

SENATE OF PAKISTAN



REPORT NO. OF 03 OF 2019

REPORT OF THE SENATE STANDING COMMITTEE
ON PETROLEUM ON "CALLING ATTENTION NOTICE
REFERRED BY THE HOUSE REGARDING INCREASE IN
PRICES OF LNG MOVED BY SENATOR SIRAJUL HAQ DURING
SITTING OF THE SENATE HELD ON 7TH MAY, 2019

PRESENTED BY

**SENATOR MOHSIN AZIZ
CHAIRMAN (Committee)**

SENATE SECRETARIAT

REPORT OF THE SENATE STANDING COMMITTEE ON PETROLEUM ON THE CALLING ATTENTION NOTICE REGARDING INCREASE IN THE PRICES OF LNG MOVED BY SENATOR SIRAJUL HAQ.

I, Senator Mohsin Aziz, Chairman Standing Committee on Petroleum have the honor to present on behalf of the Committee, this report on the Calling Attention Notice regarding increase in the prices of LNG moved by Senator Sirajul Haq during the sitting of the Senate held on 7th May, 2019.

2. The composition of the Committee is as under:-

1.	Senator Mohsin Aziz	Chairman
2.	Senator Lt. Gen. (R) Salahuddin Tirmizi	Member
3.	Senator Saleem Zia	Member
4.	Senator Shamim Afridi	Member
5.	Senator Mir Kabeer Ahmad Muhammad Shahi	Member
6.	Senator Atta Ur Rehman	Member
7.	Senator Behramand Khan Tangi	Member
8.	Senator Qurat Ul Ain Marri	Member
9.	Senator Kauda Babar	Member
10.	Senator Taj Muhammad Afridi	Member
11.	Senator Dr. Jehanzeb Jamaldini	Member
12.	Senator Sardar Muhammad Yaqoob Khan Nasar	Member
13.	Senator Sardar Muhammad Shafeeq Tareen	Member
14.	Minister for Energy (Petroleum Division)	Ex-officio Member

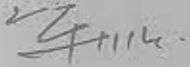
2. The Committee took up the issue in its meeting held on 29th July, 2019 which was attended by the following members:-

1.	Senator Mohsin Aziz	Chairman
2.	Senator Lt. Gen (R) Salahuddin Tirmizi	Member
3.	Senator Shammim Afridi	Member
4.	Senator Behramand Khan Tangi	Member
5.	Senator Dr. Jehanzeb Jamaldini	Member
6.	Senator Qurat ul Ain Marri	Member
7.	Senator Saleem Zia	Member
8.	Senator Sardar Muhammad Shafeeq Tareen	Member
9.	Senator Mir Kabeer Ahmad Muhammad Shahi	Member
10.	Senator Taj Muhammad Afridi	Member

3. The Secretary, Petroleum Division and Chairperson OGRA briefed the Committee on LNG prices. The Committee was informed that LNG is being imported by PSO and PLL in the country. PSO has an agreement with Qatar Gas for a period of 10+5 years and is importing six LNG cargoes per month including five from Qatar gas and one from Gunvor at a price of 13.37% of Brent Crude Oil. Similarly, the PLL has awarded the contract to ENI for a period of 15 years at a price of 11.6247% of Brent Crude Oil during year 1-2, 11.95% of Brent during year 3-4 and

12.14% of Brent during years 5-15. The Committee was informed that PLL is also importing additional LNG through spot tenders to meet gas demands in the country. The Committee was informed that during the period from April 2018 to July, 2019, the lowest price of LNG imported by PSO was \$ 8.16 per MMBTU whereas its maximum price was \$ 10.53. Similarly during the said period, the lowest price for the LNG imported by PLL was \$6.31 whereas the maximum price was \$ 11.27. The Chairperson, OGRA briefed the Committee about the complete mechanism under which OGRA determines the price of LNG. She stated that the price include terminal charges, PSO, PLL and gas companies margins, cost of supply, transmission and distribution losses etc. About the fluctuation in prices of LNG, the Committee was informed that the LNG prices vary from time to time due to its linkage with the price of Brent Crude Oil and also due to exchange rate fluctuation.

4. After thorough discussion, the Committee disposed off the Calling Attention Notice.



(RAFIULLAH)
Secretary Committee



(SENATOR MOHSIN AZIZ)
Chairman Committee

Islamabad, the
30th July, 2019.