

Sui Northern Gas Pipelines Limited

Corporate Briefing Takeaways

Management Conference Call

Sui Northern Gas Pipelines Limited (SNGP) held a corporate briefing session on 12th Sep'24, whereby the management discussed the FY23 financials and its future outlook.

Brief Takeaways

- The company has a network of 7.5mn consumers.
- 39% of Pakistan's energy mix relies on gas provided by SNGP (65%) and SSGC (65%) of which 29% is Indigenous gas while 10% is LNG. Remainder is Oil (24%), Coal (15%), Hydro (11%), Nuclear (7%), LPG (2%) and Renewable energy (2%).
- During FY23, the UFG reduced to 5.15% (from 38.6bcf to 32.5bcf). The management shared that the improvement in in UFG is attributable to micro level monitoring on city and district level.
- The bottom-line witnessed an uptick of 2% YoY in FY23 due i) revision in consumer gas tariff, and ii) reduction in UFG.
- The company has commenced operations in Gilgit. Moreover, keeping into considerations rising energy demand, the company has commenced marketing and distribution of LPG cylinders.
- The company has completed pipeline project of connecting Wali-1 well located in Lakki Marwat to the production system, which is producing upto 30mmcf of gas. Similarly, Shewa well in North Waziristan (~potential of producing upto 70mmcf) has also reached completion but is undergoing testing phase, after which it will commence production. Another well Kot Palak in D.I Khan (~potential of 45mmcf) is witnessing laying down of pipeline.
- The management shared that due to gas price revisions, the company's payment of E&P companies has significantly improved.
- Regarding diversion costs, the management informed that the cost is now being passed on to consumers.
- The management told that OGRA has disallowed passing of finance cost in FY23 and directed the company to submit supporting audit certification in the upcoming FRR, so that OGRA can review and decide.
- On a question regarding further jump in gas price, the management said that currently PKR/USD and Brent prices are at stable level, which if sustains could keep the gas prices unchanged.

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