



REPUBLIC OF INDONESIA
MINISTRY OF NATIONAL DEVELOPMENT PLANNING/
NATIONAL DEVELOPMENT PLANNING AGENCY

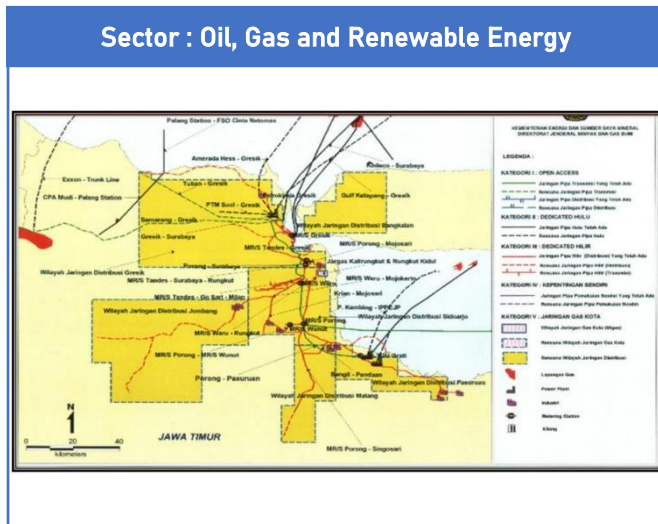
PUBLIC PRIVATE PARTNERSHIP

INFRASTRUCTURE PROJECTS PLAN IN INDONESIA

2022

Natural Gas Distribution Network for Pasuruan City Households

Location : Pasuruan, East Java Province



Sub-Sector : Natural Gas

Description:
Construction and operation network distribution of household gases from the tie-in to stove connection for 36,213 home connections in Pasuruan City. There are 2 (two) business activities related to piped gas, as a transporter and as a gas distributor through pipelines.

Estimated Project Cost: USD 22.23 Million

Financial Feasibility:
IRR : Under Calculation
NPV : Under Calculation

Estimated Concession Period: 30 Period: 30 years

Government Contracting Agency:
Minister of Energy and Mineral Resources

Type of PPP:
Solicited

Return of Investment:
Under Review



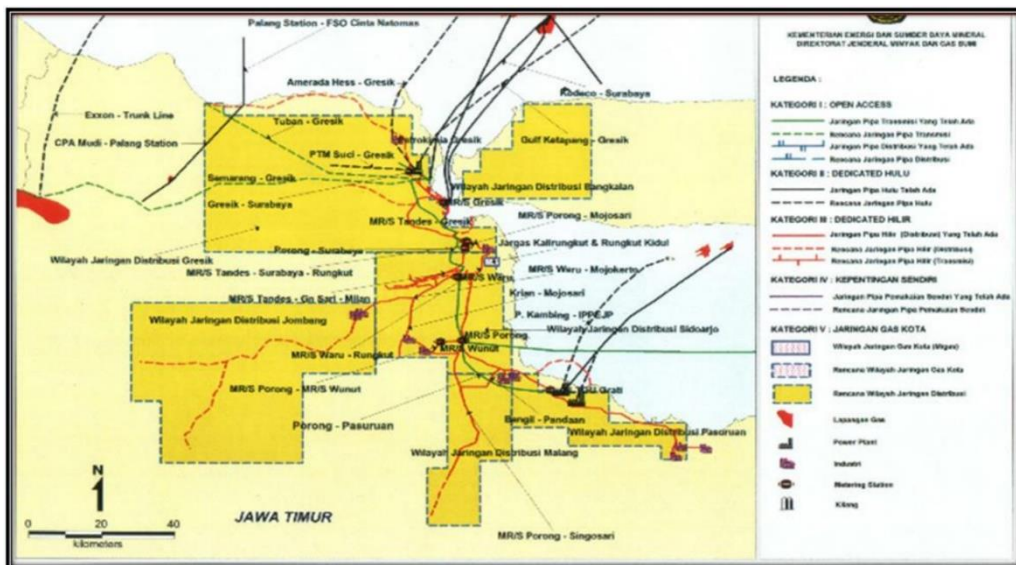
Indicative Project Structure

Will be determined in OBC/FBC

Project Digest

Project Title	Construction of Natural Gas Distribution Network for Pasuruan City Households
Government Contracting Agency	Minister of Energy and Mineral Resources
Implementing Agency	Under Review
Preparation Agency	Directorate General of Oil and Gas & LEMIGAS
Project Cost	USD 22.23 Million
Estimated Concession Period	30 years
Location	Pasuruan, East Java Province

1. Project Picture (Map and/or Illustration of Project)



Picture 1 – Layout of Natural Gas Network for Pasuruan City Household

2. The Opportunity

2.1. Project Background

Pasuruan City has 36,213 households with an area of 35.5 km². To support the government program in reducing the LPG imports, the provision of the natural gas distribution network for households in Pasuruan City needs to be carried out. The city location is near the existing gas transmission and distribution network, availability of natural gas allocation, population density, regional government support, as well as great potential to develop a gas distribution network for commercial sectors. For that reason, Pasuruan City was selected as one of the regions where the gas distribution network to be carried out through PPP.

2.2. Project Description

Construction and operation of gas distribution network from the tie-in to household stove connection for 36,213 the household connections in Pasuruan City.

2.3. Project Objectives

The objectives of Natural Gas Network for Pasuruan City Household are as follows:

- Meeting the target of the National Mid-Term Development Plan (RPJMN) 2020-2024;
- Increasing the access to household fuel services, especially the gas pipeline to the public;
- Improving the government's performance in delivering household fuel services;
- Supporting the energy diversification program in reducing the consumption of subsidized LPG;
- Supporting the government's program in providing a cleaner and more secure energy.

3. Business Entity's Scope of Work

The Project will implement the Design - Build - Finance - Operate - Maintenance - Transfer (DBFOMT) scheme. The business entity is responsible for:

- building assets;
- operating within a certain period;
- providing services at an agreed level to the community;
- transferring ownership to the government after the cooperation period ends;
- securing minimum income guarantees and / or additional income if service performance exceeds the agreement.

4. Technical Specification

Project technical specifications will be further studied during the finalization of the FBC report.

5. Environmental Impact Assessment (EIA/AMDAL) Findings

Any environmental document requirement will be identified in the OBC/FBC.

6. Land Acquisition and Resettlement Action Plan

The land will be procured by the GCA and a detailed plan will be provided in the OBC/FBC stage (before the procurement of business entity).

7. Project Cost Structure

Estimated Project Cost		USD 22.23 Million
Indicative Debt to Equity Ratio		
- Debt Level		70%
- Equity Level		30%
IRR		Under Calculation
NPV		Under Calculation

8. Government Support and Guarantee

The Preliminary Study of the project indicates the need for government support which will be further analyzed in the OBC/FBC stage.

9. Contact Information

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