

# ANNUAL REPORT 2019-20

ORDINANCE

RULES

REGULATIONS

STANDARDS

COMPLIANCE

POLICY GUIDELINES

LICENCE CONDITIONS

REQUIREMENTS

SAFETY



**OIL & GAS REGULATORY AUTHORITY**  
Government of Pakistan



**20** Report on  
Conduct of  
OGRA Affairs

**19** **20**



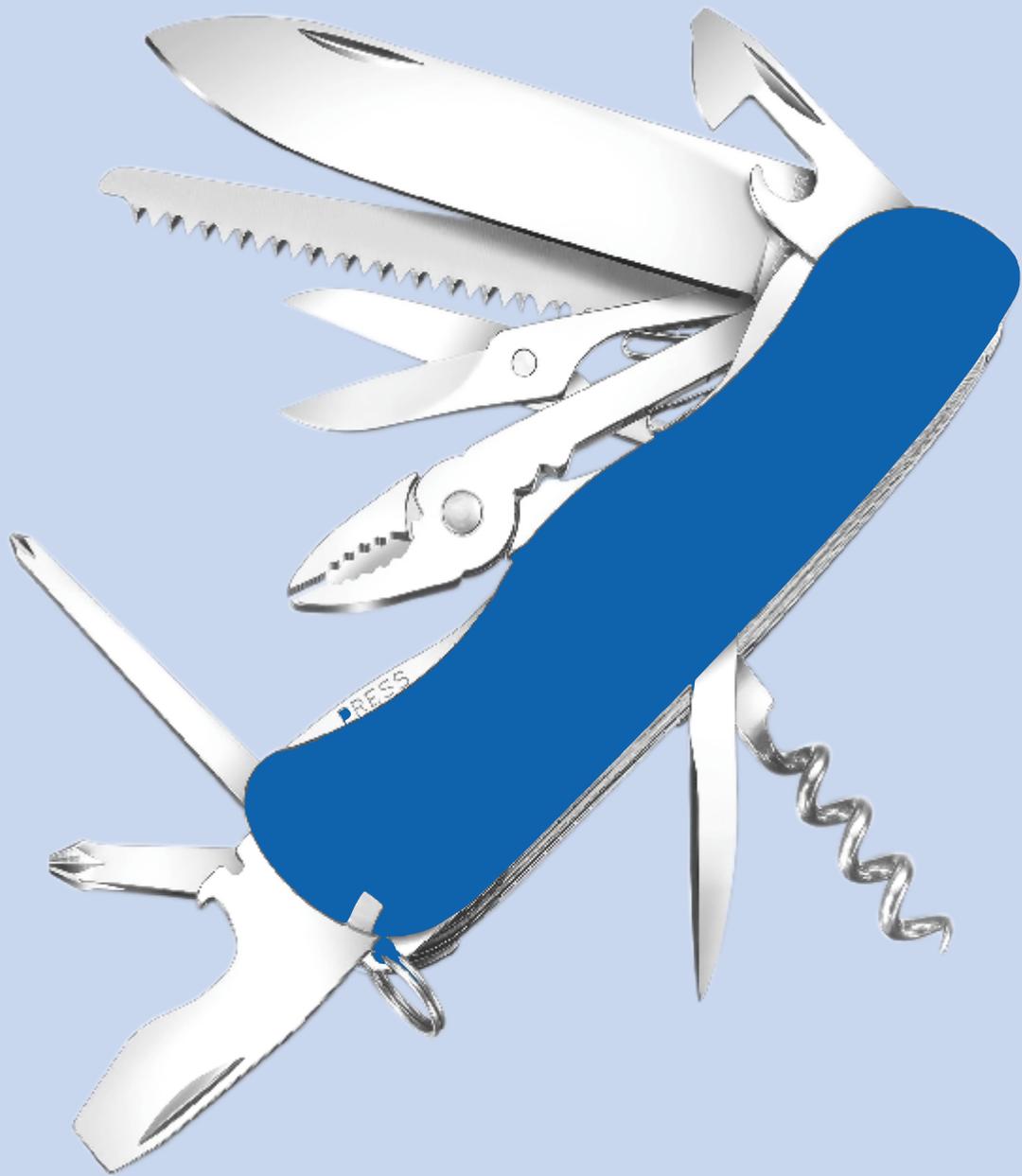
# COMPLIANCE

Compliance to regulatory framework is a process aimed at putting in place the tools and measures necessary to ensure adherence with the Ordinance, Rules, Regulations, Standards, Policy Guidelines etc. that govern the regulated activity operations of the petroleum industry. Implementation of regulatory framework necessitates monitoring with a view to providing safe, reliable and quality services to the consumers by licensees. The process involves self-regulation as well as regulatory oversight by OGRA to ensure level playing field.



# MISSION STATEMENT

“Safeguarding public interest through efficient and effective regulation  
in the midstream and downstream petroleum sector.”



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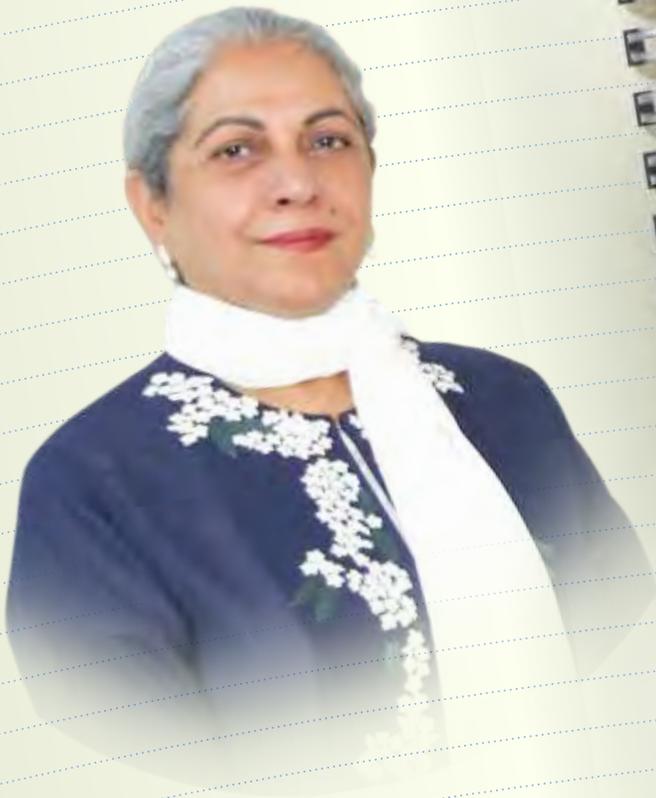
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*Chairperson's Message*



# **CHAIRPERSON'S MESSAGE**





## I. Chairperson's Message

It gives me immense pleasure to present the final and fourth consecutive Annual Performance Report of OGRA for the financial year 2019-20 at the end of my term as Chairperson. It is indeed a valuable accomplishment. This moment at the peak of career provides great satisfaction in fulfilling the responsibilities bestowed upon me with honour and prestige.

The Authority played its regulatory role actively in implementing the Government's economic reform agenda particularly in Oil and Gas Sector by achieving its objectives of fostering competition with increased private investment and ownership in the midstream and downstream petroleum industry and protecting the public interest by providing effective and efficient regulations.

During FY 2019-20, OGRA granted a licence to Pakarab Fertilizers Limited to undertake construction and operation of pipeline for transmission of natural gas and issued two provisional licences to Oil Marketing Companies which may bring an investment of around Rs. one (1) billion in oil infrastructure over the next three years in pursuance of the said Rules/Ordinance. Besides, Oil Marketing Companies built an additional oil storage of 113,601 Metric Tons including 38,222 Metric Tons of

Motor Gasoline and 75,379 Metric Tons of High Speed Diesel in the country during current financial year. Moreover, OGRA issued 75 licences in LPG sector and made noteworthy contribution in creation of an environment for additional investment especially in LPG storage/filling plants and auto sector. An estimated investment of Rs. 29 billion has been made in the LPG supply infrastructure whereas the total investment till date, is estimated at about Rs. 66 billion.

Protection of public from excesses and exploitation of licensees is an important objective of the Authority, thereby resolving consumers' complaints and grievances relating to regulated activities is one of its main priorities. OGRA entertains consumers' complaints against Natural Gas, Liquefied Petroleum Gas (LPG), Compressed Natural Gas (CNG) and Oil Companies without charging any fee and with almost no formalities. These complaints are resolved expeditiously and in judicious manner and the public is largely appreciative of the efficiency and remedial measures tasked against the errant service providers. During my tenure as Chairperson, OGRA disposed of more than 85 percent of complaints, provided around three thousand gas connections and financial relief of more than two billion rupees to the consumers.

Another important aspect of OGRA's Complaint Resolution Procedure is that, if the complainant is not satisfied with the decision of the Designated Officer, he/she has the right to appeal to the Authority. Such appeals are normally disposed of within a maximum period of ninety days, after providing opportunity of hearing to the concerned parties.

OGRA is proactively playing its due role in expeditious resolution of complaints and queries received through Pakistan Citizen Portal (PCP) under Prime Minister Delivery Unit (PMDU) and Clean and Green Initiative of the Government of Pakistan. OGRA has established two dedicated Cells respectively to deal with the public grievances. The necessary actions have been taken against non-compliant outlets/companies to redress the complaints.

With increase in number of new licensees, the enforcement of technical and safety standards for the facilitation and protection of consumers and general public has not only become a challenge but also a top priority for monitoring and inspection. OGRA has further enhanced and strengthened its monitoring role of the regulated activities with passage of time to avoid any incident in transportation of Oil and LPG, manufacturing of standardized equipment and installation of facilities.

The Authority has expanded and increased inspections for enforcement of quality standards, less filling, quality non-conformation and overcharging. Heavy fines have been imposed on violators and in some cases licences have also been suspended/revoked.

OGRA believes in transparency and accountability of its decision-making whether they relate to determination of revenue requirements or grant of important licences in midstream and downstream petroleum sector. Public hearings are conducted and feedback from all the stakeholders are sought before final decision.

The role of information technology in the development of an organization has assumed very crucial role particularly after Covid 19 pandemic which has forced almost all economic activities into a complete lockdown and people particularly employees were encouraged to work online from home. Those with advance and more connected information technology system were quick to adopt and recover.

The Authority last year realising the importance of technological developments decided to introduce E-Office in its working environment. This project has almost

been completed and will be fully functional by the start of new financial year. The implementation of E-office will provide its users with a user-friendly interface to work with and enable them to efficiently dispose of official business. E-Office will not only bring efficiency, effectiveness and transparency within the processes of the organization but also reduce the cost of doing business.

Human resource is the most precious asset of an organization and the success of an organization is accessed from the level of skills, training and capability of its human resource. Fortunately, OGRA has one of the highly skilled, trained and well-equipped human resource.

I would also like to pay tribute to the commitment and hard work of its employees that enabled OGRA to pursue its objectives successfully. Dedication, team work and goal orientation are hallmarks of OGRA's work culture. Employees of OGRA deserve wholehearted appreciation for their exceptional spirit of cooperation and professionalism that has helped the organization to meet all the challenges with success and the achievement of the organization's objectives.

Corporate responsibility is critical to the future success and sustainability of our organization. We also need focused attention to the issues and areas critical to us and our stakeholders. In order to face the challenging conditions prevalent in Pakistan, especially in the energy sector, our collaborated efforts for a prosperous and sustainable future both at organizational and national level are vital. Due to its relentless pursuit of quality and efficiency in the regulatory sphere, OGRA has earned a respectable repute 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.

I must place on record and acknowledge the valuable support and cooperation of Ministry of Energy (Petroleum Division), Cabinet Division and Members of the Authority with whom I have served and the Government of Pakistan.

As a Chairperson, I was completely committed to preserving the principles upon which this organization was established and has achieved substantial progress. It is very crucial to have consistency between short term organizational goals and long term strategy.

**(Uzma Adil Khan)**  
Chairperson

## چیئر پرسن کا پیغام

معیارات سے مطابقت اور منافع خوری کی روک تھام کے لئے معائنوں میں اضافہ کیا۔ خلاف ورزی کرنے والوں پر بھاری جرمانے عائد کئے گئے اور بعض معاملات میں ان کے لائسنس معطل / منسوخ بھی کئے گئے۔

اگر اپنے فیصلہ سازی کے عمل میں شفافیت اور احتساب پر یقین رکھتا ہے چاہے اس کا تعلق محصولات کے تخمینہ سے یا ٹڈنڈی اور ڈاؤن سٹریٹ پیٹرولیم میں اہم لائسنسز کے اجراء سے ہو۔ عوامی سماعت عمل میں لائی جاتی ہیں اور حتمی فیصلے سے قبل تمام شرائط اور اس سے آراء و تجاویز طلب کی جاتی ہیں۔

کسی بھی ادارے کی ترقی میں انفارمیشن ٹیکنالوجی نے اہم حیثیت اختیار کر لی ہے، بالخصوص کورونا وائرس کی وباء کے بعد جب تقریباً تمام معاشی سرگرمیاں لاک ڈاؤن کے سبب بند ہو گئیں اور عوام بالخصوص ملازمت پذیر افراد کے گھر بیٹھے کام کرنے کی حوصلہ افزائی کی گئی تو انفارمیشن ٹیکنالوجی کا جدید نظام رکھتے تھے وہ اپنے آپ کو حالات سے جلد ہم آہنگ کرنے اور بحال ہونے میں کامیاب رہے۔

تکنیکی ترقی کی اہمیت کا ادراک کرتے ہوئے اتھارٹی نے گزشتہ برس اپنے کام میں ای آفس متعارف کروانے کا فیصلہ کیا۔ یہ منصوبہ تقریباً مکمل ہو چکا ہے اور آئندہ مالی سال کے آغاز تک یہ مکمل طور پر فعال ہو جائے گا۔ ای آفس کا نفاذ اس کے صارفین کو کام کرنے کیلئے صارف دوست انٹرفیس فراہم کرے گا اور انہیں دفتری معاملات کو منوٹر انداز میں پایہ تکمیل تک پہنچانے میں مدد ملے گی۔ ای آفس ادارے کے طریقہ کار میں نہ صرف بہتری، اثر اور شفافیت لائے گا بلکہ کاروبار کرنے کی لاگت کو بھی کم کرے گا۔

انسانی وسائل کسی ادارے کا سب سے قیمتی اثاثہ ہوتے ہیں اور ادارے کی کامیابی اس کے انسانی وسائل کی مہارت، تربیت اور صلاحیتوں پر منحصر ہے۔ اوگرا کے پاس خوش قسمتی سے انتہائی مہتمم، تربیت یافتہ اور باصلاحیت انسانی وسائل موجود ہیں۔ میں اپنے ملازمین کے عزم اور سخت محنت کو بھی خراج تحسین پیش کرنا چاہتی ہوں جس سے اوگرا کو اپنے مقاصد کی کامیابی حاصل کرنے کے قابل بنایا ملازمین کی منظم طور پر کام کرنے کی لگن اور مقصد کے حصول کی جستجو اور اوگرا کے کام کے ماحول کا خاصہ ہے، اوگرا کے ملازمین اپنے باہمی تعاون اور پیشہ ورانہ مہارت کے غیر معمولی جذبہ کیلئے بھرپور تعریف مستحق ہیں، جس کی بدولت ادارے نے تمام ترجیحات کا کامیابی سے مقابلہ کیا اور ادارے کے مقاصد کے حصول میں مدد ملی۔

پیشہ ورانہ ذمہ داری ہمارے ادارے کی مستقبل میں کامیابی اور استحکام کے لئے اہم ہے۔ ہمیں ان معاملات پر بھی بھرپور توجہ دینے کی ضرورت ہے جو ہمارے لئے اور ہمارے شراکت داروں دونوں کیلئے اہم ہیں۔ پاکستان کو درپیش چیلنجز کا مقابلہ کرنے کیلئے، خصوصاً توانائی کے شعبے میں ہمیں تنظیمی اور قومی سطح پر خوشحال اور پائیدار مستقبل کے لیے مشترکہ کوششوں کی ضرورت ہے، ریگولیٹری سطح پر معیار اور کارکردگی میں مسلسل بہتری کے پیش نظر اوگرا کو غیر جانبدار اور موثر ریگولیٹر کے طور پر باعزت مقام حاصل ہے۔ اوگرا ایک ادارے کی حیثیت سے، پاکستان کے توانائی کے شعبے میں معاونت کرتے ہوئے، قدر و نمو پیدا کرنے کی حکمت عملی پر کاربند ہے۔

میں وزارت توانائی (پیٹرولیم ڈویژن)، کابینہ ڈویژن، اتھارٹی کے ممبران جن کے ساتھ میں نے کام کیا اور حکومت پاکستان کے گراں قدر تعاون پر ان کی انتہائی شکرگزار ہوں۔

بحیثیت چیئر پرسن پوری طرح برعزم تھی، ان اصولوں کے تحفظ کے لئے، جن پر یہ تنظیم قائم ہوئی، اور اس میں خاطر خواہ ترقی ملی، بیامری بہت اہم ہے کہ قلیل المدتی ادارہ جاتی اہداف اور طویل مدتی حکمت عملی کے مابین ہم آہنگی ہو۔

(عظمیٰ عادل خان)

چیئر پرسن

یہ امر میرے لئے انتہائی مسرت کا باعث ہے کہ میں اوگرا کی حتمی اور گاتار چوٹی سالانہ کارکردگی رپورٹ برائے مالی سال ۲۰۱۹-۲۰۲۰ اپنے عرصہ تعیناتی کے اختتام پر پیش کر رہی ہوں۔ یہ بلاشبہ ایک گراں قدر کامیابی ہے۔ یہ خاص لمحہ میرے لیے انتہائی اطمینان بخش ہے کہ اپنی ملازمت کے نکتہ عروج پر عزت اور وقار کے ساتھ اپنی ذمہ داریوں کو نبھاتی رہی ہوں۔

اتھارٹی نے حکومت کے اصلاحاتی ایجنڈا بالخصوص تیل اور گیس کے شعبے میں اصلاحات پر عملدرآمد کے حوالے سے نجی شعبے کی حوصلہ افزائی کے ذریعے مقابلہ جاتی فضا کے فروغ، ٹڈنڈی اور ڈاؤن سٹریٹ پیٹرولیم انڈسٹری کی انورسٹمنٹ اور موثر ریگولیٹرز کے ذریعے عوامی مفاد کے تحفظ کو یقینی بناتے ہوئے اپنا ریگولیٹری کردار عمدگی کے ساتھ ادا کیا۔

مالی سال ۲۰۱۹-۲۰۲۰ کے دوران اوگرا نے پاک عرب فریڈم انڈر ز رولز لینڈ کو قدرتی گیس کی ترسیل کے لئے پائپ لائن کی تنصیب اور آپریشن کے لئے لائسنس کا اجراء کیا اور دو (۲) آئل مارکیٹنگ کمپنیز کو عبوری لائسنسز دیے جس کی وجہ سے آئل انفراسٹرکچر کے شعبے میں مرتب کردہ قوانین / آرڈیننس کو مد نظر رکھتے ہوئے آئندہ تین سالوں کے دوران ایک ارب روپے کی سرمایہ کاری کی توقع ہے۔ مزید برآں آئل مارکیٹنگ کمپنیز کی جانب سے (۱۱۳،۶۰۱) میٹرک ٹن اضافی تیل ذخیرہ کرنے کی صلاحیت حاصل کی گئی جس میں (۳۸،۲۲۲) میٹرک ٹن پیٹرول اور (۷۵،۳۷۹) میٹرک ٹن ہائی سپیڈ ڈیزل شامل ہیں۔ اس کے ساتھ ساتھ اوگرا کی جانب سے ایل پی جی کے شعبے میں (۷۵) نئے لائسنسز کا اجراء کیا گیا جس سے ایل پی جی کی ذخیرہ کرنے کی صلاحیت (فلنگ پلائٹس اور آڈیو سیکٹر کے شعبے میں نئی سرمایہ کاری کے ماحول کو فروغ ملا۔ ایک تخمینے کے مطابق ایل پی جی کی فراہمی ڈھانچے میں (۲۹) ارب روپے کی سرمایہ کاری کی گئی جب کہ آج تک کل سرمایہ کاری کا تخمینہ (۶۶) ارب روپے ہے۔

عوام کو لائسنس یافتہ کارکن کی زیادتیوں اور استحصال سے بچانا اتھارٹی کا ایک اہم فریضہ ہے اس لئے صارفین کی ریگولیٹرز گریڈوں سے متعلق شکایات اور نکالیف کا ازالہ اس کی اولین ترجیحات میں شامل ہے۔ اوگرا ایل پی جی، سی این جی اور آئل کمپنیز کے حوالے سے بلا معاوضہ اور آسان انداز میں صارفین کی شکایات کا ازالہ کرتی ہے، ان شکایات کا ازالہ عادلانہ اور مستعد طریقے سے کیا جاتا ہے، اور سہولیات فراہم کرنے والے مخرف اداروں کی جانب سے قوانین کی خلاف ورزی پر اوگرا کی کارکردگی اور تدارکی کارروائی کو عوام کی جانب سے سراہا جاتا ہے۔ میرے بطور چیئر پرسن اوگرا پر اپنی فیصد سے زائد شکایات کا ازالہ کیا گیا، تین ہزار نئے گیس کنکشن فراہم کئے گئے اور صارفین کو دو ارب روپے سے زائد مالی ریلیف دیا گیا۔

اوگرا کی شکایات کے ازالے کے طریقہ کار کی ایک اہم خوبی یہ بھی ہے کہ اگر شکایت کنندہ مجاز افسر کے فیصلے سے مطمئن نہ ہو تو وہ اتھارٹی کو اپیل کرنے کا حق رکھتا ہے۔ ایسی تمام اپیلیں متعلقہ فریقین کی سماعت کے بعد عام طور پر 90 دن میں نمٹا دی جاتی ہیں۔

اگر اپنا پیٹرن ڈیوری یونٹ کے تحت قائم کردہ پاکستان سٹیزن پورٹل کے ذریعے اور حکومت پاکستان کے کلین اینڈ گرین انیشیو کے تحت ملنے والی شکایات کے فوری حل کے لئے بھی اپنا کردار ادا کر رہی ہے۔ اوگرا کی جانب سے صارفین کی شکایات کے ازالے کے لئے دو مخصوص سیل قائم کئے گئے۔ شکایات کے ازالے کیلئے خلاف ورزی کرنے والی کمپنیز اور فلنگ سٹیشنز کے خلاف ضروری اقدامات اٹھائے گئے۔

نئے لائسنس یافتگان کی تعداد میں اضافے کے ساتھ صارفین کے تحفظ اور سہولت کے لئے تکنیکی اور حتمی معیارات کا نفاذ نہ صرف ایک بڑا چیلنج بن چکا ہے بلکہ یہ نگرانی اور معائنے کی ایک اہم ترین ترجیح بھی ہے۔ اوگرا نے وقت گزرنے کے ساتھ ریگولیٹری سرگرمیوں میں کسی بھی ناخوشگوار حادثے کی روک تھام کے لئے پیٹرول اور ایل پی جی کی ترسیل سے متعلق، طے شدہ معیارات کے مطابق آلات کی تیاری اور اور سہولیات کی تنصیبات کے حوالے سے، اپنے نگرانی کے کردار کو بڑھایا اور مضبوط کیا ہے۔ اتھارٹی نے کوالٹی کے معیارات کے نفاذ، ہم بھرائی کی روک تھام



# **PROFILE OF THE AUTHORITY**



# *The Authority*



**Noorul Haque**  
Member Finance

**Uzma Adil Khan**  
Chairperson

**Dr. Abdullah Malik**  
Member Oil

**Muhammad Arif**  
Member Gas

## 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 Chairperson

Ms. Uzma Adil Khan assumed the position/role of Chairperson OGRA in July 2016. She has an extensive work experience in many leadership and senior management positions. She is a Fellow Member of Institute of Chartered Accountants of Pakistan and Institute of Chartered Secretaries and Managers. She did graduation in English Literature / Psychology from University of Punjab. Ms. Uzma Adil's career has been an accomplished and versatile during which she has served in many prestigious organizations at different roles. Prior to joining OGRA, she was engaged with Sui Northern Gas Pipelines Limited (SNGPL) - Pakistan's largest Integrated Transmission and Distribution Gas Company in various executive positions including Chief Financial Officer, Senior General Manager, Company Secretary and eventually retired as Managing Director. She has also worked with Securities & Exchange Commission of Pakistan (SECP). Ms. Uzma Adil also possesses professional experience of working in the textile and education sector. She has been a fellow Member of Board of Studies, ICAP, and Monitoring Committee ICAP, Lahore. She has attended several national and international workshops and seminars. With this diverse background and hands-on experience, her services at OGRA are highly valuable and providing sound leadership to the Authority.



### 2.1.2 Member Finance

Mr. Noorul Haque was appointed as Member Finance on July 23, 2015 for an initial term of two years. In recognition of his services, he was reappointed for second term of four years w.e.f. July 23, 2017. He is Fellow Member of the Institute of Cost and Management Accountants of Pakistan (ICMAP). He has experience of over 32 years in the fields of accounts, finance, audit management, planning at various management positions in public and private sector organizations. He has been associated with OGRA since 2003 in various positions. He has served as Senior Executive Director before his appointment as Member Finance. He played crucial role in formulation of various rules and regulations for oil and gas sectors. He participated at various training programs abroad on utility regulations, bench marking, performance monitoring, natural gas pricing, human resource and project management. He is the first employee of OGRA to be appointed as Member of the Authority.



### 2.1.3 Member Oil

Dr. Abdullah Malik got his Ph.D in Chemical Engineering (Fuel Technology) in 1991 from Newcastle University – a UK's one of the top institutions. He is an active Member of Energy Institute and Chartered Engineer UK. Post his first degree in Chemical Engineering in 1984 from UET Lahore. He got his training from a Shell refinery based in Karachi. He then joined DESCON Engineering – a leading local contracting organisation before leaving for higher studies in UK. Dr. Malik has over 33 years of experience of working within energy sectors including upstream, midstream and downstream oil and gas processing, its transport, power generation, and environmental control technologies. This involved design, development and construction of energy projects in regulated environment. Dr. Malik worked for several world leading contracting, consulting and technology multinational companies and contributed on world class onshore and offshore projects for Aramco, BP, EoN, Conoco, Sabic and Shell. Dr. Malik's recent project involved setting up an advanced vacuum distillation refinery in which he replaced a mechanical evaporator with a non-mechanical thin film evaporator. This technology was later short-listed for IChemE UK Global award 2015. While working for industry, Dr. Malik kept his teaching and R&D interests within green energy technologies and developed two novel clean technologies. He also published more than 50 articles in refereed journals and conferences. In 2005, under HEC short term programme Dr. Malik served in Chemical Engineering as Professor appointed by HEC and was part of pioneering team of setting up Energy Technology Centre in UET. Dr. Abdullah Malik retired on May 17, 2020 on completion of three years tenure .



#### 2.1.4 Member Gas

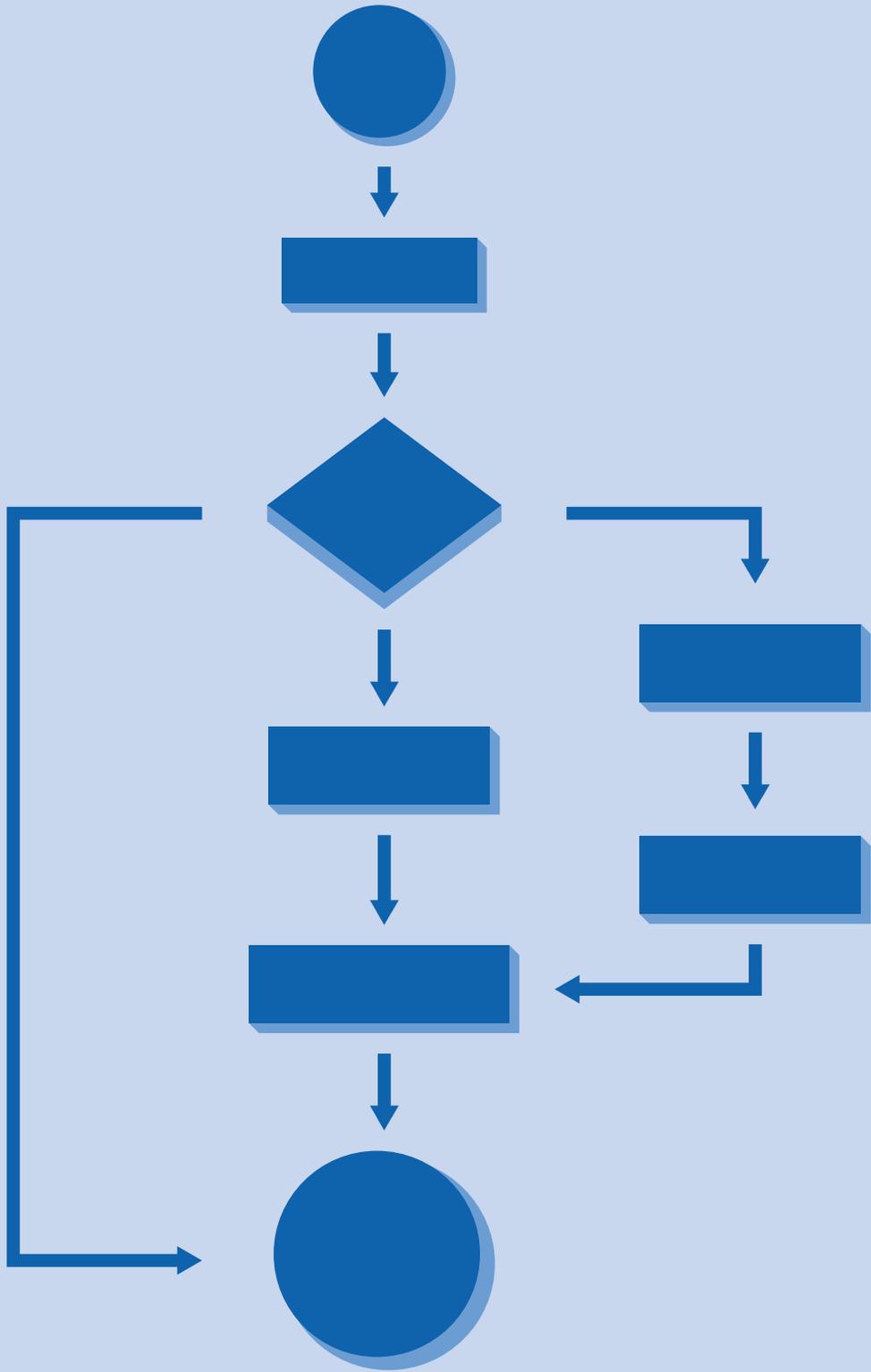
Mr. Muhammad Arif joined Oil and Gas Regulatory Authority as Member Gas on 21<sup>st</sup> November 2019.

Mr. Arif holds degrees of MBA from the University of Strathclyde, Scotland, UK, LL.M in Petroleum Law and Policy from the Centre for Energy, Petroleum & Mineral Law & Policy (CEPMLP), University of Dundee, Scotland, UK, and a Post Graduate Diploma in Petroleum Economics from Oxford, England, UK. He is enrolled as an Advocate by the Punjab Bar Council, Pakistan. Mr. Arif is a Member of Society of Petroleum Engineers and Association of International Petroleum Negotiators, USA. He is a Certified Director and has been on the Board of Khyber Pakhtunkhwa Oil and Gas Company Limited for a year before joining OGRA. Prior to joining OGRA, Mr. Arif had over thirty (30) years of experience on the commercial, legal and Joint Venture affairs of upstream oil and gas business initially with OGDCL for about 20 years and then with a private oil company for about 11 years as head of Legal, Commercial and Joint Venture Departments. He has a keen interest in petroleum policy, laws and regulation and possess in-depth hands on experience of petroleum industry contracts, market restructuring and business process optimization.

Mr. Arif has deeply analyzed the various complex and multidisciplinary legal and commercial issues and rendered high profile opinions including on impact of 18<sup>th</sup> Constitutional Amendment on oil and gas industry of Pakistan and published several articles and rendered opinions covering 18<sup>th</sup> Amendment, Pakistan's petroleum policies and fiscal systems. He is author of numerous research papers, articles and books. He is also main author of Books "Energy Law in Pakistan", published by Wolters Kluwer, Netherlands, and contributed a chapter on Pakistan in book titled "Upstream Law and Regulation" published by Globe Law and Business, UK. He has been a visiting Professor of the International Islamic University, Islamabad teaching Petroleum Laws of Pakistan at LL.M level and has so far supervised numerous thesis relating to the oil and gas industry.

Before joining OGRA, Mr. Arif has worked as an independent legal and commercial consultant serving oil and gas industry for about three years.

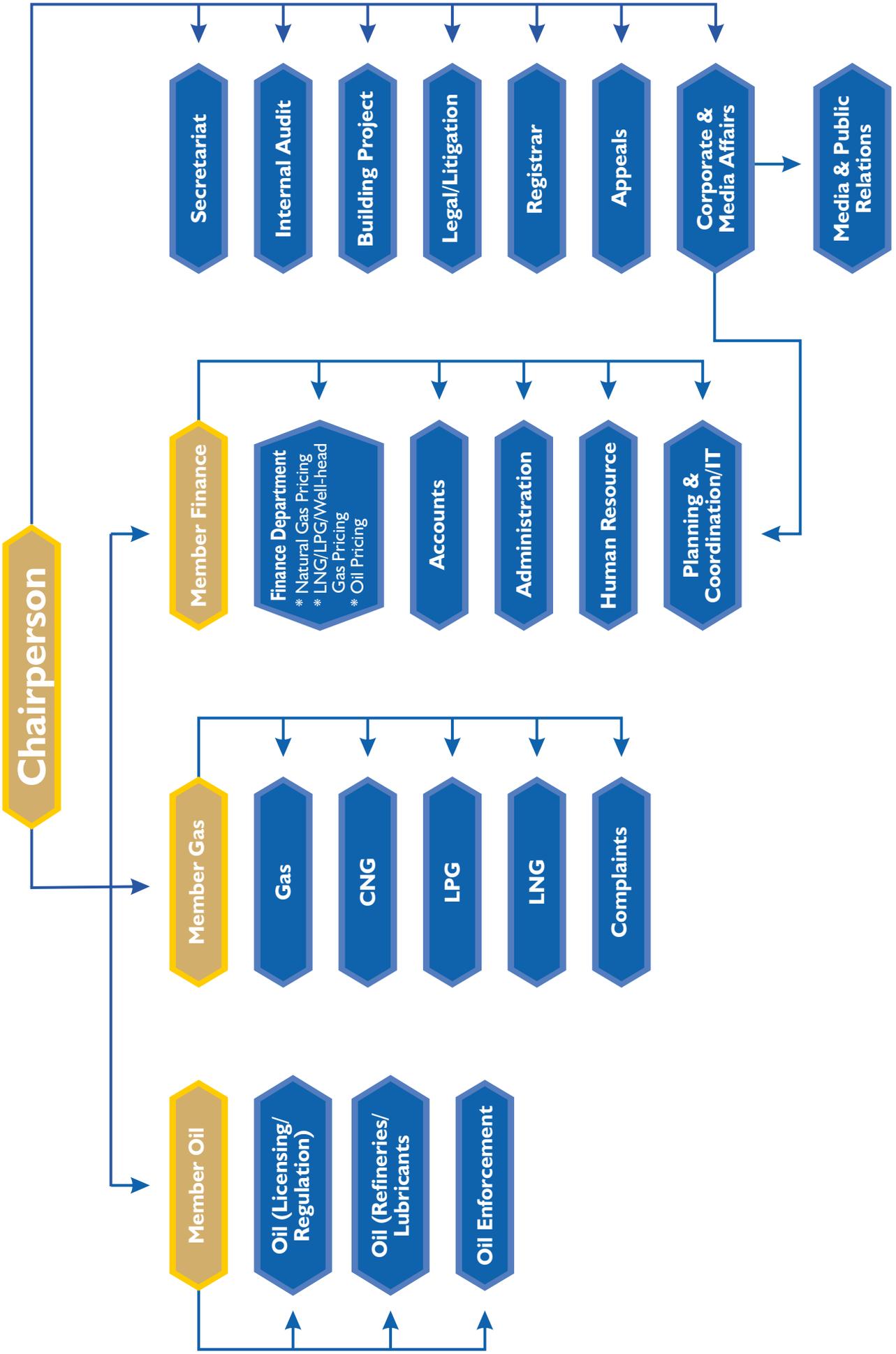




# ORGANOGRAM



# Organogram





# POWERS & FUNCTIONS

## **2.2 Powers and Functions**

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

- 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:
  - **Oil**
    - ♦ Construction / Operation of refinery, pipelines, storage facilities, blending facilities and installations.
    - ♦ Marketing and storage of refined oil products.
  - **Natural Gas**
    - ♦ Construction/Operation of pipelines or storage facilities or other installations.
    - ♦ Transmission
    - ♦ Distribution
    - ♦ Sale
  - **Liquefied Petroleum Gas (LPG)**
    - ♦ Construction/Operation of pipelines, production or processing facilities, storage facilities and installations.
    - ♦ Production, storage, filling and marketing.
  - **Compressed Natural Gas (CNG)**
    - ♦ Construction/Operation of installations including testing or storage facilities.
    - ♦ Transporting, filling, marketing and distribution.
  - **Liquefied Natural Gas (LNG)**
    - ♦ Construction/Operation of LNG receiving, re-gasification terminals.
    - ♦ Construction/Operation of LNG storage facilities.
    - ♦ Transportation, filling, marketing and distribution of LNG.
- Determine in consultation with the Federal Government and the licensees, a reasonable rate of return to the natural gas licensees.
- 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.



# **FUNCTIONS OF THE DEPARTMENTS**

## 2.3 Functions of the Departments

### ▶ Registrar Office

Registrar Office receives, examines and processes the petitions filed by Gas Utility Companies i.e. SSGCL and SNGPL for determination of their revenue requirements of each financial year under the provisions of the OGRA Ordinance, 2002 and the Natural Gas Tariff Rules, 2002. This includes Determination of Estimated Revenue Requirements (DERR) Review of Estimated Revenue Requirements (RERR) Determination of Final Revenue Requirements (FRR), Motion for Reviews and other Review Petitions filed by the Licensees. This office also processes and conducts procedures for grant of licence with respect to natural gas (construction, transmission and sale/RLNG sale, construction of oil pipeline, LNG and low-pressure flare gas. On daily basis, it also receives, scrutinizes and processes the complaints regarding Natural Gas, LPG, CNG and refined Oil Products lodged by any person or licensee w.r.t. excessive billing, corrections of gas bills, tariffs, low pressure, issuance of demand notices, connections, disconnections and all other matters provided in CRPR, 2003 and forward the same to Designated Officers (DOs) of the concerned departments for appropriate disposal / decision.

Registrar Office also conducts hearings of the cases on the directions of the different courts wherein tariff / licence related matters are remanded to OGRA and thereafter records hearing proceedings and prepares draft decisions for the Authority. This Office also attends complainants, representatives of different companies / legal entities and legal counsels w.r.t. their licensing, tariff and other regulatory issues. Further, this office provides legal opinion and comments on various court cases, attends different courts of law, National Assembly, Senate of Pakistan legislative proceedings and represents different forums of the Federal Government. as when required.

### ▶ Oil Department

OGRA is mandated to regulate mid and downstream oil sector in the country under the Pakistan Oil (Refining, Blending, Transportation, Storage & Marketing) Rules, 2016 and the OGRA Ordinance, 2002. The powers conferred under the aforesaid Rules & the OGRA Ordinance mainly pertain to grant of licence to undertake marketing of refined oil products, construction & operation of Oil Infrastructure [i.e. Refinery, oil storage facility, oil transportation pipeline, lube oil blending/ reclamation facility, oil testing facility] and establishing/ operation of Lubricant Marketing Companies. Besides aforesaid, Oil Department also monitor quality of refined oil products through third party laboratory and its own inspections on random basis. Further, conformance of the construction of oil infrastructure with the relevant Technical Standards is also ensured through Third Party Inspection. In addition, complaints (generally related to overcharging, less filling, quality at petrol pumps) are also dealt by the Oil Department in accordance with the OGRA's Complaint Resolution Procedure Regulations, 2003, to redress the grievance of the general public.

### ▶ Gas Department

The basic functions performed by Gas Department pertain to the grant of licences regarding Sale, Transmission and Distribution of Natural Gas / RLNG, Determination of Revenue Requirements of Gas Utility Companies i.e. SNGPL and SSGCL on regular basis, monitoring and enforcement of rules, regulations / standards and applicable licence conditions, approval of Gas Sale / Purchase Agreements pertaining to the regulated gas sector. Another important task performed by the Gas Department is to handle cases related to Natural Gas Infrastructure Development Projects. Processing of cases regarding Gas Pipeline Capacity Allocation and related Gas Transportation Agreements. Gas Department is undertaking

studies such as review of TPA Rules, Network Code, implementation of UFG Study of Gas sector, liaison with International Organizations e.g. World Bank, USAID, etc., regarding Gas Sector Reforms. Furthermore, Gas Department responds/attends the Court Cases pertaining to regulated gas sector and formulation of rules, regulations and procedures for the conduct of licensees. Reports on compliance of licence conditions are being regularly provided by the gas utility companies.

### ► **LPG Department**

The core functions of LPG Department include issuance of licences to construct and operate LPG production, storage/filling facilities, air-mix plants and LPG auto-refuelling stations. Other functions are registration of LPG equipment manufacturers and other miscellaneous matters related to LPG sector. LPG Department ensures compliance to the OGRA Ordinance, 2002, LPG Rules, 2001 and LPG Policy Guidelines of the Federal Government issued from time to time in all licensing issues under its jurisdiction. Further, it also conducts inspections of storage/filling plants, re-fuelling stations, production/extraction plants, air-mix plants and manufacturing facilities of equipment manufacturers through short listed third-party inspectors. Moreover, matters related to extension/renewal, amendment/transfer, cancellation/revocation of licences, periodic inspection of LPG works and facilities to ensure their conformity with the laid down standards and annual renewal of the registration of OGRA's authorized manufacturers of LPG equipment are also being handled by LPG Department.

### ► **LNG Department**

LNG sector is a promising sector with significant anticipated growth in the years to come. OGRA, being the concerned regulator has played a vital role in guiding the companies interested in establishing LNG import infrastructure in the country. Regulation of LNG sector is governed under OGRA (LNG) Rules, 2007 which define pre-requisites for obtaining licences. LNG rules encourage prospective project developer to enter into LNG market after fulfilment of requisite formalities including licence from OGRA as per present policy. Subsequent to issuance of operational licence, the Department monitors compliance to the terms and conditions of the licence. Moreover, OGRA also grants licence for marketing and distribution of LNG, being a regulated activity. The consultants for LNG related tasks have been short listed by the LNG Department which upon requirement are appointed for inspections and for evaluation of application(s).

### ► **CNG Department**

CNG Department regulates CNG sector in the light of provisions of CNG Rules 1992, OGRA Ordinance, 2002 & Policy of the Federal Government in vogue. There has been a ban on issuance of new provisional licence since February, 2008, however, the Government of Pakistan (GoP) has recently in 2020 allowed to grant CNG licences on RLNG basis only. The provisional licences are converted into marketing licences to operate CNG stations after completion of applicable formalities inter-alia including explosive licence and satisfactory pre-commissioning inspection. In order to ensure safe operation of CNG stations, annual safety audit is conducted through OGRA's designated third party inspectors. The deficiencies, if found are rectified in accordance with provisions of applicable rules/technical standards. In case, CNG stations fail to remove deficiencies within stipulated time period, are penalized as per applicable rules/procedure. The cases regarding amendment, renewal and transfer of CNG licences and equipment, alteration in works etc. are processed upon completion of requisite formalities as per the policy/rules. OGRA enlists local and international CNG equipment manufacturers subject to conformity of applicable international technical standards. Complaints against CNG stations are dealt as per applicable criteria and Complaint Resolution Procedure Regulations, 2003.

### ► **Finance Department**

Finance Department plays a pivotal role in tariff determination of oil and gas sector as per the powers delegated under the OGRA Ordinance, 2002. Finance Department is primarily involved in the determination of revenue requirement of gas utilities viz; SNGPL & SSGCL. Accordingly, category-wise natural gas sale prices and prescribed prices are notified under the law. Determination and notification of well-head gas prices on bi-annual basis is also carried out as per the agreements signed between gas producers & GoP. Finance Department's role is not only limited to the natural gas sector, but also includes monitoring of petroleum products, computation and notification of ex-refinery price of Superior Kerosene Oil (SKO) including ex-dopot price of SKO & Ethanol (E-10) after the deregulation effective June, 2011. Since September, 2008, Inland Freight Equalization Margin (IFEM) is also being managed by the Finance Department including its monthly computation and notification of petroleum products including MS, HSD, SKO, LDO and computation of road and pipeline freight for transportation of petroleum products. The Federal Government has also delegated the powers of RLNG price determination to OGRA. The same is carried out on monthly basis as per the policy guidelines issued by Economic Coordination Committee (ECC).

Besides tariff determination process of oil and gas sector, Finance Department has a major contribution in techno-financial and legal matters including tariff related aspects in licensing of natural gas sector, third party access regime, formulation of new tariff regime, unbundling of Sui Companies under Government's gas sector reforms agenda. Finance Department has devised efficiency related benchmarks including HR cost and provision for doubtful debts so as to curtail major component of operating expenditure. These benchmarks have remained successful in terms of allowing prudent and rationale operating cost. Finance Department has always remained vigilant while striving a balance between all stakeholders.

### ► **Complaints Department**

Complaint against Gas Utility Company is entertained by the Registrar Office OGRA, if a consumer/person fails to get desired relief from the licensee, the Registrar Office forwards the complaint to concerned Designated Officer (DO) of the Complaints Department related to specific area under Complaint Resolution Procedure Regulations (CRPR), 2003. The DO performs quasi-judicial functions while dealing with the complaints. The DO after obtaining comprehensive report / response / clarification from gas utility company/licensee, gives an opportunity of meeting/hearing to both the parties and decide the complaints based on available documentary evidences, hearing proceedings, arguments exchanged etc. as per applicable policy/procedures. Implementation of OGRA's decisions on complaint cases are also ensured by the concerned DO. Further, record of the complaints is also maintained under the respective Designated Officer, who prepares response/replies, if necessary in respect of court case(s)/petition(s) etc. pertaining to complaints cases.

### ► **Appeals Department**

Appeals Department receives appeals and reviews as per Section 12 (1) and Section 13 of the OGRA Ordinance 2002, which are filed by the consumers and licensees against the decisions of the Designated Officers and the Authority respectively, passed in cases of billing, gas pilferage, provision of gas connections and other miscellaneous matters. Appeals Department also receives appeals/reviews of LPG, CNG, Oil Enforcement cases etc. pertaining to imposition of fines and penalties. These cases are accordingly processed and placed before the Authority for hearing. Appeals Department records the hearing proceedings and decisions are prepared as per the directions of the Authority. After approval of the Authority, the decisions are issued to the concerned parties.

## ► **Corporate & Media Affairs Department**

The primary function of the Corporate & Media Affairs Department (C&MA) is to build and sustain positive perception of the Oil and Gas Regulatory Authority as a progressive and apex Regulatory Authority of mid and downstream petroleum sector in Pakistan. C&MA department is also responsible to create awareness of its actions taken in public interest, gain industry by in and sensitizing its direct and indirect stakeholders about rules/regulations and their compliance.

To keep abreast the stakeholders about the policies/actions of the organization on regular basis and to build ownership as well as bridge the communication gap, department is also engaged in establishing and executing major goals and objectives for OGRA within and outside the Authority. Implement policies established by the Authority. It is pertinent to mention that the C&MA department through SED (C&MA) is required to provide leadership, direction and guidance over organization's activities, analyse and evaluate the operational effectiveness of the organization. Coordinate major activities through subordinates and appraise assigned personnel. SED (C&MA) to represent the organization among stakeholders, international organizations, media and the public. C&MA department to provide leadership in introducing regulatory reforms, in-line with international best practices and government policies. C&MA department oversee the operations of the P&C / IT and PR/Media departments, handling special projects like Prime Minister Delivery Unit, Clean and Green Pakistan Initiative. Moreover, the department is also a focal point for interacting with Wafaqi Mohtasib Secretariat, Cabinet Division, and Pakistan Information Commission.

## ► **Planning & Coordination / IT Department**

Coordinate all activities of OGRA to produce material for preparation and printing of OGRA Annual Reports i.e. "Report on Conduct of OGRA Affairs" and "Report on State of the Regulated Petroleum Industry" as per provisions of the OGRA Ordinance, 2002. Process training courses for capacity building of employees through provision of local and foreign trainings and participation in seminars, symposiums & workshops etc. at local and international level. Liaison with all Departments/Units of the Authority on multifarious issues as and when required and to coordinate/process cases pertaining to different Ministries/ Divisions/ Departments, etc. Also coordinate with all Departments for preparation of presentations/briefs for local and international forums on different topics relating to functions/performance of OGRA. Coordinate and provide material to Government functionaries for preparation of Cabinet Year Book, Pakistan Trade Policy, Finance Minister's Budget Speech, Pakistan Five Year Plan, Regulatory Framework, Economic Survey of Pakistan, Performance, etc. Cases pertaining to intern-ship for young graduates as per approved policy of the Authority.

### **Capacity Building**

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

OGRA is 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 organizational 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 differentiate best from the good.

It therefore encourages training & development of its employees in management as well as technical/regulatory matters in order to equip them to the international best regulatory practices and techniques in energy sector.

### **IT Orientation**

There is a 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 Fiber 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 to reach the OGRA Ordinance, Rules and Regulations, Decisions. Press releases, Oil price notifications, Gas & well-head pricing notifications. LPG price notifications & licenses, 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. It is favorite amongst consumers of petroleum & gas products, media and other stakeholders. OGRA has implemented Licensed software in order to provide better services and utilization of resources efficiently. OGRA has also launched online complaints registration for an easy rapid access by the complainants.

OGRA has developed File Tracking System to facilitate organization internally as well as external stakeholders to check the online status of their applications, which have been submitted to OGRA for obtaining licence. It will improve the transparency and efficiency of the organization. OGRA has also developed Really Simple Syndication (RSS) application on its website. It is very easy way for anyone to get a list of headlines alerts and update notices to get the contents, which have been updated on the website.

Implementation of E-office will provide its users with a user-friendly interface to work with and enable them to efficiently dispose of official business. E-Office will not only bring efficiency, effectiveness and transparency within the processes of the organization but also reduce the cost of doing business.

### **► Media & Public Relations Department**

Media engagement and reputation management in recent past has become crucial for corporate world and has obtained prominent place within the regulatory framework. Media & Public Relations Department (M&PR) at OGRA is primarily engaged in combating the misinformation, propaganda and crises communication in recent past. However, M&PR department mainly works by media engagement to create awareness about the working and functions of OGRA as well as its decisions.

Advertising and Publicity is one of the predominant functions of M&PR. Besides brand building and ensuring the correct advertising in line with OGRA's brand image is being done meticulously. Moreover, networking, media relations, news crafting, press brief development and its publication in the media are thus part of the everyday work.

Other core objectives of the M&PR Department are advertising, event management, public engagement and protocol affairs. This also includes pre-qualification of advertising agencies, publication of notices/advertisements in the print media; publication of Gazette notifications and settling accounts thereof to monitor and scan all published material that relates to oil and gas sector and submission of daily press brief to the Authority and to all senior executives.

The Department is also responsible for translation of documents relating to parliamentary business, coordination with the National Assembly, Senate, Cabinet Division, Ministry of Energy and Prime Minister's (PM) Secretariat, ECC, Public Accounts Committees and other sub-committees for briefings. M&PR, manages the creation as well as monitoring the website contents "English as well as Urdu", ensures content updating at the website.

Additionally, the Department is also engaged in travel/boarding/lodging arrangements for domestic/ foreign visits of the Authority Members and making necessary preparations to conduct meetings/hearings/public hearings/sessions/seminars at Head Office/Outstation and liaison with the embassies for endorsement of visas during the visit of the Authority-Members and senior executives. The Department also provides facilitation to the Authority-Members at Airport by coordinating with the government organizations.

It is a fact that the role of the Department is to facilitate/provide the correct information to all stakeholders by justifying the material with reference to the Authority and its statutory role in the country.

### ► **Administration Department**

Administration Department is responsible for overall administrative / management services. This Department has to ensure efficient and smooth administrative operations of the organization which includes provision of logistic support to each and every department/unit/section of the Authority and its regional offices. All kinds of administrative matters including procurement, repair & maintenance are also being handled by this Department. Administration Department implements policies relating to all avenues which fall under Management Services. In addition, this Department deals with pre-qualifications of firms, execution & extension of contract/lease agreements relating to procurement agencies and hiring office buildings etc. as per PPRA Rules.

### ► **Human Resource Section**

Oil and Gas Regulatory Authority is a specialized body established under the OGRA Ordinance, 2002 for regulating the midstream and downstream activities of oil and gas sectors in Pakistan. The Ordinance empowers the Authority to recruit qualified and experienced professionals in the field of Engineering, Law, Finance, Economics, and Management to execute its functions as per the OGRA Services Regulations, 2005. In pursuance of the Government Policy, the Authority advertises all vacancies in the press and recruit human resource through a competitive & transparent process, while observing provincial quota as prescribed by the Federal Government, in order to provide equal opportunities to all citizens across the country. We feel pleasure to state that OGRA had complied to the Federal Government direction and implemented the Aghaz-e-Haqooq-e-Balochistan package in letter and spirit. The workforce diversity at OGRA prevails in terms of gender, region, and professional background. Employees are recruited strictly on the conditions as stipulated in the OGRA Service Regulations, 2005 notified under the OGRA Ordinance, 2002.

OGRA Service Regulations, 2005 have been formulated by the authority to offer a complete range of service policies and rules for the employees. The HR Section is responsible to facilitate all HR functions and processes, ranging from

recruitments of finest human capital to their training & development, establishing, and executing an effective performance management system while maintaining office discipline/decorum.

The HR Section promotes the policies for well-being of the employees which ultimately provide conducive and healthy work environment to the employees. In this regard, the cases pertaining to House Building Advance, Insurance, Gratuity, Leave Encashment, Medical facilitation etc. are processed for approval of the competent authority.

The Authority has graciously approved the “Assistance Package for families of OGRA's Employees Who Die in Service” with the primary objective to safeguard the well-being of employee's family. In order to ensure appropriate health care facilities, maintenance of the highest degree of physical, mental and social well-being of employees, various hospitals have been placed on OGRA's panel. During FY 2019-20, various positions have been advertised for the Finance and Accounts Service group in order to attract talented and experienced manpower. HR Section values the long term association of employees with the organization, therefore the attrition of employees is on lower side for the past many years. HR section firmly uphold the tenets of confidentiality, accountability and trust, and values excellence, integrity and communication. The professional segmentation of employees is briefly appended as below;

#### Professional Segmentation of Employees

Description	Number
Engineers	53
Finance/Accounts/Audit	14
Lawyers	08
IT Professionals	04
Economists	03
Corporate & Media Affairs	01
Administrative Executives	57
Support Staff	106
<b>Total</b>	<b>246</b>

#### ► Legal Department

The Legal Department provides opinion on issues relating to regulated activities to the Authority. In pursuance of Section 41 & 42 of the OGRA Ordinance, 2002, the Authority formulates rules and regulations to carry out its regulatory 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 objectives of OGRA and its exclusive responsibilities under the OGRA Ordinance, 2002. The Legal department is also entrusted with the various assignments of vetting of rules, regulations and other notifications and documents having legal prospects whenever required. During the year 2019-20, it has provided opinions/vetted 139 legal documents of Finance/Accounts, Gas, Complaints, LPG/LNG, CNG, Registrar /Complaints/Appeals, Administration and Oil matters.

### ▶ **Litigation Department**

The Litigation Department has the prime responsibility to ensure representation before the Courts of Law all over the country in order to defend OGRA. It manages cases pending before the Courts of Law, prepares detailed para-wise comments, reply, written statements in consultation with respective departments and seeks recommendations/approval of the Authority in each case. Keeping in view the nature and gravity of each case, it recommends the suitable lawyer or depute in-house officer to represent OGRA under the robust procedure duly approved by the Authority. The Department maintains records of court cases for information of the Authority.

### ▶ **Secretariat**

Secretariat is responsible for performing the duties and responsibilities of secretariat nature, as entrusted to it, under the supervision of Secretary OGRA. Secretariat is mandated to effectively conduct the meetings of the Authority (Regulatory & Administrative) wherein the decisions are taken, in the spirit of OGRA Ordinance, 2002, pertaining to the regulatory affairs of the mid and downstream petroleum sector as well the internal matters of the organization. Key functions/responsibilities include issuance of notice, agenda and working papers to the Authority-Members and concerned Departmental Heads after soliciting approval of the Chairman/Chairperson for calling meeting in accordance with Sub-Section 5 of Section 4 of the OGRA Ordinance, preparation and submission of minutes of the meeting proceedings to the Authority for signatures and dissemination of decisions to the concerned Departments. Further, it monitors the implementation of the decisions by the concerned Departments and compiles the report on implementation status for presentation before the Authority as regular agenda in each meeting. Secretariat is responsible to coordinate with the Cabinet Division and other agencies regarding the matters of the Chairman/Chairperson and Members of the Authority and it also acts as a custodian of record of declaration of assets submitted by all employees of OGRA on yearly basis.

### ▶ **Internal Audit Department**

Internal Audit Department performs its functions as per Regulation 15 of the OGRA Financial Regulations 2005. Internal Audit conducts Pre-audit of all bills for payments. It coordinates with the Auditor General of Pakistan who conducts audit of accounts of OGRA. It submits replies to the audit observations, memos and draft paras in consultation with the concerned departments. Internal Audit also coordinates with the Departmental Accounts Committee (DAC) and Public Accounts Committee (PAC) for discussion / settlement of audit paras raised by the Auditor General. Further, Internal Audit renders comments, advices, suggestions, proposals and recommendations on various fiscal, administrative & operational issues to the Authority, if so required.

# SENIOR MANAGEMENT



**Imran Ghaznavi**  
Senior Executive Director  
Corporate & Media Affairs



**Shahzad Iqbal**  
Senior Executive Director  
Gas Department



**Zainul Abideen Qureshi**  
Senior Executive Director  
Appeals Department



**Muazzam Hussain Ch.**  
Senior Executive Director  
CNG Department



**Sarmad Aslam**  
Senior Executive Director  
Licensing/Regulation  
Oil Department



**Anwer Ali Sheikh**  
Senior Executive Director  
Administration Department



**Sohail Ahmed Tariq**  
Senior Executive Director  
LPG Department



**M. Rizwan-ul-Haq**  
Senior Executive Director  
Legal/Litigation Department



**Misbah Yaqub**  
Senior Executive Director  
Finance Department



**Atif Sajjad**  
Executive Director  
Finance - I (Gas Pricing)  
Finance Department



**M. Asad Latif**  
Secretary OGRA



**Aamir Nusrat**  
Executive Director  
Oil Refinery/Lubricant Department



**Malik Mazhar H. Makhdoom**

Executive Director  
Complaints-I Department



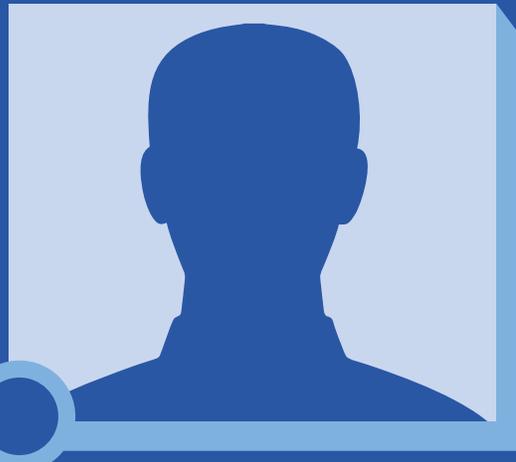
**M. Imran Akhtar**

Executive Director  
LNG Department



**M. Murtaza Ch.**

Executive Director  
(Oil Pricing)  
Finance Department



**Zahid Ghani Chishti**

Executive Director  
Complaints - II Department



**Syed Anis Haider Hamdani**

Executive Director  
Planning & Coordination/  
Building Project Department



**Dr. Abdul Basit Qureshi**

Registrar





# PROCESS

### 3. Process

#### 3.1 The Authority's Regulatory Decision Making Process

The regulatory framework is a 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 the grant of licences for various types of regulated activities, 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 its 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 the 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, following flow chart shows the steps involved in the determination of revenue requirement of a gas company from receipt of petition to the notification of prescribed and sale prices.



Authority in Public Hearing

## The Process of Determination of Revenue Requirement, Notification of Prescribed and Consumer Gas Prices





# PERFORMANCE

## 4. Performance

### 4.1 Formulation of Rules and Regulations

Oil and Gas Regulatory Authority is an independent regulatory body. It was established on March 28, 2002 in pursuance of the OGRA Ordinance, 2002 with the objective to “foster competition, increase private investment and ownership in 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 objectives and OGRA's exclusive responsibilities under the OGRA Ordinance, 2002. Since its inception in March 2002, the Authority has put in place a comprehensive regulatory framework as described in **Appendix-I**.

#### 4.1.1 Meetings of the Authority

Section 4(1) of the OGRA Ordinance, 2002 states that the Chairman and two other Members shall constitute a quorum for a meeting of the Authority requiring a decision by the Authority. During FY 2019-20, the Authority conducted 25 Regulatory and 17 Administrative meetings.

### 4.2 Mid and Downstream Oil Sector

#### 4.2.1 Regulation

The Federal Government has empowered the Authority to regulate midstream and downstream oil sector in the country by enforcing 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 15<sup>th</sup> March, 2006. Through applicable Pakistan Oil (Refining, Blending, Transportation, Storage & Marketing) Rules, 2016, OGRA is mandated to regulate mid and downstream oil sector in the country. The powers conferred under the aforesaid Rules & the OGRA Ordinance mainly pertain to regulate marketing of refined oil products, construction & operation of Oil Infrastructure [i.e. refinery, oil storage facility, oil transportation pipeline, lube oil blending/ reclamation facility, oil testing facility] and establishing/ operation of lubricant marketing companies.

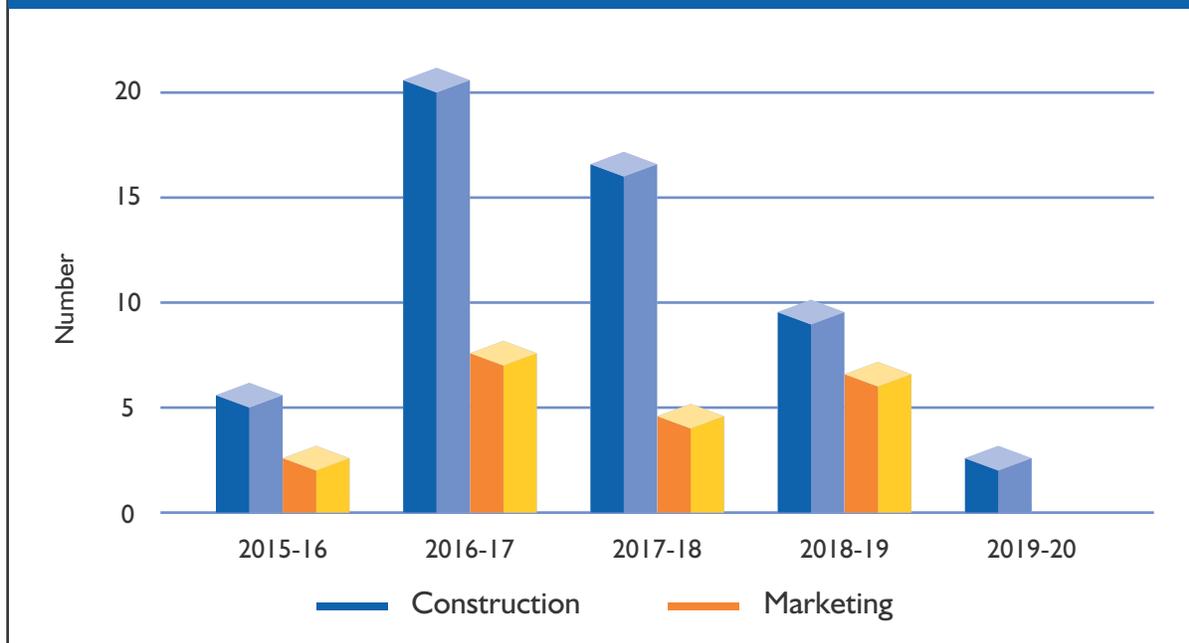
#### 4.2.2 OGRA's Activities in the Oil Sector during FY 2019-20

The brief activities of the oil sector approved by the Authority during FY 2019-20 for regulation of mid and downstream oil sector are as under: -

- Grant of two (02) provisional licences to Oil Marketing Companies (OMCs) which may bring an investment of around Rs. 1.0 billion in oil infrastructure over the next three years in pursuance of the said Rules/ Ordinance.
- An addition of around 113,601 Metric Tons of Oil Storage (38,222 Metric Tons of MS & 75,379 Metric Tons of HSD) in the country by OMCs
- Grant of three (03) licences for construction of Lube Oil Blending/Reclamation/Grease Plants.
- Grant of six (06) licences for operation of Lube Oil Blending/Reclamation/Grease Plants.
- Grant of six (06) licences to Lubricant Marketing Companies (LMCs).

The number of licences issued for establishing OMCs and marketing of petroleum products is shown in **Fig 4.1**. The number of licences issued in the oil sector is given in **Appendix-II**.

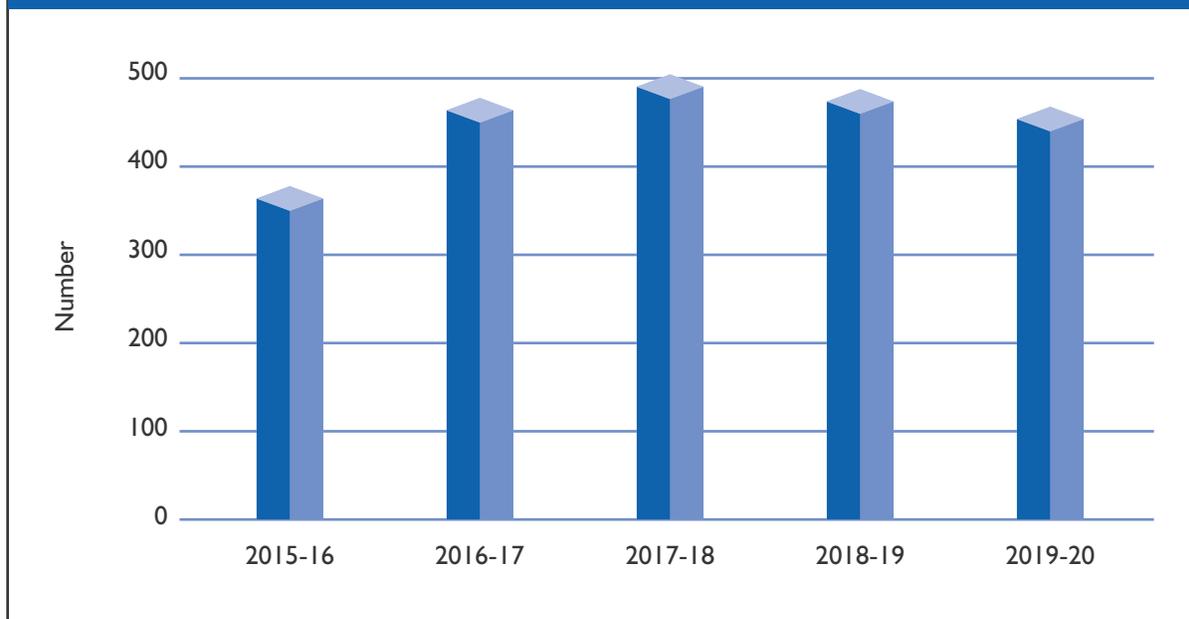
**Fig 4.1: Grant of Construction and Marketing Licences to OMCs**



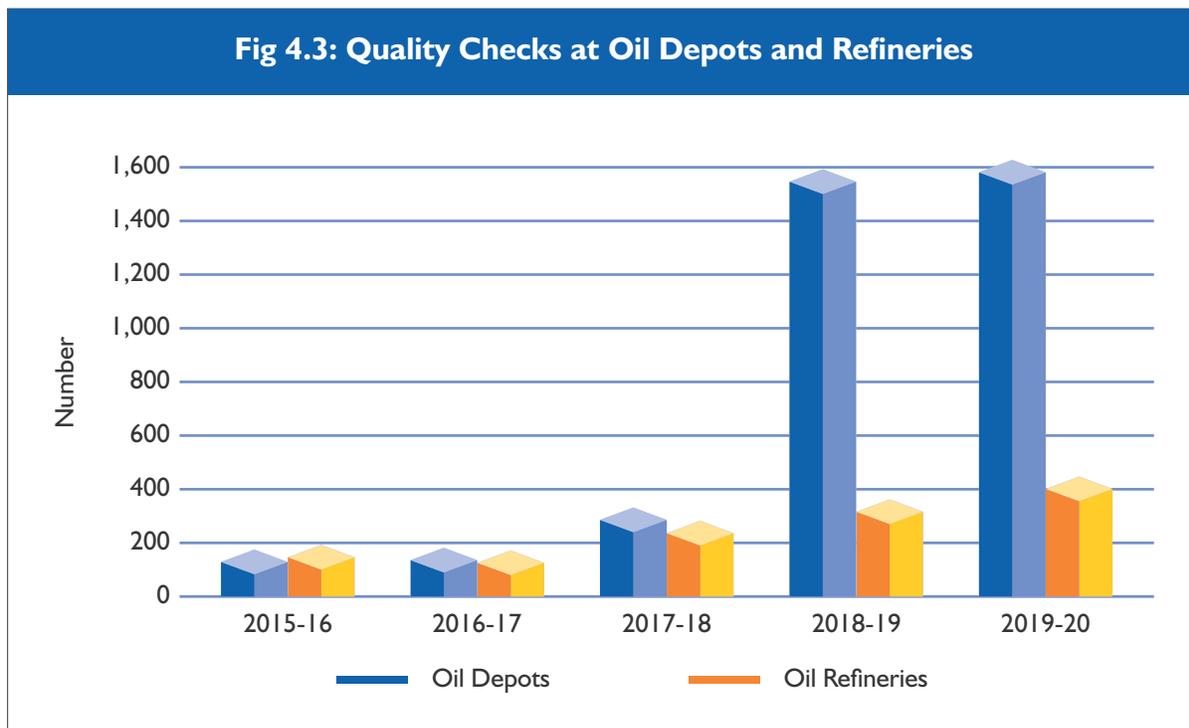
### 4.2.3 Quality Assurance

OGRA under Section 6 (2) (x) of the OGRA Ordinance 2002, monitors standard specifications of refined oil products through Hydrocarbon Development Institute of Pakistan (HDIP) at various levels including Import, Oil Refineries, OMCs Retail Outlets, Oil Depots, Blending/ Reclamation Plants and Terminal Stations of White Oil Pipeline (WOP) System on regular and random basis. With regard to imported petroleum products, 437 quality checks of energy products (**Fig 4.2**) and 238 for non-energy products were made during FY 2019-20.

**Fig 4.2: Quality Checks of Imported Petroleum Products**

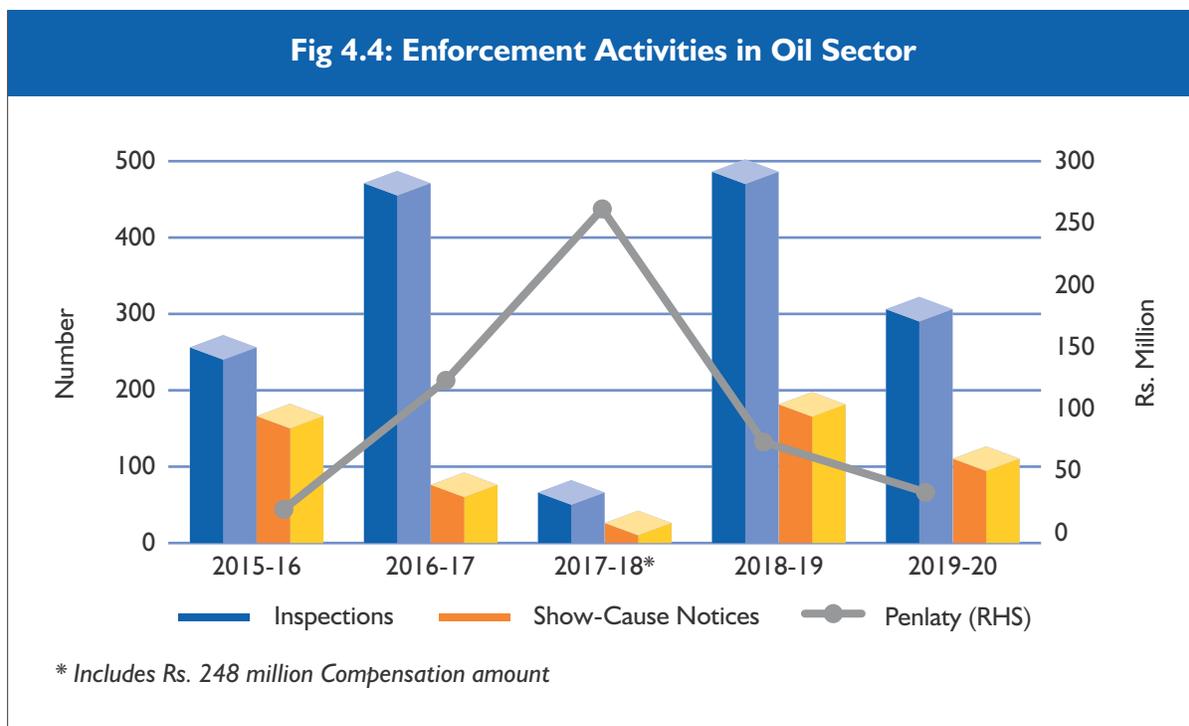


Similarly, 298 & 1,544 quality checks were carried out at lube blending plants and oil depots respectively. Moreover, 355 quality checks were made at oil refineries (Fig 4.3) and 44 at WOP's terminal stations.



#### 4.2.4 Enforcement Activities

OGRA conducted inspections at 290 outlets and on account of violations (overcharging, less filling and quality non-conformation), issued 97 show cause notices with subsequent imposition of penalty amounting to Rs. 30.8 million. Enforcement activities in oil sector are shown in Fig 4.4.



## 4.2.5 Oil Pricing

OGRA was mandated by the Federal Government vide Cabinet's decision No. 41/03/2006 dated March 2, 2006, to fix petroleum products prices w.e.f. April 1, 2006, in accordance with the Government's prescribed formula, under Section 6(2)(r) (relating to powers and functions of OGRA) and Section 21(2)(b) (regarding 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 (MS), High Octane Blending Component (HOBC), Light Diesel Oil (LDO), Jet Propellant (JP1), (JP4) & (JP8). As a result, refineries and OMCs fix and announce the ex-refinery and ex-depot prices of MS, HOBC, LDO, JP1, JP4 & JP8. Later on, Federal Government deregulated ex-refinery price of HSD with effect from September 17, 2012 in pursuance of ECC decision dated September 4, 2012. Whereas, the ex-depot price of HSD has already been deregulated w.e.f. September 2001.

### 4.2.5.1 OGRA Role under Deregulation

- a. Computation & notification of ex-refinery price of Superior Kerosene Oil (SKO) including ex-depot prices of SKO & Ethanol (E-10).
- b. Computation & notification of Inland Freight Equalization Margin (IFEM) for petroleum products (MS, HSD, SKO and LDO).
- c. Monitoring of prices of petroleum products under the deregulated scenario.
- d. Computation of road and pipeline freight for transportation of petroleum products.

### 4.2.5.2 ECC Approved Pricing Parameters

#### a) Ex-Refinery Formula

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

- Ex-Refinery price of HSD & MS cannot be more than the average actual import price (including import incidentals & excluding ocean losses) of PSO's cargos, imported during the period under consideration. However, in case of import of JP-1, ex-refinery price cannot be more than PSO average actual import prices (excluding PSO import incidentals & ocean losses) of PSO's cargos of the previous period.
- In case of non-availability of PSO import prices, the refineries will fix their ex-refinery price of POL products (MS, HSD, LDO, JP1, JP4 & JP8) as per existing Import Parity Pricing formula, wherein prices are linked with average of Arab Gulf (AG) Platts of pricing period and existing incidentals are taken for computation of ex-refinery price of MS & HSD.

ECC in its decision of August 18, 2016 has approved the introduction of 92 RON Premium Motor Gasoline (Petrol) in the country, which was implemented w.e.f. December, 2016. OMCs have been allowed to import minimum 92 RON under the existing regulated environment. Further, in compliance of Federal Government directives, PSO started import of Euro-II grade HSD of 0.05% sulfur w.e.f. February 01, 2017 in Pakistan. Accordingly, local refineries producing Euro-II grade HSD are allowed Euro-II grade HSD of 0.05% sulfur ex-refinery price w.e.f. February 01, 2017, whereas refineries producing below Euro-II grade HSD of 0.05% sulfur have to pay price differential through IFEM to pass on the benefit to consumers at large.

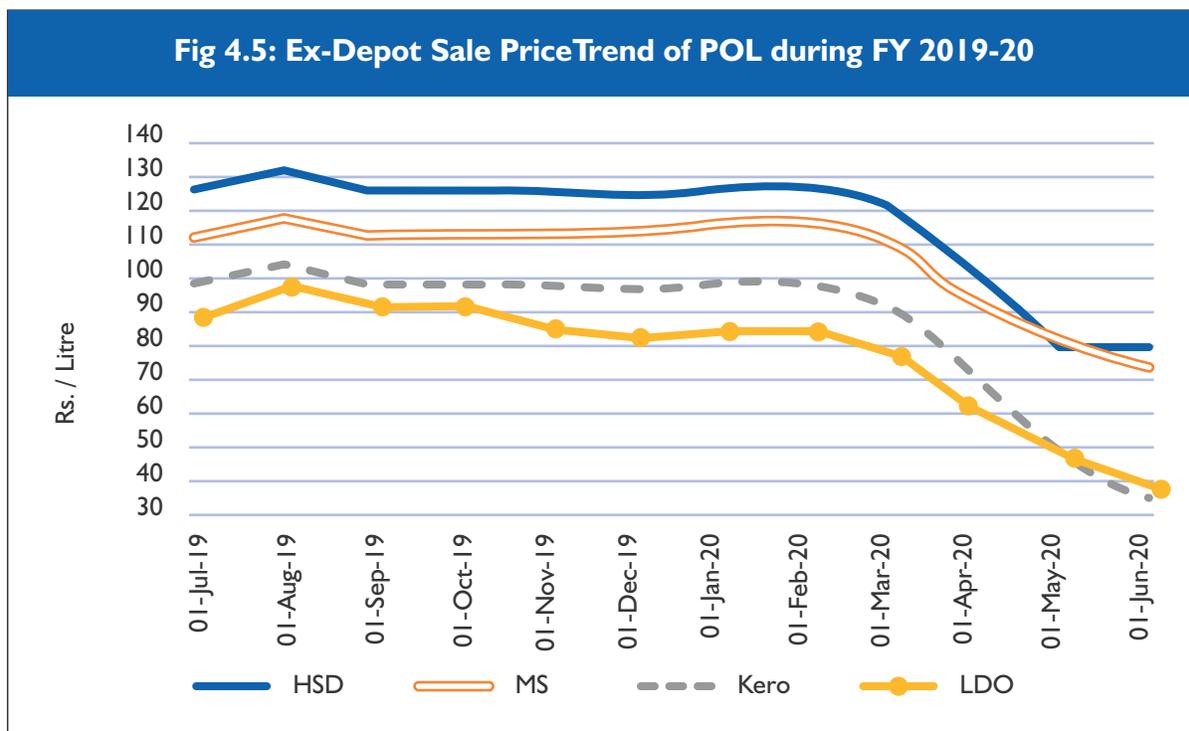
#### b) Ex-Depot Formula

Ex-depot formula of petroleum products consists of the following price components:

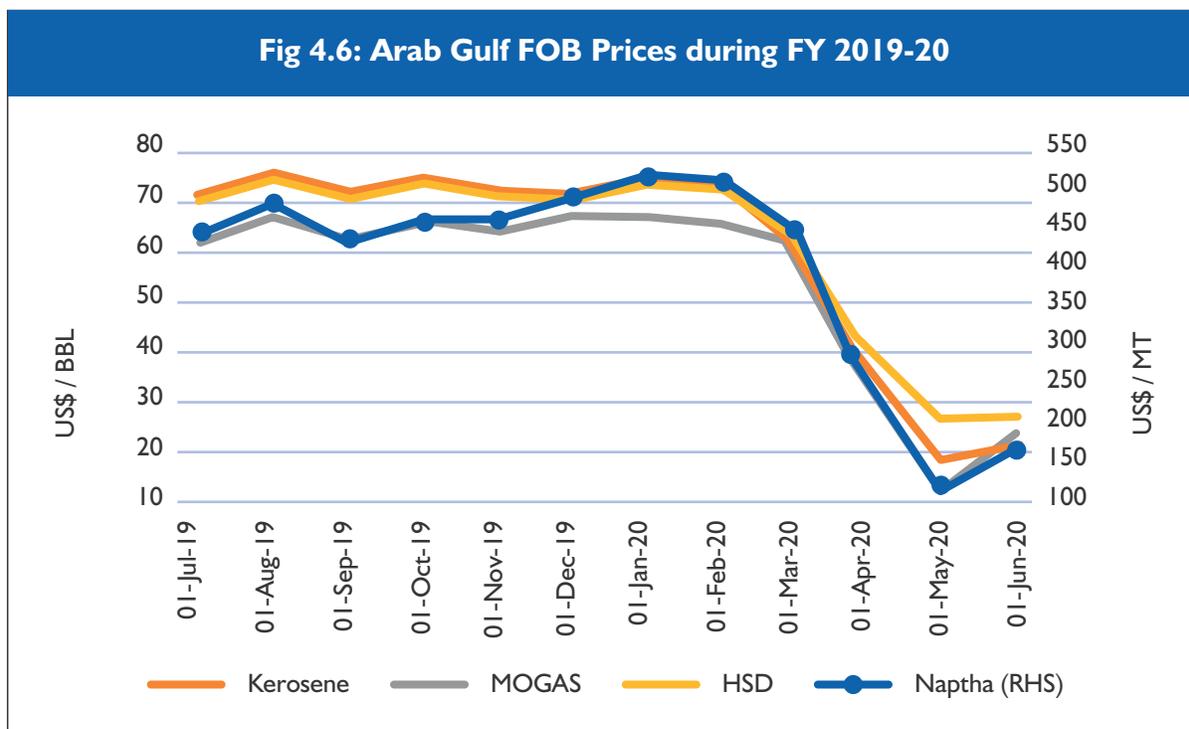
- Ex-refinery price based on PSO weighted average cost of purchases/import parity price.
- Inland Freight Equalization Margin (IFEM).
- Distribution Margin.
- Dealer Commission.

- Petroleum Levy (PL) as fixed and notified by MoE (PD).
- Sales tax on petroleum products as fixed and notified by FBR.

The comparative trend of ex-depot sale prices of notified petroleum products during FY 2019-20 is shown at **Fig 4.5**.



The international petroleum prices showed mix trend during FY 2019-20. Graphical representation of changes in Arab Gulf petroleum products prices is shown at **Fig 4.6**.



### 4.2.5.3 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 1, 2008.

IFEM mechanism is used to equalize prices of fuel products (HSD, MS, LDO and SKO) at 22 depots spread throughout the country despite disparity in transportation costs, except HOBC, which was removed from IFEM w.e.f. September 24, 2011 by Federal Government (FG). These locations are as follow:

Sindh (4)	Punjab (12)	Balochistan (3)	Khyber Pakhtunkhwa (3)	Gilgit Baltistan (1)
1. Karachi	1. Vehari	1. Quetta	1. Taru Jabba	1. Jaglot
2. Shikarpur	2. Mehmood Kot	2. Khuzdar	2. Chitral	-
3. Daulatpur	3. Gatti-Faisalabad	3. Gwadar (non-operational yet)	3. Serai Naurang	-
4. Sangi	4. Machike	-	-	-
-	5. Chak Pirana	-	-	-
-	6. Sihala/Chaklala	-	-	-
-	7. Shershah	-	-	-
-	8. Kotla Jam	-	-	-
-	9. Sahiwal	-	-	-
-	10. Faqirabad	-	-	-
-	11. Habibabad	-	-	-
-	12. Kundian	-	-	-

Secondary Transportation Cost from Depot to Retail Outlets is deregulated and the 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 (Chitral, Gilgit Baltistan, AJK and some parts of Balochistan) is also picked up through IFEM mechanism to provide relief to the consumers of special areas.

#### a) 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.

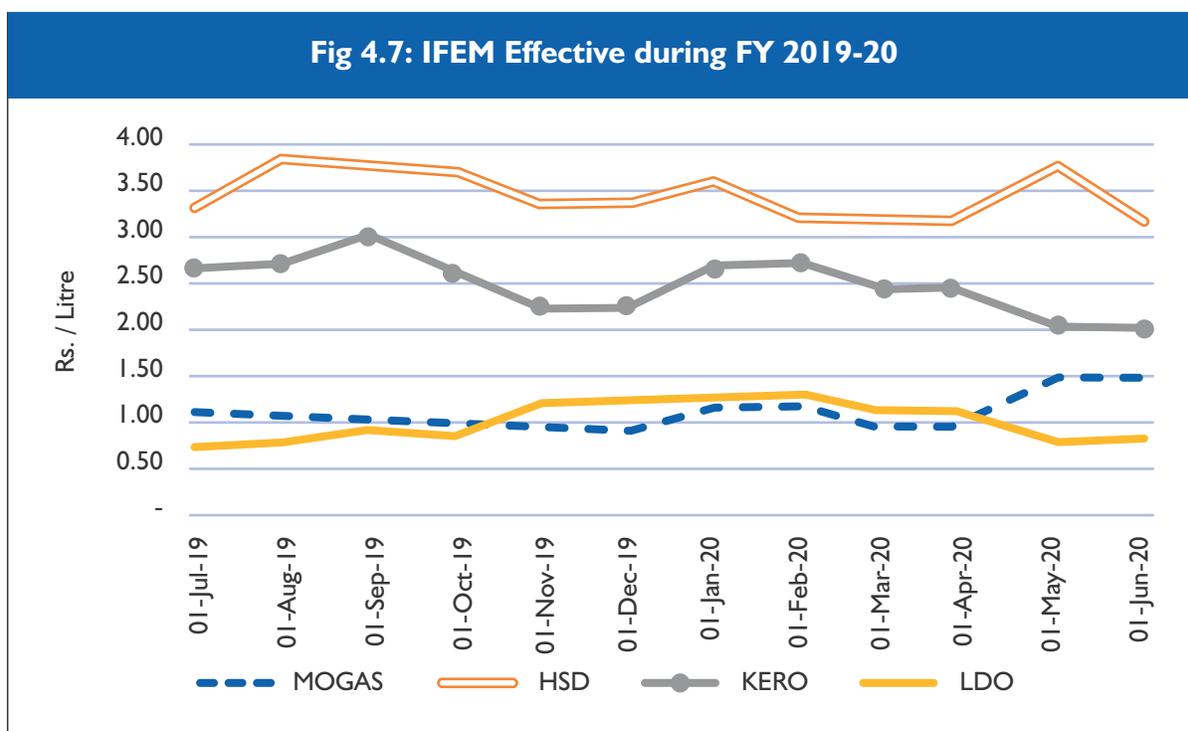
IFEM comprised of the following listed components:

- Actual transportation cost incurred on the movement of petroleum products to 22 storage depots, spread throughout Pakistan, as per movement plan of OMCs.
- Adjustments of Extra Margins (EM) earned by OMCs. EM/Additional Margin is an element of Ex-Depot Price of HSD & MS, which is applicable to all OMCs except PSO.
- PARCO's Price Differential Claim (PDC), is the difference between the OGRA announced ex-refinery price and the PARCO's Import Parity Price (IPP) allowed to it under PARCO Implementation Agreement and

Petroleum Policy, 1994. After deregulation w.e.f June 01, 2011, PARCO is allowed to recover Kerosene PDC being the regulated products.

Further in pursuance of ECC decisions of March 21, 2014, PARCO has also been allowed to reimburse the following through IFEM: -

- Recovery of pipeline tariff/cost of transportation of crude oil from Karachi to Mehmood Kot, based on prevalent pipeline rate, for IFEM products (MS, HSD & LDO only) on proportionate basis.
- d. ARL is allowed to recover the crude transportation claim of Adhi and Dhurnal fields from the IFEM.
- e. HSD price differential surrendered by refineries i.e. Byco and PRL due to production of HSD with high Sulfur contents.
- f. ECC has approved the introduction of 92 RON MS (Petrol) in the country w.e.f November 2016. Accordingly, OMCs are allowed to import MS (92 RON) only. Whereas in case refineries which are producing MS below 92 RON, Federal Government has introduced RON penalty (differential) mechanism to be adjusted through IFEM in order to pass on the benefit to general public.
- g. FG/ECC has levied Regulatory Duty (RD) on imported Crude Oil, imported Motor Spirit and HSD (Diesel) w.e.f. April 30, 2015. Consequently, refineries surrender RD on MS & HSD, over their entitled deemed duty i.e. 7.5% through IFEM.



### 4.3 Natural Gas Sector

#### 4.3.1 Grant of Licence to Gas Sector

##### 4.3.1.1 Grant of Licence No. NG-21/2019 to Pakarab Fertilizers Limited.

The Authority, under the OGRA Ordinance, 2002, NGRA (Licensing) Rules, 2002 and OGRA Gas (Third Party Access) Rules, 2018 granted licence to the Pakarab Fertilizers Limited to undertake regulated activity related to construction and operation of pipeline for transmission of natural gas.

#### 4.3.1.2 Approval of Modification /Amendment in Pakistan LNG Limited (PLL's) Licence Condition for Extension of One Year

The Authority in its Regulatory Meeting held on March 02, 2020, considered the request of M/s PLL for amendment in licence i.e. extension for one year for execution of licence condition.

OGRA has issued licences for transmission, distribution, sale of natural gas/RLNG as given in **Appendix-III**.

#### 4.3.2 Major Projects of SNGPL and SSGCL

Gas Companies, under the provision of rules, terms and conditions of their licences, obtain prior approval of the Authority for undertaking extension in their transmission and distribution networks to cater demand of different sectors including Domestic, Commercial and Industrial. Based on the same, new projects for the transmission and distribution networks of natural gas, envisaged by the Gas Companies/Licensees are placed before the Authority for approval. The projects are approved by the Authority keeping in view the prudence, feasibility and tangible benefits to end consumers.

A brief detail of the infrastructure development projects of SNGPL and SSGCL, approved during FY 2019-20 is given as follow: -

##### 4.3.2.1 Transmission Projects of SNGPL

SNGPL projected an amount of Rs. 3,737 million for transmission network in its Petition for Estimated Revenue Requirement (ERR) for FY 2020-21. The Authority decided to allow an expenditure under transmission network at Rs. 575 million. The details of which are given in **Table 4.1**.

**Table 4.1: Transmission Projects of SNGPL**

(Rs. Million)			
S/N	Description	Projected by SNGPL	Determined by OGRA
1.	Construction of New SMSs	400	215
2.	Rehabilitation of Transmission System/Upgradation of SMSs	179	144
3.	Cathodic Protection System (CP System)	424	216
4.	Charsadda-Khazana-Tangi Transmission Network System Augmentation	1,531	0
5.	Infrastructure Development Work of Rashakai Special Economic Zone (SEZ)	1,203	0
<b>Total Gas Transmission System</b>		<b>3,737</b>	<b>575</b>

##### 4.3.2.2 Distribution Projects of SNGPL

The Authority, in SNGPL's DERR for FY 2020-21, approved an amount of Rs. 15,220 million against the projected amount of Rs. 30,903 million, the details of which are given in **Table 4.2**.

**Table 4.2: Distribution Projects of SNGPL****(Rs. Million)**

S/N	Description	Projected by SNGPL	Determined by OGRA
1.	Laying of Distribution Mains	21,560	9,518
2.	Laying of Distribution Mains on Cost Sharing Basis (250 Km)	857	0
3.	System Rehabilitation	3,000	1,589
4.	G.I Pipe and Fittings	422	0
5.	KMI Implementation Plan (No. 14)	494	247
6.	Service Lines Domestic (400,000), Additional Allocation (300,000)	3,881	3,287
7.	Service Lines Industrial/Commercial (Ring Fenced)	579	579
8.	Laying of Distribution Mains from SMS Rawat to Jinnah Avenue.	110	0
<b>Total Gas Distribution System</b>		<b>30,903</b>	<b>15,220</b>

#### 4.3.2.3 Transmission Projects of SSGCL

SSGCL projected an amount of Rs. 6,266 million for addition in normal transmission pipeline network in its Petition of ERR for FY 2020-21. The Authority provisionally allowed an expenditure of Rs. 1,341 million for addition to the normal transmission network, the details of which are given in **Table 4.3**.

**Table 4.3: Transmission Projects of SSGCL****(Rs. Million)**

S/N	Description	Projected by SSGCL	Determined by OGRA
1.	12" Dia × 46 Km Pipeline from Rehman Field to Naing MVA	56	0
2.	8" Dia × 28 Km Pipeline from Ayesha Gas Field	93	0
3.	30" Dia × 125 Km Pipeline from SMS Sindh University to SMS Pakland (1st segment)	5,017	1,254
4.	Upgradation of SMS Thatta	154	0
5.	Check Metering Facility at Shahdadpur for Gambat South Field Gas Measurement (Rs3)	275	0
6.	Check Metering Arrangements at Daru	22	0
7.	12" Dia × 344 Km QPL Rehabilitation and Intelligent Pigging	396	0
8.	Construction of Sub-merge Crossings	166	0
9.	24" Dia × 34 Km Loop Line from Shikarpur to Jacobabad (leftover)	87	87
<b>Total Gas Transmission System</b>		<b>6,266</b>	<b>1,341</b>

#### 4.3.2.4 Distribution Projects of SSGCL

SSGCL had projected an amount of Rs. 13,229 million for gas distribution system, related facilities and equipment in its

Petition of ERR for FY 2020-21. The Authority provisionally allowed addition to gas distribution system at Rs. 5,421 million for the said year, the details of which are given in **Table 4.4**.

**Table 4.4: Distribution Projects of SSGCL**

(Rs. Million)

S/N	Description	Projected by SSGCL	Determined by OGRA
1.	Rehabilitation Mains and Services including Segmentation-UFG Control Program	1,796	552
2.	Laying of Distribution Mains including Services-Existing Areas and DDC	2,308	1,025
3.	Installation of New Connections (Meters)	1,335	772
4.	Replacement/ Repair of Gas Meters	3,666	1,838
5.	Modems, Installation of EVCs, Filter Separators	199	50
6.	Construction of CMSs, TBSs, TRSs and Cathodic Protection	155	104
7.	New Towns	1,127	425
<b>Sub-total</b>		<b>10,586</b>	<b>4,766</b>
<b>Major Distribution Projects</b>			
8.	20" Dia x 7 Km Distribution Main from Desalination Plant to Dolmen Mall	346	0
9.	12" Dia x 5 Km Old city Area Augmentation	122	0
10.	20" Dia x 1.5 Km Interlink of Shershah Main & SITE Gas Turbine Main	88	44
11.	Reinforcement Work at Quetta Mid City Area 16" dia. Loop Line	355	178
12.	Reinforcement Work at Sibi Road via Main Ghundi Link Road up to Mastung Road.	233	58
<b>Sub-total</b>		<b>1,143</b>	<b>280</b>
13.	Smart Metering / GCV / V3 Index	1,500	375
<b>Total Gas Distribution System</b>		<b>13,229</b>	<b>5,421</b>

### 4.3.3 Approval of Agreements

The Authority, under provisions of the NGRA Licensing Rules and OGRA Gas TPA Rules 2018, approves the following Gas Sale/ Purchase Agreements (GSPAs) / Access Arrangements for the 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.
- No access arrangement or inter-connection arrangement shall be undertaken by a transporter without prior written approval of the Authority.

The GSPAs for supply of gas between the Gas Companies and Gas Producers/ Consumers considered and approved by OGRA during FY 2019-20 are given below:

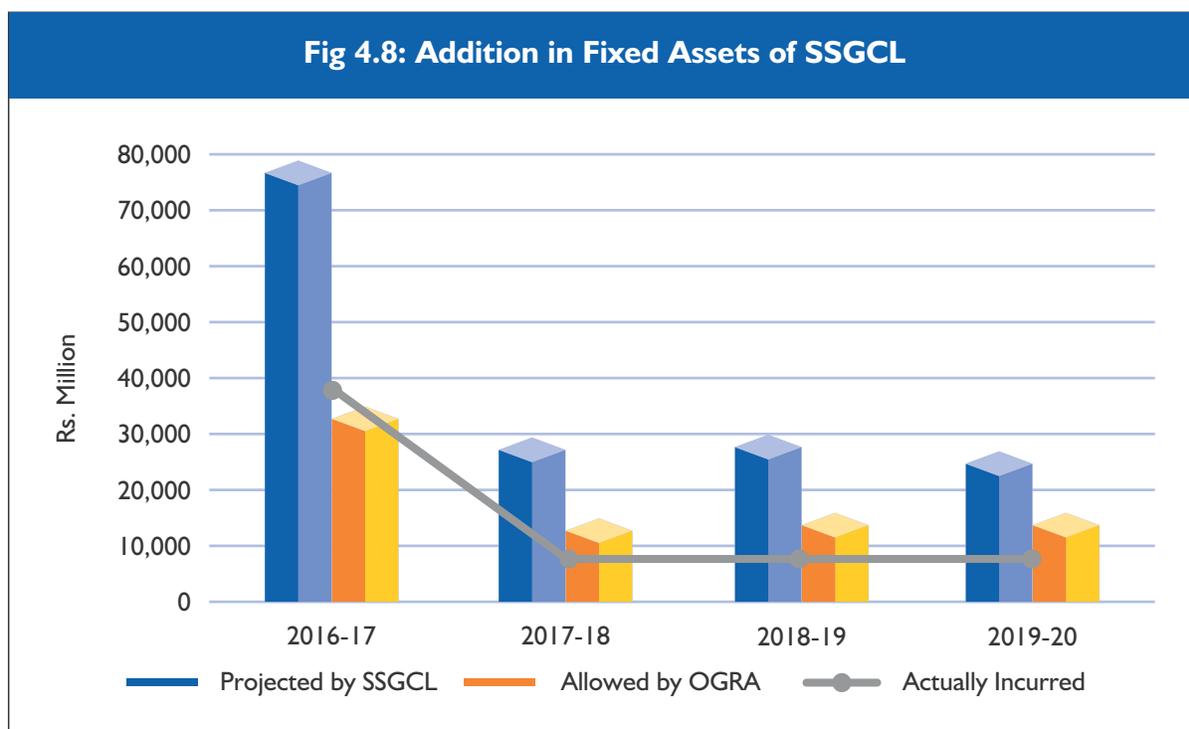
- Approval of Forth Addendum to the Bhit Gas Sales Agreement for Additional Production Incentives on Bhadra Gas Field Enhanced Production.
- Approval of Letter Agreement, in relation to change in name of OMV Maurice Energy Ltd (OMEL) and OMV Pakistan Exploration GmbH (OPAK) to UEP Alpha Ltd (UEPA) and UEP Beta GmbH (UEPB) in their respective GSAs and ancillary documents.
- Approval of “RLNG Contract for supply of RLNG for domestic use by consumers of new housing colonies / societies”.
- Approval of contract for supply of RLNG for commercial / industrial use.
- Approval of the Access arrangements initialled between SNGPL and PFL.
- Approval of first addendums in Access Agreement between SNGPL and PFL.

#### 4.3.4 Addition of Assets, Natural Gas Network and Gas Consumers

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

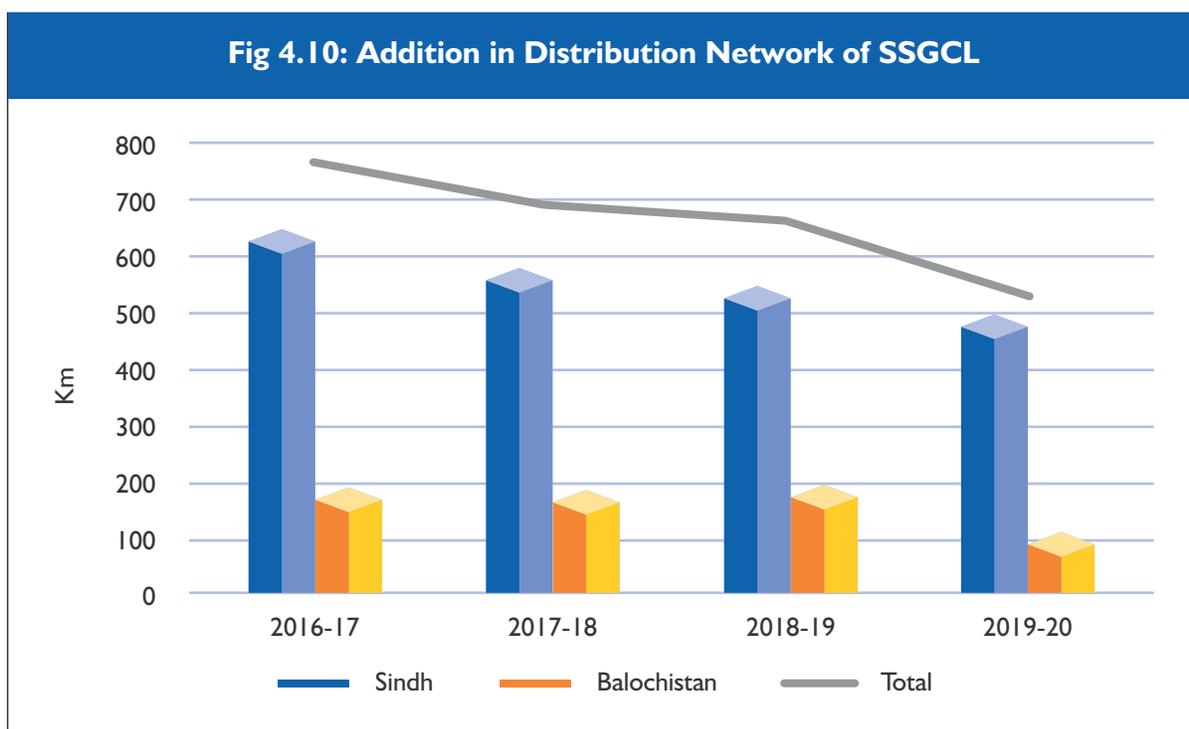
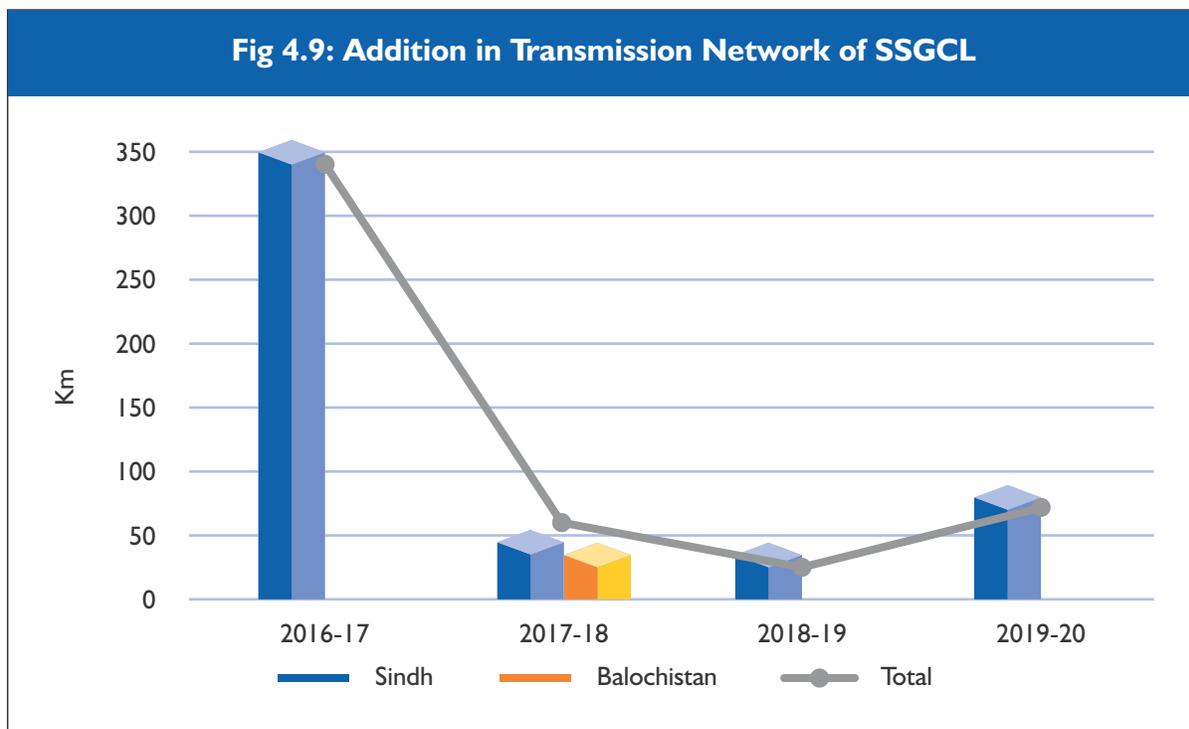
##### 4.3.4.1 Increase in Assets of SSGCL

The Company requested for an increase in assets valuing Rs.22,558 million as per its ERR Petition for FY 2019-20. As per the determination, OGRA allowed a sum of Rs. 11,342 million to the Company. SSGCL actually incurred an amount of Rs. 9,599 million during the said year. **Fig 4.8** shows increase in fixed assets of SSGCL over the years.



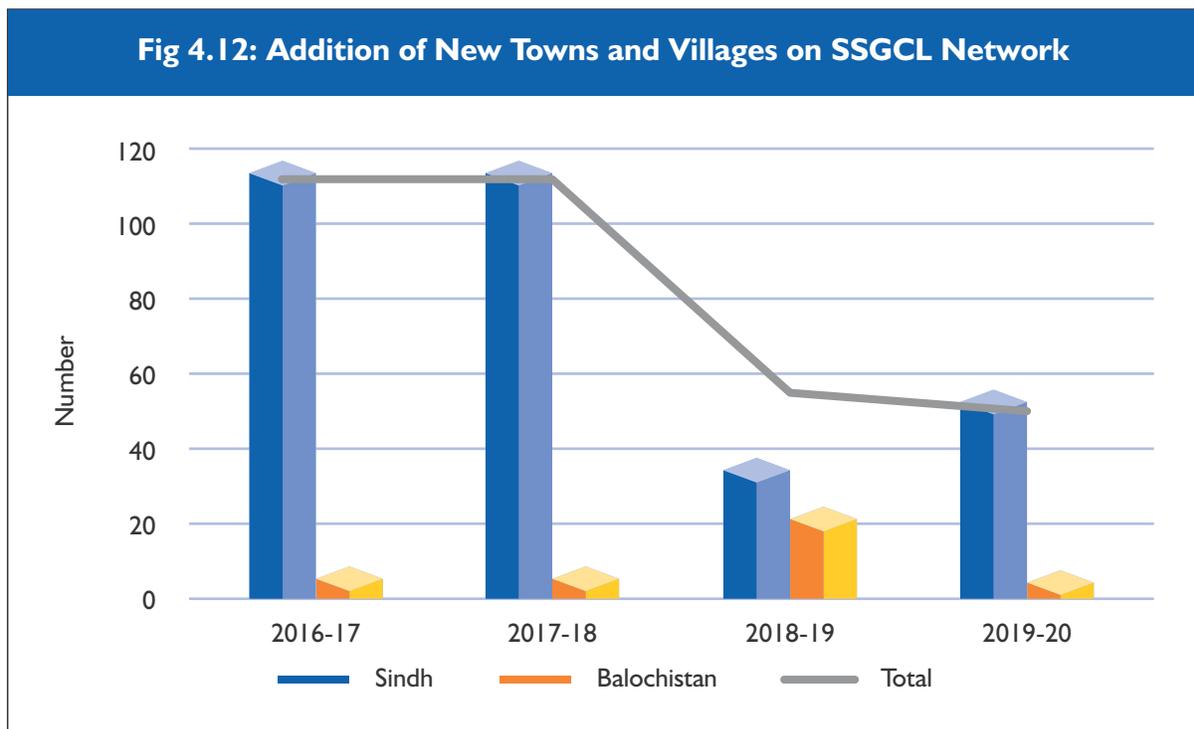
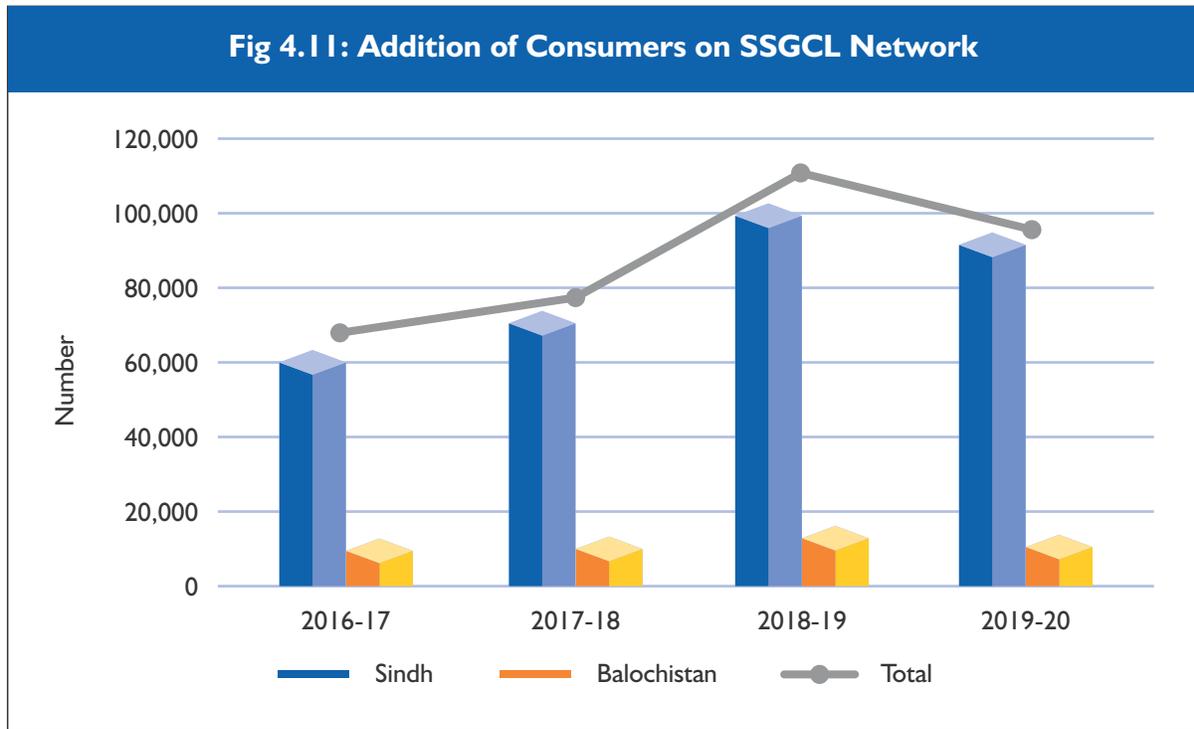
### 4.3.4.2 Addition in Transmission & Distribution Network of SSGCL

An addition of 72 Km in transmission network and 527 Km in distribution network of SSGCL was undertaken during FY 2019-20. The trend of addition in transmission & distribution networks of SSGCL is shown in **Figs 4.9** and **4.10** respectively.



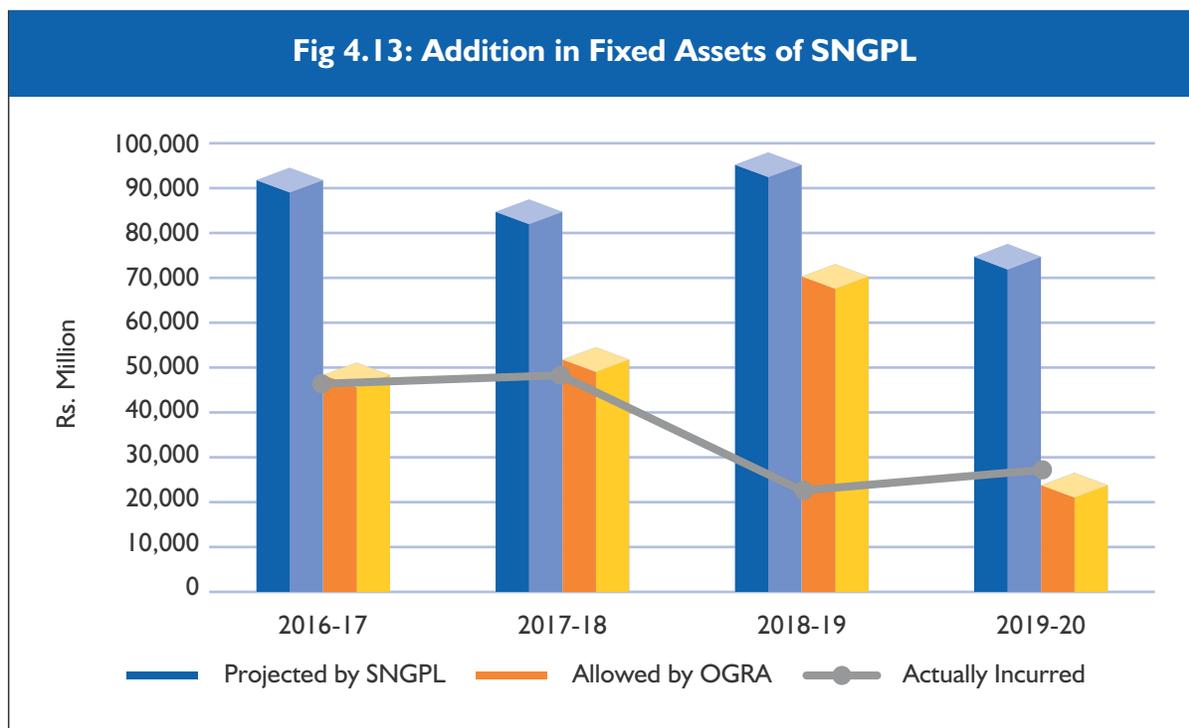
### 4.3.4.3 Number of Consumers Added / Towns & Villages Connected

During FY 2019-20, SSGCL added 95,011 consumers and connected 50 towns and villages to gas network in Sindh and Balochistan. The number of consumers added and towns & villages added / connected are shown in **Figs 4.11** and **4.12** respectively.



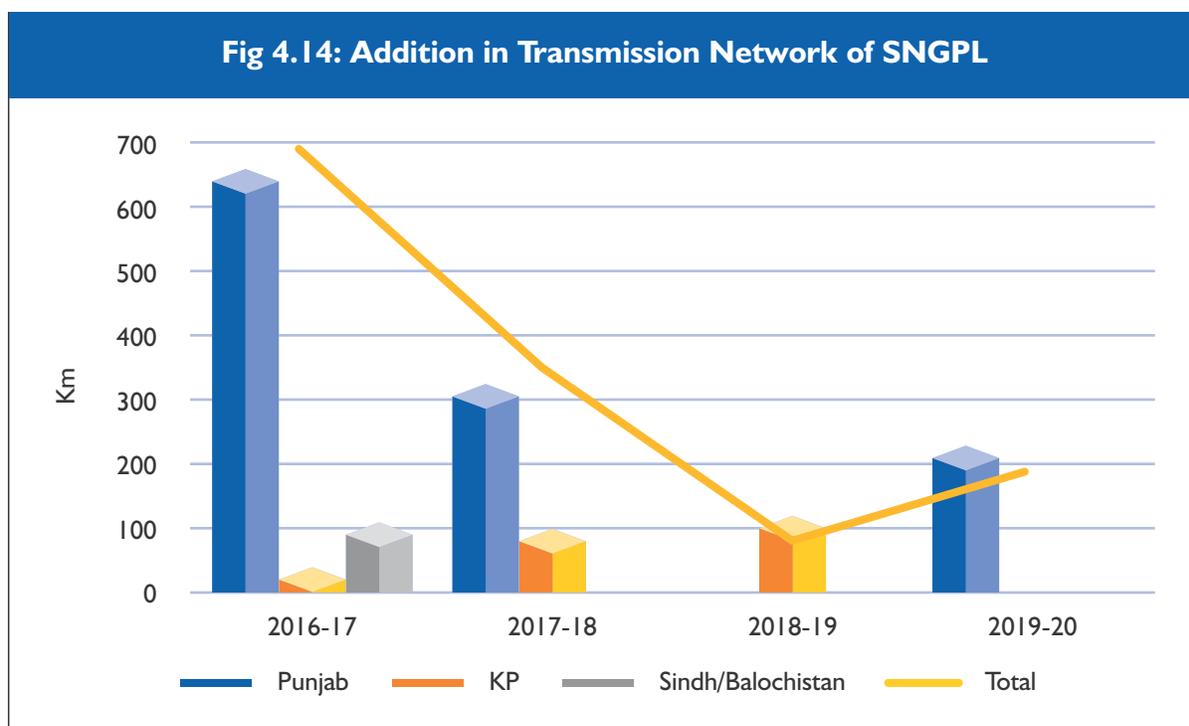
### 4.3.4.4 Increase in Assets of SNGPL

The Company requested for an increase in fixed assets valuing Rs. 72,219 million as per its ERR Petition for FY 2019-20. As per the Determination, OGRA allowed a sum of Rs. 20,783 million to the Company (**Fig 4.13**).

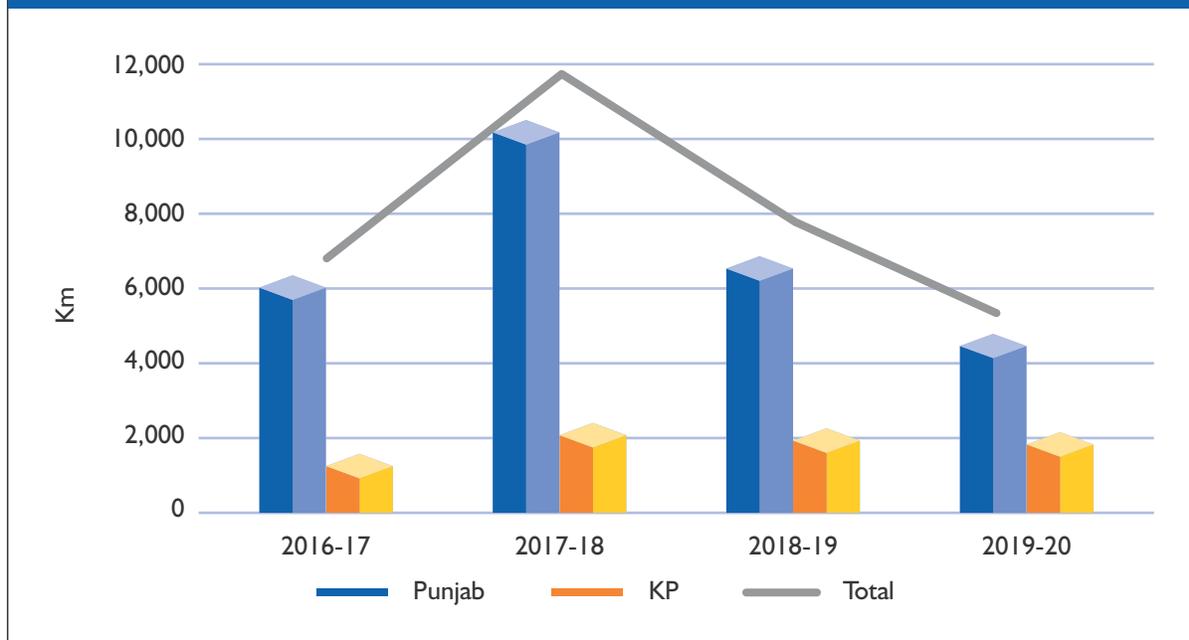


### 4.3.4.5 Addition in Transmission & Distribution Network of SNGPL

In FY 2019-20, an addition of 190 Km was made by the SNGPL in its transmission network in Punjab and 5,731 Km in its distribution network in Punjab and KP Provinces during FY 2019-20 (**Figs 4.14 and 4.15**) respectively.



**Fig 4.15: Addition in Distribution Network of SNGPL**



**4.3.4.6 Number of Consumers Added / Towns & Villages Connected**

SNGPL during FY 2019-20 added 271,228 consumers and connected 256 towns and villages to its gas network in Punjab and KP. The number of consumers added and towns & villages connected are shown in **Figs 4.16** and **4.17** respectively.

**Fig 4.16: Addition of Consumers on SNGPL Network**

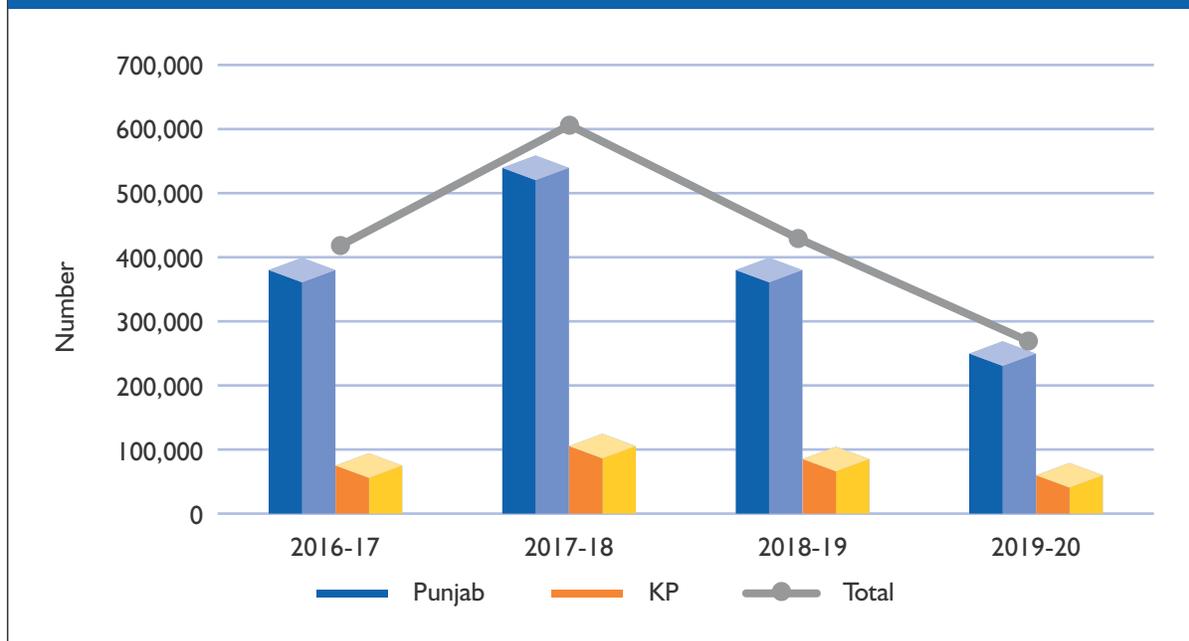
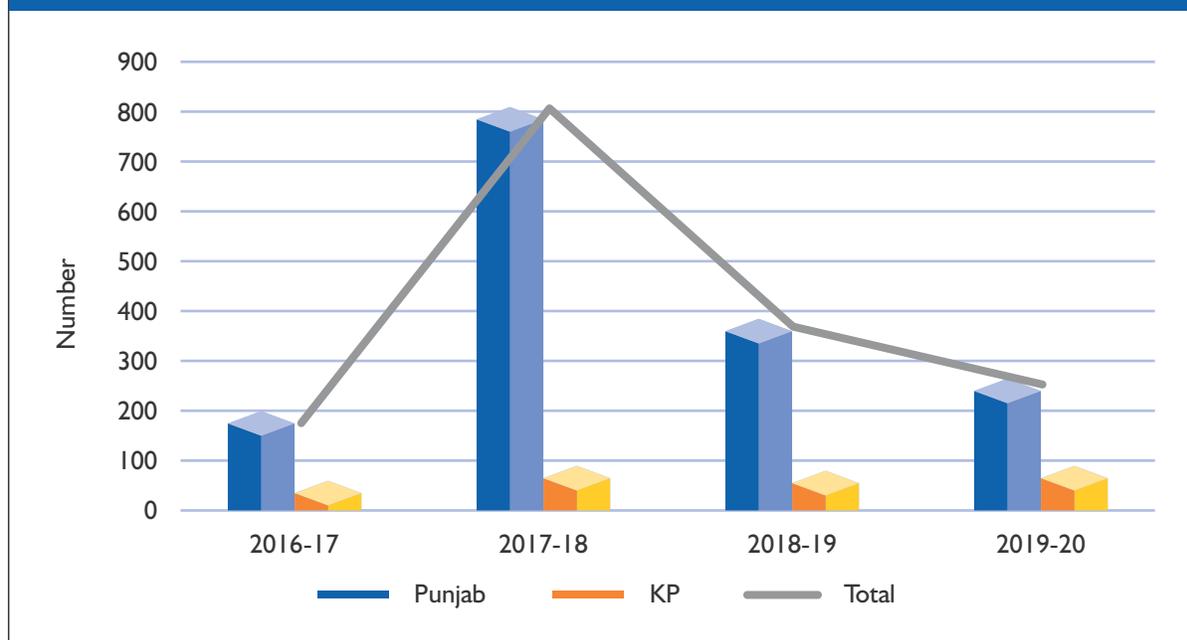


Fig 4.17: Addition of Towns and Villages on SNGPL Network



#### 4.3.5 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
- ii) Transmission and distribution cost including depreciation
- iii) Market based rate of return (at present, 17.43% of the 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 Sulfur 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 and its impact on revenue requirement is calculated in accordance with agreements.

Main head of accounts with major focus on operating revenues, operating cost and assets base are scrutinized. 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 ERR to the Authority for each financial year by December 1 of the preceding year in accordance with the 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 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 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.

The Authority has decided the following five (5) petitions in respect of SSGCL and SNGPL during FY 2019-20:

**SSGCL**

- Motion for Review against DERR FY 2019-20
- RERR FY 2019-20
- Final Revenue Requirement (FRR) FY 2017-18

**SNGPL**

- Motion for Review against DERR FY 2019-20
- RERR FY 2019-20

The process of determination of revenue requirements is transparent and ensures effective participation of consumers and general public through conduct of hearings. This interaction process provides all stakeholders an opportunity to put across their point of view through conduct of hearings 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.

**4.3.5.1 Sui Southern Gas Company Limited**

**OGRA's Determination of Motion for Review of SSGCL against DERR FY 2019-20**

The Company being aggrieved by the Authority's decision dated May 17, 2019 submitted review motion dated June 15, 2019 under Rule 16 of the Natural Gas Tariff (NGT) Rules seeking average increase in prescribed price of Rs. 36.07 per MMBTU over and above the current prescribed price. The Authority considered the same and allowed some justified components, however, the financial impact of the same was decided to be allowed in upcoming determination(s).

**OGRA's Determination of RERR of SSGCL for FY 2019-20**

The Authority determined the Review against Estimated Revenue Requirement of SSGCL for FY 2019-20 at Rs. 282,881 million against Rs. 297,297 million demanded by SSGCL. **Table 4.5** summarizes the OGRA's determination in comparison to SSGCL request in various components of revenue requirement.

**Table 4.5: OGRA's Determination of RERR of SSGCL for FY 2019-20**

(Rs. Million)

Particulars	SSGCL Request	OGRA Determination	Difference
Sales Volume (BBTU)	362,668	362,668	-
Cost of Gas	248,782	242,083	(6,699)

Continued on Next Page

Transmission & Distribution Cost including GIC and Others	23,327	20,234	(3,093)
UFG Adjustment	(750)	(13,923)	(13,173)
UFG adjustment on RLNG Volume Handled Basis (ring fenced)	(9,665)	-	9,665
Staggering of Financial Impact on Account of SHC Order	(3,672)	(3,672)	-
Depreciation	5,826	5,344	(482)
Return on Net Operating Assets	7,326	6,693	(633)
Shortfall related to Prior Year	24,933	24,933	-
Additional Revenue Required for Air-Mix LPG Projects	1,190	1,190	-
Total Revenue Requirement	297,297	282,881	(14,416)
Total Revenue Available	274,623	275,071	448
Surplus/ (Shortfall)	(22,675)	(7,811)	14,864
<b>Average Prescribed Price (Rs./ MMBTU)</b>	<b>799.00</b>	<b>759.24</b>	<b>(39.76)</b>

### OGRA's Determination of FRR of SSGCL for FY 2017-18

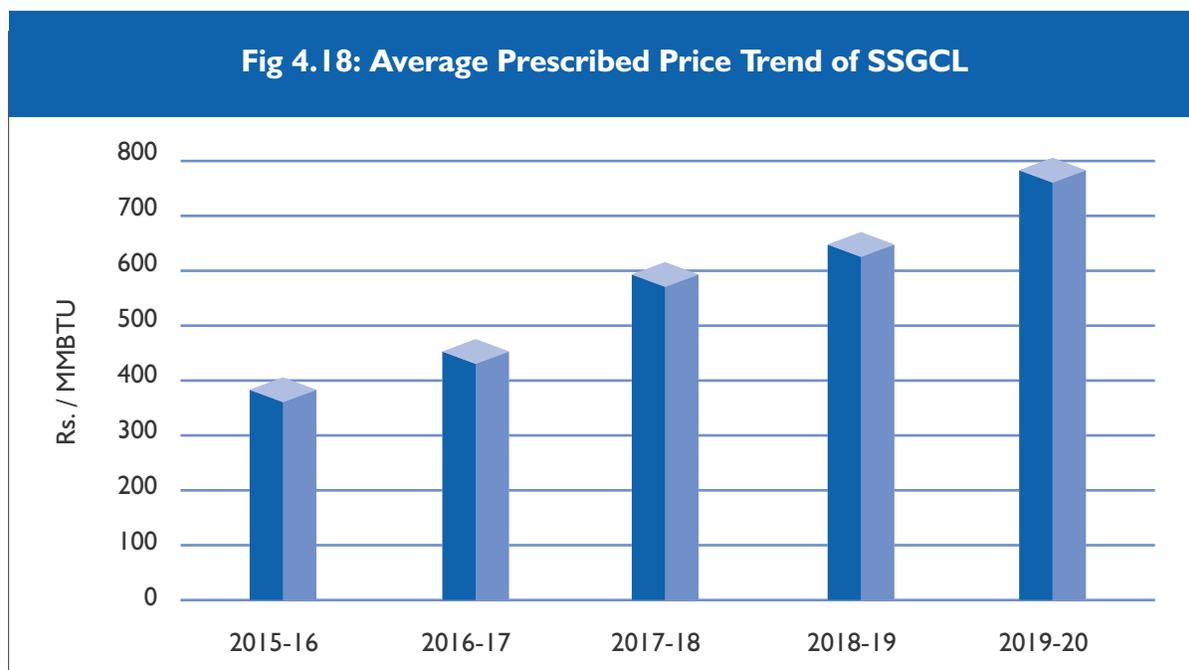
The Authority determined the Final Revenue Requirement of SSGCL for FY 2017-18 at Rs. 180,786 million against Rs. 189,742 million demanded by SSGCL. **Table 4.6** summarizes the OGRA's determination in comparison to SSGCL request in various components of revenue requirement.

**Table 4.6: OGRA's Determination of FRR of SSGCL for FY 2017-18**

(Rs. Million)

Particulars	SSGCL Request	OGRA Determination	Difference
Sales Volume (BBTU)	363,575	363,575	-
Cost of Gas	164,938	164,938	-
Transmission & Distribution Cost and Others	27,361	21,467	(5,894)
UFG Adjustment	(14,325)	(17,167)	(2,842)
Staggering of Financial Impact on Account of SHC Order	(3,672)	(3,672)	-
Depreciation	5,665	5,579	(86)
Return on Net Operating Assets	9,261	9,129	(132)
Additional Revenue Required for Air-Mix LPG Projects	512	512	-
Total Revenue Requirement	189,742	180,786	(8,956)
Total Revenue Available	149,079	149,079	-
Surplus/ (Shortfall)	(40,663)	(31,707)	8,956
<b>Average Prescribed Price (Rs./ MMBTU)</b>	<b>502.52</b>	<b>477.89</b>	<b>(24.63)</b>

Fig 4.18 shows the average prescribed price trend of SSGCL during last five years.



#### 4.3.5.2 Sui Northern Gas Pipelines Limited

##### OGRA's Determination of Motion for Review of SNGPL against DERR for FY 2019-20

The Company being aggrieved by the Authority's decision dated May 17, 2019 submitted review motion dated June 14, 2019 under Rule 16 of the NGT Rules requesting increase against different heads. The Authority considered the same and allowed some justified components, however, the financial impact of the same was decided to be allowed in upcoming determination(s).

##### OGRA's Determination of RERR of SNGPL for FY 2019-20

The Authority determined the RERR of SNGPL for FY 2019-20 at Rs. 274,163 million against Rs. 286,452 million demanded by SNGPL. **Table 4.7** summarizes the OGRA's determination in comparison to SNGPL request in various components of revenue requirement.

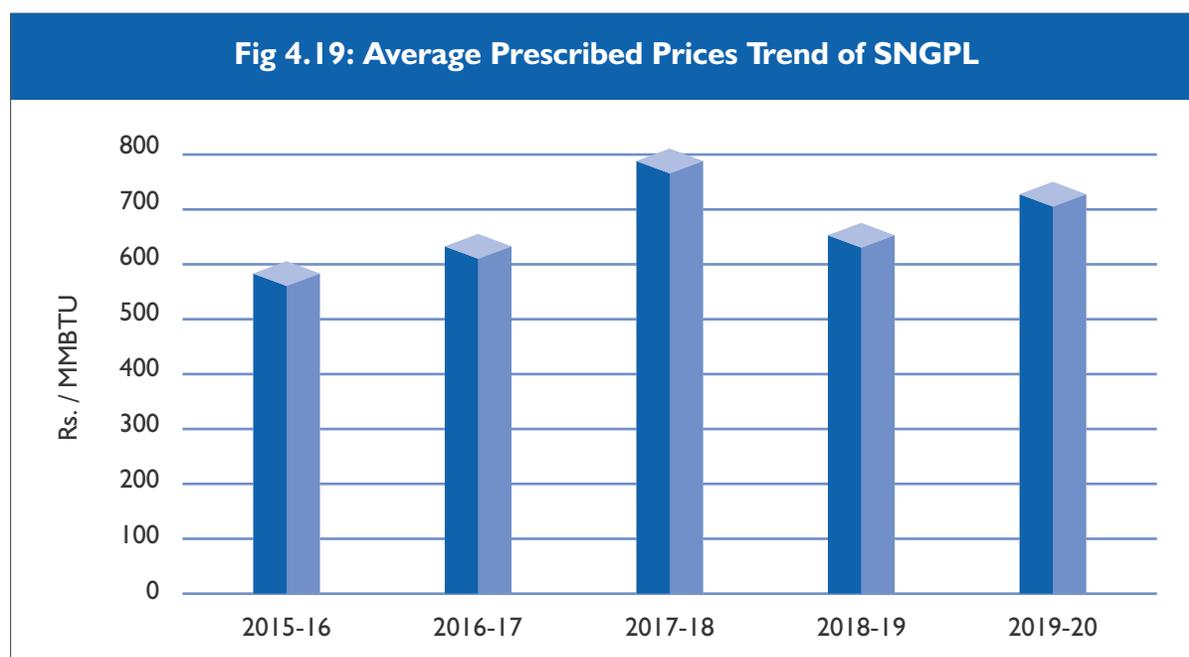
**Table 4.7: OGRA Determination of RERR of SNGPL for FY 2019-20**

(Rs. Million)			
Particulars	SNGPL Request	OGRA Determination	Difference
Gas Sales Volume - BBTU	366,060	366,060	-
Cost of Gas Sold	205,648	207,989	2,341
UFG Adjustment	(750)	(11,286)	(10,536)
Transmission and Distribution Cost	29,150	27,466	(1,684)

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Depreciation	22,464	21,815	(649)
Late Payment Surcharge (Payable) & Cost of Short-Term Borrowing	5,992	5,992	-
Shortfall in LPG Air Mix Business	165	-	(165)
Return on Net Operating Assets	23,783	22,187	(1,596)
Total Revenue Requirement	286,452	274,163	(12,289)
Total Revenue Available	244,155	244,155	-
Surplus / (Shortfall)	(42,296)	(30,007)	(12,289)
<b>Average Prescribed Prices (Rs./ MMBTU)</b>	<b>740.48</b>	<b>706.91</b>	<b>(33.57)</b>

Fig 4.19 shows the average prescribed price trend of SNGPL during last five years.



#### 4.3.6 Human Resource Cost Benchmark

The Authority had introduced HR benchmark for the very first time in FY 2004-05. Later on, the Authority, on the basis of business dynamics, manpower rationalization, and cost of labor, wages and uniform base rate for both gas utilities, reviewed and revised HR benchmark from time to time.

During FY 2019-20, the Authority decided to adopt the existing benchmark on provisional basis subject to examination of pay structure of Sui Companies.

#### 4.3.7 Determination and Notification of Well-head Gas Prices

OGRA has been determining the well-head prices of natural gas produced by the exploration & production companies of Pakistan, under Section 6(2)(w) of the OGRA Ordinance, 2002 read with Natural Gas (well-head price) Regulations, 2009 and notifying the same in the Official Gazette of Pakistan bi-annually. Accordingly, the Authority has issued 112 well-head gas price notifications during FY 2019-20. The summary of these notified well-head gas prices (field-wise) is available on OGRA's official website ([www.ogra.org.pk](http://www.ogra.org.pk).)

### 4.3.8 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 also issued (02) notifications of prescribed prices for both the gas utilities i.e. SSGCL and SNGPL.

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 as determined by the Authority. During FY 2019-20, Federal Government advised category-wise sale prices along with minimum charges, which are placed at **Appendix-IV**.

## 4.4 Compressed Natural Gas (CNG)

### 4.4.1 Regulation

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

### 4.4.2 Moratorium

#### i). 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 the Province of the Balochistan in August, 2008, which was imposed again in 2011. Recently GoP has allowed to grant new CNG licences on RLNG basis only.

#### ii). Present Licensing Policy

During FY 2019-20, OGRA owing to the ban has not granted any new CNG provisional licence all across the Country. The list of operational CNG Stations, approved CNG vehicle cylinders & CNG kits is placed at **Appendix-V**.

### 4.4.3 Regulatory Enforcement

In order to ensure compliance to the standard code of practice & other applicable technical standards and safe operation of CNG stations across the Country, annual safety inspection of operational CNG stations is conducted through OGRA's designated Third Party Inspectors. Licensees involved in repeated violations are penalized in accordance with provision of CNG Rules, 1992. The details are as under:-

S/N	Description	Number
1.	Number of Annual Inspections Carried Out	2,636
2.	Show Cause Notices Issued	270
3.	Amount of Penalty Imposed (Rs. Million)	6.125

#### 4.4.4 CNG Consumer Sale Price

OGRA has been empowered by the Federal Government since 2009 to determine and notify CNG consumer price and accordingly OGRA was determining the same. However, CNG consumer price has been deregulated by the Federal Government since 13-12-2016 and accordingly CNG stations are now charging price in line with market forces as per the above Federal Government decision.

#### 4.5 Liquefied Petroleum Gas (LPG)

##### 4.5.1 Regulation

OGRA is empowered to regulate LPG sector under the OGRA Ordinance, 2002 and LPG (Production & Distribution) Rules, 2001 with effect from 15<sup>th</sup> 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.



**View of a LPG Plant**

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.
- Grant of registration to LPG equipment manufacturing companies as OGRA's authorized manufacturers of LPG equipment.
- Periodic inspection of LPG works and facilities to ensure their conformity with the laid down standards.
- Redressal of consumers complaints and resolution of disputes between or among the licensees.

#### 4.5.1.2 LPG Licences 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 two years for the construction of LPG facilities followed by operational licence for 15 years after completion of works to the satisfaction of Authority and as per the requirements of requisite rules.

#### 4.5.1.3 Licensing Procedure

Any company as defined in LPG (Production and Distribution) Rules, 2001 can apply for grant of a licence to the Authority entitled by its Memorandum of Association to engage in the production, storage, filling, marketing, LPG auto refueling or LPG air mix systems on the prescribed Form / Proforma available free of cost from OGRA's office as well as on its website ([www.ogra.org.pk](http://www.ogra.org.pk)) along with other related documents, as required under the rules.



OGRA has simplified the procedure for grant of LPG licence, the licence is granted on fast track basis once the requirements are met / complied. During FY 2019-20, OGRA has issued the following licences and authorized a manufacturer for manufacturing of LPG equipment:-

S/N	Description	Number
1.	Licences for operation of LPG storage and filling plants	22
2.	Licences for construction of LPG storage and filling plants	40
3.	Licences for operation of LPG storage & handling terminals	01
4.	Licences for construction of LPG auto refueling stations	04
5.	Licences for storage and refueling of LPG at LPG auto refueling station	03
6.	Licences for LPG production & storage facility	01
7.	Construction licences for LPG air mix facilities	03
8.	Licence for construction of LPG production & storage facility	01
9.	Authorized Manufacturer for manufacturing of LPG equipment	01

Fig 4.20: Licence for Construction &amp; Operation of LPG Storage &amp; Filling Plants

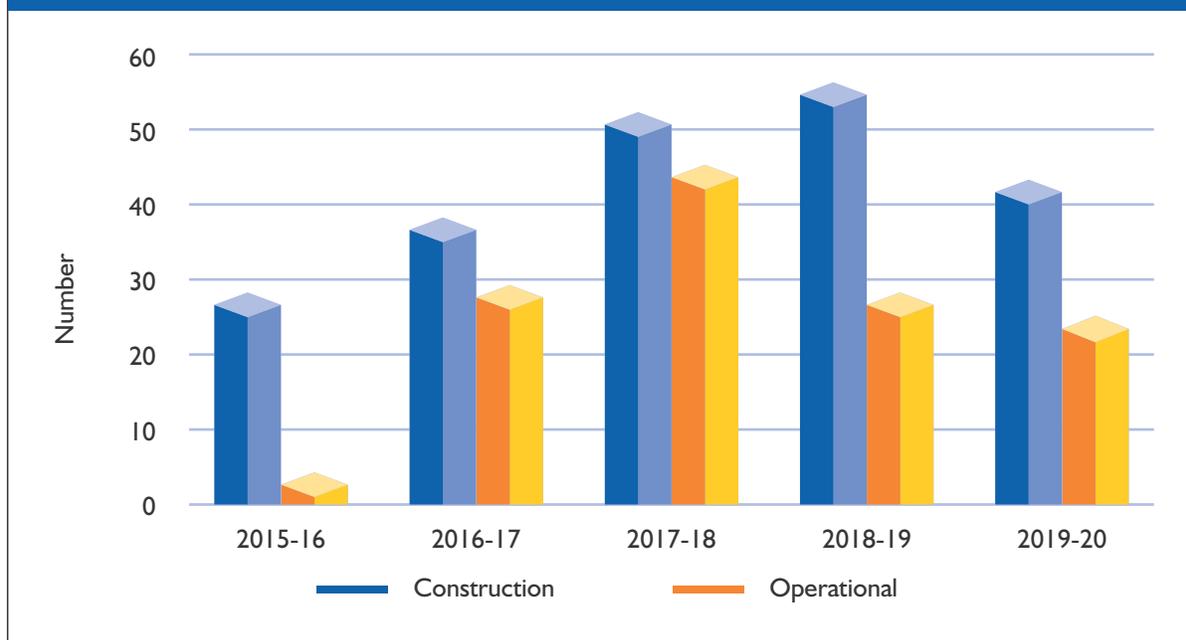
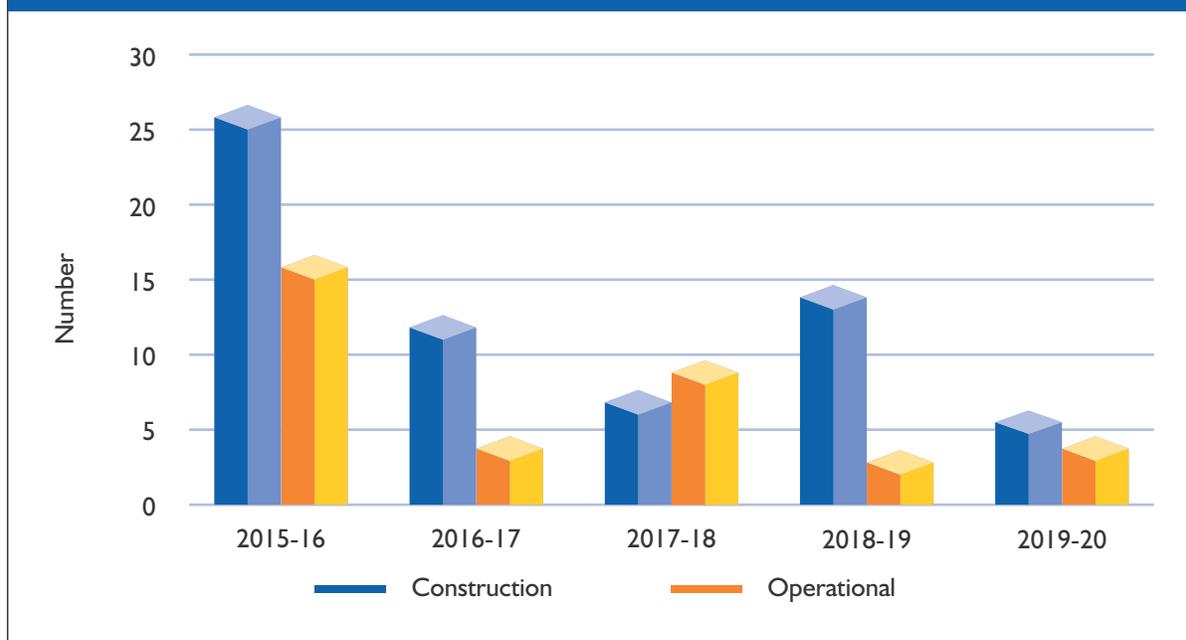


Fig 4.21: Licence for Construction &amp; Operation of LPG Auto Re-Fueling Stations



#### 4.5.2 Amendments in LPG (Production & Distribution) Rules, 2001

- Ministry of Energy the then Ministry of Petroleum and Natural Resources vide letter dated March 24, 2016 forwarded LPG Policy, 2016 approved by the CCI, to OGRA for implementation with a direction that OGRA will amend the rules and regulations to give effect to this policy.
- Prior to promulgation of LPG Policy, 2016, LPG producer and consumer prices were deregulated. As per the LPG Policy 2016, it had been decided to regulate LPG prices which are a major shift from deregulation to

regulation. As per the said policy, LPG is a poor man's fuel, however it is priced much higher than natural gas therefore this situation warranted immediate intervention and Ministry of Energy considered it expedient to put in place a framework to regulate the LPG prices both at producer's and consumer's level.

- Implementation of the aforesaid LPG Policy required certain amendments in OGRA LPG (Production and Distribution) Rules, 2001 as a legal requirement as per Section 4.2 of LPG Policy, 2016. Amendments in LPG Rules, 2001 were subsequently dispatched to Cabinet Division for notification as per the provisions of Section 41 of the OGRA Ordinance, 2002. Subsequent to amendments, OGRA is notifying and regulating LPG prices as per LPG Policy/Rules and as per the price determined by Ministry of Energy.

### 4.5.3 Regulatory Enforcement

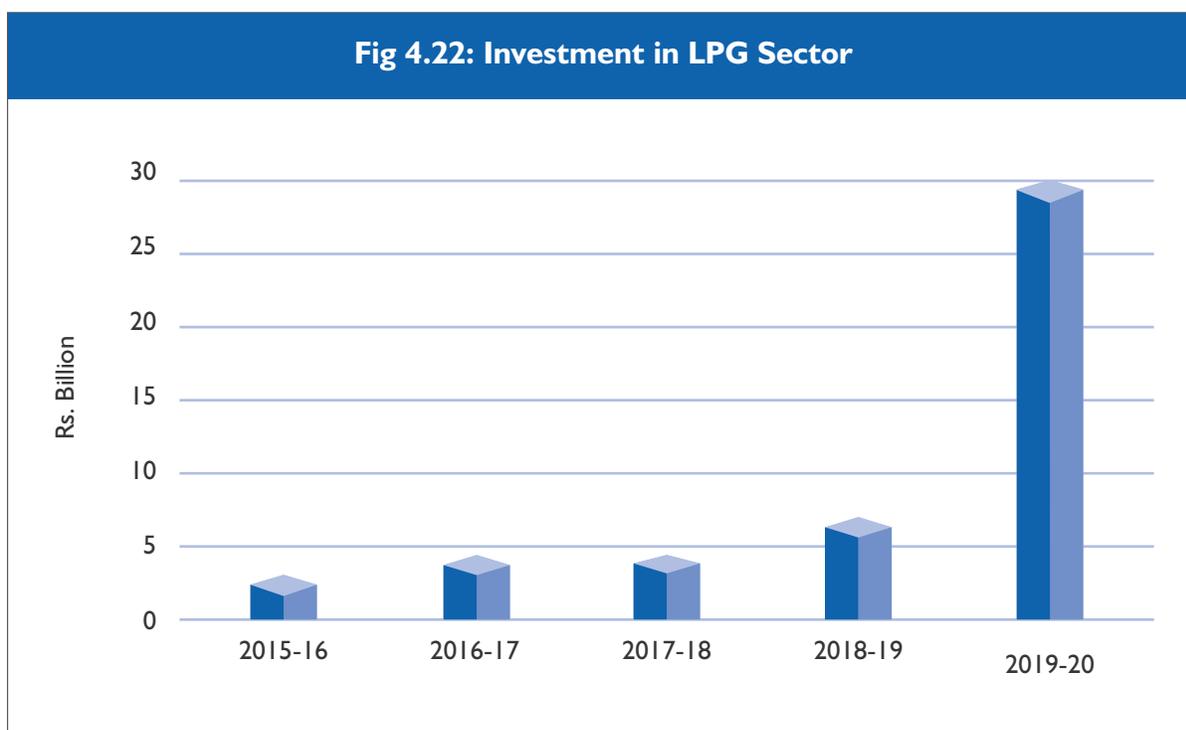
In order to ensure safe, reliable and cost effective supply of LPG to consumers, OGRA took following steps in light of LPG (Production & Distribution) Rules, 2001 and the Federal Government policies:

- All LPG marketing companies have been 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 has also been issued. In addition, Provincial Governments have also been requested to ensure compliance of minimum requirements through respective DCO and taking necessary action against 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 LPG equipment, thereby, avoiding any untoward incident, endangering public lives and property. Details of these 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 ensure that LPG equipment have been manufactured as per desired standards.
- All LPG marketing companies have been directed to ensure that all the LPG cylinders of their metal inventory must be manufactured from OGRA's authorized manufacturers of LPG cylinders under the requirements of LPG standards (NFPA-58/ DOT), as specified in LPG Rules, 2001.
- Due to socio-economic conditions within the country, most of the LPG users cannot afford standardized 11.8 Kg LPG cylinders for domestic fuels and therefore, resort to use low cost, illegally manufactured smaller sized LPG cylinders and have them filled at illegal decanting outlets. To mitigate this menace, all the LPG marketing companies have been advised to ensure 20% inventory of small sized LPG cylinders (2,4,6 Kgs), manufactured from OGRA's authorized manufacturer of LPG cylinders, in the total metal inventory, for distribution of LPG in their areas of operation.
- Appropriate actions are being taken to address the complaints of the consumers / public pertaining to LPG sector as per the provisions of the requisite rules.

- Enforcement of laid down technical/ safety standards.
- 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 the said rules.
- To ensure safety throughout the LPG supply chain, OGRA has been carrying out periodic inspections of the storage and filling plants of LPG marketing companies, LPG auto refueling stations, authorized manufacturers of LPG equipments.

#### 4.5.4 Investment in LPG Sector

OGRA is playing its vital regulatory role to increase private investment in midstream and downstream petroleum industry. Due to increased development and expected expansion of LPG projects within the country, significant investments in LPG supply and distribution infrastructure have been witnessed. OGRA has made noteworthy contribution in national economic progress and created an environment for additional investment especially in LPG storage / filling plants and auto sector which will not only result in creation of infrastructure in LPG sector all over the country but also provide jobs to hundreds of unemployed people. During FY 2019-20, an estimated investment of Rs. 29.26 billion (**Fig 4.22**) has been made in the LPG supply infrastructure whereas total investment in the sector till date, is estimated at about Rs. 66 billion.

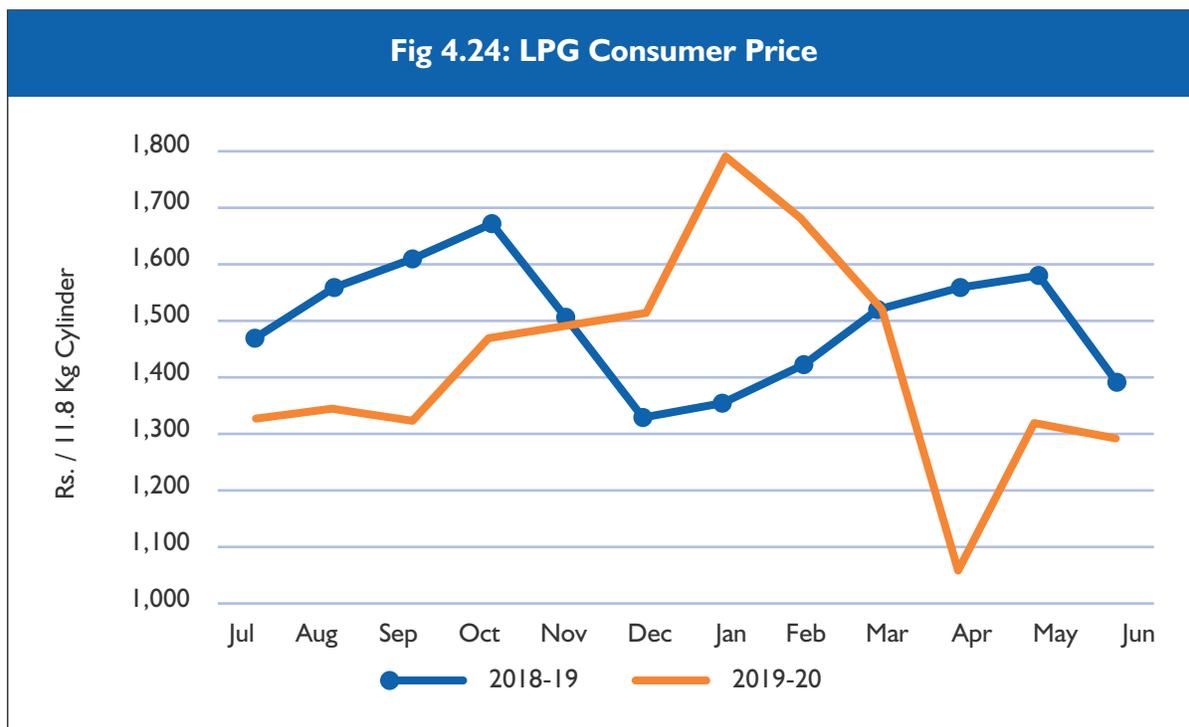
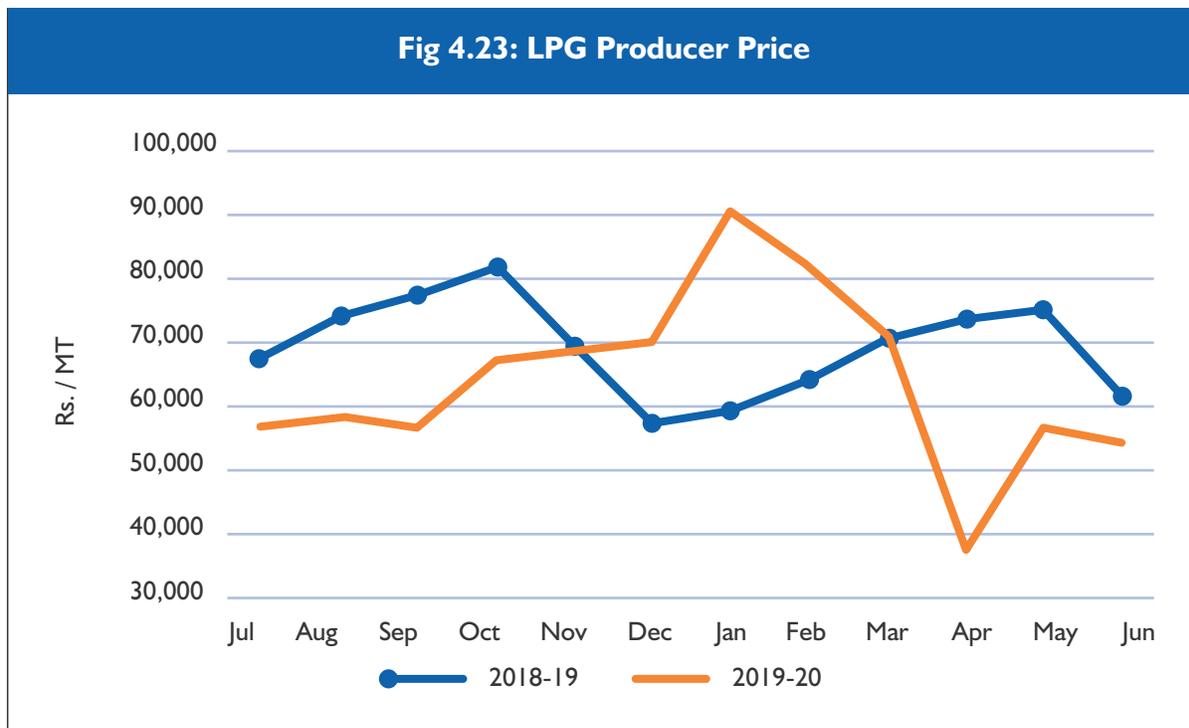


#### 4.5.5 LPG Pricing

The then Ministry of Petroleum and Natural Resources now Ministry of Energy, (Petroleum Division) vide letter dated March 24, 2016 forwarded LPG Policy 2016, approved by the CCI, to OGRA for implementation.

In LPG Policy 2016, it has been decided to regulate LPG prices, which is a major shift from deregulation to regulation. In pursuance of LPG Policy 2016, determination of LPG price is mandate of Ministry of Energy; whereas OGRA's domain is

only limited to notification and regulation of the determined price. In exercise of the powers conferred by Section 6(2)(r) of the OGRA Ordinance, 2002 (XVII of 2002) read with Rule 18(1) of LPG (Production & Distribution) Rules, 2001, the OGRA has notified LPG prices twelve times on monthly basis during FY 2019-20 in respect of indigenous LPG, maximum producer price, margins of marketing and distribution companies and consumer price. The graphical presentation of producer and consumer prices is shown in **Figs 4.23** and **4.24** respectively.



## 4.6 Liquefied Natural Gas (LNG)

Liquefied Natural Gas or LNG is Natural Gas (predominantly methane, CH<sub>4</sub>) that has been converted temporarily to liquid form for ease of storage and transportation. Natural gas is converted to LNG by cooling it to -260° F, at that point it becomes a liquid. This process reduces its volume by a factor of more than 600 times.

### 4.6.1 Need for LNG

Pakistan mainly relies on natural gas which contributes approximately 50% of Country's total energy supplies. Keeping in view the energy requirements of the country, GoP introduced LNG Policy in 2006 for potential investors to facilitate the successful implementation of LNG import projects. The said policy in the year 2011 was modified to attract more investment which is still in field. Pakistan's economic growth demands higher energy inputs whereas indigenous oil and gas production are not sufficient for sustainable growth of the country's economy. To meet the growing energy demand, sustain economic growth and control power load shedding, GoP considered import of LNG. The import of LNG has been mandated by the GoP to the state-owned companies i.e. PSO and Pakistan LNG Limited (PLL) on behalf of the Government of Pakistan. With the anticipated shortfall in natural gas indigenous reserves as compared to fast growing demand, LNG is one of the preferred short to mid-term alternatives to bridge the supply-demand gap. The LNG industry is capital-intensive and requires a multi-million-dollar investment across the LNG supply chain. It is critical, therefore, that LNG import projects are planned such that they are able to attract quality project developers, with technical expertise and the financial resources required for their successful implementation.

### 4.6.2 Role of OGRA in LNG Sector

OGRA performs its functions under the OGRA Ordinance, 2002 in accordance with the prevalent Government policy/guidelines. In pursuance of LNG Policy and the OGRA Ordinance 2002, OGRA notified LNG Rules, 2007 to bring the anticipated LNG activity under regulatory regime. LNG Policy encourages prospective project developers to enter into LNG market after fulfillment of requisite formalities as per LNG Rules.

As per the said Policy, the project structures can be:

- i) **Integrated;** in which the terminal developer arranges LNG import as well as its own buyers and;
- ii) **Unbundled;** in which the terminal developer, LNG importer and LNG buyers are different.

The main functions of OGRA w.r.t LNG include processing of licences for LNG Project Developers or LNG Terminal Owner/ Operator (TO/O) to construct and operate LNG receiving terminals, processing of licences for transportation, filling, marketing or distribution of LNG as per the provision of OGRA (LNG) Rules, 2007. Further, modification, extension, revocation, renewal of the licences, inspections/ audit of LNG Terminals are also dealt under the said Rules.

The status of LNG licences so far issued by OGRA is as follow: -

S/N	Name of Developer	Licence Description and Status	Licence Issuance Date
1.	Engro Elengy Terminal Limited (EETL)	Unbundled Project Structure (Operation Licence of LNG Receiving Terminal at Port Qasim, Karachi). Regasification Capacity: 600-690 MMCFD	Mar 18, 2016
2.	PGP Consortium Limited (PGPCL)	Unbundled Project Structure (Operation Licence of LNG Receiving Terminal at Port Qasim, Karachi). Regasification Capacity: 600-750 MMCFD	Apr 03, 2018

S/N	Name of Developer	Description and Status of Licence	Licence Issuance Date
3.	Global Energy Infrastructure Pakistan Limited & Global Energy Infrastructure Limited (GEIP/GEIL)	Integrated Project Structure (Extension in Project Completion Timelines for Construction Licence Granted for LNG Integrated Project at Port Qasim, Karachi. PQA approval to be updated for consideration of further extension).	Review Appeal Decision Dated May 02, 2019
4.	Pakistan Gas Port Limited (PGPL)	Integrated Project Structure (Provisional Licence)	Jun 25, 2018
5.	Tabeer Energy (Pvt.) Limited (TEPL)	Integrated Project Structure (Provisional Licence) Provisional Licence Timelines extended till 16 <sup>th</sup> August 2020. The Application for Construction Licence by TEPL is under examination.	Aug 17, 2018
6.	Energas Terminal (Pvt.) Limited (ETPL)	Integrated Project Structure (Provisional Licence) Provisional Licence Timelines extended till 02 <sup>nd</sup> April 2020. The application for Construction Licence by TEPL is under examination.	Apr 03, 2018

Engro Elengy Terminal Limited (EETL) established its LNG re-gasification terminal at Port Qasim, Karachi. The LNG is being imported by the GoP through Pakistan State Oil Company Limited and EETL is providing the re-gasification services at a tolling tariff. The licence for operation of LNG Terminal was granted on 18<sup>th</sup> March, 2016. SSGC has hired the re-gasification capacity of EETL's LNG Terminal for which both parties have signed the LNG Services Agreement.



**Aerial View of Engro Elengy Terminal at Port Qasim, Karachi**

PGP Consortium Limited (PGPCL) established Pakistan's second LNG re-gasification terminal at Port Qasim, Karachi. The LNG is being imported by the GoP through Pakistan LNG Limited and PGPCL is providing the re-gasification services at a tolling tariff. The licence for operation of LNG Terminal was granted on 03<sup>rd</sup> April, 2018. PLTL has hired the capacity of PGPCL's LNG terminal and both parties have signed the Operations and Services Agreement.



View of PGP Consortium's LNG Terminal at Port Qasim, Karachi

#### 4.6.3 Re-gasified Liquid Natural Gas (RLNG) Pricing

Federal Government decided to carry out the RLNG pricing under Petroleum Products (Petroleum Levy) Ordinance, 1961 and Petroleum Products (Petroleum Levy) Rules, 1967. OGRA has been delegated the powers to determine RLNG price on monthly basis in line with that of other petroleum products and the same is notified by PSO. PSO and PLL are designated as LNG buyers by the Federal Government. OGRA computes the RLNG prices in accordance with parameters provided by Federal Government.

#### Weighted Average Price of RLNG for SNGPL & SSGCL without GST during FY 2019-20

(US\$/MMBTU)

Months	SNGPL		SSGCL	
	Transmission	Distribution	Transmission	Distribution
July-19	10.2026	11.3548	9.8110	11.3724
August-19	9.8981	11.0133	9.5041	11.0153
September-19	9.0598	10.0751	8.6699	10.0457
October-19	9.6395	10.7230	9.2422	10.7105
November-19	9.8391	10.9460	9.4384	10.9385
December-19	9.7399	10.8349	9.3394	10.8234
January-20	9.4245	10.4822	9.0269	10.4602
February-20	10.0644	11.1975	9.6589	11.1943
March-20	10.2161	11.3670	9.8084	11.3681
April-20	8.6174	9.5834	8.2491	9.5582
May-20	6.7650	7.5105	6.3748	7.7521
June-20	5.5281	6.1284	5.1626	6.2716

Fig 4.25: SNGPL & SSGCL Prices of RLNG for Transmission

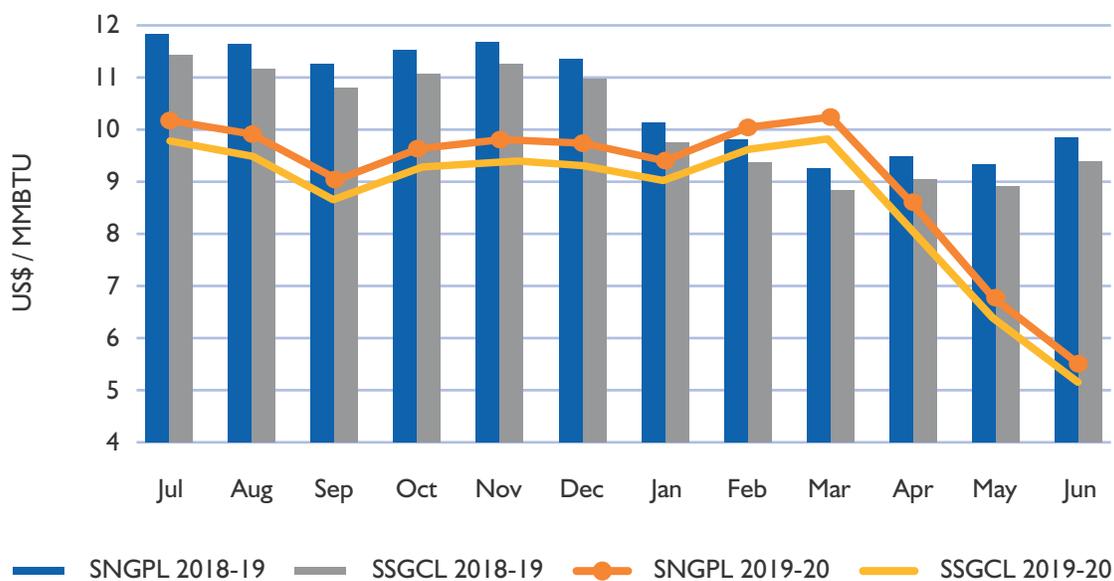
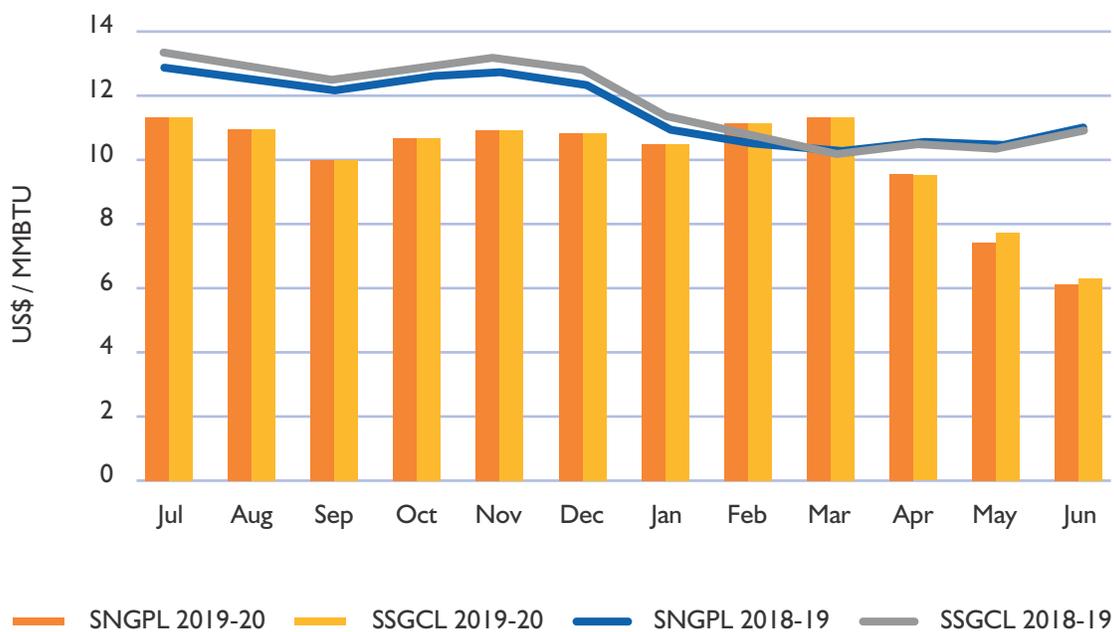


Fig 4.26: SNGPL & SSGCL Prices of RLNG for Distribution



## 4.7 Complaints Redressal

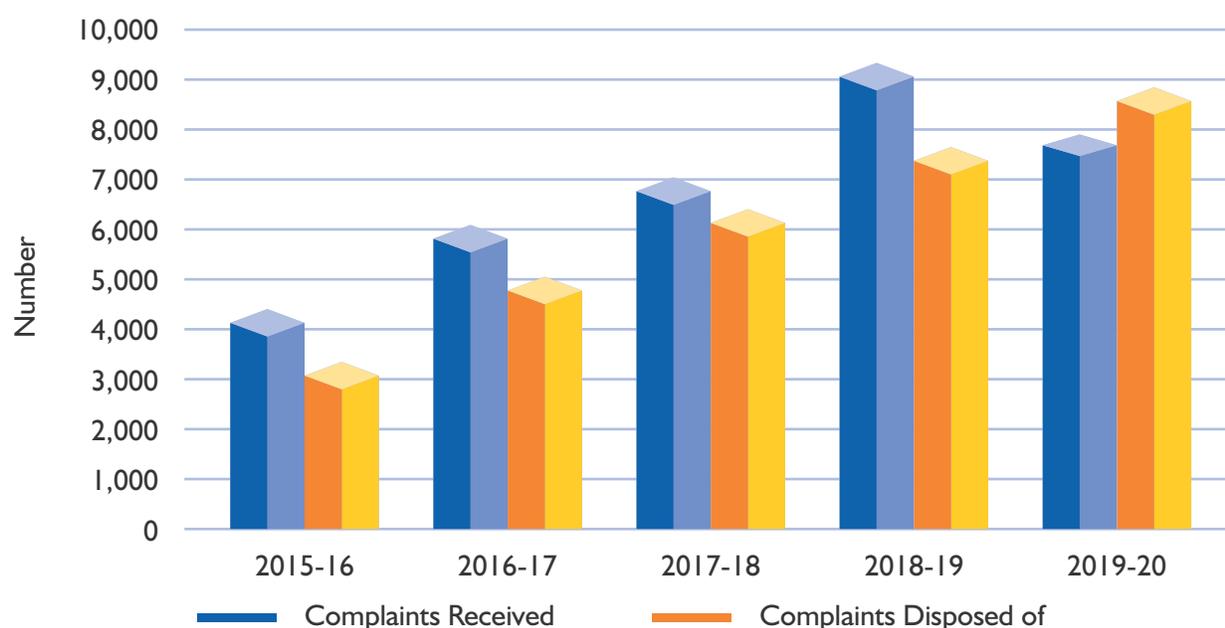
OGRA has a well-established Complaints Department to handle, process and decide the complaints in accordance with the Complaint Resolution Procedure Regulations (CRPR), 2003 and redress the grievances of the aggrieved consumers after providing due opportunity of hearing. The consumers can file the complaints through e-mail, fax, normal post and online.

The Authority has Designated Officers (DOs) for handling complaints with specific jurisdiction who issue their decisions/judgments in writing. The complaints are decided by the DOs within 90 days or earlier as per applicable regulations. At the moment, the DOs are also posted at OGRA's provincial offices located in Karachi, Lahore, Quetta, and Peshawar in addition to Islamabad Head Office, so as to ensure speedy resolutions/decisions on complaints. Any party (the Complainant or Licensee) if aggrieved by the decision of the Designated Officer, 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 as per regulatory framework. During FY 2019-20, Complaints Department received 7,602 complaints against Gas Utilities (SNGPL/SSGCL) regarding issues like: delay in provision of gas connection, excessive/estimated billing, alleged tampering/theft charges, low pressure of gas, late/non-delivery of gas bills and demand of additional security for natural gas etc.

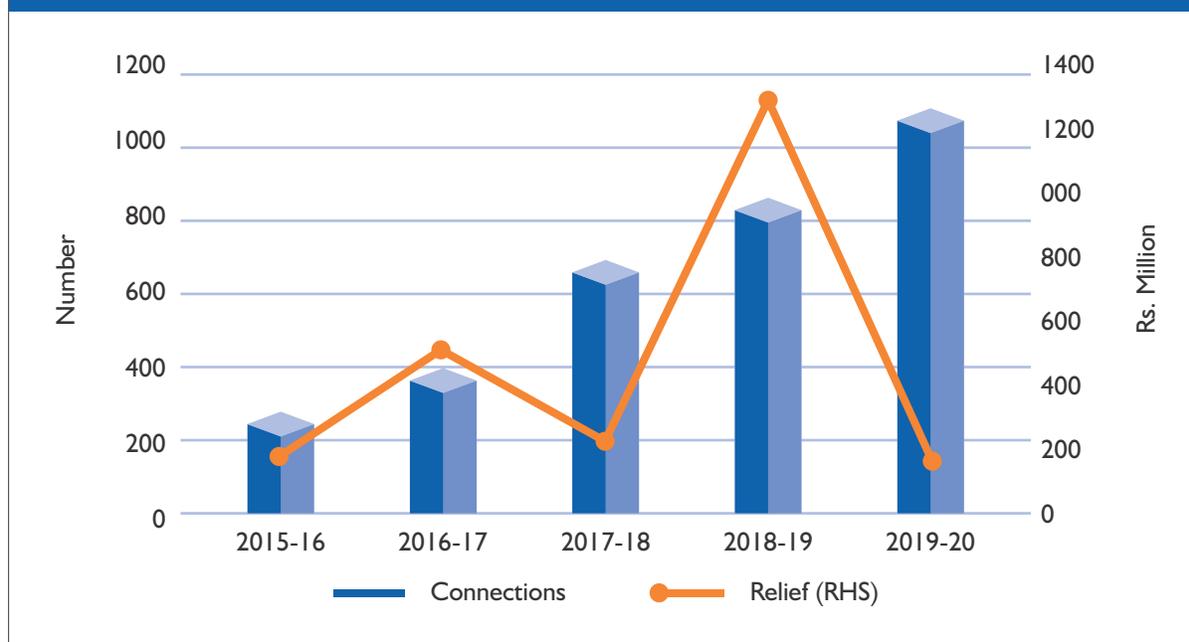
The status of complaints in natural gas sector during FY 2019-20 is given as under:

S/N	Description	Number
1.	Number of complaints received including carried forward from previous year	7,602
2.	Number of complaints decided	8,361
3.	Gas connections provided	1,044
4.	Relief allowed (Rs. Million)	168.28

**Fig 4.27: Complaints Redressal**



**Fig 4.28: Gas Connections & Relief Provided to Consumers on OGRA's Interventions**



### 4.7.1 Appeals

Appeals Department receives appeals and reviews as per Section 12 (1) and Section 13 of the OGRA Ordinance 2002, which are filed by the consumers and licensees against the decisions of the Designated Officers and the Authority respectively, passed in cases of billing, gas pilferage, provision of gas connections and other miscellaneous matters. Appeals Department also receives appeals/reviews of LPG, CNG, Oil Enforcement cases etc. pertaining to imposition of fines and penalties. These cases are accordingly processed and placed before the Authority for hearing. Appeals Department records the hearing proceedings and decisions are prepared as per the directions of the Authority. After approval of the Authority, the decisions are issued to the concerned parties. The number of appeals/reviews heard and decided by the Authority during FY 2019-20 is as under:

S/N	Description	Number
1.	Natural Gas Appeals/Review Cases heard/decided	58
2.	CNG/LPG/Oil/Enforcement Cases heard/decided	18

### 4.8 Enforcement

The Mission Statement of OGRA is "To Safeguard public interest through efficient and effective regulation in the midstream and downstream petroleum sector" Since the promulgation of the OGRA Ordinance 2002, the Authority aims to protect and safeguard the interests of all the stakeholders. OGRA is entrusted with the regulation of Oil, Natural Gas, LPG, CNG and LNG 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 the 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. Major

enforcement activities are as follows:

- Conduct surprise inspections of licensed premises on regular basis;
- Ensure supply of regulated commodities at notified prices utilizing multiple mechanisms such as through District Administrations, Oil Marketing Companies and to conduct surprise inspections of randomly selected outlets by OGRA or through Third Party Inspectors.
- Constitute the inspection teams in collaboration with 3<sup>rd</sup> Party Inspectors as well as Licensees to conduct the inspections/monitoring;
- 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.

#### 4.8.1 Enforcement Functions

OGRA over the times has expanded its enforcement functions to create more vigorous interface between Licensees, Consumers and the Authority. Collect information based on ground realities pertaining to problems faced by Consumers and Licensees. Assist the Authority to formulate effective policy for regulating the oil and gas sector, keeping in view the problems of the industry. To protect the rights of consumers while maintaining check and balance / deterrence on Licensees. OGRA conducts surprise / planned inspections at CNG stations, LPG bottling plants, LPG authorized distributors, registered LPG equipment manufacturers, petrol pumps or any other Licensed Facility on the directions/complaints received by the Authority. These inspections are generally conducted for controlling overcharging and compliance of safety standards during operational regular activities. Enforcement activities of OGRA in respect of various sectors are as under:

##### OIL

➤ Surprise inspections of randomly selected petrol pumps with respect to:

- i) Overcharging
- ii) Stock deficiency / stock withholding
- iii) Quality and less filling etc.

##### LPG

➤ Surprise inspections of LPG Storage and Filling Plants with respect to:

- i) Cross filling
- ii) Overcharging
- iii) Safety etc.

##### CNG

➤ Third Party Inspections are conducted annually which *inter alia* includes the following :

- i) Filling of unapproved cylinders
- ii) Excess pressure
- iii) Overcharging etc.

## Other Functions:

- Communication with provincial authorities / district administrations, licensees and associations on regular basis with respect to enforcement activities.
- Handling court cases and National Assembly/Senate/Provincial Assembly questions.
- Policy issues
- Internal correspondence
- Review and comments on various documents / issues

### 4.8.2 Enforcement of Regulated Activities

In order to provide safe, reliable and efficient services to the Consumers by the Licensees, OGRA has expanded the effective monitoring and enforcement. Random inspections by OGRA officers are helpful in getting first hand information, 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 benefitting the consumers in general. Presence of a strong regulator in the field has sent a powerful message. From big units like OMCs to small entities like LPG Distributors are being brought in the competitive regulatory environment. The various enforcement activities performed are summarized hereunder:

#### 4.8.2.1 Oil Sector

OGRA 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 at 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 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 and monitoring has started conducting surprise inspections at OMCs retail outlets.

It has been observed that whenever there is a speculation of price change of petroleum products, the OMCs / Retailers tend to hoard / withhold 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 as well as big metropolitan in all the Provinces. Considering the position that there are around 9,267 OMCs retail outlets operating in the Country, OGRA has been constantly requesting Provincial Authorities to monitor pricing at petrol pumps under Price Control & Prevention of Profiteering and Withholding Act, 1977 and shall be dealt strictly in accordance with the applicable laws, in the larger interests of general public.

During FY 2019-20, 300 quality checks were made at retail outlets to ensure that the quality being dispensed to the consumers. Quality checks at imports level were also carried out to ensure its protocols. A number of petrol pumps have been inspected and show cause notices were served to respective OMCs on account of overcharging, quantity measurement (less filling) and quality failure at their outlets and on the basis of submissions of OMCs, further necessary actions were taken in accordance with the provisions of the OGRA Ordinance, 2002 and applicable rules / regulations.

#### 4.8.2.2 LPG Sector

Allocation of LPG from producers to marketing companies is de-regulated whereby producers themselves dispose of their LPG keeping in view commercial interest and broad policy outlines. As per LPG Policy 2016, LPG price determination is a mandate of Ministry of Energy; OGRA's domain is limited to notification and regulation of the

determined price. Accordingly, OGRA notified LPG prices in respect of indigenous LPG, maximum producer price, margins of marketing and distribution companies and consumer price. OGRA regularly monitors LPG prices and takes stern actions against those selling LPG above the notified prices as per the relevant rules and regulations.

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 this regard, following enforcement activities were conducted in the LPG sector:

- i. 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.
- ii. Surprise inspection of the premises/sale points of authorized distributors of LPG marketing companies; in order to:-
  - a. Ensure compliance with minimum safety and operational requirements
  - b. Check and eradicate decanting of LPG from cylinder to cylinder, cross filling, hoarding and black marketing
  - c. Ensure sale of LPG at company's announced and notified consumer price
  - d. Ensure correct measurement of LPG
  - e. Ensure availability and supply of LPG to far-flung LPG starved hilly areas as per policy provisions

During FY 2019-20, 129 LPG facilities have been inspected in order to check compliance of the standards /rules and Authority's directions. Action have been initiated against the companies who were found in violation of rules/directives.

#### 4.8.2.3 CNG Sector

CNG is one of the important energy sectors; caters the need of almost 30% of total transport in the country. It is fueling approximately 3.1 million vehicles and there are nearly 3,609 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 compliance of its safety standards.

In order to have strict check, surprise inspections of CNG stations are now being conducted by OGRA 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

OGRA 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, a 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.

#### 4.8.2.4 Complaints

Consumer complaints play a very important role in the enforcement of rules/regulations/standards and these are minutely analyzed and proper course of action is followed as per law against the violators. 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 inspection are carried out in the said areas. In case of a 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.

#### 4.9 Corporate & Media Affairs

Corporate and Media Affairs Department (C&MA) in the year under review created positive image of the organization by stalling negative perceptions against the organization especially by establishing close liaison with direct and indirect stakeholders to bridge communication gap in order to improve positive image of the organization by managing numerous crises communication skirmishes.

SED (C&MA) being the spokesperson of OGRA has managed the media queries and implemented various crises communication strategies.

C&MA Department team under the leadership of SED(C&MA) prevaricated pessimistic perceptions against the organization and established close liaison with the print and electronic media to disseminate the actions/decisions of OGRA for the awareness of its stakeholders. C&MA Department arranged press conferences, press briefings and issued press releases as and when required and put-in order timely publications of gazette notifications, publication of advertisements / notices in the print media and settled accounts thereof. C&MA Department coalesced the matters pertaining to the advertising agencies / firms and sculpted administrative arrangements of meetings / public hearings. C&MA Department organized press conferences, formal and informal meetings with the journalists and attired issuance of press releases while responding to media on their queries. C&MA Department hand-griped correspondence with the Cabinet Division and ensured smooth handling of protocol matters including traveling /boarding / lodging arrangements with respect to domestic / foreign visits of the Authority, obtaining Note Verbale from Ministry of Foreign Affairs by liaising with the Embassies for endorsement of visas and settling accounts thereof with the Embassies/ Pakistan Missions abroad during visit of the Authority. C&MA Department upheld coordination with the National Assembly, Senate, Cabinet Division, Ministry of Energy and Prime Minister Office for security clearance/protocol arrangements for the Authority-Members. C&MA Department handled miscellaneous and special tasks during the period as assigned from time to time.

C&MA has also initiated the establishment of linkages with academia, young, entrepreneurs, civil society, media and other public-sector organizations for building better understanding of the role and functions of OGRA. In this regard, series of lectures were formulated and delivered across the country.

#### 4.10 Planning & Coordination/IT

Planning and Coordination Department undertakes two types of coordination i.e. an internal and external coordination. Internal coordination relates to contact with various Departments of OGRA for acquiring information on the regulatory affairs in the midstream and downstream petroleum sector to prepare various briefs/documents/reports. External coordination pertains to disseminate such information on all the regulated activities of the Authority to various Ministries and other Government Organizations. During the period under review, P&C Department in combination of internal and external coordination has provided the requisite information on OGRA Affairs to Ministry of Planning & Development,

Cabinet Division, Ministry of Energy, Finance Division, Ministry of Commerce, Senate and National Assembly of Pakistan and other Stakeholders etc.

The Department provided relevant contents / input / performance for various publications such as Pakistan Economic Survey, Finance Minister's Budget Speech and Cabinet Year Book etc. P&C Department also acted as a Focal Department for coordination with various government organizations and represented OGRA at various national and regional forums. The Department also coordinated all activities of OGRA to produce Periodical / Annual Reports on the 'Conduct of OGRA Affairs' and 'State of the Regulated Petroleum Industry' through internal coordination under the OGRA Ordinance 20 (I) (a) (b). Moreover, the Department delivered upon capacity building of human capital, an area of ongoing and increasing significant importance to respond to regulatory challenges. P&C Department coordinated with external organizations to arrange for sending OGRA's Executives to different international forums for interaction with international regulators and acquire training in technical / regulatory matters to equip them to the international best regulatory practices and techniques in energy sector. The Department also arranges trainings for Support Staff members at national institutions for enhanced knowledge and capacity building. These foreign and local trainings have ultimately contributed to OGRA's strengthening regulatory capacity to deliver upon its key responsibilities / roles. With these roles, P&C Department provided strong support platform to OGRA.

During FY 2019-20, Senior Management Development Training Program was successfully rolled-out from 17<sup>th</sup> to 19<sup>th</sup> January 2020 at Murree. The training program was envisioned to bring senior management of OGRA under one roof, to carve out the strategic team building, and stimulate innovative thing. The training program was developed in collaboration of Authority Members, which was led by the Chairperson. The modules of Senior Management Development Training Program were based on team building and strategic thinking. Theme of program was to preparing strategy and action plans, building high performance teams and strategic thinking. The training was attended by seventeen participants, which included Chairperson and Members of the Authority along with SEDs, EDs and HODs.

A two-day in-house training course on Finance for Non-Finance Executives was arranged from February 15-16, 2020 at Islamabad. The aim of the training course was to remove the fear of accounting and finance among the non-finance executives and equip them to learn the language of finance to communicate effectively with financial professionals/executives. The course will also enhance the decision making skills by using accounting and cost management accounting concepts for day-to-day operating decisions to plan the business models and learn to analyze the information to make better decisions.

During the year under review, 66 officers/officials attended local training courses that were organized by well-reputed institutions i.e. LUMS, PMI, STI and Management Services Wing, Establishment Division, Islamabad. P&C also provided internships to 40 students of reputable universities through its internal program.

#### **4.11 Information Technology (IT)**

OGRA has developed File Tracking System to facilitate organization internally as well as external stakeholders to check the online status of their applications, which have been submitted to OGRA for obtaining a licence. It will improve the transparency and efficiency of the organization. OGRA has also developed Really Simple Syndication (RSS) application on its website. It is very easy way for anyone to get a list of headlines alerts and update notices to get the contents, which have been updated on the website. Implementation of E-office will provide its users with a user-friendly interface to work with and enable them to efficiently dispose of official business. This system will manage and administer the documents filed by licensees and stakeholders. Digitization will provide security of the documents in all forms and shapes.

E-Office will not only bring efficiency, effectiveness and transparency within the processes of the organization but also reduce the cost of doing business.

#### 4.12 Ease of Doing Business

1. All Documents related to 'Ease of Doing Business' have been uploaded on OGRA's website, the link is provided on home page of the website. (<https://ogra.org.pk/ease-ofdoing-business-3>)

'Ease of Doing Business' in the regulated activities of Petroleum Sector:

- a. OGRA has developed a section on its website ([www.ogra.org.pk](http://www.ogra.org.pk)) pertaining to "Ease of Doing Business", wherein guidance has been provided to national/international investors on the procedure/processes for acquiring a licence for the regulated activity of Natural Gas, Oil, CNG, LPG, LNG Sectors.
  - b. A Check List and FAQs have also been uploaded on OGRA's website, which provides the information to investors regarding the types of documents required along with Forms for the applications of all type of licences.
2. File Tracking System has been developed to facilitate external stakeholders.
    - a. File Tacking System' has been developed and is operational. This application/software is designed to facilitate CNG, Oil, Gas, LPG and LPG applicants to check the online status of their applications, which have been submitted to OGRA for obtaining a licence. It will improve transparency and efficiency of the OGRA.

The role of Information Technology in organizational development has become centerpiece in obtaining organizational efficiency. In order to keep pace with technological developments and new norms of the business processes, the Authority has decided to introduce E-Office /Docketing and Information Repository System (DIRS) for digitalization of records/system and procedures to ensure efficiency accuracy, effectiveness, transparency, good governance and effective public service.

#### 4.13 OGRA's Initiatives on Clean and Green Pakistan

- a. With respect to Prime Minister's initiative of "Clean & Green Pakistan", OGRA has directed all OMCs/ Petrol Pumps as well as CNG Stations across the country to ensure neat/ clean facilities with all basic necessities in the washrooms/ bathrooms/ toilets at their retail outlets, which are operated by company itself or through their dealers/ franchisees.
- b. Advertisements in national and local newspapers have been published by OGRA for the awareness of general public. Moreover, OMCs/OCAC also initiated awareness campaign in print and electronic media on the "Clean and Green Initiative of the Prime Minister".
- c. OCAC/all OMCs/CNG Stations have been directed to ensure that the posters and banners be displayed at prominent places having mentioned UAN number and WhatsApp on all forecourts/petrol pumps/ CNG Stations. OCAC has been directed to start media awareness campaign in this regard mentioning that complaints may be logged at the mentioned UAN number, related to washrooms/ bathrooms/toilets and cleanliness by the customer at the outlets, etc. of petrol pumps/CNG Stations.
- d. OGRA has established a Complaint Cell to resolve public complaints regarding "Clean and Green

initiative of the Prime Minister which includes the setting up of a dedicated UAN number, WhatsApp for the general public, to file their complaints.

- e. Officers/staff has been deputed at OGRA's provincial/regional offices to inspect hygienic condition of washrooms/bathrooms/toilets, etc. and take action accordingly. Third Party Inspectors have also been directed to conduct inspections as well as submit reports to OGRA for necessary action.
- f. Non-compliant Petrol Pumps/CNG Stations have been fined as per OGRA's Rules & Regulations.

#### 4.14 Complaints Resolution through Pakistan Citizen Portal (PCP)

The Prime Minister of Pakistan has directed all the Government Ministries / Divisions and Departments to improve public service delivery and ensure their redressal effectively through Pakistan Citizen Portal (PCP) under Prime Minister Delivery Unit (PMDU). In compliance to the directions of the Prime Minister of Pakistan, OGRA has established a dedicated Cell to address the complaints received through PCP in September 2018.

The Authority nominated Senior Executive Director (C&MA) as a Focal Person to lead the Cell in order to dispose of the complaints received from the various departments within given Standard Operating Procedure (SOP) and provide the feedback to the citizens accordingly. The other responsibility of the Cell is to liaison with Prime Minister Delivery Unit and Cabinet Division to convey, disseminate information on public complaints on behalf of the Authority.

To resolve the complaints well in time, received through Pakistan Citizen Portal, Competent Authority has put in place SOP, on the recommendations of SED (C&MA). As per SOP, the Cell forwarded all complaints / queries to relevant departments of OGRA within two days after receiving on Pakistan Citizen Portal. Head of Departments / Sections In charge after resolving the complaints send final reply within three days. A complete record of all received complaints and their reply have been maintained by the Cell. To update the Authority on status of the complaints, the (Technical) person prepares the daily report and submit to focal person for information.

OGRA during FY 2019-20 has processed 3,416 complaints, out of which 811 were resolved by OGRA. The 2,505 complaints were forwarded to other relevant departments (licensees) and 1,751 had been resolved by them. The remaining 100 complaints were in process.

#### 4.15 E-Office Project Implementation

##### Brief Background of E-Office Project

Initially, it was decided that all funding for Docketing and Information Repository System (DIRS) project will be funded by US Agency for International Development (USAID), Pakistan in collaboration with National Association of Regulatory Utility Commissioners (NARUC) but on April 10, 2019, the USAID Pakistan terminated the agreement, hence there was no funding available for DIRS software development. OGRA then made the decision to execute E-Office project in collaboration with National Information Technology Board (NITB), which was offering software without charging any cost to the government organizations. However, OGRA decided to build-up its IT Infrastructure through its own funding. The equipment, which includes computers and scanners have already been procured through open tendering process. It was also decided that Server Room & IT Section would be shifted from basement to 3<sup>rd</sup> floor of the building; whereas R&I section will be shifted to new location in the basement and it will be equipped with scanners and computers to become the part of E-Office.

A detailed specifications and layout design of Infrastructure up-gradation has been made by IT Section, which was duly approved by the Authority. Afterwards, OGRA tender was floated in print media and OGRA/PPRA websites. The bids were received and evaluated through transparent process. According to the ToRs, E-Office project will be executed within 60 working days. The work on E-Office has already been started and tentatively it will be completed by the end of July 2020.

### **Testing, NITB Team Deployment & Re-Training**

On completion of E-Office project, there will be approximately two weeks time for testing the E-Office / networking and NITB Team will be deputed in OGRA to facilitate departments in using the E-Office module. Accordingly, training of OGRA's staff is also planned after the implementation of E-Office. All officers/ officials have already been given training at the premises of NITB, Islamabad.

### **Procurement and Distribution of Scanners and Computers**

OGRA has procured 18 heavy-duty scanners and distributed to different departments. There are 15 scanners in the procuring process. Furthermore, 03 x desktop computers and 01 x heavy-duty printer have been provided to R&I Section to strengthen its functional capacity .

### **Creation and Filling-Up Vacant IT Posts**

The Authority has approved the creation of 01 x post in Scale E- I, whereas approved the filling up of 01 x vacant post in Scale E- I and 03 x vacant posts in Scale S-5. The Authority further directed HR Deptt. to initiate the hiring process.

### **Development of Application for Clean & Green Pakistan “Cleanliness of Public Facilities at Petrol Pumps and CNG Stations”**

A meeting was held in between Senior Executive Director (Corporate & Media Affairs), Senior Executive Director (CNG) & Senior Executive Director (LPG) and Additional Secretary (Regulatory Affairs), Cabinet Division, Islamabad on 07.11.2019 wherein it was decided that NITB will develop a digital platform for monitoring of the Petrol forecourts/ stations and CNG stations with regard to cleanliness in general and especially washrooms. It was also agreed that OGRA will provide technical information to NITB so that they may develop the required digital platform. In this connection, several internal and external meetings were held for the development of application. The application will be mobile based

### **Enhanced Security Solution for Webhosting**

The award of website repair & maintenance work and dedicated Virtual Private Server (VPS) is under process after approval of the Authority to make OGRA website more secure and up-to-date.

OGRA's website currently hosted on shared hosting server due to which we are unable to get maximum firewall and securities on the shared server. It is therefore, on the recommendation of IT Section, the Authority approved to shift website hosting from shared to dedicated VPS hosting server for improved firewall and better security.

## **4.16 Litigation**

During FY 2019-20, Litigation Department pursued cases in different courts, the detail of which is given as under:

## Detail of Court Cases during FY 2019-20

Name of Court	Total number of cases received	Counsel engaged	Pursued by in-house lawyer	Disposed of	Not pursued	Pending
	(c+d+e)	(a)	(b)	(c)	(d)	(e)
Supreme Court of Pakistan	31	15	-	1	2	28
Islamabad High Court	53	15	2	7	20	26
Lahore High Court	297	105	2	143	18	136
Peshawar High Court	48	13	-	16	11	21
High Court of Sindh	73	36	-	5	14	54
Balochistan High Court	1	-	-	-	-	1
Civil Courts	77	22	6	10	13	54
Others (WM, Accountability Court etc.)	2	1	1	-	1	1
<b>Total</b>	<b>582</b>	<b>207</b>	<b>11</b>	<b>182</b>	<b>*79</b>	<b>32</b>

\* Note: The court cases wherein OGRA has no direct role or specific direction / order passed by the concerned court for representation of OGRA or it is impleaded as a proforma party/respondent, such cases are not pursued.



FUTURE OUTLOOK

# **FUTURE OUTLOOK**

## 5. Future Outlook - Anticipated Developments for the Next Year

### 5.1 Gas Sector

The Authority shall make the following Determinations during the next financial year:

- Motion for Review against Final Revenue Requirement for FY 2017-18 based on the actual audited results of SSGCL.
- Motion for Review against Determination of Final Revenue Requirement for FY 2018-19 based on the actual audited results of SNGPL.
- Review of Estimated Revenue Requirement (RERR) for FY 2020-21 of SNGPL.
- Review of Estimated Revenue Requirement (RERR) for FY 2020-21 of SSGCL.
- Final Revenue Requirement for FY 2018-19 based on the actual audited results of SSGCL.
- Final Revenue Requirement for FY 2019-20 based on the actual audited results of SNGPL.
- Estimated Revenue Requirement for FY 2021-22 of SSGCL & SNGPL.
- 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 the OGRA Ordinance.
- Determination of RLNG price under Petroleum Products (Petroleum Levy) Ordinance, 1961 and Petroleum Products (Petroleum Levy) Rules, 1967 in accordance with the Federal Government approved formula.
- Notification of monthly LPG prices.

### 5.2 Mid and Downstream Oil Sector

- A number of Oil Storages are expected to be completed at various locations.
- 02 New Oil Marketing Companies are expected to commence construction of their works / storage infrastructure.
- 01 Oil Refinery is expected to commence its construction work.
- 03 Lubricant Blending/Reclamation/Grease Plants are expected to commence construction of their works/ plants.
- An Oil Pipeline & associated infrastructure is anticipated to initiate construction by Fauji Oil Company I.

### 5.3 LPG Sector

A significant growth of LPG auto refueling stations is anticipated in near future. The LPG companies entitled by their memorandum and article of association are applying for a number of LPG storage / filling plants and LPG refueling stations in light of LPG Policy and regulatory framework.

### 5.4 LNG Sector

#### 5.4.1 LNG Terminal Access Rules and LNG Terminal Access Code

OGRA in consultation with the World Bank team has drafted LNG Terminal Access Rules and LNG Terminal Access Code which shall play a pivotal role in liberalization of LNG/ RLNG market of the country. LNG Terminal Access Rules are guiding principles whereas the LNG Terminal Access Code provides standard terms and conditions that will govern the relationship of the parties to access arrangement. The said Rules are presently being reviewed within OGRA for further modifications.

## 5.4.2 LNG Virtual Pipelines / Truck Filling Services and LNG Break Bulking

LNG virtual pipelines are substitute for physical pipeline whereby gas that would typically be transported through a conventional gas pipeline is instead transported as LNG to the point of use by sea, road, rail or via a combination of one or more of these transport modes.

LNG truck filling is the use of special ISO-containers and trucks to transport LNG from the LNG terminals or LNG processing facilities to satellite re-gasification units near the premises of large users where the LNG is first re-gasified and then injected into pipelines for supply to users.

LNG break bulking is the splitting of large-scale LNG shipments into smaller parcels. This enables the distribution and use of LNG as a cleaner fuel alternative for maritime vessels, trucks, buses, industrial, commercial, domestic and large users.

The above project structures are operational in countries like Malaysia, Singapore, China etc. however it is a new concept in Pakistan. Companies interested in such project structure are:

### i. Daewoo Gas Private Limited (DGPL)

DGPL has applied for a provisional licence for setting up of the land-based LNG handling platform at berth No. 03 at Gwadar Port. They intend to build a land-based LNG handling platform, transferring LNG from LNG carrier to LNG containers for distribution onwards through trucks.

### ii. LNG Easy Private Limited (LNGe)

LNGe has applied for a provisional licence, they plan to use berth No. 18 to 20 for import of LNG cargos in ISO containers/Cryogenic bowsers filled at source ports overseas and through LNG bulk breaking operations using Mobile Filling Platform (MFP) to fill ISO containers/Cryogenic bowsers at Karachi Port Trust (KPT) for further distribution mainly to Off-Grid customers.

## 5.4.3 Technical Audit of EETL Terminal

As per the provision of the Licence Condition 36 of the operation licence granted to M/s EETL, the Authority may carry out periodic inspection or technical audit of the regulated activities at the cost of the Licensee. In pursuance of the same, EOI was published in the National and International newspapers and after completing all the formalities as per PPR Rules, 2004, a consultant has been appointed by OGRA, which shall complete the audit and submit its report to OGRA in due time frame.

## 5.5 Enforcement

With the increase in the number of licensees, the enforcement of technical and safety standards for the facilitation and protection of consumers and general public has become more important. OGRA will enhance and strengthen its monitoring role of the regulated activities to avoid any incident in transportation of Oil and LPG and strictly monitor the manufacturing of standardized equipment.

## 5.6 Registrar Office

Registrar Office is expected to receive and process more than 10,000 (Ten thousand) complaints regarding natural gas and other petroleum components under the Complaint Resolution Procedure Regulations, 2003. OGRA will continue to process the licence applications for natural gas (sale, transmission, distribution), low pressure flare gas, LNG (provisional construction and operational etc.) and oil pipeline licensing under the OGRA Ordinance 2002, Natural Gas (Licensing Rules), 2002, LNG Rules, 2007 and Pakistan Oil (Refining, Blending, Transportation, Storage and Marketing Rules, 2016.

## 5.7 Complaints

Redressal of complaints shall continue in accordance with OGRA's Complaint Resolution Procedure Regulations, 2003 in the same spirit as for current year. Complaints shall be decided well within the prescribed period of 90 days by Designated Officers strictly on merit.

## 5.8 Capacity Building

Development and training of human resource is an ongoing and crucial need for every progressive organization to keep them abreast of new skills and technologies. 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.

OGRA will conduct the trainings for the employees which includes management training program for senior management, middle management and newly inducted executives and crises communication management program for the senior management.

## 5.9 Corporate Affairs

OGRA will also conduct awareness sessions on "Role and Functions of OGRA" all over the country for developing linkages, better understanding and positive perception among the academia, business community, media and government functionaries along with other stakeholders. OGRA intends to conduct training workshops to keep abreast media fraternity regarding latest regulatory activities / affairs in oil and gas sector. IT department to implement E-Office project in its letter and spirit and further support technical departments to meet their software development requirement.





**AUDIT**

# AUDIT REPORT

**OIL & GAS REGULATORY AUTHORITY**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**ILYAS SAEED & CO.**  
CHARTERED ACCOUNTANTS  
A member of

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## Ilyas Saeed & Co.

Chartered Accountants

### INDEPENDENT AUDITORS' REPORT TO THE AUTHORITY

#### *Opinion*

We have audited the annexed financial statements of **OIL & GAS REGULATORY AUTHORITY** ("the Authority"), which comprise the statement of financial position as at June 30, 2020 and the related income and expenditure account, statement of comprehensive income, statement of changes in general fund and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at June 30, 2020 and its financial performance, its cash flows and changes in general fund for the year then ended in accordance with the approved international financial reporting standards as applicable in Pakistan and the accounting policies stated at Note 3 to the financial statements.

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Pakistan and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved International Financial Reporting Standards as applicable in Pakistan and the relevant provisions of the Oil & Gas Regulatory Authority Ordinance, 2002 read with Oil & Gas Regulatory Authority (Financial) Regulations, 2005 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

#### *Auditors' Responsibilities for the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an

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**Ilyas Saeed & Co.***Chartered Accountants*

auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit, in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report related to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence up to the date of our auditors' report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


**CHARTERED ACCOUNTANTS**Engagement Partner: **IMRAN ILYAS****ISLAMABAD:**

**OIL AND GAS REGULATORY AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2020**

<u>ASSETS</u>	<u>Note</u>	<u>2020</u> <u>Rupees</u>	<u>2019</u> <u>Rupees</u>
<b>NON-CURRENT ASSETS</b>			
Property & equipment	4	26,664,656	33,870,116
Capital work in progress	5	24,417,444	6,734,309
Intangible assets	6	792,309	816,712
Long term deposits	7	74,496,534	600,000
Deferred tax asset	8	73,412,092	58,140,684
Long term advances	9	69,851,759	41,747,781
		269,634,794	141,909,602
<b>CURRENT ASSETS</b>			
Short term investments	10	1,596,125,564	1,941,295,520
Fee receivable	11	58,924,535	-
Advances & receivables	12	21,160,456	29,622,376
Short term prepayments	13	21,556,273	23,834,941
Advance tax	14	84,233,979	110,486,420
Accrued interest	15	18,815	171,745
Cash & bank balances	16	324,486,164	107,715,271
		2,106,505,785	2,213,126,274
<b>TOTAL ASSETS</b>		<b>2,376,140,580</b>	<b>2,355,035,876</b>
<b>FUND AND LIABILITIES</b>			
<b>FUND</b>			
General fund	SOCF	1,609,282,581	1,707,847,066
<b>NON-CURRENT LIABILITIES</b>			
Long term loan - World Bank	17	20,548,172	21,170,844
Employee benefits	18	273,296,781	241,086,140
		293,844,953	262,256,984
<b>CURRENT LIABILITIES</b>			
Employee benefits - CPF	19	5,674,907	3,900,501
Current portion of World Bank loan	17	622,672	622,672
Accrued & other liabilities	20	466,715,467	380,408,653
		473,013,046	384,931,826
<b>CONTINGENCIES &amp; COMMITMENTS</b>			
	21	-	-
<b>TOTAL FUND AND LIABILITIES</b>		<b>2,376,140,580</b>	<b>2,355,035,876</b>

The annexed notes from (1) to (33) form an integral part of these financial statements.

CHAIRMAN

MEMBER

**OIL AND GAS REGULATORY AUTHORITY  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2020**

<u>PARTICULARS</u>	<u>Note</u>	<u>2020 Rupees</u>	<u>2019 Rupees</u>
Income	22	1,321,587,275	1,401,636,502
Expenditure	23	(888,851,990)	(724,671,621)
<b>Income From Operating Activities</b>		<u>432,735,285</u>	<u>676,964,881</u>
Finance cost	24	(3,081,213)	(3,184,000)
Other income	25	279,604,579	193,760,206
<b>Excess Of Income Over Expenditure Before Tax</b>		<u>709,258,651</u>	<u>867,541,087</u>
Provision for taxation	26	(206,298,363)	(255,509,087)
<b>Excess Of Income Over Expenditure After Tax</b>		<u><u>502,960,288</u></u>	<u><u>612,032,000</u></u>

The annexed notes from (1) to (33) form an integral part of these financial statements.

CHAIRMAN

MEMBER

**OIL AND GAS REGULATORY AUTHORITY  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2020**

<u>PARTICULARS</u>	<u>Note</u>	<u>2020 Rupees</u>	<u>2019 Rupees</u>
<b>Excess Of Income Over Expenditure After Tax</b>		<b>502,960,288</b>	<b>612,032,000</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to income & expenditure account:			
Remeasurement of defined benefit gratuity plan	18.3.7	18,190,401	7,683,174
<b>Total Comprehensive Income</b>		<u><b>521,150,689</b></u>	<u><b>619,715,174</b></u>

The annexed notes from (1) to (33) form an integral part of these financial statements.

**CHAIRMAN**

**MEMBER**

**OIL AND GAS REGULATORY AUTHORITY**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2020**

<u>PARTICULARS</u>	<u>Note</u>	<u>2020</u> <u>Rupees</u>	<u>2019</u> <u>Rupees</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Excess Of Income Over Expenditure Before Tax		709,258,651	867,541,087
Adjustments for non cash charges and other items	27	(137,880,545)	(90,581,944)
Operating cash flow before working capital changes		571,378,105	776,959,142
Net working capital changes	28	38,122,867	114,691,816
Net cash flow from operations		609,500,973	891,650,959
Income tax paid		(195,317,330)	(259,752,262)
Finance cost paid		(3,081,213)	(3,184,000)
Compensated absences paid		(474,441)	(9,301,854)
Provident fund paid		(35,600,806)	(21,855,545)
Gratuity paid		(35,359,978)	(28,267,869)
Net payments made		(269,833,768)	(322,361,530)
Net cash generated from operating activities		339,667,205	569,289,429
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property and equipment		(6,285,012)	(16,539,975)
Capital expenditure on capital work in progress		(17,683,135)	(1,557,700)
Capital expenditure on intangible assets		(1,584,619)	(1,633,425)
Proceeds from sale of fixed assets		82,294	5,365,798
Payments of advances		(28,103,978)	19,807,464
Payments for long term deposits / advances		(73,896,534)	-
Short term investments - net		345,169,956	(472,105,685)
Profit on bank deposits and securities		279,742,562	188,384,223
Net cash generated from / (used in) investing activities		497,441,534	(278,279,300)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of long term loan		(622,672)	(622,672)
Receipts from Severance Fund		-	314,209
Payment to Federal Consolidated Fund		(619,715,174)	(238,309,306)
Net cash (used in) financing activities		(620,337,846)	(238,617,769)
Net Increase In Cash And Cash Equivalents		216,770,892	52,392,360
Cash And Cash Equivalents At The Start Of The Year		107,715,271	55,322,911
Cash And Cash Equivalents At The End Of The Year	16	324,486,164	107,715,271

The annexed notes from (1) to (33) form an integral part of these financial statements.

CHAIRMAN

MEMBER

**OIL AND GAS REGULATORY AUTHORITY  
STATEMENT OF CHANGES IN GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Note</u>	<u>Rupees</u>
Balance as at July 01, 2018		1,326,126,989
Receipts from Severance Fund		314,209
Payment made to Federal Consolidated Fund		(238,309,306)
Excess of income over expenditure for the year		619,715,174
<b>Balance as at June 30, 2019</b>		<u>1,707,847,066</u>
Payment made to Federal Consolidated Fund		(619,715,174)
Excess of income over expenditure for the year		521,150,689
<b>Balance as at June 30, 2020</b>		<u><u>1,609,282,581</u></u>

The annexed notes from (1) to (33) form an integral part of these financial statements.

CHAIRMAN

MEMBER

**OIL AND GAS REGULATORY AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**1 STATUS AND NATURE OF BUSINESS**

As per Natural Gas Regulatory Authority Ordinance, 2000 the Natural Gas Regulatory Authority (NGRA) was established to foster competition, improve efficiency and availability of natural gas transportation and distribution services in Pakistan through increased private ownership and improved regulations. Main functions of NGRA included grant of license for carrying out regulated activities and regulating such activities. The Natural Gas Regulatory Authority Ordinance, 2000 was repealed vide Oil and Gas Regulatory Authority Ordinance, 2002 which provided for establishment of Oil and Gas Regulatory Authority ("the Authority").

The Authority, is a body corporate established by the Federal Government under Oil And Gas Regulatory Authority Ordinance, 2002 having principal place of business at Plot # 54, Fazal-e-Haq Road, Blue Area, Islamabad. The objectives of establishment of the Authority are to foster competition, to increase private investment and ownership in the midstream and downstream petroleum and gas industry of Pakistan, to protect the public interest while respecting individual rights and to provide effective and efficient regulations and for matters connected herewith or incidental thereto. The principal activities and functions of the Authority include:

- i. exclusive responsibility for grant of license and for carrying out regulated activities and regulating such activities;
- ii. specify performance and service standards and other conditions for undertaking any regulated activity;
- iii. specify and review standards for the equipment and materials to be used in undertaking any regulated activity;
- iv. promote and ensure the observance of efficient practices, where applicable, in transmission, distribution, processing, refining, marketing, storage of petroleum and transportation of petroleum by pipelines;
- v. promote effective competition and efficiency in activities within its jurisdiction;
- vi. safeguard the public interest, including the national security interest of Pakistan in relation to regulated activities;
- vii. protect the interest of all the stakeholders including consumers and licensees;
- viii. administer or establish prices, for those categories of petroleum for which the Federal Government establishes prices and may delegate the function to the Authority;
- ix. prescribe, review, approve and regulate tariffs for regulated activities pertaining to natural gas and operations of licensees for natural gas and marketing of refined oil products;
- x. in consultation with the Federal Government and licensees for natural gas, determine for each such licensee, a reasonable rate of return which may be earned by such licensees in undertaking of its regulated activity pertaining to natural gas in view the circumstances;
- xi. determine the well-head gas price for the producers of natural gas in accordance with the relevant agreements or the contracts;
- xii. enforce standards and specification for refined oil products as notified by the Federal Government; and



OIL AND GAS REGULATORY AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2020

- xiii. prescribe a uniform form of accounts and accounting practices to be complied with by licensees.

## 2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the requirements of the approved International Financial Reporting Standards issued by IASB as applicable in Pakistan and the regulations issued under the Oil and Gas Regulatory Authority (Financial) Regulations, 2005. In case requirements differ, the provisions or directives of Oil and Gas Regulatory Authority (Financial) Regulations, 2005 shall prevail. The Authority is not required to comply with requirement of IFRS, however, to follow the best practice, it has adopted applicable accounting standards as a guideline for preparation of financial statements.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

### 3.1 Basis of preparation

#### (a) Accounting Convention

These financial statements have been prepared under the historical cost convention using accrual basis of accounting except for cash flow statement and other items, if specified.

#### (b) Going Concern

These financial statements have been prepared on a going concern basis after the management has made an assessment for the same.

#### (c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the Approved International Financial Reporting Standards for Medium-Sized Entities issued by the Institute of Chartered Accountants of Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, provision for compensated absences and provision for gratuity. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

#### (d) Functional Currency

These financial statements are presented in Pak Rupees, which is the Authority's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the statement of financial position date, while transactions in foreign currencies during the year are initially recorded at rates of exchange prevailing at transaction date.

OIL AND GAS REGULATORY AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2020

### 3.2 Property and equipment

#### 3.2.1 Owned

##### Cost

Property and equipment except work in progress are stated at cost less accumulated depreciation. Cost comprises acquisition and other directly attributable costs of bringing the asset to working condition. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. Any expenditure over rupees two thousand, benefit of which extends beyond an accounting year in which it is incurred, is treated as capital expenditure. All other repair and maintenance costs are charged to income and expenditure account during the year in which they are incurred.

##### Depreciation

Depreciation on all property and equipment is charged to income and expenditure account on straight line basis after taking into account residual value, if any, so as to write off the depreciable amount of an asset over its estimated useful life at the rates given in Note 4. Depreciation on additions is charged in accordance with Oil and Gas Regulatory Authority (Financial) Regulations, 2005 whereby full year's depreciation is charged in the year when assets are available for use while no depreciation is charged in the year in which the assets are disposed off. The residual values and useful lives of assets are reviewed by the management at each financial year end and adjusted if impact on depreciation is significant.

##### Derecognition

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the income and expenditure account in the year of derecognition.

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

#### 3.2.2 Leased

##### Operating lease

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Payments made under operating leases are charged to income and expenditure over the lease term.

##### Finance lease

Leases where significant portion of risks and rewards of ownership are transferred to the lessee are classified as finance leases. At the inception of a finance lease, cost of right-to-use-asset is capitalized at fair value of leased asset or at the present value of minimum lease payments. Lease payments are apportioned between finance charges and reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income for the year. The lessor gives an option to purchase right-to-use-assets at the end of lease term.

### 3.3 Capital work in progress

Capital work in progress is stated at cost incurred to date.

**OIL AND GAS REGULATORY AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**3.4 Intangible assets**

Intangibles are stated at cost less accumulated amortization. Cost comprises acquisition and other directly attributable costs of bringing the asset to its working condition. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. Any expenditure for which benefit extends beyond an accounting year in which it is incurred, is treated as capital expenditure on intangibles.

Amortization on intangibles is charged to income and expenditure account on straight line basis after taking into account residual value, if any, so as to write off the amount of an asset over its estimated useful life at the rates given in Note 6. Amortization on additions is charged in the year when assets are available for use while no amortization is charged in the year in which the assets are disposed off. The residual values and useful lives of assets are reviewed by the management at each financial year end and adjusted if impact on amortization is significant.

**3.5 Taxation**

**Current**

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax also includes adjustments, where considered necessary, to account for provisions made in previous years arising from the assessment framed during the year for such years.

**Deferred**

Deferred tax is accounted for using the liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted by the statement of financial position date. Deferred tax is charged or credited in income and expenditure account except to the extent it relates to the items recognized in other comprehensive income or directly in equity. In this case tax is also recognized in other comprehensive income or directly in equity, respectively.

**3.6 Investments**

The Authority determines the appropriate classification of its investments at the time of purchase of investments and re-evaluates this classification on a regular basis. The existing investments classification is as under:

**3.6.1 Investments held to maturity**

Investments with fixed or determinable payments, having fixed maturity and where the Authority has positive intent and ability to hold to maturity are classified as held to maturity. These are initially recognized at cost inclusive of transaction costs and are subsequently carried at amortized cost using the effective interest rate method.

**3.6.2 Short term investments**

These are made for short period of times and are stated at cost.

OIL AND GAS REGULATORY AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2020

### 3.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at book value which approximates their fair value. For the purpose of cash flow statement, cash equivalents comprise cash in hand, cash at bank on current and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

### 3.8 Borrowings

Borrowing are initially recognized at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in income and expenditure account over the period of borrowing using effective interest method.

### 3.9 Employees' benefits

The Authority has the following plans for its employees:

#### i. Contributory provident fund

The Authority operates approved funded contributory provident fund scheme for all its employees. Equal contribution is made to the fund by the Authority and the employees at the rate of 7.5% of their basic salaries. The Authority's contributions are charged to income and expenditure account for the year.

#### ii. Gratuity fund

The Authority operates a defined benefit plan of employees gratuity fund. The plan is managed and regulated in accordance with the provisions of the Trust Deed and the Rules made there under. Contracted employees are entitled for gratuity subject to their terms of employment. All regular employees are entitled for this fund as per following:

- On retirement due to invalidation or death while in service, employees are entitled to sixty days basic pay last drawn for each completed year of service.
- On attaining the age of superannuation or resignation from service, subject to minimum five years of service, employees are entitled to fifty days basic pay last drawn for each completed year of service. Employees are not entitled to gratuity if dismissed or removed on the charge of misconduct.

#### iii. Provision for compensated absences

The Authority provides for compensated absences for all employees in accordance with the Service Regulations of the Authority. Each regular employee of the Authority may accumulate earned leaves upto maximum 365 days for encashment purpose at the rate of Gross Salary last drawn.

#### iv. Provision for severance compensation

The Authority provided for severance compensation in accordance with the Service Regulations of the Authority. However, this benefit has been withdrawn by the Authority during the previous year.

### 3.10 Provisions

Provisions are recognized in the statement of financial position when the Authority has legal or constructive obligation as a result of past event, and it is probable that out flow of economic benefits will be required to settle the obligation and a reliable estimates of the amount can be made. However, provisions are reviewed at each year end and adjusted to reflect current best estimate.

**OIL AND GAS REGULATORY AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**3.11 Accrued and other liabilities**

Liabilities for accrued and other payables are initially recognized at fair value which is normally the transaction cost.

**3.12 Financial instruments**

Financial assets and liabilities are recognized when the Authority becomes a party to the contractual provisions of the instrument, the particular recognition methods adopted are disclosed in the individual policy statements associated with each item. The Authority derecognizes the financial assets and liabilities when it ceases to be a party to such contractual provisions of the instruments. The Authority recognizes the regular way purchase or sale of financial assets using settlement date accounting.

**i. Accrued and other payables**

Liabilities for accrued and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

**ii. Other receivables**

Other receivables are recognized and carried at original invoice amount / cost less an allowance for any uncollectible amounts.

**3.13 Revenue recognition**

- Income from CNG and LPG Licensees are recognized on cash basis as provided in Oil And Gas Regulatory Authority (Financial) Regulations, 2005 in accordance with Regulation 6(h). All other incomes are recognized on accrual basis.
- Profit on bank balances / deposits / investments are accounted for on time proportion basis using applicable rate of interest.

**3.14 Borrowing costs**

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any are capitalized as part of the cost of the asset.

**3.15 Offsetting**

Financial assets and liabilities are set off and the net amount is reported in the statement of financial position, if the Authority has a legally enforceable right to set off the recognized amounts and the Authority intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

**3.16 Expenses**

Expenses are recognized on accrual basis of accounting.

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OIL AND GAS REGULATORY AUTHORITY  
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4 PROPERTY AND EQUIPMENT

P A R T I C U L A R S	C O S T			Rate per annum %	D E P R E C I A T I O N			Written down value as at June 30, 2020	
	As at July 01, 2019	Additions	(Deletions)		As at June 30, 2020	Accumulated as at July 01, 2019	Adjustment on Disposal		For the Year
Leasehold land	13,999,995	-	-	13,999,995	6,787,494	-	424,200	7,211,694	6,788,301
Building renovation	16,783,654	-	-	16,783,654	16,783,654	-	-	16,783,654	-
Office equipment	26,523,263	886,510	-	27,409,773	21,848,877	-	2,503,553	24,352,430	3,057,343
Vehicle	28,372,411	-	-	28,372,411	11,297,045	-	5,346,979	16,644,024	11,728,387
Furniture & fixture	18,141,764	925,093	-	19,066,857	16,773,281	-	962,265	17,735,546	1,331,311
Computer & accessories	29,634,732	4,473,409	301,644	33,806,497	26,095,351	234,297	4,186,128	30,047,183	3,759,314
<b>TOTAL 30-06-2020</b>	<b>133,455,819</b>	<b>6,285,012</b>	<b>301,644</b>	<b>139,439,187</b>	<b>99,585,703</b>	<b>234,297</b>	<b>13,423,125</b>	<b>112,774,531</b>	<b>26,664,656</b>

4.1 PROPERTY AND EQUIPMENT - Comparative

P A R T I C U L A R S	C O S T			Rate per annum %	D E P R E C I A T I O N			Written down value as at June 30, 2019	
	As at July 01, 2018	Additions	(Deletion)		As at June 30, 2019	Accumulated as at July 01, 2018	Adjustment on Disposal		For the Year
Leasehold land	13,999,995	-	-	13,999,995	6,363,294	-	424,200	6,787,494	7,212,501
Building renovation	16,783,654	-	-	16,783,654	16,783,654	-	-	16,783,654	-
Office equipment	25,642,273	880,990	-	26,523,263	19,346,754	-	2,502,123	21,848,877	4,674,386
Vehicle	23,188,556	12,219,205	7,035,350	28,372,411	12,985,416	7,035,350	5,346,979	11,297,045	17,075,366
Furniture & fixture	17,121,854	1,019,910	-	18,141,764	15,690,352	-	1,082,929	16,773,281	1,368,483
Computer & accessories	27,214,862	2,419,870	-	29,634,732	22,663,858	-	3,431,493	26,095,351	3,339,381
<b>TOTAL 30-06-2019</b>	<b>123,951,194</b>	<b>16,539,975</b>	<b>7,035,350</b>	<b>133,455,819</b>	<b>93,833,328</b>	<b>7,035,350</b>	<b>12,787,725</b>	<b>99,585,703</b>	<b>33,870,116</b>

OIL AND GAS REGULATORY AUTHORITY  
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	<u>Note</u>	<u>2020</u> <u>Rupees</u>	<u>2019</u> <u>Rupees</u>
<b>5 CAPITAL WORK IN PROGRESS - Building</b>			
Opening balance	5.1	6,734,309	5,176,609
Additions during the year		<u>17,683,135</u>	<u>1,557,700</u>
		<u><u>24,417,444</u></u>	<u><u>6,734,309</u></u>
5.1 It represents expenses incurred by the Authority for construction of its' office building on the leasehold land acquired from CDA for an initial period of 33 years further extendable to 99 years.			
<b>6 INTANGIBLE ASSETS - Software</b>			
<b>Cost</b>			
Opening balance		5,634,408	4,000,983
Additions		1,584,619	1,633,425
Closing balance		7,219,027	5,634,408
<b>Accumulated Amortization</b>			
Opening balance		4,817,696	2,660,433
Charge for the year		1,609,022	2,157,263
Closing balance		6,426,718	4,817,696
Carrying value as at year end		<u><u>792,309</u></u>	<u><u>816,712</u></u>
Amortization Rate		<u><u>50%</u></u>	<u><u>50%</u></u>
<b>7 LONG TERM DEPOSITS - Considered good</b>			
Deposits & Advances	7.1	74,496,534	600,000
		<u><u>74,496,534</u></u>	<u><u>600,000</u></u>
7.1 These represent refundable long term security deposits kept with Hospitals under the terms & conditions specified in MoU between the Authority and the Hospitals for operational purposes. These also include mobilization advance given to Cresnet Construction for construction of Office Building.			
Deposit with Shifa International Hospital		600,000	600,000
Deposit with Ali Hospital		500,000	-
Advance for Building Project - Cresnet Construction		73,396,534	-
		<u><u>74,496,534</u></u>	<u><u>600,000</u></u>
<b>8 DEFERRED TAX ASSET</b>			
Opening balance		58,140,684	57,462,262
Deferred tax (income) / expense		15,271,408	678,422
	8.1	<u><u>73,412,092</u></u>	<u><u>58,140,684</u></u>
8.1 Deferred tax asset arising due to:			
Accelerated depreciation		3,346,322	2,102,884
Employee benefits		72,687,630	56,037,800
		<u><u>76,033,952</u></u>	<u><u>58,140,684</u></u>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Note</u>	<u>2020</u> <u>Rupees</u>	<u>2019</u> <u>Rupees</u>
<b>9 LONG TERM ADVANCES - Considered good</b>			
Motor Car advance		38,231,275	5,992,516
House Building advance		31,620,484	35,755,265
		<u>69,851,759</u>	<u>41,747,781</u>
<b>9.1</b> House Building Advance is given to the employees of the Authority at the interest rate equal to SBP discount rate effective at the date of sanction of advance and is refundable in 120 equal monthly installments. Motor car advance is given free of markup and is refundable in 60 monthly installments.			
<b>10 SHORT TERM INVESTMENTS - Held to maturity</b>			
Treasury Bills	10.1	1,567,604,082	1,909,969,481
Accrued profit on Treasury Bills		28,521,482	31,326,039
		<u>1,596,125,564</u>	<u>1,941,295,520</u>
<b>10.1</b> These investments have been held with Faysal Bank Limited in accounts maintained by the Bankers with State Bank of Pakistan. These are to mature within three months to six months with markup rate ranging from 6.65% to 13.83% (2019: 6.75% to 12.74%) per annum.			
<b>11 FEE RECEIVABLE - Considered good</b>			
Receivable from PGP Consortium Ltd.		58,924,535	-
		<u>58,924,535</u>	<u>-</u>
<b>12 ADVANCES &amp; RECEIVABLES - Considered good</b>			
Advance for expenses	12.1	840,469	3,297,000
Advance to vendors	12.2	-	-
Motor Car advance - current portion	12.3	15,207,714	21,096,928
House Building advance - current portion	12.3	4,581,856	4,283,232
Other sundry receivables		530,417	945,216
		<u>21,160,456</u>	<u>29,622,376</u>
<b>12.1</b> These represent interest free advances given to the employees in the ordinary course of business to meet day to day expenses. These are adjusted on an on-going basis.			
<b>12.2</b> These represent advances kept with the vendors for purchase of Motor Vehicles etc. These are adjusted on an on-going basis as and when the vendor delivers the product.			
<b>12.3</b> These represent current portion of long term advances given to the employees of the Authority as explained in Note 9.			
<b>13 SHORT TERM PREPAYMENTS</b>			
Prepaid subscription		1,067,327	6,132,478
Prepaid rent		18,134,076	16,466,546
Prepaid insurance		2,040,694	960,142
Prepaid internet		314,176	275,775
		<u>21,556,273</u>	<u>23,834,941</u>

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	<u>Note</u>	<u>2020</u> <u>Rupees</u>	<u>2019</u> <u>Rupees</u>
<b>14 ADVANCE TAX</b>			
Opening balance		110,486,420	106,921,667
Advance tax paid / deducted		195,317,330	259,752,262
		305,803,750	366,673,929
Adjusted against current tax liability		(221,569,771)	(256,187,509)
		<u>84,233,979</u>	<u>110,486,420</u>
<b>15 ACCRUED INTEREST</b>			
Profit on bank deposits		18,815	171,745
		<u>18,815</u>	<u>171,745</u>
<b>16 CASH AND BANK BALANCES</b>			
Cash in hand		200,000	200,000
		200,000	200,000
Cash with banks In current accounts		-	-
		-	-
Cash with banks In deposit accounts:			
Local currency accounts	16.1	322,794,452	106,061,240
Foreign currency account		1,491,712	1,454,031
		<u>324,286,164</u>	<u>107,515,271</u>
		<u>324,486,164</u>	<u>107,715,271</u>

16.1 These carry mark up at the rate ranging from 3.5% to 6% (2019: 5.5% to 10.25%) per annum.

**17 LONG TERM LOAN - World Bank**

Opening balance	17.1	21,793,516	22,416,188
Less: Paid during the year		(622,672)	(622,672)
		21,170,844	21,793,516
Less: Current portion		(622,672)	(622,672)
		<u>20,548,172</u>	<u>21,170,844</u>

17.1 It represents loan allocation of US\$ 2 million for capacity building project with focus on both employees and institutional development, re-lent to the Authority out of IDA loan of US\$ 55 million contracted by the Government of Pakistan. Out of the allotted US\$ 2 million, the Authority received US\$ 0.498 million only which equaled to PKR 29,927,296 upto June 30, 2008. However, on September 05, 2008 Finance Division of the Government of Pakistan vide letter # 1(4)/2007-EFP-1 demanded immediate surrender of unused funds amounting to PKR 5,020,420/- kept by the Authority and rescheduled the repayment of principal and finance costs over outstanding balance. The Authority repaid the unused amount and the remaining loan amounting to PKR 24,906,876 is to be repaid in local currency over a period of 25 years including a grace period of 5 years commencing from March 15, 2014 and ending on March 15, 2039. The loan is repayable in fifty bi-annual installments (first 20 bi-annual installments of 1.25% of the total loan and subsequent 30 bi-annual installments of 2.5% of total loan amount. Interest rate is 11% (2019: 11%) per annum and exchange risk fee is 3% per annum.

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18 EMPLOYEE BENEFITS

	2020 Rupees	2019 Rupees
18.1 Compensated absences		
Provision for compensated absences	250,647,000	200,135,000
Gratuity payable - Authority	5,032,500	4,508,550
Gratuity payable - Regular Employees	17,617,281	36,442,590
	<u>273,296,781</u>	<u>241,086,140</u>
18.2 Gratuity payable - Authority		
Opening balance	200,135,000	180,881,000
Provision made during the year	50,986,441	28,555,854
Payment made during the year	(474,441)	(9,301,854)
	<u>250,647,000</u>	<u>200,135,000</u>
18.3 Gratuity liability - Regular Employees		
Opening balance	4,508,550	1,932,150
Charged for the year	2,854,300	2,576,400
Payment made during the year	(2,330,350)	-
	<u>5,032,500</u>	<u>4,508,550</u>
18.3.1 Latest actuarial valuation has been done as at June 30, 2020 using the following assumptions:-		
Discount rate used for interest cost in P&L charge	14.50%	10.00%
Discount rate used for year end obligation	9.25%	14.50%
Salary increase rate per annum	-	14.50%
18.3.2 The amount recognized in Statement of Financial Position is as follows:		
Present value of defined benefit obligation	369,606,476	324,418,161
Fair value of plan assets	(359,195,359)	(292,517,095)
Add: Payables	7,206,163	4,541,523
Net liability	<u>17,617,280</u>	<u>36,442,589</u>

OIL AND GAS REGULATORY AUTHORITY  
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**18.3.3 Movement in net liability:**

	2020 Rupees	2019 Rupees
Opening liability	36,442,590	44,247,093
Expense chargeable to income & expenditure account	32,394,720	28,146,540
Remeasurement chargeable in other comprehensive income	(18,190,401)	(7,683,174)
Less: Contribution paid	(33,029,628)	(28,267,869)
	<u>17,617,281</u>	<u>36,442,590</u>

18.3.6

18.3.7

**18.3.4 Movement in the present value of defined benefit obligation:**

Opening present value of defined benefit obligation	324,418,161	287,089,889
Current service cost	30,356,900	25,589,376
Interest cost on defined benefit obligation	46,683,886	28,474,983
Payments due but not paid / (payables)	(2,664,640)	-
Payments during the year	(2,256,016)	(4,680,123)
Actuarial (gain) / loss	(2,335,588)	1,624,215
Experience adjustment	(24,596,227)	(13,680,179)
Closing present value of defined benefit obligation	<u>369,606,476</u>	<u>324,418,161</u>

**18.3.5 Movement in the fair value of plan assets:**

Opening fair value of plan assets	292,517,095	247,384,320
Interest income on plan assets	44,646,066	25,917,819
Contributions	33,029,628	28,267,869
Benefits paid	(2,256,016)	(4,680,123)
Return on plan assets, excluding interest income	(8,741,414)	(4,372,790)
Closing fair value of plan assets	<u>359,195,359</u>	<u>292,517,095</u>

**18.3.6 Charged to income and expenditure account:**

Current service cost	30,356,900	25,589,376
Interest cost	46,683,886	28,474,983
Expected return on plan assets	(44,646,066)	(25,917,819)
	<u>32,394,720</u>	<u>28,146,540</u>

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18.3.7 Remeasurements charged to other comprehensive income:

Remeasurement of plan obligation:

Actuarial (gain) / loss from changes in demographic assumptions  
Actuarial (gain) / loss from changes in financial assumptions  
Experience adjustments  
Return on plan assets, excluding interest income

	2020	2019
	Rupees	Rupees
	(2,335,588)	1,624,215
	(24,596,227)	(13,680,179)
	8,741,414	4,372,790
	<u>(18,190,401)</u>	<u>(7,683,174)</u>

18.3.8 Composition of fair value of plan assets:

Treasury Bills with accrued interest  
Cash and bank balances  
Advances (Tax)  
Expenses payable

	2020		2019	
	Rupees	%	Rupees	%
	296,346,078	82.50%	248,827,093	85.06%
	34,753,815	9.68%	28,618,934	9.78%
	28,206,340	7.85%	15,088,192	5.16%
	(110,874)	-0.03%	(17,124)	-0.01%
	<u>359,195,359</u>	<u>100.00%</u>	<u>292,517,095</u>	<u>100.00%</u>

18.3.9 The present value of defined benefit obligation, fair value of plan assets and surplus or deficit of gratuity fund is as follows:

As at June 30

Present value of defined benefit obligations  
Fair value of plan assets  
Add: Payables  
Deficit  
Experience adjustment on plan liabilities  
Experience adjustment on plan assets

	2020	2019	2018	2017	2016
	Rupees	Rupees	Rupees	Rupees	Rupees
	369,606,476	324,418,161	287,089,889	253,686,123	220,837,206
	(359,195,359)	(292,517,095)	(247,384,320)	(218,189,129)	(188,761,203)
	7,206,163	4,541,523	4,541,523	-	-
	<u>17,617,280</u>	<u>36,442,589</u>	<u>44,247,092</u>	<u>35,496,994</u>	<u>32,076,003</u>
	(24,596,227)	(13,680,179)	(1,681,232)	(2,598,798)	(16,092,313)
	(8,741,414)	(4,372,790)	8,489,575	(6,802,848)	7,161,636

18.3.10 Provision of employees gratuity fund was computed through actuarial valuation at the end of June 30, 2020 by using the projected unit credit method.

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	<u>Note</u>	<u>2020</u> <u>Rupees</u>	<u>2019</u> <u>Rupees</u>
<b>19 EMPLOYEE BENEFITS - CPF</b>			
Opening balance		(3,900,501)	14,434
Charge for the year		(37,375,212)	(25,770,480)
Recoveries of PF loans		(21,690,000)	(16,733,075)
Payments made		57,290,806	38,588,620
Closing balance		<u>(5,674,907)</u>	<u>(3,900,501)</u>

19.1 Investments in collective investment schemes, listed equity and listed debt securities out of aforementioned funds have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder, although not applicable on Authority.

**20 ACCRUED AND OTHER LIABILITIES**

Accrued liabilities		7,526,276	5,476,211
Withholding income tax payable		5,274,106	2,736,679
Withholding sale tax payable		178,349	200,234
Inspection fee - CNG / LPG		93,692,653	101,637,653
Inspection fee - Oil		2,501,100	2,592,000
Inspection fee - LNG		2,961,880	2,961,880
CCP fee payable		235,244,572	195,689,583
Accrued interest on loan from World Bank		677,122	697,038
Exchange risk fee on loan from World Bank		194,826	200,557
Gratuity fund payable		96,494	96,494
Compensation payable		30,477,549	30,800,926
Other Liabilities (NICL etc)		3,000,000	562,877
Employees group insurance premium recoveries		-	256,521
Fines and penalties payable to GoP		84,030,000	36,350,000
Retention money payable (Building Project)		670,539	-
Auditors' fee payable		190,000	150,000
		<u>466,715,467</u>	<u>380,408,653</u>

**21 CONTINGENCIES AND COMMITMENTS**

**21.1 Contingencies**

21.1.1 The Authority preferred appeals for tax years 2004 to 2007 against the demand of Rs.139,423,923/- created by the income tax authorities before the Honorable Islamabad High Court, Islamabad. The appeals were filed to contest the orders of the Appellate Tribunal Inland Revenue, Islamabad whereby the Appellate Tribunal Inland Revenue, Islamabad remanded the amended assessments back for re-consideration. The Authority had prayed for the cancellation of the amended assessments in totality. However, the Honourable Islamabad High Court, Islamabad decided the case against the Authority and upheld the decision of the Appellate Tribunal Inland Revenue, Islamabad. Although the stay granted by the Honourable Islamabad High Court, Islamabad against tax proceedings stood vacated, no proceedings were initiated by the Department during the year. Thus, no demand is outstanding as of the reporting date in respect of tax years 2004 to 2007. However, the income tax authorities shall initiate assessment proceedings afresh. The demand, if any, shall only be created after re-assessment by the income tax authorities. The Authority has already deposited the total amount of tax under amnesty whereby the whole amount of penalty and default surcharge was waived off by the Federal Government on payment of disputed amount of tax. The demand, if any, that may be created by the income tax

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<u>Note</u>	<u>2020 Rupees</u>	<u>2019 Rupees</u>
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authorities shall be less than the amount deposited under amnesty as no expenses were allowed by the assessing authorities while framing amended assessment. Thus, no provision is required to be made in the financial statements, instead a reversal of already charged income tax expenses may be required.

**21.1.2** The income tax authorities also preferred appeals before the Honorable Islamabad High Court, Islamabad for the aforesaid tax years as well as for tax year 2003 against the orders of the Appellate Tribunal Inland Revenue, Islamabad requesting cancellation of the orders of the Appellate Tribunal Inland Revenue, Islamabad and for restoration of amended assessment framed by the income tax authorities. The said appeals clubbed with the appeals filed by the Authority have been decided by the Honorable Islamabad High Court, Islamabad whereby the orders of the Appellate Tribunal Inland Revenue, Islamabad have been upheld. Thus, the demand created by the income tax authorities of Rs.22,595,845/- for tax year 2003 stands time barred. No provision, in this regard, is required.

**21.1.3** The Authority has filed an appeal before the Honorable Appellate Tribunal Inland Revenue, Islamabad against the order of being assessed in default under section 161/205 for tax year 2008 amounting to Rs. 418,384. The appeal is yet to be fixed for hearing. No provision has been made in the financial statements as the management is hopeful that the appeal shall be decided in favor of the Authority.

**21.1.4** The Authority filed appeals before the Honorable Appellate Tribunal Inland Revenue, Islamabad against the order of the Additional Commissioner Inland Revenue for Tax year 2009 and 2010 against inadmissibility of Gratuity Expense and Leave Encashment actually paid. The Appellate Tribunal Inland Revenue remanded the case back for re-consideration by the assessing officer. However, the department has filed a Miscellaneous Application (MA) before the Appellate Tribunal Inland Revenue requesting re-consideration of its order. Date of hearing of this MA is yet to be fixed.

**21.1.5** The income tax authorities have initiated proceedings for tax years 2015 & 2016 under section 120 of the Income Tax Ordinance, 2001. The required documents and workings have been submitted with the assessing officer and the cases have been finalized for orders. However, no specific confrontation and / or no order to these effect have been received, so far. The management is hopeful of favorable outcome and thus, no provision has been made in these financial statements.

**21.2 Commitments**

There are no commitments outstanding as at the year end.

**22 INCOME**

Turnover fee	827,706,817	968,125,655
Inspection fee	52,151,000	71,230,000
Equipment addition / approval / renewal / transfer fee	93,105,000	73,300,000
Well head pricing fee	17,600,000	28,200,000
Transfer / verification and restoration fee	1,025,000	900,000
Appeal processing fee	8,059,427	6,852,412
Tariff fee	3,900,000	6,550,000
Provisional license LNG	10,348,434	-
Intervention fee	16,000	18,884
License amendment & extension fee	2,900,000	2,375,000
Change of ownership fee	3,000,000	1,700,000
Annual fee oil	14,000,000	12,550,000
Marketing license fee OMCs	2,000,000	30,660,000

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NOTES TO THE FINANCIAL STATEMENTS  
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	Note	2020 Rupees	2019 Rupees
Marketing license fee LMCs		11,500,000	8,000,000
Marketing license fee Oil		30,875,000	13,325,000
Annual fee LNG		168,313,385	119,306,101
License processing fee LPG		46,745,000	49,610,000
Equipment addition / approval / renewal / transfer fee LPG		15,404,600	4,450,000
Annual regulatory fee LPG		400,000	-
Transmission license fee		9,450,000	2,750,000
Other income		3,087,612	1,733,450
		<u>1,321,587,275</u>	<u>1,401,636,502</u>

### 23 EXPENDITURE

Salaries, allowances and other benefits		603,404,347	474,731,192
Consultancy charges		470,000	680,000
Medical facility		11,562,521	10,718,682
Provision for gratuity		35,249,020	30,722,940
Provision for compensated absences		50,986,441	28,555,854
Provision for CCP		39,554,990	41,997,092
Compensated absences - contract employees		-	423,775
Capacity building		5,230,350	1,660,028
Printing, stationery, newspaper and periodicals		7,966,498	6,630,124
Fee and subscription		8,315,813	7,231,478
Telephone and telex		4,325,685	4,168,893
Electricity, water and gas		9,946,864	8,122,285
Traveling and conveyance		13,039,207	14,233,029
Rent		41,254,613	40,588,767
Public hearing		4,231,827	7,638,670
Legal and professional charges		5,574,625	6,469,513
Auditors' remuneration	23.1	330,625	290,625
Repair and maintenance		4,064,696	3,076,353
Entertainment		2,073,668	1,996,271
Advertisement		4,981,320	2,336,119
Insurance		2,344,083	1,780,028
Security charges		4,485,182	4,361,604
Internet charges		3,508,458	2,736,090
Janitorial charges		5,321,426	3,645,876
Postage and courier charges		1,986,550	2,236,104
Depreciation	4	13,423,125	12,787,725
Amortization	6	1,609,022	2,157,263
Miscellaneous		3,611,034	2,695,242
		<u>888,851,990</u>	<u>724,671,621</u>

#### 23.1 Auditors' remuneration:

Annual audit fee	125,000	125,000
Other certification fee	-	-
Taxation services	142,500	112,500
Out of pocket expenses	63,125	53,125
	<u>330,625</u>	<u>290,625</u>

**OIL AND GAS REGULATORY AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Note</u>	<u>2020 Rupees</u>	<u>2019 Rupees</u>
<b>24 FINANCE COST</b>			
Interest on loan from International IDA - World Bank		3,039,355	3,091,226
Bank charges		41,858	92,774
		<u>3,081,213</u>	<u>3,184,000</u>
<b>25 OTHER INCOME</b>			
Income from financial assets	25.1	279,589,632	188,394,408
Income from non-financial assets	25.2	14,947	5,365,798
		<u>279,604,579</u>	<u>193,760,206</u>
<b>25.1 Income from financial assets</b>			
Profit on bank deposits		20,760,537	10,594,913
Profit on treasury bills		256,289,087	175,329,139
Exchange gain on foreign currency account		37,681	-
Markup on house building advance		2,502,327	2,470,356
		<u>279,589,632</u>	<u>188,394,408</u>
<b>25.2 Income from non-financial assets</b>			
Gain on sale of property & equipment			
Proceeds from sale of assets		82,294	5,365,798
Cost of asset disposed off		301,644	7,035,350
Accumulated depreciation on disposal		(234,297)	(7,035,350)
Net book value of asset disposed off		67,347	-
Net gain on sale of assets		<u>14,947</u>	<u>5,365,798</u>
<b>26 PROVISION FOR TAXATION</b>			
Current year		221,569,771	258,297,450
Prior year adjustment		-	(2,109,941)
		221,569,771	256,187,509
Deferred tax		(15,271,408)	(678,422)
		<u>206,298,363</u>	<u>255,509,087</u>
<b>27 NON CASH CHARGES AND OTHER ITEMS</b>			
Depreciation for the year		13,423,125	12,787,725
Amortization for the year		1,609,022	2,157,263
Provision for gratuity		35,249,020	30,722,940
Provision for provident fund		37,375,212	25,770,480
Provision for compensated absences		50,986,441	28,555,854
Finance costs		3,081,213	3,184,000
Income from non-financial assets		(14,947)	(5,365,798)
Profit on bank deposits and securities		(279,589,632)	(188,394,408)
		<u>(137,880,545)</u>	<u>(90,581,944)</u>

**OIL AND GAS REGULATORY AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Note</u>	<u>2020 Rupees</u>	<u>2019 Rupees</u>
<b>28 WORKING CAPITAL CHANGES</b>			
(Increase) / decrease in fee receivable		(58,924,535)	29,872,595
Decrease in advances - considered good		8,461,920	20,107,679
Decrease / (increase) in short term prepayments		2,278,668	(7,324,548)
Increase in accrued and other liabilities		<u>86,306,814</u>	<u>72,036,091</u>
		<u><u>38,122,867</u></u>	<u><u>114,691,816</u></u>

**29 RELATED PARTY TRANSACTIONS**

Since the Authority is a Government of Pakistan owned entity therefore all other similar entities are related parties. It is not possible to quantify the amount of transactions entered into with each related party and thus, no separate disclosure has been given.

**30 IMPACT OF COVID-19 ON OPERATIONS**

The COVID-19 pandemic has developed rapidly in 2020. The management has considered the consequences of COVID-19 corona virus and evaluated the extent to which this affected the operations in short and long term. The management has concluded that there are no significant implications of the pandemic over the operations of the Authority.

**31 NUMBER OF EMPLOYEES**

Number of employees as at the year end 246      248

**32 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Authority on \_\_\_\_\_

**33 GENERAL**

33.1 No material rearrangement / reclassification / restatement has been done in the financial statements.

33.2 Figures have been rounded off to the nearest rupee.

CHAIRMAN

MEMBER



# APPENDICES

## Rules, Notified and Adopted

S/N	Notification	Date of Issue
1.	Natural Gas (Licensing) Rules, 2002 <sup>o</sup>	February 26, 2002
2.	Natural Gas (Tariff) Rules, 2002	November 23, 2002
3.	Compressed Natural Gas (Production and Marketing) Rules, 1992*	March 15, 2003
4.	Liquefied Petroleum Gas (Production and Distribution) Rules, 2001*	March 15, 2003
5.	Budget Committee Rules, 2004	December 30, 2004
6.	Liquefied Natural Gas (LNG) Rules, 2007	May 26, 2007
7.	OGRA Gas (Third Party Access) Rules, 2018	June 12, 2018
8.	Pakistan (Refining, Blending, Transportation, Storage and Marketing) Rules, 2016 for substitution of Pakistan (Refining, Blending, Transportation, Storage and Marketing) Rules, 1971	January 25, 2016

Note:<sup>o</sup> Inherited from Natural Gas Regulatory Authority

Note:\* Rules No. (3) & (4) notified by the then Ministry of Petroleum and Natural Resources now Ministry of Energy (Petroleum Division) are adopted under Section 44 (3) of the Ordinance.

## Regulations/Technical Standards Notified

S/N	Notification	Notification Date
1.	Complaint Resolution Procedure (Natural Gas, CNG, LPG and Oil Refined Products) Regulations (CRPR), 2003	September 3, 2003
2.	Natural Gas Uniform Accounting Regulations, 2003	February 17, 2004
3.	Natural Gas Transmission (Technical Standards) Regulations, 2004	August 5, 2004
4.	Natural Gas Distribution (Technical Standards) Regulations, 2004	August 5, 2004
5.	OGRA Financial Regulations, 2005	January 11, 2005
6.	OGRA Service Regulations, 2005	January 31, 2005
7.	Natural Gas (Well-head Price) Regulations, 2009	April 8, 2009
8.	Oil Transportation (Pipeline) Technical Standards	July 2, 2009
9.	Technical Standards for Petroleum Industry (Retail Outlet)	July 2, 2009
10.	Technical Standards for Petroleum Industry (Depots for Storage of Petroleum Products).	July 2, 2009
11.	Standard Technical Specification for Equipment and Materials used in Natural Gas Transmission & Distribution Network, 2009	July 29, 2009
12.	Technical Standards for Oil Refineries	September 24, 2009
13.	Technical Standards for Petroleum Industry (Road Transport Vehicles, Containers and Equipment used for the Transportation of Petroleum Products)	October 9, 2009
14.	OGRA Natural Gas Measurement (Technical Standards) Regulations, 2019	March 19, 2019
15.	Performance and Service Standards	March 19, 2019

## Amendments in Ordinance, Rules, Regulations and Standards

S/N	Ordinance, Rules, Regulations & Standards	Date
1.	Amendment in OGRA Ordinance, 2002 (Section 43 A)	November 11, 2002
2.	Amendment in Complaint Resolution Procedure (NG, CNG, LPG and refined oil products) Regulations, 2003 (Regulations 2,3,4,8,10 & Schedule)	May 12, 2005
3.	Amendment in OGRA Service Regulations, 2005 (Regulations 15, 18, 22, 34, 84, 85, 88, 92, 94 & 107)	December 22, 2005
4.	Amendments in (Production & Distribution) LPG Rules, 2001 (Appendix V)	October 17, 2006
5.	Amendment in Complaint Resolution Procedure (NG, CNG, LPG and refined oil products) Regulations, 2003 (Regulations 1,2,3,8 & Schedule)	November 24, 2006
6.	Amendment in LPG (Production & Distribution) Rules, 2001 (Rules 2,3,5,6,7,8, & 18)	March 17, 2007
7.	Amendment in OGRA Ordinance, 2002 (Section 3)	February 2, 2008
8.	Amendment in Natural Gas Transmission (Technical Standards), 2004 (Regulation 4.2)	February 6, 2008
9.	Amendment in LPG (Production & Distribution) Rules, 2001 (Appendix V)	October 17, 2008
10.	Amendment in CNG (Production & Marketing) Rules, 1992 (Rule 2)	October 21, 2008
11.	Amendment in OGRA Ordinance, 2002 (Section 43 B)	February 17, 2009
12.	Amendment in OGRA Service Regulations, 2005 (Regulation 14)	March 5, 2009
13.	Amendment in CNG (Production & Marketing) Rules, 1992 (Rules 2 & 13)	April 4, 2009
14.	Amendment in LPG (Production & Distribution) Rules, 2001 (Appendix II, III & V)	August 4, 2009
15.	Amendment in LPG (Production & Distribution) Rules, 2001 (Rule 5)	September 15, 2009
16.	Amendment in Natural Gas (Well Head Price) Regulations, 2009	October 26, 2009
17.	Amendment in LPG (Production & Distribution) Rules, 2001 (Appendix V)	April 8, 2011
18.	Amendment in OGRA Service Regulations, 2005	July 11, 2011
19.	Amendment in the OGRA Service Regulations, 2005 (Regulations 4,8,11,12,17, 19,27,30,51,52,60,61,72 & 73)	August 26, 2011
20.	Amendment in OGRA Service Regulations, 2005 (Regulation 85)	September 23, 2011
21.	Amendment in OGRA Service Regulations, 2005 (Regulation 17)	May 11, 2012
22.	Amendment in OGRA Ordinance, 2002 (Section 16)	June 27, 2012
23.	Amendment in OGRA Service Regulations, 2005 (Regulations 17 & 18)	June 27, 2012
24.	Amendment in OGRA Financial Regulations, 2005	September 13, 2012
25.	Amendment in LPG (Production & Distribution) Rules, 2001 (Appendix V)	December 26, 2013
26.	Amendment in LPG (Production & Distribution) Rules, 2001 (Rules 5,9 & Appendix II, III, V and VI)	April 25, 2014
27.	Amendment in OGRA Service Regulations, 2005 (Regulation 19A)	July 7, 2014
28.	Amendment in OGRA Service Regulations, 2005 (Regulation 98)	March 21, 2015
29.	Amendment in OGRA Service Regulations, 2005 (Regulation 84)	September 30, 2015

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30.	Amendment in OGRA Service Regulations, 2005 (Appendix B)	December 23, 2015
31.	Amendment in OGRA Service Regulations, 2005 (Regulations 30, 80 & 92)	December 23, 2015
32.	Amendment in OGRA Service Regulations, 2005 (Regulations 80 & 105)	March 16, 2016
33.	Amendment to OGRA Service Regulations, 2005 (Chapter — XVII)	June 22, 2016
34.	Amendment in OGRA Service Regulations, 2005 (Regulations 53, 55 & 56)	August 16, 2016
35.	Amendment in OGRA Service Regulations, 2005 (Regulation 19)	January 4, 2017
36.	Amendment in OGRA Service Regulations, 2005 (Appendix A)	January 12, 2017
37.	Amendment in OGRA Service Regulations, 2005 (Appendix B)	January 12, 2017
38.	Amendment in OGRA Service Regulations, 2005 (Appendix B)	January 31, 2017
39.	Amendment in LPG (Production & Distribution) Rules, 2001 (Rules 58 & 18)	August 19, 2017
40.	Amendment in LPG (Production & Distribution) Rules, 2001 (Appendix I)	October 27, 2017
41.	Amendment in OGRA Service Regulations, 2005 (Regulations 2, 17, 27 & Appendix A)	April 4, 2018
42.	Amendment in OGRA Service Regulations, 2005 (Regulation 85)	April 25, 2018
43.	Amendment in OGRA Service Regulations, 2005 (Regulations 2, 79 & 80)	April 13, 2019
44.	Amendment in OGRA Service Regulations, 2005 (Regulations 80, 84, 103, 105 & Appendix B)	November 12, 2019
45.	Amendment in OGRA Service Regulations, 2005 (Regulation 16)	November 25, 2019

## Licences Issued in Oil Sector

## List of Operational Oil Marketing Companies as of June 30, 2020

S/N	Company Name/Title	Date of Issuance of Licence
1.	Attock Petroleum Ltd.	February 11, 1997
2.	Total Parco Pakistan Ltd.	January 17, 2001
3.	Byco Petroleum Pakistan Ltd. (Marketing)	March 4, 2002
4.	Pakistan State Oil Company Ltd.	August 23, 2002
5.	Puma Energy Pvt. Ltd. (Formerly Admore)	December 16, 2003
6.	Hascol Petroleum Ltd.	February 25, 2005
7.	Askar Oil Services Pvt. Ltd.	July 4, 2005
8.	BE Energy Ltd.	August 18, 2005
9.	Zoom Petroleum Pvt. Ltd.	November 23, 2010
10.	Shell Pakistan Ltd.	January 11, 2011
11.	Gas and Oil Pakistan Ltd.	June 12, 2012
12.	Horizon Oil Company Pvt. Ltd.	March 28, 2013
13.	LaGuardia Petroleum Pvt. Ltd.	March 28, 2013
14.	Kepler Petroleum Pvt. Ltd.	February 26, 2014
15.	Exceed Petroleum Pvt. Ltd.	May 27, 2014
16.	Oilco Petroleum Pvt. Ltd.	July 4, 2014
17.	OTO Pakistan Pvt. Ltd.	October 22, 2014
18.	Quality-1 Petroleum Pvt. Ltd.	October 22, 2014
19.	The Fuelers Pvt. Ltd.	August 17, 2015
20.	Zoom Marketing Pvt. Ltd.	August 17, 2015
21.	Al-Noor Petroleum Pvt. Ltd.	July 22, 2016
22.	Best Petroleum Pvt. Ltd.	July 22, 2016
23.	Euro Oil Pvt. Ltd.	July 22, 2016
24.	Oil Industries Pakistan Pvt. Ltd.	July 22, 2016
25.	Fast Oil Company Pvt. Ltd.	October 21, 2016
26.	Hi-Tech Lubricants Ltd.	October 21, 2016
27.	Jinn Petroleum Pvt. Ltd.	October 21, 2016
28.	Max Fuels Pvt. Ltd.	October 21, 2016
29.	Allied Petroleum Pvt. Ltd.	December 21, 2016
30.	Vital Petroleum Pvt. Ltd.	December 21, 2016

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31.	Taj Gasoline Pvt. Ltd.	December 21, 2016
32.	My Petroleum Pvt. Ltd.	December 26, 2016
33.	Fossil Energy Pvt. Ltd.	September 18, 2017
34.	Flow Petroleum Pvt. Ltd.	April 5, 2018

#### List of Operational Oil Refineries as of June 30, 2020

S/N	Name of Refinery	Location	Date of Issuance of Licence
1.	Attock Refinery Ltd.	Morgah - Rawalpindi	January 16, 2019
2.	National Refinery Ltd.	7-B Korangi Industrial Zone - Karachi	March 11, 2019
3.	Byco Pakistan Petroleum Ltd.	Mouza Kund, Hub - Balochistan	May 16, 2019
4.	Byco Petroleum Pakistan Ltd.	Mouza Kund, Hub - Balochistan	May 16, 2019
5.	Pak-Arab Refinery Ltd.	Qasba Gujrat - Mehmood Kot - Muzaffargarh	June 12, 2019
6.	Pakistan Refinery Ltd.	Korangi Creek - Karachi	June 12, 2019

#### List of Lubricant Marketing Companies as of June 30, 2020

S/N	Company Name/Title	Date of Issuance of Licence
1.	Petrosel Lubricants (Pvt) Ltd	April 5, 2016
2.	Oil Industries Pakistan (Pvt) Ltd	April 5, 2016
3.	Qalco Pakistan (Pvt) Ltd	April 27, 2016
4.	Power Oil & Lubricants (Pvt) Ltd	December 5, 2016
5.	Chase Lubricants (Pvt) Ltd	December 14, 2016
6.	Indus Lube Oils Company (Pvt) Ltd	December 14, 2016
7.	AA Lubricants (Pvt) Ltd	December 14, 2016
8.	Hi Tech Lubricants (Pvt) Ltd	December 14, 2016
9.	Zafar Tractor Center (Pvt) Ltd	December 14, 2016
10.	Mehran Oils (Pvt) Ltd	December 14, 2016
11.	Ori-Tech Oils (Pvt) Ltd	December 14, 2016
12.	Castrol Pakistan (Pvt) Ltd	December 14, 2016
13.	Allied Engineering & Services (Pvt) Ltd	December 14, 2016
14.	Filter House (Pvt) Ltd	December 16, 2016
15.	Pakistan Lubricants (Pvt) Ltd	December 20, 2016
16.	Inter-Trade Distributors (Pvt) Ltd	December 20, 2016

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17.	Urooj Autos (Pvt) Ltd.	December 20, 2016
18.	Orient Energy Systems (Pvt) Ltd.	December 20, 2016
19.	S.Naeem International (Pvt) Ltd.	December 20, 2016
20.	GR Brothers (Pvt) Ltd.	December 20, 2016
21.	Seven Ocean Enterprises (Pvt) Ltd.	December 20, 2016
22.	Exol Pakistan Ltd. (Pvt) Ltd.	December 20, 2016
23.	Momin & Sons (Pvt) Ltd.	December 21, 2016
24.	ICON Energy Ltd. (Pvt) Ltd.	December 21, 2016
25.	Ally Tradecorp Int'l (PvT) Ltd.	January 2, 2017
26.	Balochistan Intern. Traders (Pvt) Ltd.	February 9, 2017
27.	Rubatech Manu Company (Pvt) Ltd.	June 7, 2017
28.	SKS Brothers (Pvt) Ltd.	June 7, 2017
29.	Johar Traders (Pvt) Ltd.	June 7, 2017
30.	Raib Petroleum (Pvt) Ltd.	June 7, 2017
31.	B Chem Lubrication (Pvt) Ltd.	June 7, 2017
32.	HE Petroleum (Pvt) Ltd. (Ex-Hasnain Enterprises)	June 7, 2017
33.	Khoshgovar Impex (Pvt) Ltd.	June 7, 2017
34.	Genuine Lubricants (Pvt) Ltd.	June 7, 2017
35.	Servo Motor Oil (Pvt) Ltd.	June 22, 2017
36.	Burraque Oil Mills (Pvt) Ltd.	July 14, 2017
37.	Muzaffar Brothers Trading Company (Pvt) Ltd.	July 31, 2017
38.	Rulex Lubricants Oil & Greases (Pvt) Ltd.	August 21, 2017
39.	Afnan International (Total Lubricants (Pvt) Ltd.)	August 25, 2017
40.	Syed Autos (Pvt) Ltd. (Ex- Bukhari Autos)	August 28, 2017
41.	Smarts Lubricants (Pvt) Ltd.	August 28, 2017
42.	Kestrel Business World (Pvt) Ltd.	August 29, 2017
43.	Wazir Oil Ltd. (Pvt) Ltd.	August 30, 2017
44.	Qaswa Enterprises (Pvt) Ltd.	September 14, 2017
45.	Lubrizone Marketing (Pvt) Ltd.	September 19, 2017
46.	H.M Lubricants International (Pvt) Ltd.	October 11, 2017
47.	ENL (Pvt) Ltd.	October 12, 2017
48.	Future Lubricants (Pvt) Ltd. (Ex-Fan Enterprises)	October 13, 2017
49.	Chevron Pakistan Lubricants (Pvt) Ltd.	October 27, 2017
50.	Impact Marketing (Pvt) Ltd.	October 27, 2017
51.	Khawaja Lubricants Trade Center (Pvt) Ltd.	November 3, 2017

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52.	Mohsin & Company (Pvt) Ltd.	November 3, 2017
53.	Ayesha + Marriam Lubricants (Pvt) Ltd.	November 28, 2017
54.	Rising Sons Trading Company (Pvt) Ltd.	November 30, 2017
55.	GSA Pakistan (Pvt) Ltd.	October 26, 2017
56.	China Huarun Technology (Pvt) Ltd.	December 27, 2017
57.	Global Lubricants (Pvt) Ltd.	December 28, 2017
58.	LM Pak Lubricants (Pvt) Ltd.	February 27, 2018
59.	Al-Bashir Weaving	April 4, 2018
60.	Nutec Innovation	April 4, 2018
61.	Faraz Brothers (SMC-Pvt) Ltd.	April 4, 2018
62.	Addinol Pakistan (Pvt) Ltd.	April 4, 2018
63.	Aeronautica (Pvt) Ltd.	April 4, 2018
64.	Pioneer Automotive (Pvt) Ltd.	April 13, 2018
65.	Atlas Autos (Pvt) Ltd.	April 13, 2018
66.	Shahid Maqsood & Co. (Pvt) Ltd.	April 13, 2018
67.	Ansar Enterprises-SMC (Pvt) Ltd.	April 13, 2018
68.	Adil Ehsan-SMC (Pvt) Ltd.	April 13, 2018
69.	International Petrochem Company	April 23, 2018
70.	Asif Brothers Marketing	June 25, 2018
71.	Paralube	June 25, 2018
72.	Haroon Oil Ltd.	June 25, 2018
73.	Toyota Indus Motor Company (Pvt) Ltd.	July 11, 2018
74.	Abdul Ali Trading	July 12, 2018
75.	Lalajee	August 3, 2018
76.	Benz Oil	August 3, 2018
77.	Clover Pakistan Ltd..	September 27, 2018
78.	Deewan Lubricants-SMC Pvt Ltd.,	October 22, 2018
79.	ND Traders -SMC (Pvt) Ltd.	January 15, 2019
80.	Mubeen Saigal Lubricants	January 15, 2019
81.	Reliance Petrochem Industries	January 15, 2019
82.	Marwat MZ (Private) Ltd.,	February 22, 2019
83.	Cheema Oil Co. (Pvt) Ltd.,	February 22, 2019
84.	Idemitsu Lube Pakistan (Pvt) Ltd.	May 29, 2019
85.	Atec Solutions (Pvt) Ltd.	May 29, 2019
86.	Innayat Zia International (Pvt) Ltd.	June 11, 2019

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87.	Transworld Aerospace Pakistan (Pvt) Ltd.	September 3, 2019
88.	Gulf Lubricants (Pvt) Ltd.	September 3, 2019
89.	S.N Global Marketing Company (Pvt) Ltd.	November 28, 2019
90.	Taxx Petroleum (Pvt) Ltd.	December 24, 2019
91.	Petromin Pakistan (Pvt) Ltd.	February 21, 2020
92.	Al-Masood & Company (Pvt) Ltd.	April 14, 2020
93.	Strategic Logistics Services	May 12, 2020

### List of Lubricant Plants as of June 30, 2020

S/N	Company Name/Title	City	Type of Plant	Date of Issuance of Licence
1.	Mian Petroleum	Lahore	Blending	March 21, 2016
2.	GMSA Industries (Pvt) Ltd.	Faisalabad	Blending	April 19, 2016
3.	MAL Pakistan	Hub Chowki	Blending	April 19, 2016
4.	Indus Lube Oils Company	Hyderabad	Blending	March 8, 2017
5.	Mehran Oils Ltd.	Hyderabad	Blending	March 8, 2017
6.	Universal Lubricant	Karachi	Blending	March 10, 2017
7.	Penz Petroleum	Multan	Blending	March 14, 2017
8.	Race Track Lubricants (Pvt) Ltd.	Lahore	Blending	March 15, 2017
9.	Jamia Lubricant Industries	Karachi	Blending	March 15, 2017
10.	Zamirsons Petroleum Industries	Lahore	Blending	March 15, 2017
11.	Pakistan Lubricants	Karachi	Blending	March 16, 2017
12.	Haroon Oil Ltd.	Karachi	Blending	March 16, 2017
13.	Punjab Petroleum Industries	Lahore	Blending	March 17, 2017
14.	Etihad Lube Oil Company	Karachi	Blending	March 20, 2017
15.	Chevron Pakistan (Pvt) Ltd.	Karachi	Blending	March 21, 2017
16.	Faran Ahmed Petroleum Industry	Multan	Blending	March 27, 2017
17.	Shiraz Lubricants	Rahim Yar Khan	Blending	March 27, 2017
18.	Khams Lubricants	Peshawar	Blending	June 13, 2017
19.	Universal Petroleum	Karachi	Blending	July 14, 2017
20.	Transflo Lubricants Company	Karachi	Blending	July 14, 2017
21.	Al-Flah Lubricants	Haripur	Blending	August 21, 2017
22.	Pak Hy Oils Ltd.	Karachi	Blending	August 25, 2017
23.	Union Chemicals	Karachi	Blending	August 28, 2017
24.	Shell Pakistan Ltd.	Karachi	Blending	August 28, 2017

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25.	Lubricator Industry	Karachi	Blending	October 4, 2017
26.	Total Parco Pakistan Ltd..	Karachi	Blending	November 3, 2017
27.	Hi Tech Blending (Pvt) Ltd..	Lahore	Blending	November 3, 2017
28.	Golden Lubricants	Multan	Blending	February 9, 2018
29.	Shams Lubricants (Pvt) Ltd..	Lasbela	Blending	April 6, 2018
30.	Asia Lubricants	Karachi	Blending	April 17, 2018
31.	Al-Rehman Lubricants	Karachi	Blending	June 14, 2018
32.	Delta Petroleum (Pvt) Ltd..	Karachi	Blending	October 22, 2018
33.	Techno Lube International,	Karachi	Blending	October 22, 2018
34.	Pakistan State Oil Company	Karachi	Blending	February 22, 2019
35.	Pakistan State Oil Company	Karachi	Blending	February 22, 2019
36.	Hascol Lubricants (Pvt) Ltd..	Karachi	Blending	September 16, 2019
37.	Mirza Lubricants	Hafizabad	Blending & Reclamation	March 8, 2017
38.	Power Lubricants	Lahore	Blending & Reclamation	March 10, 2017
39.	Aamir Oil Regd	Multan	Blending & Reclamation	March 15, 2017
40.	Karachi Lubricants	Karachi	Blending & Reclamation	March 16, 2017
41.	Burraque Oil Mills	Hyderabad	Blending & Reclamation	March 20, 2017
42.	Falcon Lubricants	Chiniot	Blending & Reclamation	March 20, 2017
43.	MashaAllah Sial Lubricants	Multan	Blending & Reclamation	March 21, 2017
44.	Haider Petroleum	Gujranwala	Blending & Reclamation	March 24, 2017
45.	Roshan Lubricants	Multan	Blending & Reclamation	March 27, 2017
46.	Petromark (Pvt) Ltd..	Karachi	Blending & Reclamation	March 29, 2017
47.	Sun Lubricants.	Multan	Blending & Reclamation	August 30, 2017
48.	Ittehad Lubricants	Rahim Yar Khan	Blending & Reclamation	October 11, 2017
49.	Orient Lubricants	Karachi	Blending & Reclamation	October 11, 2017
50.	Arham Lubricants	Faisalabad	Blending & Reclamation	October 13, 2017
51.	Hammad Lubricants	Karachi	Blending & Reclamation	November 3, 2017
52.	Fine Lubricants	Karachi	Blending & Reclamation	December 27, 2017
53.	Pure Petroleum Lubricants	Shujabad	Blending & Reclamation	February 14, 2018
54.	Engineers Lubricants	Karachi	Blending & Reclamation	April 4, 2018
55.	Kamran Lubricants (Pvt) Ltd..	Multan	Blending & Reclamation	April 4, 2018
56.	Golden Petroleum Company	Karachi	Blending & Reclamation	April 6, 2018
57.	Al-Jabble Lubricants	Karachi	Blending & Reclamation	April 6, 2018
58.	Bismillah Lubricants	Sheikhupura	Blending & Reclamation	April 23, 2018
59.	Petro Inn Lubricants	Kasur	Blending & Reclamation	June 6, 2018

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60.	Star Oil Company	Karachi	Blending & Reclamation	October 22, 2018
61.	Adam Lubricants	Karachi	Blending & Reclamation	December 20, 2018
62.	Orient Oils	Karachi	Blending & Transformer	April 21, 2016
63.	Oil Industries Pakistan	Karachi	Blending & Transformer	April 22, 2016
64.	Pak Trans Oil	Lahore	Transformer	March 17, 2017
65.	Vega Lubricants	Lahore	Blending & Transformer	March 27, 2017
66.	Guard Friction (Pvt) Ltd.	Lahore	Blending & Grease	March 27, 2017
67.	Servo Motor Oil Company	Multan	Blending & Grease	April 4, 2018
68.	Lubritech Industries (Pvt) Ltd.	Karachi	Blending & Grease	July 15, 2018
69.	Islam Lubricants (Pvt) Ltd.	Gujranwala	Blending, Grease & Transformer	April 9, 2018
70.	Pak Grease (Pvt) Ltd.	Karachi	Grease	January 15, 2019
71.	Oil Industries Pakistan	Karachi	Grease	June 29, 2020
72.	Fareed Lubricants	Multan	Reclamation	March 22, 2017
73.	Mclone Lubricants	Peshawar	Reclamation	March 27, 2017
74.	Ibrahim Lubricants	Faisalabad	Reclamation	August 25, 2017
75.	Imran Ali Lubricants	Faisalabad	Reclamation	December 28, 2017
76.	Wahab Lubricants	Faisalabad	Reclamation	April 4, 2018
77.	Sheikh Brothers	Gujranwala	Reclamation	June 6, 2018
78.	Super Pakistan Lubricants	Karachi	Reclamation	June 6, 2018
79.	Bismillah Sial Lubricants	Multan	Reclamation	June 6, 2018
80.	Mashallah Sial Oil Mills	Multan	Reclamation	September 27, 2018
81.	Madina Lubricants	Haripur	Reclamation	December 7, 2018
82.	Subhan Lubricants Mobil Oil	Okara	Reclamation	December 20, 2018
83.	Al-Khaleej Lubricants	Sheikhupura	Reclamation	July 15, 2019
84.	Phoenix Petroleum	Faisalabad	Reclamation	September 20, 2019
85.	Sunrise Lubricants	Sheikhupura	Reclamation	April 14, 2020

## List of Natural Gas/ RLNG Licences Issued as of June 30, 2020

S/N	Company	Type of Licence	Date of Issue	No of Licences
1.	Sui Northern Gas Pipelines Ltd. (SNGPL)	1. Transmission, Distribution, and Sale of Natural Gas in the Punjab, KP, AJK, FATA and some parts of Sindh	September 3, 2003	2
		2. Gas Storage Facility at Lilla Town, Punjab	April 30, 2008	
2.	Sui Southern Gas Company Ltd. (SSGCL)	Transmission, Distribution, and Sale of Natural Gas in Sindh and Balochistan	September 3, 2003	1
3.	Mari Petroleum Company Ltd. (MPCL)	Sale of Natural Gas to; <ul style="list-style-type: none"> <li>Fauji Fertilizer Company Ltd. (FFCL)</li> <li>Engro Chemicals Pakistan Ltd. (ECPL)</li> <li>Central Power Generation Company Ltd. (CPGCL)</li> <li>Any other retail consumer with prior approval of the Authority</li> </ul>	August 11, 2004	1
4.	Pakistan Petroleum Ltd. (PPL)	Sale of Natural Gas to Central Power Generation Company Ltd. (CPGCL)	November 23, 2004	1
5.	Oil and Gas Development Company Ltd. (OGDCL)	1. Transmission and Sale of Natural Gas to Uch Power Plant 2. Sale of Natural Gas to Fauji Kabirwala Power Company Ltd. 3. Sale of Natural Gas to Altern Energy	December 30, 2004	3
6.	Fauji Fertilizer Company Ltd. (FFCL)	Transmission of Natural Gas	April 7, 2005	1
7.	Engro Chemicals Pakistan Ltd. (ECPL)	Transmission of Natural Gas	April 7, 2005	1
8.	Central Power Generation Company Ltd. (CPGCL)	Transmission of Natural Gas	April 14, 2005	1
9.	Fatima Fertilizer Company Ltd. (FFCL)	Transmission of Natural Gas	April 16, 2007	1
10.	Foundation Power Company Ltd. (FPCL)	Transmission of Natural Gas	August 27, 2007	1

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11.	Star Power Generation Ltd. (SPGL)	Transmission of Natural Gas	January 30, 2008	I
12.	Engro Fertilizers Ltd.	Transmission of Natural Gas	June 13, 2014	I
13.	OGDCL	Sale of Natural Gas from Reti Meru Gas Field	June 26, 2014	I
14.	OGDCL	Sale and Transmission of Natural Gas from UCH-II.	June 26, 2014	I
15.	ETPL	Transmission of Natural Gas from LNG receiving Terminal at Port Qasim (Karachi) to SSGC's Transmission Line Injection Point.	July 2, 2014	I
16.	Universal Gas Distribution Company (Pvt.) Ltd. (UGDCL)	Sale of Natural Gas (RLNG) to OGRA's Licensed CNG Stations.	February 22, 2016	I
17.	Fauji Oil Terminal and Distribution Company Ltd. (FOTCO)	Licence to undertake Transmission of Natural Gas, which incorporates Construction and Operation of natural gas pipeline (30" x 13.3 km long) along with ancillary / connected facilities for the purpose of transmission of natural gas from proposed Pakistan Gas Port Consortium Ltd. (PGPCL) Terminal to SSGC's tie in point located at Port Qasim, Karachi.	December 21, 2016	I
18.	Pakistan LNG Ltd.	Licence to undertake the regulated activity of Sale of Natural Gas / RLNG.	October 31, 2017	I
19.	Inter State Gas Systems Ltd. (ISGSL)	Licence to undertake the construction and operation of Natural Gas Pipeline Projects, i.e. Iran-Pakistan (IP), Turkmenistan-Afghanistan-Pakistan-India (TAPI) and North South Gas Pipeline Projects (NSGP).	January 28, 2019	I

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20.	Trafigura Pakistan (Pvt) Ltd.	Licence for the sale of natural gas/ RLNG to various consumers in the Country.	May 23, 2019	I
21.	Pakarab Fertilizers Ltd.	Licence for construction and operation of pipeline for transmission of natural gas.	October 7, 2019	I

1. Sui Northern Gas Pipelines Limited.  
2. Sui Southern Gas Company Limited.

## APPENDIX-IV

Particulars		w.e.f. July 01, 2019
		Rs./MMBTU
		Sale Price
<b>(I) Domestic Consumers:</b>		
a) Standalone Meters		
b) Mosques, Churches, Temples, Madrassas, other Religious Places and Hostels attached thereto;		
Upto 0.5 hm <sup>3</sup> per month		121.00
Upto 1 hm <sup>3</sup> per month		300.00
Upto 2 hm <sup>3</sup> per month		553.00
Upto 3 hm <sup>3</sup> per month		738.00
Upto 4 hm <sup>3</sup> per month		1,107.00
Above 4 hm <sup>3</sup> per month		
The billing mechanism will be revised so that benefit of one previous/preceding slab is available to domestic consumer (residential use).		
	<b>Minimum Charges</b>	<b>Rs. 172.58 per month</b>
c) Government and semi-Government offices, Hospitals, Clinics, Maternity Homes, 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. The tariff for captive gas use in this category will be charged as per captive power category i.e. Rs. 1,021 per MMBTU.		
All off-takes at flat rate of		780.00
	<b>Minimum Charges</b>	<b>Rs. 3,900.00 per month</b>
<b>(II) Special Commercial Consumers (Roti Tandoors)</b>		
Upto 0.5 hm <sup>3</sup> per month		110.00
Upto 1 hm <sup>3</sup> per month		110.00
Upto 2 hm <sup>3</sup> per month		220.00
Upto 3 hm <sup>3</sup> per month		220.00
Above 3 hm <sup>3</sup> per month		700.00
	<b>Minimum Charges</b>	<b>Rs. 172.58 per month</b>
<b>(III) Commercial:</b>		
All establishments registered as commercial units with local authorities or dealing in consumer items for direct commercial sale like cafes, bakeries, milk shops, tea stalls, canteens, barber shops, laundries, hotels including hotel industry, malls, places of entertainment like cinemas, clubs, theaters and private offices, corporate firms, etc.		
All off-takes at flat rate of		1,283.00
	<b>Minimum Charges</b>	<b>Rs. 6,415.00 per month</b>
<b>(IV) Ice Factories:</b>		
All off-takes at flat rate of		1,283.00
	<b>Minimum Charges</b>	<b>Rs. 6,415.00 per month</b>

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<b>(V)</b>	<b>General Industries:</b>	
	All consumers engaged in the processing of industrial raw material into value added finished products irrespective of the volume of gas consumed but excluding such industries for which a separate rate has been prescribed.	
	All off-takes at flat rate of	1,021.00
	<b>Minimum Charges</b>	<b>Rs. 36,449.70 per month</b>
<b>(VI)</b>	<b>Registered Manufacturers or Exporters of Five Zero-Rated Sectors and their Captive Power namely: Textile (including jute) Carpets, Leather, Sports and Surgical Goods.</b>	
	All off-takes at flat rate of	786.00
	<b>Minimum Charges</b>	<b>Rs. 28,060.20 per month</b>
<b>(VII)</b>	<b>Captive Power:</b>	
	Captive Power plant/unit means an industrial undertaking/unit carrying out the activity of power production (with or without co-generation) for self-consumption and/or for sale of surplus power to a Distribution Company or bulk-power consumer.	
	All off-takes at flat rate of	1,021.00
	<b>Minimum Charges</b>	<b>Rs. 36,449.70 per month</b>
<b>(VIII)</b>	<b>CNG Stations:</b>	
	All off-takes at flat rate of	1,283.00
	<b>Minimum Charges</b>	<b>Rs. 45,803.10 per month</b>
<b>(IX)</b>	<b>Cement Factories:</b>	
	All off-takes at flat rate of	1,277.00
	<b>Minimum Charges</b>	<b>Rs. 45,588.90 per month</b>
<b>(X)</b>	<b>Fertilizer Factories:</b>	
<b>a.</b>	<b>On SNGPL System</b>	
<b>i.</b>	<b>Pak American Fertilizer Company Ltd., Daudkhel.</b>	
<b>a.</b>	For gas used as feed stock for fertilizer	
	All off-takes at flat rate of	300.00
<b>b.</b>	For gas used as fuel for generation of electricity, steam and for usage of housing colonies.	
	All off-takes at flat rate of	1,021.00
<b>ii.</b>	<b>Dawood Hercules Chemicals Ltd., Chichoki Mallian, Sheikhpura District:</b>	
<b>a.</b>	For gas used as feed stock for fertilizer	
	All off-takes at flat rate of	300.00
<b>b.</b>	For gas used as fuel for generation of electricity, steam and for usage of housing colonies.	
	All off-takes at flat rate of	1,021.00
<b>iii.</b>	<b>Pakarab Fertilizers Ltd., Multan.</b>	
<b>a.</b>	For gas used as feed stock for fertilizer	
	All off-takes at flat rate of	300.00
<b>b.</b>	For gas used as fuel for generation of electricity, steam and for usage of housing colonies.	

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	All off-takes at flat rate of	1,021.00
iv.	<b>Pak-China Fertilizer Ltd./Hazara Phosphate Plant Ltd., Haripur.</b>	
a.	For gas used as feed stock for fertilizer	
	All off-takes at flat rate of	300.00
b.	For gas used as fuel for generation of electricity, steam and for usage of housing colonies.	
	All off-takes at flat rate of	1,021.00
v.	<b>Hazara Phosphate Fertilizer Plant Ltd., Haripur:</b>	
a.	For gas used as feed stock for fertilizer	
	All off-takes at flat rate of	300.00
b.	For gas used as fuel for generation of electricity, steam and for usage of housing colonies.	
	All off-takes at flat rate of	1,021.00
vi.	<b>Engro Fertilizer Company Ltd.</b>	
a.	For gas used as feed stock for fertilizer	
	All off-takes at flat rate of	\$ 0.70
b.	For gas used as fuel for generation of electricity, steam and for usage of housing colonies.	
	All off-takes at flat rate of	1,021.00
b.	<b>On SSGCL System</b>	
	<b>Fauji Fertilizers Bin Qasim Ltd.</b>	
a.	For gas used as feed stock for fertilizer	
	All off-takes at flat rate of	300.00
b.	For gas used as fuel for generation of electricity, steam and for usage of housing colonies.	
	All off-takes at flat rate of	1,021.00
(XI)	<b>Power Stations (WAPDA's and KESC's Power Stations):</b>	
i.	<b>WAPDA's and KESC's Power Stations and other Electricity Utility Companies.</b>	
	All off-takes at flat rate of	824.00
	<b>Minimum Charges</b>	<b>Rs. 29,416.80 per month</b>
ii.	<b>WAPDA's Gas Turbine Power Station, Nishatabad, Faisalabad.</b>	
	All off-takes at flat rate of	824.00
	<b>Fixed Charges</b>	<b>Rs. 975,000 per month</b>
iii.	<b>Liberty Power Ltd.'s Gas Turbine Power Plant (Phase I) at Dharki:</b>	
	All off-takes at flat rate of	1,295.88
	<b>Minimum Charges</b>	<b>Rs. 44,972.79 per month</b>
(XII)	<b>Independent Power Producers:</b>	
	All off-takes at flat rate of	824.00
	<b>Minimum Charges</b>	<b>Rs. 29,416.80 per month</b>

## Operational CNG Stations as of June 30, 2020

## Punjab

S/N	District / Area	Number of Stations
1.	Attock	92
2.	Bahawalpur	38
3.	Bahawalnagar	4
4.	Bhakkar	1
5.	Chakwal	41
6.	D G Khan	20
7.	Faisalabad	175
8.	Gujranwala	145
9.	Gujrat	96
10.	Hafizabad	31
11.	Jhang	36
12.	Jhelum	23
13.	Kasur	60
14.	Khanewal	30
15.	Khushab	6
16.	Kohat	25
17.	Lahore	364
18.	Layyah	3
19.	Lodhran	20
20.	Mandi Bahauddin	22
21.	Mianwali	8
22.	Multan	104
23.	Muzaffargarh	18
24.	Nankana Sahib	12
25.	Narowal	1
26.	Okara	44
27.	Pakpattan	11
28.	Rahim Yar Khan	52
29.	Rawalpindi	356
30.	Sargodha	69
31.	Sahiwal	48

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32.	Sadiqabad	1
33.	Sheikhupura	122
34.	Sialkot	101
35.	Toba Tek Singh	30
36.	Vehari	28
<b>Total Punjab</b>		<b>2,237</b>

### Khyber Pakhtunkhwa

S/N	District / Area	Number of Stations
1.	Abbottabad	41
2.	Bannu	1
3.	Charsadda	36
4.	Hangu	4
5.	Haripur	49
6.	Karak	5
7.	Malakand	18
8.	Mansehra	45
9.	Mardan	60
10.	Nowshera	64
11.	Peshawar	206
12.	Swabi	24
13.	Swat	19
<b>Total KP</b>		<b>572</b>

### Sindh

S/N	District / Area	Number of Stations
1.	Badin	9
2.	Dadu	7
3.	Ghotki	13
4.	Hayderabad	55
5.	Jacobabad	3
6.	Jamshoro	22
7.	Kamber Shadadkot	2
8.	Karachi	344

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9.	Kashmore	4
10.	Khairpur	28
11.	Larkana	9
12.	Matiari	17
13.	Mirpur Khas	14
14.	Naushahro Feroze	15
15.	Nawabshah	24
16.	Sanghar	11
17.	Shikarpur	16
18.	Sukkur	24
19.	Tando Allahyar	6
20.	Tando M. Khan	3
21.	Thatta	19
<b>Total Sindh</b>		<b>645</b>

### Balochistan

S/N	District / Area	Number of Stations
1.	Dera Bugti	1
2.	Jaffarabad	4
3.	Lasbela	3
4.	Nasirabad	1
5.	Quetta	17
6.	Sibi	2
<b>Total Balochistan</b>		<b>28</b>

### Azad Jammu & Kashmir

S/N	District / Area	Number of Stations
1.	Mirpur	4

### Islamabad Capital Territory

S/N	District / Area	Number of Stations
1.	Islamabad	123

<b>Total Pakistan</b>		<b>3,609</b>
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### List of Approved CNG Vehicle Cylinders for Pakistan

S/N	CNG Cylinder Brand/Make	Specification of CNG Vehicle Cylinders Tested by Powertech Labs, Canada
1.	Fabre, Italy	228mm diameter, 17 to 60 Liter 267mm diameter, 21 to 80 Liter 313.6mm diameter, 50 to 85 Liter
2.	EKC Dubai, UAE	267mm diameter, 30 to 100 Liter 316mm diameter, 40 to 140 Liter 356mm diameter, 55 to 152 Liter
3.	Fabre, Thailand	228mm $\pm$ 1% diameter, 30 & 20 - Liter (from Billet) 228mm $\pm$ 1% diameter, 30 & 20 - Liter (from Plate) 267mm $\pm$ 1% diameter, 40 - Liter (from Plate) 267mm $\pm$ 1% diameter, 40 - Liter (from Billet) 313mm + 1.6 diameter, 60 & 55 - Liter (from Plate)

### List of Approved CNG Kits for Pakistan

S/N	Approved CNG Conversion Kits
1.	Landi Renzo, Italy
2.	Lovato, Italy
3.	LR Pak (Pvt) Ltd. Pakistan

### List of Approved CNG Storage Cylinders for Pakistan

S/N	Name of Manufacturer	Manufacturing Standard
1.	EKC Industries, Dubai	EN 1964-1-1999
2.	Fabre, Italy	BS EN 1964-1:2000 - ISO 9809-1:1999

### List of Approved Dispenser for Pakistan

S/N	Name of Manufacturer Dispenser Brand
1.	Advance Electronics, Karachi

## List of LPG Producers as of June 30, 2020

S/N	Name of LPG Producer	Date of Issuance of Licence
1.	UEPL-Naimat Basal	May 3, 2007
2.	MOL-Tal Block	May 27, 2014
3.	Byco-Gaddani	October 31, 2014
4.	PPL-Gambat South Bank	September 22, 2015
5.	National Refinery Ltd.	April 24, 2018
6.	OGDCL-Bobi	September 20, 2019
7.	OGDCL - Sinjhor	October 2, 2019
8.	Attock Refinery Ltd. (ARL)	October 3, 2019
9.	OGDCL-Chanda	November 19, 2019
10.	PPL-Hala	November 26, 2019
11.	OGDCL-Dakhni	February 13, 2020

## List of LPG Marketing Companies as of June 30, 2020

S/N	Name of Company / Title	District	Date of Issuance of Marketing Licence
<b>Punjab</b>			
1.	Usman Gas (Pvt.) Ltd.	Ahmedpur East	May 31, 2019
2.	Lub Gas	Attock	June 3, 1989
3.	Pakistan Oilfields Ltd. (POL)	Attock	October 26, 1994
4.	Super Star Gas	Attock	January 19, 2005
5.	OPI Gas	Attock	July 18, 2006
6.	Alpha Gas (Pvt) Ltd.	Attock	February 22, 2008
7.	Akbar Associates	Attock	August 22, 2008
8.	Blessings Gas (Pvt.) Ltd.	Attock	February 12, 2009
9.	Gas Man	Attock	July 20, 2011
10.	Bukhari Gas & Oil Company (Pvt.) Ltd.	Attock	May 16, 2014
11.	Badhan Traders	Attock	October 8, 2015
12.	Parco Pearl (formerly SHV Energy)	Attock	January 17, 1983
13.	Pakistan Oilfields Ltd. (POL)	Attock	November 1, 2016
14.	Saak Global (Pvt.) Ltd.	Attock	July 24, 2017
15.	Pakistan State Oil (PSO)	Attock	October 30, 2017

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16.	MSA Gas (Pvt.) Ltd.	Attock	November 13, 2017
17.	Tanoly Oil & Gas (Pvt.) Ltd.	Attock	April 17, 2018
18.	Total Parco Marketing Ltd. (Formerly Chevron Pakistan Ltd.)	Attock	February 19, 2020
19.	Shaheen Gas Company	Bahawalnagar	July 14, 2007
20.	Lorenzo Gas (Pvt) Ltd.	Bahawalnagar	July 29, 2008
21.	Arabian Gas (Pvt.) Ltd.	Bahawalnagar	May 31, 2019
22.	Fort Energy (Pvt.) Ltd.	Bahawalnagar	November 4, 2020
23.	Ijaz Aslam LPG (Pvt.) Ltd.	Bahawalnagar	December 28, 2020
24.	Rana & Company	Bahawalpur	July 15, 2009
25.	Shahzeb Gas (Pvt.) Ltd.	Bahawalpur	December 28, 2018
26.	Bhatti Associate (Pvt.) Ltd.	Bahawalpur	February 12, 2019
27.	Synergy Resources (Pvt) Ltd.	Bhakkar	June 6, 2013
28.	Blaze Gas	Chakwal	August 24, 2015
29.	AU LPG (Pvt.) Ltd.	Chakwal	September 14, 2015
30.	Gold Gas	Chakwal	April 5, 2016
31.	Country Autogas	Chakwal	December 23, 2016
32.	Talagang Energy (Pvt.) Ltd.	Chakwal	October 25, 2017
33.	AH Petro Gas (Pvt.) Ltd.	Chakwal	November 22, 2018
34.	Parco Pearl (formerly SHV Energy)	D G Khan	January 17, 1983
35.	Anoud Gas (Formerly Eirad Co.)	D G Khan	June 15, 1994
36.	Mehran Gas	D G Khan	September 28, 1994
37.	Balochistan Gas Co.	D G Khan	September 28, 1994
38.	Lub Gas (Pvt.) Ltd..	D G Khan	June 16, 2011
39.	Balochistan Mineral & Oil (Pvt.) Ltd..	D G Khan	August 26, 2015
40.	DG LPG (Pvt.) Ltd.	D G Khan	February 22, 2019
41.	Golden Gas (Pvt) Ltd.	Faisalabad	August 31, 2005
42.	Burshane LPG (Pakistan) Ltd. (formerly Shell Gas	Faisalabad	August 19, 2011
43.	Ayan Energy (Pvt.) Ltd.	Faisalabad	January 6, 2016
44.	Mianwali LPG (Pvt.) Ltd.	Faisalabad	December 15, 2016
45.	Gasco LPG (Pvt.) Ltd.	Faisalabad	June 22, 2018
46.	Imperial Gases (Pvt.) Ltd.	Faisalabad	November 29, 2018
47.	Flogas (Pvt) Ltd.	Faisalabad	May 2, 2019
48.	Nelum Gas (Pvt.) Ltd.	Faisalabad	November 4, 2020
49.	Petroleum Gas	Gujranwala	February 23, 2006
50.	Sadiq Gas Company	Gujranwala	January 5, 2007

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51.	Iqra Gas (Pvt.) Ltd	Gujranwala	February 26, 2016
52.	Clover Petroleum (Pvt.) Ltd	Gujranwala	July 5, 2017
53.	OPI Gas	Gujranwala	July 23, 2018
54.	Zam Zam Energy (Pvt.) Ltd	Gujranwala	November 1, 2019
55.	4 Star Energy (Pvt.) Ltd.	Gujranwala	July 21, 2005
56.	SAM Gas (Pvt.) Ltd	Gujrat	April 3, 2009
57.	United Gases	Gujrat	June 1, 2011
58.	Muhammadi Gas Co.	Gujrat	September 20, 2016
59.	Himalaya Gas (Pvt.) Ltd.	Gujrat	June 22, 2017
60.	Chenab LPG	Gujrat	July 5, 2017
61.	Warraich Gas (Pvt.) Ltd.	Gujrat	September 18, 2017
62.	Waryam & Sons Gas Co.	Gujrat	April 23, 2018
63.	Delta LPG	Gujrat	July 15, 2008
64.	Sundar Gas (Pvt.) Ltd.	Hafizabad	December 22, 2008
65.	Alliance Energy	Hafizabad	December 20, 2011
66.	Cress LPG (Pvt.) Ltd.	Jhang	September 21, 2016
67.	Khan Brothers (Pvt.) Ltd.	Jhang	June 22, 2017
68.	Aamir Muqadar (Pvt.) Ltd.	Jhang	November 13, 2017
69.	Galaxy Energy Pakistan (Pvt.) Ltd.	Jhang	July 13, 2017
70.	Omega Petroleum (Pvt.) Ltd.	Jhelum	March 18, 2020
71.	Rohtas LPG (Pvt.) Ltd.	Jhelum	July 14, 2020
72.	Iramin Gas Services (Pvt.) Ltd.	Jhelum	February 1, 2005
73.	AB Gas Company	Kasur	December 24, 2008
74.	Pioneer Gas (Pvt.) Ltd	Kasur	June 20, 2011
75.	OPI Gas	Kasur	July 11, 2014
76.	Noor Gas	Kasur	July 4, 2017
77.	Flame Gas (Pvt.) Ltd	Kasur	July 4, 2017
78.	Ravi Green Energy (Pvt.) Ltd.	Kasur	July 31, 2017
79.	Kasur Gas Company	Kasur	September 21, 2017
80.	Fabcon Energy (Pvt) Ltd.	Kasur	June 22, 2017
81.	Almas GAS (Pvt.) Ltd.	Khanewal	August 29, 2017
82.	Public Fuels (Pvt.) Ltd.	Khanewal	October 11, 2019
83.	Balochistan Mineral & Oil (Pvt.) Ltd.	Khanewal	May 31, 2019
84.	Kanz Energy (Pvt.) Ltd.	Khushab	September 2, 2004
85.	Links International	Lahore	September 2, 2004

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86.	Synergy Resources (Pvt) Ltd.	Lahore	October 22, 2004
87.	Cress LPG (Pvt.) Ltd.	Lahore	January 13, 2005
88.	BBN Energy (Pvt.) Ltd.	Lahore	September 29, 2005
89.	Home Gas (Pvt.) Ltd.	Lahore	April 10, 2008
90.	Terra Energy (Pvt) Ltd.	Lahore	November 27, 2008
91.	Parco Pearl (formerly SHV Energy)	Lahore	January 17, 1983
92.	Pakistan State Oil (PSO)	Lahore	October 9, 2017
93.	Ramzan LPG (Pvt.) Ltd.	Layyah	October 19, 2017
94.	Al-Macca LPG Filling Co	Lodhran	July 7, 2008
95.	BBN Energy	Lodhran	July 14, 2014
96.	Jalal Enterprises	Lodhran	April 5, 2016
97.	Shan Gasoline	Lodhran	August 22, 2017
98.	Rukkan LPG (Pvt.) Ltd.	Mandi Bahauddin	July 29, 2009
99.	Lodhi LPG (Pvt.) Ltd.	Mandi Bahauddin	May 21, 2018
100.	Awan LPG (Pvt.) Ltd.	Mianwali	June 28, 2019
101.	TEZ Gas (Pvt.) Ltd..	Multan	March 30, 2005
102.	Multan LPG (Pvt) Ltd.	Multan	April 9, 2010
103.	KK Gases	Multan	June 16, 2014
104.	Flying LPG (Pvt.) Ltd.	Multan	August 23, 2017
105.	C&K LPG (Pvt.) Ltd.	Multan	February 28, 2018
106.	Commander Petrogas (Pvt.) Ltd.	Multan	April 27, 2018
107.	JS Gas (Pvt.) Ltd.	Multan	October 9, 2018
108.	Hazara Efficient Gas Company (HEGC)	Muzaffargarh	January 13, 2009
109.	Lasani LPG (Pvt) Ltd.	Muzaffargarh	September 28, 2010
110.	Foundation Gas	Muzaffargarh	June 16, 2011
111.	Rock Gas	Muzaffargarh	July 4, 2014
112.	HI Sooper Gas (SMC - Private) Ltd..	Nankana Sahib	December 24, 2008
113.	Sangla Petrogas (Pvt.) Ltd.	Nankana Sahib	January 7, 2016
114.	Bashir Gas (Pvt.) Ltd.	Nankana Sahib	August 23, 2017
115.	Narowal Gas (Pvt.) Ltd.	Narowal	April 14, 2020
116.	Narowal Gas (Pvt.) Ltd.	Narowal	September 24, 2018
117.	Narowal LPG (SMC-Pvt.) Ltd.	Narowal	August 1, 2019
118.	Arsh Gas (Pvt.) Ltd.	Okara	August 11, 2010
119.	Renala Petroleum Services (Pvt.) Ltd.	Okara	February 28, 2018
120.	Perfect Gas (Pvt.) Ltd.	Okara	April 14, 2020

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121.	SIS Gas (Pvt.) Ltd.	Pakpattan	June 21, 2019
122.	Balochistan Mineral & Oil (Pvt.) Ltd.	Rajanpur	January 16, 2019
123.	Petro LPG	Rahim Yar Khan	February 19, 2008
124.	Etihad Energy (Pvt) Ltd.	Rahim Yar Khan	December 20, 2011
125.	Synergy Resources (Pvt) Ltd.	Rahim Yar Khan	June 13, 2013
126.	TEZ Gas (Pvt.) Ltd.	Rahim Yar Khan	March 16, 2015
127.	Nawab Energy (Pvt.) Ltd.	Rahim Yar Khan	December 15, 2017
128.	HNA Associates (Pvt.) Ltd.	Rahim Yar Khan	January 3, 2018
129.	Jamisto Energy (Pvt.) Ltd.	Rahim Yar Khan	December 28, 2018
130.	SF Gas (Pvt.) Ltd.	Rahim Yar Khan	August 2, 2019
131.	Shale Gas (Pvt.) Ltd.	Rahim Yar Khan	October 1, 2019
132.	Foundation Gas	Rawalpindi	December 16, 1972
133.	Cap Gas	Rawalpindi	May 17, 1989
134.	Wak Ltd.	Rawalpindi	May 18, 1989
135.	Sun Gas	Rawalpindi	June 6, 1989
136.	Best Gas	Rawalpindi	October 4, 2005
137.	Wyne Gas (Pvt.) Ltd.	Rawalpindi	November 25, 2005
138.	Sangi Gas (Pvt.) Ltd.	Rawalpindi	August 8, 2008
139.	Pakistan Oilfields Ltd. (POL)	Rawalpindi	June 3, 2011
140.	Cres Resource	Rawalpindi	July 4, 2011
141.	Bostan (Pvt.) Ltd.	Rawalpindi	December 18, 2017
142.	Capital LPG (Pvt.) Ltd.	Rawalpindi	January 15, 2019
143.	Ravi LPG (Pvt.) Ltd.	Rawalpindi	September 11, 2019
144.	Parco Pearl (formerly SHV Energy)	Rawalpindi	January 17, 1983
145.	Ravi Gas (Pvt.) Ltd.	Sahiwal	January 7, 1998
146.	Madni Gas	Sahiwal	October 26, 2005
147.	Baba Fareed Gas (Pvt) Ltd.	Sahiwal	June 13, 2014
148.	Havelet Gas (Pvt.) Ltd.	Sahiwal	August 25, 2016
149.	Chilton Gas	Sahiwal	October 25, 2017
150.	Al-Qasim Gas (Pvt.) Ltd.	Sargodha	April 4, 2008
151.	Noor Ardgan Gas (Pvt.) Ltd.	Sargodha	August 25, 2016
152.	RST Energy (Pvt.) Ltd.	Sargodha	April 27, 2018
153.	Skyer LPG (Pvt.) Ltd.	Sialkot	August 18, 2016
154.	Faiq Gas (Pvt.) Ltd.	Sialkot	December 23, 2016
155.	Al-Bashir LPG Filling Station (SMC-Pvt.) Ltd.	Sialkot	June 22, 2017

Continued on Next Page

156.	Roshan Gas Pakistan (Pvt.) Ltd.	Sialkot	December 21, 2017
157.	Sunshine LPG (Pvt.) Ltd.	Sialkot	January 13, 2021
158.	Petrosin Gas	Sheikhupura	February 26, 2004
159.	Noor LPG Company (Pvt.) Ltd.	Sheikhupura	January 19, 2005
160.	Pyramid Gas	Sheikhupura	April 6, 2007
161.	National Tanneries of Pakistan Ltd. (Lite Fuel)	Sheikhupura	March 7, 2008
162.	Saudi Energies	Sheikhupura	November 27, 2008
163.	Sehwan Gas (Pvt.) Ltd.	Sheikhupura	December 23, 2008
164.	Yaseen LPG (Pvt.) Ltd.	Sheikhupura	October 29, 2010
165.	Lub Gas (Pvt.) Ltd.	Sheikhupura	December 18, 2015
166.	Taj LPG (Pvt.) Ltd.	Sheikhupura	November 2, 2016
167.	Al-Khaleej Energy (Pvt.) Ltd.	Sheikhupura	June 13, 2017
168.	Royal Gas Company	Sheikhupura	October 30, 2017
169.	Yadgar LP Gas (Pvt.) Ltd.	Sheikhupura	August 7, 2018
170.	Gulf Gas (Pvt.) Ltd.	Sheikhupura	October 9, 2018
171.	SSGC LPG	Sheikhupura	February 8, 2019
172.	Awami Gas (Pvt.) Ltd.	Vehari	February 28, 2008
173.	Harmain LPG (Pvt.) Ltd.	Vehari	August 13, 2018
174.	Zam Zam LPG (Pvt.) Ltd.	Vehari	October 22, 2018
175.	Best Fuel LPG (Pvt.) Ltd.	Vehari	February 19, 2020
176.	Cress LPG (Pvt.) Ltd.	Vehari	March 10, 2020
<b>Sindh</b>			
1.	Hi-Tech Pipe & Engineering Industries (Pvt.) Ltd.	Jamshoro	June 4, 2018
2.	Qureshi Gas Company (Pvt.) Ltd.	Hyderabad	June 2, 2006
3.	Sindh Gas (Pvt.) Ltd.	Hyderabad	April 27, 2007
4.	Ahmed Abbas & Brothers (Pvt.) Ltd.	Khairpur	March 10, 2020
5.	Total Parco Marketing Ltd. (Formerly Chevron Pakistan Ltd.)	Karachi	August 12, 1981
6.	Pakistan State Oil (PSO)	Karachi	April 11, 1981
7.	Agha Gas Company	Karachi	October 26, 1994
8.	Engro Vopak Terminal Ltd. (EVTL)	Karachi	June 9, 1998
9.	Burshane LPG (Pakistan) Ltd. (formerly Shell Gas)	Karachi	September 18, 2001
10.	SSGC LPG	Karachi	May 26, 2004
11.	Power Gas	Karachi	July 1, 2004
12.	Mecom Gas	Karachi	March 28, 2005
13.	Marshal Gas (Pvt.) Ltd.	Karachi	August 10, 2007

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14.	MNA Energy (Pvt) Ltd.	Karachi	January 29, 2009
15.	Parco Pearl (formerly SHV Energy)	Karachi	January 17, 1983
16.	Foundation Gas	Karachi	June 2, 2011
17.	Pakistan Oilfields Ltd. (POL)	Karachi	June 3, 2011
18.	Total Parco Marketing Ltd. (Formerly Chevron Pakistan Ltd.)	Karachi	July 22, 2011
19.	Sundar Gas (Pvt.) Ltd.	Karachi	November 15, 2012
20.	Ravi Gas (Pvt.) Ltd.	Karachi	August 8, 2019
21.	Lal Energy (Pvt.) Ltd.	Kashmore	November 28, 2019
22.	Green LPG (Pvt.) Ltd.	Mirpur Khas	May 18, 2018
<b>Balochistan</b>			
1.	Gawadar Oil & Gas International	Gwadar	September 25, 2013
2.	Kulanch Gas & Oil Company	Gwadar	January 7, 2016
3.	Al-Qasim Gas (Pvt.) Ltd.	Gwadar	July 10, 2019
4.	Makran Gas & Oil Co. (Pvt.) Ltd.	Kech	December 5, 2005
5.	National Gases	Lasbela	August 6, 2008
6.	Kirn Gas	Lasbela	February 26, 2009
7.	Al-Azeem Petroleum (Pvt) Ltd.	Lasbela	November 8, 2010
8.	Lasbella Gas (Pvt.) Ltd.	Lasbela	November 24, 2016
9.	Jogezai Petroleum Company (Pvt.) Ltd.	Loralai	May 24, 2017
10.	Apple Gas (Pvt.) Ltd.	Pishin	November 23, 2017
11.	Shafi & Son's LPG Co. (Pvt.) Ltd.	Pishin	September 5, 2016
12.	Chaman LPG (Pvt.) Ltd. (formerly Apple Gas (Pvt.) Ltd.)	Qilla Abdullah	May 23, 2019
13.	Balochistan Mineral & Oil (Pvt.) Ltd.	Quetta	November 8, 2004
14.	Agha Gas Company	Quetta	July 26, 2011
15.	Carawan Enterprises (Pvt.) Ltd.	Quetta	January 3, 2017
16.	Al-Naseem Gas (Pvt.) Ltd.	Quetta	December 18, 2017
<b>Khyber Pakhtunkhwa</b>			
1.	GB LPG	Abbottabad	November 28, 2016
2.	Enerhome (SMC-Pvt.) Ltd.	Abbottabad	March 6, 2020
3.	Pakistan State Oil (PSO)	Akora Khattak	October 30, 2017
4.	Khan Gas (Pvt.) Ltd.	Charsadda	October 8, 2018
5.	Balochistan Mineral & Oil (Pvt.) Ltd.	Dera Ismail Khan	April 23, 2018
6.	A One LPG (Pvt.) Ltd.	Dera Ismail Khan	October 28, 2019
7.	Shahzad LPG (SMC-Pvt.) Ltd.	Hangu	March 6, 2020

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8.	Sarhad Gas	Haripur	June 17, 2011
9.	3 Star LPG (Pvt.) Ltd.	Karak	April 20, 2016
10.	Kotal Gas (Pvt.) Ltd.	Kohat	June 27, 2007
11.	Muslim Bagh Gas (Pvt.) Ltd.	Laki Marwat	January 8, 2020
12.	Gasman (Pvt.) Ltd.	Lower Dir	July 27, 2017
13.	KFG (Pvt.) Ltd.	Mansehra	January 13, 2021
14.	Star World Petroleum (Pvt.) Ltd.	Mardan	October 23, 2019
15.	Tajwar Sultana Associates (Pvt.) Ltd.	Mardan	December 3, 2019
16.	OK Gas (Pvt.) Ltd.	Nowshera	December 23, 2008
17.	Chand LPG (Pvt.) Ltd.	Nowshera	December 29, 2017
18.	Khyber Energy (Pvt.) Ltd.	Peshawar	October 13, 2005
19.	Ali Brothers	Peshawar	January 29, 2009
20.	Saif Gas (Pvt.) Ltd.	Peshawar	March 16, 2009
21.	Gul Gas Company	Peshawar	July 31, 2009
22.	Tatara Enterprises (Pvt.) Ltd.	Peshawar	September 22, 2015
23.	Unity Exploration (Pvt.) Ltd.	Peshawar	June 22, 2017
24.	Shalimar LPG (Pvt.) Ltd.	Peshawar	August 24, 2017
25.	Khyber Gas	Peshawar	January 3, 2018
26.	Latif LPG (Pvt.) Ltd.	Swabi	July 9, 2019
27.	Muhammadi Gas (Pvt.) Ltd.	Swat	April 4, 1995
28.	Rehman Petroleum & Gas Co. (Pvt.) Ltd.	Swat	December 8, 2015
<b>Azad Jammu &amp; Kashmir</b>			
1.	7 Star Petroleum (Pvt.) Ltd.	Bhimber	December 13, 2018
2.	Good Engineering Works (Pvt.) Ltd.	Kotli	September 21, 2017
3.	Yasin Akram Associates (Pvt.) Ltd.	Mirpur	November 27, 2008
4.	Capital Tube (Pvt.) Ltd.	Muzaffarabad	November 12, 2018
5.	Petrotiger Engineering (Pvt.) Ltd.	Poonch	October 26, 2015
6.	Kashmir Gas (Pvt.) Ltd.	Poonch	October 14, 2016
<b>Gilgit Baltistan</b>			
1.	Aftab Traders	Gilgit	May 8, 1995
2.	GITCO Gas	Gilgit Baltistan	October 27, 2010

## List of LPG Auto-Refueling Stations as of June 30, 2020

S/N	Name of LPG Auto Station	Date of Issuance of Licence
<b>Punjab</b>		
1.	Noor LPG, Sialkot	August 10, 2010
2.	Anwar Filling Station, Lahore	November 14, 2011
3.	Long Way CNG, Balkasar	December 23, 2015
4.	Baibruss Filling Station, Okara	October 14, 2016
5.	Gul Sher LPG, Chakwal	August 23, 2017
6.	Abu Al-khair Filling Station, Nankana Sahib	September 26, 2017
7.	Super Star RFS, Gujranwala	September 26, 2017
8.	Lucky Star RFS, Multan	March 1, 2018
9.	Shabbir LPG (formely Sipaher LPG) Khushab	February 21, 2019
10.	Pakistan State Oil Company (PSO) namely Maloana Truck Port, Jhang	November 18, 2019
11.	Motorway CNG Station (SMC-Pvt) Ltd, Rahim Yar Khan	December 18, 2019
<b>Sindh</b>		
1.	Hascol One, Karachi	November 25, 2011
2.	Keeria Petroleum Service, Hyderabad	October 30, 2014
3.	Isra-Il Petroleum, Khairpur	December 21, 2016
4.	Energy Petroleum Service, Karachi	December 23, 2016
5.	Farzam & Company, Karachi	October 25, 2017
6.	Nathan Shah, Khairpur	November 1, 2017
7.	Global Enterprises, Global Fuels, Karachi	November 20, 2017
8.	Muhammad Suleman Filling Station (SMC-Pvt) Ltd, Sanghar	July 9, 2019
<b>Khyber Pakhtunkhwa</b>		
1.	Khan LPG, Batkhela	May 21, 2018
2.	Bacha LPG RFS, Malakand	October 12, 2018
<b>Azad Jammu &amp; Kashmir</b>		
1.	SSGC (Bab e Kashmir), Muzaffarabad	April 18, 2011

## List of LPG Air-Mix Plants as of June 30, 2020

S/N	Name of the Company	Date of Issuance of Marketing Licence
1.	Sui Southern Gas Company Ltd.	May 25, 2012
2.	Sui Southern Gas Company Ltd.	August 21, 2013
3.	Sui Southern Gas Company Ltd.	August 21, 2013
4.	Sui Southern Gas Company Ltd.	October 29, 2015
5.	Sui Southern Gas Company Ltd.	February 25, 2019

## List of LPG Equipment Manufacturers as of June 30, 2020

S/N	Name of LPG Equipment Manufacturer
<b>A.</b>	<b>LPG Storage Tanks / LPG Bullets / LPG Browsers:</b>
1.	FAS Tube Mills & Engineering Industries
2.	Hi-Tek Manufacturing (Pvt.) Ltd.
3.	Fauz Engineering Ltd.
4.	Ravi Green Engineering (Pvt.) Ltd.
5.	Descon Engineering Ltd.
6.	Hameed & Sons Engineering Co.
7.	Karachi Shipyard & Engineering Works
8.	Fabcon Design & Engineering
9.	Ashraf Fabrication & Engineering Industries (Pvt.) Ltd.
10.	Ikan Engineering
11.	Prime Engineering
12.	WAK Ltd.
13.	Metal Engineering Complex
14.	Al-Tariq Constructors (Pvt.) Ltd.
15.	A. J. Corporation
16.	Engineering Kinetics (Pvt.) Ltd.
17.	Heavy Mechanical Complex
18.	Izhar Steel (Pvt.) Ltd.
19.	Ravi-Tech Manufacturing (Pvt.) Ltd.
20.	AEPL Engineering Works (Pvt.) Ltd.
21.	Elite Metal Tek (Pvt.) Ltd.
22.	BST Services (Business Supply & Technology Services)
23.	Stahlco Engineering (Pvt.) Ltd.
24.	International Fabrication Company
25.	Descon Engineering Ltd. - Karachi Facility
26.	AMS Power & Industrial Engineering (Pvt.) Ltd.
27.	Metal Engineering Works (Pvt.) Ltd.
<b>B.</b>	<b>LPG Cylinder Manufacturers:</b>
1.	FAS Tube Mills & Engineering Industries
2.	Hi-Tek Manufacturing (Pvt.) Ltd.
3.	Cylinders Engineering Industries (Pvt.) Ltd.
4.	Al-Hadeed Engineers (Pvt.) Ltd.

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5.	International Engineering Company (3-Star)
6.	Wak Ltd.
7.	Saab Engineering
8.	Cylpak Engineering & Services (Pvt.) Ltd.
9.	Capital Engineering
10.	Elite Metal Tek (Pvt.) Ltd.
11.	Al-Hafiz Engineering Company
12.	Red Spot Industries
13.	Ammad Brothers Industry
14.	A-I Star Enterprises
15.	Adeel Industry
16.	Al-Nafees Gas Appliances
17.	NAB Engineers
18.	Adnan Ahmed Company
19.	Mehran Metal Containers (Pvt.) Ltd.
20.	Hassan Engineering
21.	Sitara Gas Appliances
22.	Magic Star Gas Appliances
23.	North Appliances Services Private Ltd. (NAS GAS)
24.	BHN Engineering Private Ltd.
25.	3Star Engineering Works
26.	Burhan Gas Company LPG Composite Cylinders (24-L Water Capacity)
<b>C.</b>	<b>LPG Cylinder Valves Manufacturers:</b>
1.	Alco (Latif & Brother)
2.	Major Enterprises
3.	Al-Ghazi Auto Engineering Company (ALFA)





P&C

ARL

ECC

PCP

FATA

RON

ERR

TAPI

DO

GDCL

NITB

PSO

RLNG

OGRA

WOP

PLL

UFG

MOE

SECP

KERO

# **ABBREVIATIONS & ACRONYMS**

## Abbreviations & Acronyms

<b>AG</b>	Arab Gulf
<b>AJ&amp;K</b>	Azad Jammu & Kashmir
<b>ARL</b>	Attock Refinery Ltd.
<b>BBL</b>	Barrel
<b>BBTU</b>	Billion British Thermal Unit
<b>BCFD</b>	Billion Cubic Feet per Day
<b>BP</b>	British Petroleum
<b>CCI</b>	Council of Common Interest
<b>CEPMLP</b>	Centre for Energy Petroleum & Mineral Law and Policy
<b>C&amp;MA</b>	Corporate & Media Affairs
<b>CMS</b>	Consumer Meter Station
<b>CNG</b>	Compressed Natural Gas
<b>CPGCL</b>	Central Power Generation Company Limited
<b>CPI</b>	Consumer Price Index
<b>CPS</b>	Cathodic Protection System
<b>CRPR</b>	Complaint Resolution Procedure Regulations
<b>DAC</b>	Departmental Accounts Committee
<b>DCO</b>	District Coordination Officer
<b>DDC</b>	Direct Departmental Cost
<b>DERR</b>	Determination of Estimated Revenue Requirement
<b>DGPL</b>	Daewoo Gas Private Limited
<b>DHDS</b>	Diesel Hydro De-Sulphurization
<b>DIRS</b>	Docketing and Information Repository System
<b>DO</b>	Designated Officer
<b>DOT</b>	Department of Transportation
<b>E-10</b>	Ethanol Blended Gasoline
<b>ECC</b>	Economic Coordination Committee
<b>ECPL</b>	Engro Chemicals Pakistan Ltd.
<b>ED</b>	Executive Director
<b>EETL</b>	Engro Elengy Terminal Ltd.
<b>ERR</b>	Estimated Revenue Requirement
<b>ETPL</b>	Elengy Terminal Pakistan Limited
<b>EVC</b>	Electronic Volume Corrector
<b>EWI</b>	Extended Well Test
<b>FAQ</b>	Frequently Asked Questions
<b>FBR</b>	Federal Board of Revenue
<b>FFCL</b>	Fauji Fertilizer Company Limited
<b>FG</b>	Federal Government
<b>Fig</b>	Figure
<b>FOTCO</b>	Fauji Oil Terminal and Distribution Company Limited
<b>FRR</b>	Final Revenue Requirement
<b>FY</b>	Fiscal Year/Financial Year
<b>GCV</b>	Gross Calorific Value
<b>GDCL</b>	Gaseous Distribution Company Limited

<b>GEIP/GEIL</b>	Global Energy Infrastructure Pakistan Limited
<b>GIC</b>	Gas Internally Consumed
<b>GoP</b>	Government of Pakistan
<b>GSA</b>	Gas Sale Agreement
<b>GSPA</b>	Gas Sale Purchase Agreement
<b>GTPS</b>	Gas Turbine Power Station
<b>HDIP</b>	Hydrocarbon Development Institute of Pakistan
<b>HEC</b>	Higher Education Commission
<b>HOBC</b>	High Octane Blending Component
<b>HOD</b>	Head of Department
<b>HR</b>	Human Resource
<b>HSD</b>	High Speed Diesel
<b>HSFO</b>	High Sulphur Fuel Oil
<b>ICAP</b>	Institute of Chartered Accountant of Pakistan
<b>ICMAP</b>	Institute of Cost and Management Accountants of Pakistan
<b>IFEM</b>	Inland Freight Equalization Margin
<b>IP</b>	Iran-Pakistan Gas Pipeline
<b>IPI</b>	Iran-Pakistan-India Gas Pipeline
<b>IPP</b>	Independent Power Producers / Import Parity Price
<b>ISGSL</b>	Inter State Gas Systems Limited
<b>ISO</b>	International Standards Organization
<b>IT</b>	Information Technology
<b>JP</b>	Jet Propellant (Aviation Fuel)
<b>KERO</b>	Kerosene Oil
<b>KESC</b>	Karachi Electric Supply Company
<b>KM</b>	Kilometer
<b>KMI</b>	Key Monitoring Indicator
<b>KP</b>	Khyber Pakhtunkhwa
<b>KPT</b>	Karachi Port Trust
<b>LAN</b>	Local Area Network
<b>LDO</b>	Light Diesel Oil
<b>LLM</b>	Master of Law
<b>LMC</b>	Lubricant Marketing Company
<b>LNG</b>	Liquefied Natural Gas
<b>LPG</b>	Liquefied Petroleum Gas
<b>LUMS</b>	Lahore University of Management Sciences
<b>MFP</b>	Mobile Filling Platform
<b>MMBTU</b>	Million British Thermal Unit
<b>MMCFD</b>	Million Cubic Feet per Day
<b>MOE</b>	Ministry of Energy
<b>MP&amp;NR</b>	Ministry of Petroleum & Natural Resources
<b>MS</b>	Motor Spirit
<b>MT</b>	Metric Ton
<b>MVA</b>	Main Valve Assembly

<b>NAB</b>	National Accountability Bureau
<b>NARUC</b>	National Association of Regulatory Utility Commission
<b>NFPA</b>	National Fire Protection Association
<b>NGLR</b>	Natural Gas Licensing Rules
<b>NGRA</b>	Natural Gas Regulatory Authority
<b>NGT</b>	Natural Gas Tariff
<b>NITB</b>	National Information Technology Board
<b>NRL</b>	National Refinery Limited
<b>NSGP</b>	North South Gas Pipeline Project
<b>OCAC</b>	Oil Companies Advisory Council
<b>OGDCL</b>	Oil and Gas Development Company Ltd
<b>OGRA</b>	Oil and Gas Regulatory Authority
<b>OMC</b>	Oil Marketing Company
<b>OMEL</b>	OMV Maurice Energy Limited
<b>P&amp;C</b>	Planning and Coordination
<b>PAC</b>	Public Accounts Committee
<b>PARCO</b>	Pak-Arab Refinery Company
<b>PCP</b>	Pakistan Citizen Portal
<b>PD</b>	Petroleum Division
<b>PDC</b>	Price Differential Claim
<b>PFL</b>	Pakarab Fertilizers Limited
<b>PGP</b>	Pakistan Gas Port
<b>PGPCL</b>	PGP Consortium Limited
<b>PGPL</b>	Pakistan Gas Port Limited
<b>PIM</b>	Pakistan Institute of Management
<b>PL</b>	Petroleum Levy
<b>PLL</b>	Pakistan LNG Limited
<b>PLTL</b>	Pakistan LNG Terminal Limited
<b>PM</b>	Prime Minister
<b>PMDU</b>	Prime Minister Delivery Unit
<b>PMI</b>	Pakistan Manpower Institute
<b>POL</b>	Petroleum Oil Lubricant
<b>PPL</b>	Pakistan Petroleum Limited
<b>PPPL</b>	Punjab Power Plant Limited
<b>PPRA</b>	Public Procurement Regulatory Authority
<b>PQA</b>	Port Qasim Authority
<b>PSO</b>	Pakistan State Oil
<b>QPL</b>	Quetta Pipeline Limited
<b>RD</b>	Regulatory Duty
<b>RERR</b>	Review of Estimated Revenue Requirement
<b>RLNG</b>	Re-gasified Liquid Natural Gas
<b>RON</b>	Research Octane Number
<b>RR</b>	Revenue Requirement
<b>Rs.</b>	Rupees

<b>RSS</b>	Really Simple Syndication
<b>SECP</b>	Securities & Exchange Commission of Pakistan
<b>SED</b>	Senior Executive Director
<b>SEZ</b>	Special Economic Zone
<b>SHC</b>	Sindh High Court
<b>SITE</b>	Sindh Industrial Trading Estate
<b>SKO</b>	Superior Kerosene Oil
<b>SMS</b>	Sales Meter Station
<b>SNGPL</b>	Sui Northern Gas Pipelines Ltd
<b>SOP</b>	Standard Operating Procedure
<b>SPM</b>	Suspended Particulate Matter
<b>SSGCL</b>	Sui Southern Gas Company Ltd
<b>STI</b>	Secretariat Training Institute
<b>T&amp;D</b>	Transmission & Distribution
<b>TAPI</b>	Turkmenistan-Afghanistan-Pakistan-India Gas Pipeline
<b>TBS</b>	Town Border Station
<b>TEPL</b>	Tabeer Energy (Private) Limited
<b>TOR</b>	Terms of Reference
<b>TPA</b>	Third Party Access
<b>TPI</b>	Third Party Inspector
<b>TPS</b>	Thermal Power Station
<b>TRS</b>	Town Regulating Station
<b>UAN</b>	Universal Access Number
<b>UEPL</b>	United Energy Pakistan Limited
<b>UET</b>	University of Engineering and Technology
<b>UFG</b>	Unaccounted for Gas
<b>UGDCL</b>	Universal Gas Distribution Company Private Limited
<b>UK</b>	United Kingdom
<b>US\$</b>	US Dollar
<b>USAID</b>	United States Agency for International Development
<b>VPS</b>	Virtual Private Server
<b>WACOG</b>	Weighted Average Cost of Gas
<b>WAPDA</b>	Water and Power Development Authority
<b>WOP</b>	White Oil Pipeline

## OGRA REGIONAL OFFICES

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