

Increase in price of gas, Ogra completes public hearings against SNGPL, SSGC petitions

ISLAMABAD: Oil and Gas Regulatory Authority (Ogra) has completed the public hearings against petitions filed by both Sui companies-Sui Northern Gas Pipelines Limited (SNGPL) and Sui Southern Gas Company (SSGC) -for increase in the price of gas for financial year 2019-20.

The regulators held four public hearings in Karachi, Quetta, Peshawar and Lahore against Estimated Revenue Requirements (ERRs) filed by SNGPL and SSGC to meet the revenue requirements and expenditures. Both Sui gas utilities demanded 145 percent increase in prescribed gas prices with effect from July 1, 2019 to meet revenue requirements for the next financial year.

In the hearings, CNG Association, All Pakistan Textile Mills Association (APTMA), Karachi Chamber of Commerce Industry participated.

In the hearing held at Lahore on Monday, the All Pakistan CNG Association (APCNGA) argued that load of Rs 65 billion suffered on account of sale of LNG should not be recovered from consumers.

The losses include; loss of Rs 36 billion in the sale of LNG, un-recovered Rs 26 billion from the domestic consumers on account of gas supplies from Dec 2018 to Feb 2019, and delayed payments from consumers which added the bank interest.

The central leader of APCNGA Ghiyas Paracha said that recovery of all the losses from CNG and other sector is unjustified and unacceptable.

He said that gas worth Rs 48 billion is being stolen of which 93 percent is stolen in the district of Karak in which gas officials are also involved. If gas utilities accord proper attention to the issue, it can be resolved in a few months while APCNGA is also ready to cooperate in this regard.

Pointing out the weaknesses in the gas billing and measurements, he said that gas utilities are overcharging consumers on account of GCV and gas mix while there is a lack of check and balance.

Ghiyas Paracha said that SNGPL has demanded Rs 723 per mmbtu increase in gas tariff and Rs111 per mmbtu increase in LNG tariff which, if accepted, will make it very expensive and buyers will be discouraged.

He said that the volume of gas continues to increase but the charges of gas distributors are not decreasing but continue to increase which is against the phenomena.

The leader of the CNG sector said that payment for post-terminal expenses like regasification, transportation, and UFG should be made in the rupee and not in the US dollar.

He hoped if his suggestions were accepted, they will reduce the price of gas instead on an increase.

The SNGPL that serves Punjab and Khyber Pakhtunkhwa demanded an average increase of Rs 723 to Rs 1,224 per MMBTU (million British thermal unit), suggesting a rise of almost 144 percent with effect from July 1 for the financial year 2019-20.

The SSGCL has sought about Rs 106.54 increase in its average prescribed price of Rs 591.67 per unit to take the price to Rs 698.21.

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