

Sources of data considered for determination of domestic natural gas price as per the New Domestic Natural Gas Pricing Guidelines, 2014

MoP&NG has issued the New Domestic Natural Gas Pricing Guidelines, 2014 for determination of domestic natural gas price on half yearly basis. Para 1 of the Guidelines specifies the formula for the Domestic Natural Gas Price calculation which is as follows:

$$P = \frac{(V_{HH} P_{HH} + V_{AC} P_{AC} + V_{NBP} P_{NBP} + V_R P_R)}{(V_{HH} + V_{AC} + V_{NBP} + V_R)}$$

Where,

- (i) V_{HH} = Total annual volume of natural gas consumed in USA & Mexico.
- (ii) V_{AC} = Total annual volume of natural gas consumed in Canada.
- (iii) V_{NBP} = Total annual volume of natural gas consumed in European Union (EU) and Former Soviet Union (FSU) countries, excluding Russia.
- (iv) V_R = Total annual volume of natural gas consumed in Russia.
- (v) P_{HH} and P_{NBP} are the annual average of daily prices at Henry Hub (HH) and National Balancing Point (NBP) respectively, less US\$ 0.50/MMBTU towards transportation and treatment charges.
- (vi) P_{AC} and P_R are the annual average of monthly prices at Alberta Hub and Russia (as published by Federal Tariff of the Russian Government or equivalent source) respectively, less US\$ 0.50/MMBTU towards transportation and treatment charges.

The sources from which data was obtained for the purpose of calculation of the price of domestic natural gas are summarized below:-

A. V_{HH}

- i) Monthly consumption data of United States has been considered based on the information available at the website of Energy Information Administration (EIA). For converting consumption volume in MMcf to MMcm, standard conversion factor of 35.3147 has been considered.
- ii) Consumption volume of Mexico has been considered based on the data available at the website of the International Energy Agency (IEA).

