

GOVERNMENT NOTICE NO. 706 published on 28/8/2020

THE PETROLEUM ACT
(CAP.392)
THE PETROLEUM (NATURAL GAS) REGULATIONS
(GN. NO. 285 OF 2016)

NOTICE

(Made under regulation 22(8))

THE PETROLEUM (POOLED WELLHEAD NATURAL GAS PRICE) NOTICE, 2020

Citation	1. This Notice may be cited as the Petroleum (Pooled Wellhead Natural Gas Price) Notice, 2020.
Application	2.-(1) This Notice shall apply to Mainland Tanzania. (2) This Notice shall not affect natural gas price negotiations between the producer and buyers and shall be applied by the Energy and Water Utilities Regulatory Authority in computing natural gas price to end users.
Interpretation	3. In this Notice, unless the context otherwise requires-
Cap.392	“Act” means the Petroleum Act; “aggregator” means a state enterprise and subsidiary to the National Oil Company having exclusive rights to purchase, collect, transport and sell gas produced in the country-onshore, shallow-shore and offshore;
Cap. 392	“Authority” means the Petroleum Upstream Regulatory Authority established under section 11 of the Petroleum Act; “gas sales agreement” means an agreement entered between the aggregator and gas developers; and “pooled wellhead natural gas price” means averaged out wellhead prices of domestic natural gas computed by the gas aggregator approved by the Authority and

GN 706 (Contd.)

which varies from reservoir to another, to make the cost of fuel or feedstock uniform.

Approved
wellhead natural
gas price

4. The approved pooled wellhead natural gas price for 2020 shall be-
- (a) 3.2189 USD/MMBtu; and
 - (b) exclusive of taxes and levies.

Annual revision of
price

5. The Authority shall, in every January or at any time of the applicable year, review the pooled wellhead natural gas price.

Computation of
pooled wellhead
natural gas price

- 6.-(1) The aggregator shall compute pooled wellhead natural gas price using weighted average formula from different producers to be charged to all its customers.
- (2) Upon computation of a single wellhead price, the following components shall be considered-
- (a) prices per unit volume of the signed gas sales agreements for producing fields; and
 - (b) contracted volumes as per the signed gas sales agreements.

Dar es Salaam,
11th August, 2020

CHARLES J. SANGWENI
Director General