

First 4 slabs domestic consumers, Gas tariff to be revised upward

ISLAMABAD: The federal government has decided to increase gas tariff for domestic consumers of first four slabs through revision in current slabs' structure, sources close to the Minister for Petroleum and Natural Resources told Business Recorder.

This decision was taken by the Cabinet Committee on Energy (CCoE) on February 27, 2019 headed by the Finance Minister, Asad Umar. The federal cabinet, in its meeting held on March 7, 2019 ratified the CCoE's decision.

Power Division briefed the meeting regarding inquiry report on excessive gas bills. The inquiry was carried out to look into: (i) whether the consumer has been charged on actual consumption; (ii) whether the date of meter reading is consistent with previous month; and (iii) correlation of pressure factor, temperature factor and volume of gas.

The inquiry was based on analysis of number of consumers, slab-wise, actual billing for December 2017 as compared to December 2018. It was found that the percentage of total gas bills have declined for the first three slabs despite the fact that consumption volume has increased (0-2 HM). In the middle of two slabs (from 2 HM-3 HM & 3 HM-4 HM) the volume as well as gas bills have decreased.

The entire burden, (below 4 HM) has been transferred to the last two slabs which have decreased in volume but shown significant increase in percentage of total gas bills. It was also contended that pressure factor is a completely technical matter and its application as a multiplier, significantly increases gas bills. Fifty percent domestic consumers received inflated bills due to the pressure factor.

The inquiry report concluded that the higher bills were due to the increase in slab tariff and effect of the 'pressure factor' and the following recommendations were made to address the issue: (i) the rationale for applying pressure factor may be examined by OGRA (technical expert); (ii) the present slab structure may be revised such that the tariff for first four lower slabs (being cross subsidized) may be increased while the tariff for last two slabs may be proportionally reduced or the Ogra may examine seasonal tariff for rationalisation; and (iii) date and time of meter reading may be included with meter picture along with manometer (pressure factor) picture.

The findings of inquiry report were also presented to Prime Minister Imran Khan who took serious notice of inflated gas bills. The prime minister has directed extra amount on the gas bills of domestic consumers should be refunded to them. He also directed to take stern action against the officials who are found involved in the matter.

The sources said, action will be taken against the responsible officials of gas companies after inquiry in the light of the prime minister's directives.

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