

## SENATE SECRETARIAT

**“QUESTIONS FOR ORAL ANSWERS AND THEIR REPLIES”**

*to be asked at a sitting of the Senate to be held on*

**Friday, the 30th September, 2016**

\*Question No. 97. **Senator Sirajul Haq:**  
(Notice received on 13-07-2016 at 10:10 a.m.)

*Will the Minister for Petroleum and Natural Resources be pleased to state the fluctuation registered in the prices of petroleum products in the International Market and the relief provided by the Government to the domestic consumers as a result thereof during the last three years?*

**Mr. Shahid Khaqan Abbasi:** Comparison of fluctuation in international market and domestic sale prices in the country during the last three years are as under:—

<u>Products</u>	<u>International Prices As on 1.7.2015</u>	<u>International Prices As on 1.7.2016</u>	<u>Increase(+)/ Decrease(-)</u>
MS 95 RON \$/bbl	119.31	50.48	-68.47
Kerosene 4/bbl	118.94	53.53	-65.41
Diesel \$/bbl	120.95	53.39	-67.56
Exchange Rate	100.45	104.93	4.48

<u>Products</u>	Domestic Sale Prices As on <u>1.8.2013</u>	Domestic Sale Prices As on <u>1.8.2016</u>	<u>Rs./litre</u>
			Increase(+)/ Decrease(-)
MS (Petrol)	104.50	64.27	-40.23
Kerosene	101.28	43.25	-58.03
Diesel	109.76	72.52	-37.24
LDO	96.12	43.35	-52.77

\*Question No. 98. **Senator Sirajul Haq:**  
(Notice received on 13-07-2016 at 10:10 a.m.)

*Will the Minister for Petroleum and Natural Resources be pleased to state:*

- (a) *the amount being collected from the gas consumers for the construction of LNG gas pipeline on monthly basis;*
- (b) *the law / rule under which the said amount is being collected from the gas consumers; and*
- (c) *whether it is a fact that the said LNG gas pipeline is being constructed for the company whereas the charges of its construction are being collected from the consumers, if so, the reasons thereof?*

**Mr. Shahid Khaqan Abbasi:** (a) The Gas Infrastructure Development Cess (GIDC) shall be utilized by the Federal Government for or in connection with infrastructure development of Iran Pakistan Pipeline Project, Turkmenistan Afghanistan Pakistan India (TAPI) Pipeline projects, LNG or other ancillary projects Month wise detail of Gas Infrastructure Development” Less (GIDC) collected so far is given in Annexure ‘A’

(b) The Gas Infrastructure Development Cess (GIDC) is being collected in accordance with GIDC Act.

(c) The Gas Infrastructure is being constructed by the gas companies which will be utilized for transportation of gas for consumers and the gas transportation charges will be as approved by OGRA.

**\*Question No. 99. Senator Chaudhary Tanvir Khan:**

(Notice received on 13-07-2016 at 01:15 p.m.)

*Will the Minister for Petroleum and Natural Resources be pleased to state:*

- (a) *the number of CNG station who have been issued licenses for the sale of LNG in the country so far with province and district wise break up; and*
- (b) *the criteria / procedure laid down for the issuance of the said license to the existing CNG stations?*

**Mr. Shahid Khaqan Abbasi:** (a) Presently the CNG consumers of Punjab Province are availing Re-gasified Liquid Natural Gas (RLNG). Region-wise number of consumers are attached as **Annex-A**.

(b) The approved criteria / procedure laid down for the issuance of the said license to the existing CNG stations is attached as **Annex-B**.

**Annex-A**

Region	No. of RLNG availing CNG Consumers
Bahawalpur	64
Faisalabad	77
Gujranwala	65
Gujrat	47
Islamabad	136
Lahore	136
Multan	115
Rawalpindi	167
Sahiwal	31
Sargodha	37
Sheikhupura	41
<b>Total</b>	<b>916</b>

Ref: GMB- LNC

Date: 28.05.2015

**MANAGING DIRECTOR**Thru: CFO / DMD(Ops)/DMD(S)**Procedure for RLNG Supply to CNG Sector of Punjab**

Reference video conference with Minister of Petroleum & Natural Resources on May 27, 2015 in which details of supply of RLNG to CNG consumers of Punjab were discussed. Accordingly, set out below is the proposed policy/framework on which supply of RLNG may be made to CNG consumers in Punjab: -

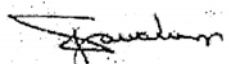
1. *RLNG will be supplied to only those CNG consumers having Nil arrears (excluding GIDC).*

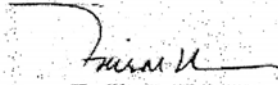
*In cases where injunctive orders exist other than GIDC from different Competent Courts, regular gas supply will be provided only on availability basis, in line with load curtailment schedule of CNG Sector in Punjab. These consumers may either be temporarily disconnected or blind plates may be inserted at CMS level to avoid any unauthorized use.*

*RLNG supply will only be made to consumers having NIL arrears (excluding GIDC). Consumers may deposit disputed amount under protest and RLNG may be supplied accordingly.*

2. *All such consumers will deposit Rs. 1.2 million as advance/deposit.*
3. *Replenishment of existing security shortfall if any, will be deferred for the time being.*
4. *Lahore Transport Company (LTC) base CNG consumers will also fulfill above formalities and will be treated as RLNG consumers and will be required to deposit Rs. 1.2 million per station.*
5. *RLNG based consumers will be issued adhoc bills based on their consumption on regular frequency and they will make payments accordingly. In case of non-payment, they will be disconnected immediately. Ministry of Petroleum & Natural Resources has issued a provisional price of US\$ 12.5/MMBTU for this purpose. Final bills will be issued after the notification by OGRA.*
6. *GIDC will be recovered as per notification and or guidelines from Ministry of Petroleum & Natural Resources in this regard, subsequently.*

Submitted for approval please.

  
(S. JAWAD NASEEM)  
GENERAL MANAGER (SALES)

  
(FAISAL IQBAL)  
GENERAL MANAGER (BILLING)

\*Question No. 105. **Senator Nuzhat Sadiq:**  
(Notice received on 05-08-2016 at 10:30 a.m.)

*Will the Minister for Petroleum and Natural Resources be pleased to state the steps being taken by the Government to promote fuel efficiency in vehicles?*

**Mr. Shahid Khaqan Abbasi:** Diesel and Petrol are the two main fuels, which are used almost entirely in the transport sector in Pakistan. In order to promote fuel efficiency in vehicles/automobiles, following steps are being taken, at present:

- (a) The Government has decided to switch over from the existing 87 RON PMG (Petrol) to 92 & 95 RON PMG from PSO's next import/tender cycle, which is expected from November, 2016. Current automobiles are designed to operate at 92 or higher RON PMG, which helps in providing reduced environmental impact due to lower emissions as a result of better engine hygiene, while simultaneously providing an enhanced motor vehicle experience and increased mileage to the customer.
- (b) Around 75% of diesel imports are arranged by Pakistan State Oil (PSO) under a long term contract With, Kuwait Petroleum Corporation (KPC). KPC has shown their intention for supplying 0.05 % sulphur *i.e* EURO-II standard Diesel Oil *W.e.f* 1st January, 2017. Thereafter, no OMC shall be allowed to import other grade.
- (c) Detailed import specification of EURO-II diesel has already been notified with the effective date of 1st January, 2017.
- (d) Two local refineries *i.e* Pak-Arab Refinery Limited and Attock Refinery Limited are producing EURO-II compliant diesel oil, while other refineries have been given a deadline of June, 2017 for producing EURO-II diesel oil. Lower sulphur content diesel is an environment friendly fuel and provides fuel efficiency as well as better engine hygiene.

\*Question No. 106. **Senator Nuzhat Sadiq:**  
(Notice received on 09-08-2016 at 10:45 a.m.)

*Will the Minister for Water and Power be pleased to state the steps taken / being taken by the Government to increase the percentage of hydroelectric power in overall production of electricity in the country?*

**Khawaja Muhammad Asif:**

**WAPDA**

In order to increase the percentage of hydroelectric power in overall production of electricity in the country, WAPDA has prepared a master plan to promote hydel power projects to eliminate energy crises in the country. The detail of hydropower projects under construction, ready for construction and under planning is as under:

Sr. No.	Project	Installed Capacity (MW)	Present Status
<b>UNDER CONSTRUCTION PROJECTS</b>			
1.	Neelum Jhelum HPP	969	Overall physical progress is 84.50%.
2.	Tarbela 4 <sup>th</sup> Extension	1410	Overall physical progress is 68.54%.
3.	Golen Gol HPP	106	Overall physical progress is 52.07%.
4.	Diamer Basha Dam	4500	<ul style="list-style-type: none"> <li>• PC-I amounting to Rs. 894.257 billion approved on 20.08.2009.</li> <li>• Project preparatory works at site are in progress.</li> <li>• The process of land acquisition, financed through PSDP funding is nearing completion.</li> <li>• Financing for main works is being arranged by Govt. of Pakistan.</li> </ul>
5.	Kurram Tangi Dam Stage-I (Kaitu Weir & Affiliated Structures)	18.9	Contractor has been mobilized at site. 1 <sup>st</sup> Mobilization has been issued to the contractor. Joint site survey is in progress.
6.	Keyal Khwar	128	<ul style="list-style-type: none"> <li>• Preparatory works are in progress.</li> <li>• Civil works in progress.</li> <li>• Tendering for Contract KKHPP-03 (E&amp;M works) in process.</li> <li>• Overall physical progress is 9.50%.</li> </ul>
7.	Dasu HPP (Stage-I)	2160	<ul style="list-style-type: none"> <li>• Preparatory works are in progress.</li> <li>• Construction activities on relocation of KKH-01 and Right Bank Access Road are in progress.</li> <li>• Construction activities on 132 KV Transmission Line from Dubair HPP to Dasu are in progress.</li> <li>• Bidding Documents for Main Works (MW-01 &amp; MW-02) have been received and evaluation is in</li> </ul>

			process.
<b>READY FOR CONSTRUCTION PROJECTS</b>			
1.	Harpo HPP	34.5	<ul style="list-style-type: none"> <li>PC-I approved on 28.03.2014.</li> <li>Hiring of Consultants is in process.</li> </ul>
2.	Tarbela 5 <sup>th</sup> Extension	1320	<ul style="list-style-type: none"> <li>PC-I approved on 17.02.2016 amounting to Rs. 81,069 million.</li> <li>Hiring of Consultants is in process.</li> <li>Pre-qualification of Civil and E&amp;M Works is in process.</li> <li>World Bank and AIIB have approved the project financing in September, 2016.</li> </ul>
3.	Kalabagh Dam	3600	<ul style="list-style-type: none"> <li>Detailed Design and Tender Documents are complete since 1988.</li> <li>Implementation / construction work on project can only be undertaken on a consensus decision by Govt. of Pakistan.</li> </ul>
<b>UNDER PLANNING PROJECTS</b>			
1.	Mohmand Dam	800	<ul style="list-style-type: none"> <li>The progress of Detailed Engineering Design is 70%.</li> </ul>
2.	Bunji HPP	7100	<ul style="list-style-type: none"> <li>Feasibility Study and Detail Engineering Design has been completed. PC-I under approval from Planning Commission.</li> </ul>
3.	Phandar HPP	80	<ul style="list-style-type: none"> <li>Detailed Engineering Design has been completed.</li> <li>PC-I under approval in Ministry of Water and Power.</li> </ul>
4.	Upper Spat Gah HPP	252	Pre-Feasibility Study completed.
5.	Middle Spat Gah HPP	496	Ministry of Water & Power cleared PC-I on 25.07.2014 & forwarded to Planning Commission on 12.09.2014 for approval.
6.	Thakot HPP	4000	Feasibility Study is in process.
7.	Patan HPP	2200	Feasibility Study is in process.
8.	Basho HPP	40	Updation of Feasibility completed. Implementation of Basho HPP will be taken up in Phase-II after completion of Harpo HPP as per preference of Govt. of GB.
9.	Yalbo HPP	2800	PC-II is under preparation.
10.	Tungus HPP	2200	PC-II is under preparation.
11.	Upper Palas Valley HPP	157	Pre-feasibility Study completed.
12.	Middle Palas Valley HPP	398	Pre-feasibility Study completed.

### PPIB

The Government of Pakistan is also facilitating and encouraging private investors for promoting hydropower generation in the country and has allowed private sector to develop hydropower projects on Build-Own-Operate-Transfer (BOOT) basis. At present, Private Power and Infrastructure Board (PPIB) is facilitating sixteen (16) hydropower projects having cumulative power generation capacity of 6339 MW for development in private sector which have commissioning

dates spread between 2017 to 2024. Out of these, three (3) projects of 2690 MW are being processed under the framework of China-Pakistan Economic Corridor (CPEC).

\*Question No. 113. **Senator Sirajul Haq:**  
(Notice received on 17-08-2016 at 03:00 p.m.)

*Will the Minister for Water and Power be pleased to state:*

- (a) *the names and locations of hydropower projects functioning in the country at present indicating also the name of areas to which electricity is being supplied from each of the same; and*
- (b) *whether the consumers of electricity in the areas / localities are being given the benefit of low prices of electricity generated through the said projects?*

**Khawaja Muhammad Asif:**

- (a)● At present 20 Hydel Power Stations are functioning under the administrative control of WAPDA. The details of names and locations of these hydropower projects is attached at **Annex-I**.
- In the Private Sector currently a 84 MW Hydro Power Project is functioning in the country. The said project is located on Jhelum River, 7 km in district Mirpur (AJ&K) downstream of the Mangla Dam.
  - Electricity generated by any source and in any area of the country is added in the National Grid System. The total available generation is allocated to DISCOS proportionate to their real time Demand & each DISCO operates its own Power Distribution System.
- (b) **PEPCO**
- Hydel is the cheapest source of energy generation as compared to other sources. It is intimated that energy from all sources and their respective cost is added up and a basket cost is derived which is then charged from all consumers irrespective of the area / locality at National level. If the major portion of basket cost consists of cheaper



sources of electricity then lesser cost will emerge to be passed on to the electricity consumers and *vice versa*. In this way benefit of lower price of generation is passed on to all the consumers instead of a specific area / locality.

### Annex-I

		(MW)		Location
1.	Tarbela	3478	Indus (Reservoir)	Swabi/ Haripur
2.	Ghazi Barotha	1450	Indus (D/S Tarbela)	Distt. Attock
3.	Mangla	1000	Jhelum (Reservoir)	Mirpur/AJK
4.	Warsak	243	Kabul (Reservoir)	Warsak
5.	Chashma	184	Indus (Chashma Barrage)	Distt. Mianwali
6.	Duber Khwar	130	Indus Tributary	District Kohistan
7.	Allai Khwar	121	Ranyal	District Battagram
8.	Jinnah HPP	96	Indus Jinnah Barrage	District. Mianwali
9.	Khan Khwar	72	Ranyal	District Shangla
10.	Rasul	22	UJC*	Distt. Mandi Bahadur-Din
11.	Dargai	20	Swat**	Distt. Malakand
12.	Nandipur	13.8	UCC***	Distt. Gujranwala
13.	Shadiwal	13.5	UJC*	Distt. Gujrat
14.	Chichoki	13.2	UCC***	Distt. Sheikhupura
15.	Kuram Garhi	4	Kuchkot****	Distt. Bannu
16.	Renala	1.1	LBDC*****	Distt. Okara
17.	Chitral	1	LUTKO	Chitral City
18.	Jabban	22	Barkit Tunnel	Malakand
19.	Gomal Zam Dam	17.4	Gomal River	South Waziristan
20.	Satpara Dam	17.3	Satpara Nullah	Skardu
	<b>Total</b>	<b>6919</b>		
(R)	Run of River (Canal) Projects	***	Upper Chenab Canal from River Chenab	
*	Upper Jhelum Canal from River Jhelum	****	Kachkot Canal from River Kurram	
**	Swat Canal from River Swat	*****	Lower Bari Doab Canal from Balliki Headworks on River Ravi	
		D/S	Downstream	

\*Question No. 114. **Senator Sherry Rehman:**

(Notice received on 26-08-2016 at 03:05 p.m.)

*Will the Minister for Water and Power be pleased to state the steps taken / being taken by the Government to reduce the tariff determined for electricity being / to be generated through solar power plants?*

**Khawaja Muhammad Asif:** The determination of tariff for any technology is the sole mandate of NEPRA, which is an independent regulator. The Ministry of Water & Power does provide its view point and relevant data to NEPRA before

and during the tariff determination process. NEPRA has so far determined and announced three upfront tariffs for solar power projects, as shown below:

Sr. #	Year	Region	1-20 MW	21-50 MW	51 -100 MW
(US Cents Per kWh)					
1	2014	North	17.006	-	-
		South	16.306	-	-
2	2015	North	15.027	14.895	14.758
		South	14.409	14.282	14.151
3	2016	North	11.53	11.44	11.35
		South	10.89	10.8	10.7

The Upfront Tariff for solar power has declined by 32% since the first Upfront Tariff announced in 2014. The 3rd Upfront Tariff expired on 30th June, 2016.

In view of the declining solar prices in the international market, the Ministry of Water & Power has suggested further reduction in tariff for solar power projects to NEPRA with relevant data. NEPRA is currently in the process of determining a new upfront tariff for solar power projects. It is expected that the Upfront Tariff for solar power will be further reduced by NEPRA.

\*Question No. 115. **Senator Gul Bashra:**  
(Notice received on 29-08-2016 at 03:00 p.m.)

*Will the Minister for Petroleum and Natural Resources be pleased to state:*

- (a) the estimated quantity of deposits of minerals in Saindik (project);*
- (b) the quantity and quality of minerals produced / excavated from the said project during the last five years with year wise break up; and*
- (c) the income received from that project during the said period with year wise break up indicating also the share of Federal and Provincial Government in the same?*

**Mr. Shahid Khaqan Abbasi:** (a) As a result of exploration carried out by Resource Development Corporation/Saindak Metals Limited (SML) in Saindak area (District Chagai, Balochistan), the quantity of mineral deposit/copper ore is estimated at 412 million tons. Accounting for the ore extracted during 13 years of Saindak Copper-Gold Project operation, the available copper ore deposit is estimated as 353 million tons.

(b) The mineral deposit found in Saindak Project area contains copper, gold & silver. The ore is processed to produce blister copper and the production figures for the last five years are tabulated below:—

Year	Production (Metric Tons)			
	Copper	Gold	Silver	Total (Blister Copper)
2011	17,011.176	1.369	2.175	17,014.720
2012	17,829.277	1.439	2.354	17,833.070
2013	15,738.461	1.261	1.988	15,741.710
2014	13,275.492	1.009	1.609	13,278.110
2015	12,271.588	1.015	1.567	12,274.170
<b>Total:</b>	<b>76,125.994</b>	<b>6.093</b>	<b>9.693</b>	<b>76,141.780</b>

(c) The income of Saindak Copper-Gold Project and earnings of Federal and Provincial Governments during the last five years were as follows:—

Year	Income/ Sales Revenue	Earnings of SML/Federal Government*	Earnings of Balochistan Government**
	(Million US Dollars)		
2011	226.058	41.272	24.262
2012	217.965	29.994	14.724
2013	168.293	14.890	16.248
2014	126.147	10.591	9.827
2015	95.746	8.715	5.699
<b>Total:</b>	<b>834.209</b>	<b>105.462</b>	<b>70.760</b>

- \* Include Annual Rental, Tax, EPZ Development Surcharge and SML's profit share.
- \*\* Include Royalty, Project Profit share from SML under Aghaz-e-Haqooq-e-Balochistan Package and Social Uplift Contribution by MRDL (Chinese Project operator company).

**\*Question No. 116. Senator Sherry Rehman:**  
(Notice received on 30-08-2016 at 12:00 p.m.)

*Will the Minister for Petroleum and Natural Resources be pleased to state whether it is a fact that the Chairman, Interstate Gas Systems has been removed from his office, if so, the reasons thereof?*

**Mr. Shahid Khaqan Abbasi:** The Chairman, Inter State Gas Systems (Pvt.) Ltd. (ISGSL) was appointed as independent director BOD of the company on 12th February, 2013. His three year term as Director, ISGSL under section 180 of Companies Ordinance, 1984 had completed on 11th February, 2016, and he was therefore removed from the ISGSL Board.

**\*Question No. 121. Baz Muhammad Khan:**  
(Notice received on 01-09-2016 at 02:40 p.m.)

*Will the Minister for Petroleum and Natural Resources be pleased to state:*

- (a) *whether it is a fact that an amount of Rs. 9 million has been collected from the residents of Bannu Town, Khyber Pakhtunkhwa, for provision of gas to the town but the same has not been provided so far, if so, the reasons thereof; and*
- (b) *the percentage of work done on the said project so far and the time by which the same will be completed and the facility will be provided to that town?*

**Mr. Shahid Khaqan Abbasi:** (a) It is reported by M/s SNGPL that the Project Director, Bannu Development Authority had deposited an amount of Rs. 8.70 million and internal distribution network has been laid on TOR basis.

(b) 100% internal distribution network has been laid. An offer letter was issued on 14-10-2011 for depositing of cost of 8" dia. X 4 Kms along-with two numbers of TBSs which was not deposited and has expired. The said offer letter can not be revalidated currently due to imposition of moratorium on provision of gas connection to new housing schemes.

ISLAMABAD:  
*The 29th September, 2016.*

AMJED PERVEZ,  
*Secretary.*