complaint Centers / Customer Service Centers to verify compliance of performance and service standards.
- iii. Enforcing Transmission and Distribution Standards.

7.8 Complaints

Redressal of complaints shall continue in accordance with OGRA's Complaint Resolution Procedure Regulations, 2003 in the same spirit as for current year.

7.9 Capacity Building

Staff development and training is vital and ongoing need of every progressive organization. All grades of personnel need continuous, rationalized and latest knowledge in their relevant fields on variety of technical and occupational issues. OGRA will continue to send its officers to the various training programs in addition to the opportunity of participation in various foreign trainings. Contracts for conducting institutional developments studies will also be awarded to the individual consultant/firms on need basis.

Appendices

Appendix - I

**Regulatory Framework
Rules, Notified and Adopted**

Sr. No.	Rules	Notification Date
1.	Natural Gas (Licensing) Rules, 2002 ⁰	26-Feb-02
2.	Natural Gas (Tariff) Rules, 2002	23-Nov-02
3.	Compressed Natural Gas (Production and Marketing) Rules, 1992*	15-Mar-03
4.	Liquefied Petroleum Gas (Production and Distribution) Rules, 2001*	15-Mar-03
5.	Budget Committee Rules, 2004	30-Dec-04
6.	Pakistan Petroleum (Refining, blending & Marketing) Rules, 1971*	15-Mar-06
7.	Liquefied Natural Gas (LNG) Rules, 2007	26-May-07
8.	Natural Gas (Well Head Price) Regulations, 2009	08-Apr-09
9.	OGRA Natural Gas (Regulated Third Party Access) Rules, 2012	24-Apr-12

Note⁰: Inherited from Natural Gas Regulatory Authority

Note*: Rules No. (3), (4) and (6) Notified by the Ministry of Petroleum and Natural Resources are adopted under Section 44(3) of the Ordinance.

Regulations/Technical Standards Notified

Sr. No.	Regulations	Notification Date
1.	Complaint Resolution Procedure (Natural Gas, CNG and LPG Regulations (CRPR), 2003	03-Sep-03
2.	Performance and Service Standards for Gas Utilities	03-Sep-03
3.	Natural Gas Uniform Accounting Regulations, 2003	17-Feb-04
4.	Natural Gas Transmission (Technical Standards) Regulations, 2004	05-Aug-04
5.	Natural Gas Distribution (Technical Standards) Regulations, 2004	05-Aug-04
6.	OGRA Financial Regulations, 2005	11-Jan-05
7.	OGRA Service Regulations, 2005	31-Jan-05
8.	Oil Transportation (Pipeline) Technical Standards	02-Jul-09
9.	Technical Standards for Petroleum Industry (Retail Outlet)	02-Jul-09
10.	Technical Standards for Petroleum Industry (Depots for Storage of Petroleum Products.	02-Jul-09
11.	Standard technical Specification for Equipment and Materials used in Natural Gas Transmission Network, 2009	29-Jul-09
12.	Standard Technical Specification for Equipment and Materials used in Natural Gas Distribution Network, 2009	29-Jul-09
13.	Technical Standards for Oil Refineries	24-Sep-09
14.	Technical Standards for Petroleum Industry (Road Transport Vehicles, Containers and Equipment Used for the Transportation of Petroleum Products)	09-Oct-09

Amendments in Rules, Regulations and Standards

Sr. No.	Rules, Regulations & Standards	Date
1.	Amendment in OGRA Service Regulations, 2005	11-May-12
2.	Amendment in CPRP incorporating Oil	17-Nov-06
3.	Amendment in CNG Rules, 1992 (Rule 2)	21-Oct-08
4.	Amendment in OGRA Ordinance, 2002 (Section 43 C)	17-Feb-09
5.	Amendment in CNG Rules, 1992 (Rule 2)	04-Apr-09
6.	Amendment in LPG Rules, 2001 (Appendix V)	17-Oct-08
7.	Amendment in LPG (Production & Distribution) Rules, 2001	10-Mar-07
8.	Amendment in Complaint Resolution Procedure (NG, CNG and LPG) Regulations, 2003	10-May-05
9.	Amendment in Complaint Resolution Procedure (NG, CNG and LPG) Regulations, 2003	11-Nov-05
10.	Amendment in Natural Gas (Licensing) Rules, 2002	09-Dec-05
11.	Amendment in OGRA Ordinance, 2002 (Section 43 A)	11-Nov-02
12.	Amendment in OGRA Service Regulations, 2005	22-Dec-05
13.	Amendment in LPG Rules, 2001 (Rule 2,3,5,6,7,8, & 18)	17-Mar-07
14..	Amendment in OGRA Ordinance, 2002 (Section 3)	02-Feb-08
15.	Amendment in OGRA Ordinance, 2002 (Section 43 B)	17-Feb-09
16.	Amendment in OGRA Service Regulations, 2005	05-Mar-09
17.	Amendment in LPG Rules, 2001 (Appendix II, III & V)	04-Aug-09
18.	Amendment in LPG Rules, 2001 (Rule 5)	09-Sep-09
19.	Amendment in Natural Gas (Well Head Price) Regulations, 2009	10-Oct-09
20.	Amendment in LPG Rules, 2001 (Appendix V)	04-Apr-11
21	Amendment in LPG (Production & Distribution) Rules, 2001	26-Dec-13
22	Amendment in LPG (Production & Distribution) Rules, 2001	25-Apr-14
23.	Amendment to OGRA Service Regulation, 2005 (Regulation 19A)	07-Jul-2014

OGRA Prescribes/Enforces the Following:

- Performance and Service standards and other operating conditions.
- Standards for equipments and materials to be used in undertaking regulated activities.
- Technical standards for transmission and distribution of natural gas.
- Standards and specification for refined oil products.
- CNG and LPG rules
- Codes of Technical Standards for construction of terminal/storages.

OGRA Carries Out Regularly the Following:

- Testing of quality of petroleum products.
- Sites visits and inspections.



Appendix - II

Natural Gas/LNG Licences Issued by OGRA

S. No.	Company	Type of Licence	Date of Issue
1.	SNGPL	Transmission, Distribution, & Sale of Natural Gas in the Punjab, KPK, AJK, FATA and Some Parts of Sindh	3-Sep-03
2.	SSGCL	Transmission, Distribution, and Sale of Natural Gas in Sindh and Balochistan	3-Sep-03
3.	Mari Gas Company Ltd.	Sale of Natural Gas to Fauji Fertilizer Company Limited (FFCL), Engro Chemicals Pakistan Limited (ECPL) and Central Power Generation Company Limited (CPGCL)	11-Aug-04
4.	PPL	Sale of Natural Gas to CPGCL	23-Nov-04
5.	OGDCL	Transmission and Sale of Natural Gas to Uch Power Plant	30-Dec-04
6.	OGDCL	Sale of Natural Gas to Fauji Kabirwala Power Company Limited	30-Dec-04
7.	OGDCL	Sale of Natural Gas to Altern Energy	30-Dec-04
8.	FFCL	Transmission of Natural Gas	7-Apr-05
9.	ECPL	Transmission of Natural Gas	7-Apr-05
10.	CPGCL	Transmission of Natural Gas	14-Apr-05
11.	Fatima Fertilizer Company Ltd.	Transmission of Natural Gas	16-Apr-07
12.	Foundation Power Company Ltd.	Transmission of Natural Gas	27-Aug-07
13.	Star Power Generation Ltd.	Transmission of Natural Gas	30-Jan-08
14..	SNGPL	Gas Storage Facility at Lila Town- Punjab	30-Apr-08
15.	Pakistan Gas Port Ltd.	Construction Licence of LNG Receiving Terminal, Operation, Sales and Marketing of RLNG/LNG. (Port Qasim, Karachi)	3-Oct-11
16.	Global Energy Infrastructure Ltd.	Construction Licence of LNG Receiving Terminal, Operation, Sales and Marketing of Rlng/LNG. (Port Qasim, Karachi)	3-Oct-11
17.	Elengy Terminal Pakistan Ltd., Karachi	Construction and Operation Licence of LNG Receiving Terminal (Port Qasim, Karachi)	3-Oct-11
18.	Fauji Oil Terminal Company Ltd.	Provisional Licence.(Port Qasim, Karachi)	23-Dec-11
19.	Daewoo Ship Building And Marine Engineering and Resources Co, Ltd. Korea	Conditional Licence for Construction of Offshore LNG Terminal and Sub-Sea Pipeline (Sonmiani Bay, Distt. Lasbella near Karachi)	16-Mar-12
20.	Engro Elengy Terminal Ltd.	Construction and Operation Licence of LNG Receiving Terminal (Chemical Handling Facility at Gharo Creek, Port Qasim, Karachi)	18-Jun-14

21	OGDCL.	Sale Of Natural Gas Agreement from Nur and Bagla Fields to SSGCL.	9-Jul-13
22	Mari Petroleum Company Ltd.	Sale Of Natural Gas From Mari Field Dharki to Engro Fertilized Ltd.	24-Jul-13
23.	SSGCL	Amendment to Gas Sale Agreement with DHA Cogen Limited.	23-Aug-13
24.	SSGCL	Sale of Natural Gas to Sindh Nooriabad Power Company Pvt. Ltd and Sindh Nooriabad Power Company Phase-II Pvt. Ltd.	1-Jan-14
25.	Pakistan Oilfields Ltd.	Sale of Natural Gas from Pariwali Field POL to SNGPL	1-Jan-14
26.	Engro Fertilizer Co. Ltd.	Licence for Transmission of Natural Gas from Reti Meru Gas Field to Engro Plant at Daharki	13-Jun-14
27.	OGDCL	Licence for Transmission and Sale of Natural Gas from UCH Gas Field Plant in Dera Murad Jamali (Balochistan) through already Existing Pipeline of OGDCL.	26-Jun-14
28.	OGDCL	Licence for Sale Of Natural Gas from OGDCL's Reti Meru (Meru South) Gas Field in District Ghotki (Sindh) to Engro Fertilizers Ltd. Plant Located at Daharki (District Ghotki, Sindh)	26-Jun-14
29.	Engro Elengy Terminal Ltd.	Licence Granted to Carry Out Regulated Activity of Transmission of Natural Gas from Applicant's Jetty to Tie in Point at SMS Pakland.	02-Jul-14



Appendix – III

Consumer Gas Tariff Schedule for FY 2014-15

1) Sui Northern Gas Pipelines Limited				
2) Sui Southern Gas Company Limited				
Category			Sale Prices	
			w.e.f. 01.01.2013	w.e.f 01.07.2014
Rs. / MMBTU				
(i)		A. Domestic Consumers		
	(a)	Standalone meters		
	(b)	Mosques, Churches, Temples, Madrassas, other Religious Places and Hostels attached Thereto;		
	(i)	Upto 300 M ³ per month	106.14	106.14
		All off-takes at flat rate of		
	(ii)	Upto 300 M ³ per month	212.28	212.28
		All off-takes at flat rate of		
	(iii)	Over 300 M ³ per month	530.69	530.69
		All off-takes at flat rate of		
		Minimum Monthly Charges (Rs)		143.29
		Bulk Meters: Mosques, churches, temples, madrassas, other Religious Places and Hostels attached thereto; Government and semi -Government offices and Hospitals, Government Guest Houses, Armed Forces messes, Langars, Universities, Colleges, Schools and Private Educational Institutions, Orphanages and other Charitable Institutions along with Hostels and Residential Colonies to whom gas is supplied through bulk meters including Captive Power.		
		All off-takes at flat rate of	530.69	530.69
		Minimum Monthly Charges (Rs)	3,184.20	3,184.20
(ii)		B. Commercial Consumers		
		All off-takes at flat rate of	636.83	636.83
		Minimum Monthly Charges (Rs)	3,821.04	3,821.04
(iii)		C. Special Commercial (Roti Tandoors)		
	(i)	Upto 100 M ³ per month	106.14	106.14
		All off-takes at flat rate of		
	(ii)	Upto 300 M ³ per month	212.28	212.28
		All off-takes at flat rate of		
	(iii)	Over 300 M ³ per month	636.83	636.83
		All off-takes at flat rate of		
		Minimum Monthly Charges (Rs)	143.29	143.29

(iv)		D. Ice Factories		
		Sale Price	636.83	636.83
		Minimum Monthly Charges (Rs)	3,821.04	3,821.04
(v)		E. Industrial Consumers		
		Sale Price	488.23	488.23
		Minimum Monthly Charges (Rs)	16,463.14	16,463.14
(vi)		F. Captive Power		
		Sale Price	488.23	573.28*
		Minimum Monthly Charges (Rs)	16,463.14	19,330.66
(vii)		G. CNG Stations		
		Sale Price	656.52	656.52
		Minimum Monthly Charges (Rs)	22,138.76	22,138.76
(viii)		H. Cement Factories		
		Sale Price	742.97	742.97
		Minimum Monthly Charges (Rs)	25,053.41	25,053.41
(ix)		I. Pakistan Steel		
		Sale Price	488.23	488.23
(x)		J. Fertilizer Factories		
(1)		Pak American Fertilizer Limited, Daudkhel.		
	(a)	Feed Stock	123.41	123.41
	(b)	Fuel	488.23	488.23
(2)		Pak Arab Fertilizer Limited, Multan.		
	(a)	Feed Stock	123.41	123.41
	(b)	Fuel	488.23	488.23
(3)		Dawood Hercules Chemicals Limited, Chichoki Malian, Sheikhpura District:		
	(a)	Feed Stock	123.41	123.41
	(b)	Fuel	488.23	488.23
(4)		Pak-China Fertilizer Limited / Hazara Phosphate Plant Limited, Haripur.		
	(a)	Feed Stock	123.41	123.41
	(b)	Fuel	488.23	488.23
(5)		ENGRO Fertilizer Company Limited		
	(a)	Feed Stock	67.38	68.47
	(b)	Fuel	488.23	488.23
(6)		Fauji Fertilizer Bin Qasim Ltd.		
	i)	Feed Stock upto 60 MMCFD	123.41	123.41
	ii)	Additional allocation (10 MMCFD)	67.38	68.47

*w.e.f. 23.08.2013



	ii)	Additional allocation (10 MMCFD) Provisional	67.38	68.47
	iii)	Fuel	488.23	488.23
(xi)		K. Power Stations		
		WAPDA/KESC		
	(a)	Sale Price	488.23	488.23
		Minimum Monthly Charges (Rs)	16,463.14	16,463.14
	(b)	WAPDA's Natural Gas Turbine Power Station, Nishatabad, Faisalabad.		
		Sale Price	488.23	488.23
		Fixed Monthly Charges (Rs)	975,000	975,000
	(c)	Liberty Power Limited, Dharki.		
		Sale Price	1,501.04	1,305.48
		Minimum Monthly Charges (Rs)	50,614.20	44,019.94
(xii)		L. Independent Power Producers		
		Sale Price	488.23	488.23
		Minimum Monthly Charges (Rs)	16,463.14	16,463.14

Appendix - IV

Field-Wise Well-Head Gas Prices

Sr. No	Field Name	Units	Price Effective 01-07-2014	Price Effective 01-01-2015
1.	Adhi	Rs. per MMBTU	144.46	147.43
2.	Ayesha Field	\$ per MMBTU	5.8124	6.1474
3.	Bhit	\$ per MMBTU	4.7652	4.5041
4.	Bhadra	\$ per MMBTU	4.7652	4.5041
5.	BOBI	Rs. per MMBTU	572.43	536.57
6.	Chachar	\$ per MMBTU	2.1698	2.048
7.	Chanda	\$ per MMBTU	2.7599	2.7699
8.	Dakhani	Rs. per MMBTU	145.47	148.57
9.	Dhodak	Rs. per MMBTU	290.65	296.85
10.	Dhurnal	Rs. per MMBTU	23.41	26.96
11.	Kandkot	Rs. per MMBTU	213.54	205.46
12.	Kadanwari	\$ per MMBTU	8.5004	8.5004
13.	Kirthar	\$ per MMBTU	6.044	6.0492
14.	Khipro & Mirpur Khas	\$ per MMBTU	2.6665	2.6762
15.	Koonj - 1	\$ per MMBTU	2.7676	2.7314
16.	Kunar Pasaki	\$ per MMBTU	2.5696	2.5788
17.	Latif Field	\$ per MMBTU	2.6667 6.1186	2.6762 5.8974
18.	Loti	Rs. per MMBTU	136.68	139.59
19.	Makori	\$ per MMBTU	2.7601	2.7699
20.	Mamikhel	\$ per MMBTU	2.7101	2.7199
21.	Mela	\$ per MMBTU	2.7599	2.7699
22.	Meyal / Dhulian	Rs. per MMBTU	127.88	130.61
23.	Miano	\$ per MMBTU	4.4366	4.1934
24.	Mari	\$ per MMBTU	0.8614	0.9500
25.	Maramzai	\$ per MMBTU	2.7101	2.7199
26.	Nashpa	\$ per MMBTU	2.7599	2.7699
27.	Nanadpur / Panjpir	Rs. per MMBTU	368.15	-
28.	Naimat West	\$ per MMBTU	6.1183	5.8974
29.	Noorai Jagir	\$ per MMBTU	2.5696	-
30.	NIM	\$ per MMBTU	2.5696	2.5788
31.	Pirkoh	Rs. per MMBTU	136.68	139.59



32.	Qadirpur	Rs per MMBTU	297.55	303.9
33.	Ragni Deep-I	\$ per MMBTU	5.8124	5.6025
34.	Rehman Field	\$ per MMBTU	6.044	6.0492
35.	Sadkal	Rs. per MMBTU	837.08	707.52
36.	Saqib A-1	\$ per MMBTU	2.7676	2.7315
37.	Sari Hundi	Rs. per MMBTU	810.95	760.15
38.	Sawan	\$ per MMBTU	4.4366	4.1934
39.	Sinjhor	\$ per MMBTU	2.5696	2.5788
40.	Sui	Rs. per MMBTU	213.54	205.46
41.	Sujjal	\$ per MMBTU	-	5.6025
42.	Sujawl X-1	\$ per MMBTU	3.3970	3.3996
43.	Uch	\$ per MMBTU	3.9223	3.9223
44.	Zamzama SSGCL	\$ per MMBTU	4.3464	4.1034
45.	Zamzama SNGPL	\$ per MMBTU	4.3489	4.1059
46.	Zamzama Wapda / Guddu	\$ per MMBTU	4.3894	4.1464
47.	Zamzama - Phase - II	\$ per MMBTU	4.4364	4.1934
48.	Zarghun South	\$ per MMBTU	2.8594 6.7391	2.8696 6.7331

Employees





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