



SUI NORTHERN GAS PIPELINES LIMITED

GAS HOUSE, 21 KASHMIR ROAD, P.O. BOX 56, LAHORE (PAKISTAN)

Ref: ACL-4210(QA) 680

February 22, 2013

The Commissioner,
Company Law Division and Information
System & Technology Division,
Securities and Exchange Commission of Pakistan,
Islamabad.

**Application for Extension in the Period for submission of Quarterly Accounts
for Quarter ended September 30, 2012 and Half Yearly Accounts
of the Company for the Period Ended on December 31, 2012**

Dear Sir,

We refer to our letters No.ACL-4210 dated October 16, 2012 and January 15, 2013 seeking your approval to allow us an extension in submission of annual and quarterly Accounts.

The finalization of our Annual Accounts for year ended June 30, 2012 was pending due to the final determination of tariff by OGRA for the year 2011-12. Being a Gas Distribution and Transmission company, SNGPL is subject to two regulators, i.e., Oil & Gas Regulatory Authority (OGRA) as well as Securities & Exchange Commission of Pakistan (SECP).

As per standard practice, annual accounts of our Company are submitted to OGRA on or before August 15 of each year for determination of Final Tariff for preceding financial year. After detailed scrutiny of Accounts, OGRA normally issues its order of final tariff around 20th September. For FY 2011-12, we had submitted our annual accounts to OGRA within due date, however, OGRA delayed its decision and had not announced the final tariff for FY 2011-2012 until 2nd February 2013, due to which submission of our Annual Accounts for F.Y. 2011-12 and 1st Quarter Accounts as on September 30, 2012 to SECP have been delayed.

We have already apprised the SECP through various correspondences about delay in decision of OGRA and corresponding delay in submission of annual and quarterly accounts to SECP. However, OGRA has finally determined Final Revenue Requirement of our Company, vide its order dated February 01, 2013 (uploaded on its website on February 02, 2013) and accordingly audit of our accounts for the year ended June 30, 2012 has been completed and accounts have approved by the Company's Board of Directors on February 13, 2012. In this regard, the SECP, on the request of the Company, has very kindly allowed the Company to hold its AGM for the year ended June 30, 2012 on or before March 20, 2013, vide its letter ref: EMD/233/414/2002/2266 dated February 11, 2013.

In the above context, it is to apprise the SECP that one of the reasons for delay in issuance of above referred order for FY 2011-12 by OGRA was the pending petitions of our Company against OGRA for the aforesaid year, wherein Lahore High Court, Lahore (LHC) had also issued stay orders in the Company's favour. The Company through these petitions had challenged fixation of lower UFG benchmark and treatment of Late Payment Surcharge as operating income by OGRA whilst determining our advance tariff requirements for FY 2010-11 and FY 2011-12. The financial impact of these issues has significant bearing on financial results of the Company. In this background OGRA, after waiting for considerable time for final decision of the LHC, had issued its much delayed order for FY 2011-12 on February 02, 2013 wherein our tariff requirements had been maintained in line with the stay granted by the LHC. However, it has been mentioned by OGRA that on the announcement of final judgment by the Court, the OGRA's order may be altered, amended or rescinded, accordingly. The Company proceeded to finalize its annual accounts in accordance with OGRA's order determining our tariff requirements for FY 2011-12.

Telephones Exch: +(92-42)99201451-60
+(92-42)99201490-99

Telephones: +(92-42)99201312
+(92-42)99200097

Fax: +(92-42)99201842
+(92-42)99203537

www.sngpl.com.pk



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