

**Domestic & commercial consumers: government set to jack up gas prices from next FY**

The federal government is all set to jack up the prices of gas for both domestic and commercial/general industrial consumers from the next financial year 2019-20. Sources said that the Petroleum Division has proposed the government to allow both Sui gas companies - Sui Northern Gas Pipelines Limited (SNGPL) and Sui Southern Gas Company Ltd (SSGCL) - to generate revenue of Rs 540 billion for the next financial year 2019-20 to meet their revenue requirements.

The increase up to 200 percent for domestic consumers has been proposed. For commercial and general industries consumers, two plans have been proposed to meet the expenditure and previous shortfall of revenue of the gas companies. The Oil and Gas Regulatory Authority (OGRA) has recommended an average of 47 percent increase in gas prices for next financial year based on Rs 150 per dollar parity.

Under the new plan, Petroleum Division has recommended 25 percent increase for domestic gas consumer falling in first slab, 50 per cent for second slab, 75 per cent for third slab, 100 percent for fourth slab, 150 per cent for fifth slab and 200 per cent for sixth slab gas consumers.

According to the calculation, proposed increase in gas prices will also inflate the bills of all consumers falling in various slabs. The monthly bill of first slab holders will go up from existing Rs 285 to Rs 422, for second slab bill will go up from Rs 572 to Rs 1,219, Rs 2,305 to Rs 4009 for third slab, and Rs 3,589 to Rs 7,995 for fourth slab.

The government is likely to upward review the prices of gas for industrial and commercial consumers. With the proposed increase in gas prices, the rates of industrial products, cement, commercial and CNG would go up from the next financial year 2019-20.

With recommended increase of 31 percent, the price for fertilizer-feed (old plants) will go up from existing Rs 185 to Rs 242.23 per Million British Thermal Unit (mmbtu), fertilizer-fuel Rs 780 to Rs 1021.30 per mmbtu, power Rs 629 to Rs 823.58 per mmbtu, cement Rs 975 to Rs 1276.62 per mmbtu, general industry Rs 780 to Rs 1021 per mmbtu, captive Rs 780 to Rs 1021.30 per mmbtu, zero-rated industry Rs 600 to Rs 785.61 per mmbtu, CNG Rs 980 to Rs 1283.17 per mmbtu and for commercial it will increase from Rs 980 to Rs 1283.17 per mmbtu.

The proposed increase in second plan is 99 percent for fertilizer-feed (old plants), 44 percent for fertilizer-fuel, 78 per cent for power, 15 percent for cement, 44 per cent for general industry and captive, 23 per cent zero rated industry, 14 per cent CNG and 99 per cent for commercial consumers.

In the second plan, the Petroleum Division has proposed increase of 14 to 99 per cent for various categories, the price for fertilizer-feed (old plants) will go up from existing Rs 185 to Rs 369 per Million British Thermal Unit (mmbtu), fertilizer-fuel, Rs 780 to Rs 1122 per mmbtu, power, Rs 629 to Rs 1122 per mmbtu, cement, Rs 975 to Rs 1122 per mmbtu, general industry, Rs 780 to Rs 1122 per mmbtu, captive, Rs 780 to Rs 1122 per mmbtu, zero-rated industry, Rs 600 to Rs 738 per mmbtu, CNG, Rs 980 to Rs 1122 per mmbtu, and commercial, Rs 980 to Rs 1122 per mmbtu.

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