

Brief Regarding Determination of Estimated Revenue Requirement (DERR) of SNGPL & SSGCL for FY 2022-23

Oil and Gas Regulatory Authority (OGRA), under Section 8(1) of OGRA Ordinance, 2002, vide its decisions dated June 03, 2022 has determined the Estimated Revenue Requirement of SNGPL & SSGCL for FY 2022-23. Both determinations have been sent to Federal Government for receipt of category-wise natural gas sale price advice as required under Section 8(3) of the OGRA Ordinance.

2. Summary of revenue requirement determinations as claimed by SNGPL vis-a-vis allowed by OGRA for FY 2022-23 is as under;

Particulars		Demanded by SNGPL	Allowed by OGRA
Sales Volume (BBTU)	A	367,806	305,374
Existing Average Sale Prices (Rs./MMBTU)	B	543.79	587.93
Revenue Requirement, net of revenues for FY 2022-23 (Million Rs.)	C	332,088	260,947
Previous Year Revenue Shortfall (Million Rs.)	D	264,894	-
Total Revenue Requirement, net of revenues (Million Rs.)	E=C+D	596,982	260,947
Average Prescribed Prices (Rs./MMBTU)	F=E/A*1000	1,623.09	854.52
Increase in Price (Rs./MMBTU)	G=F-C	1,079.30	266.58
Average Increase (%) in Price	I=H/G*100	198%	45%

The financial impact of previous years' shortfall of Rs. 264,894 million i.e., Rs. 720.20/MMBTU has been referred to Federal Government for an appropriate policy decision and is, therefore, not made part of instant determination.

3. A comparative of SSGCL's DERR for FY 2022-23 is as under;

Particulars		Demanded by SSGCL	Allowed by OGRA
Sales Volume (BBTU)	A	283,040	283,040
Existing Average Sale Prices (Rs./MMBTU)	B	699.29	699.29
Revenue Requirement for FY 2022-23 (Million Rs.)	C	286,724	285,252
Total Average Prescribed Prices (Rs. /MMBTU)	D=C/A*1000	1,013.02	1,007.82
Existing Average Prescribed Prices (Rs./MMBTU)	E	699.29	699.29
Total increase in Price (Rs./MMBTU)	F=D-E	313.73	308.53
Total Average Increase/(decrease) (%) in Price	G=F/D*100	45%	44%

4. Through the above said determination, Federal Government has been requested for advice on category-wise sale prices. Any revision, as advised by Federal Government, shall be accordingly notified by OGRA. Till such time the existing category-wise natural gas sale prices shall continue to prevail.

5. The details of OGRA's decision regarding revenue requirements of gas utilities are available at www.ogra.org.pk.