

The menace of gas theft

Natural gas is the biggest source of primary energy with a share of 48% in Pakistan's energy mix. Pakistan can also boast of possessing one of the largest pipeline networks of nearly 160,000 kilometers for gas distribution and transmission in the world, servicing more than 8 million customers.

One of the key technical issues being faced by a utility company around the world is that of line losses or Unaccounted-for-Gas (UFG). In the case of Pakistan, UFG is more than 10% but may go all the way to 60% in some regions. Let us take the example of SSGC and SNGPL. Both these companies have numerous engineering feats in their names. They have successfully incorporated state-of-the-art technology in their operations, and have adopted a refreshing customer-centric approach that can be compared to any top energy company in the world. This is just one side of the story, however. For many years, both SSGC and SNGPL have been plagued by UFG, which is the difference between total gas purchased and total gas accounted for as sale. UFG is a very serious issue since every 1% increase in UFG means that the regulator - Ogra, in this case, takes away Rs 1.2 billion from the gas companies' financial statements as a penalty, thus severely affecting their financial bottom line.

The major contributory factor behind UFG that makes up a whopping 51% of the UFG pie is gas theft. It is a major menace since it causes an annual loss of Rs 50 billion to the national exchequer. It is also a national issue. Prime Minister Imran Khan recently directed a countrywide crackdown on gas thieves. When it comes to tightening the noose on the gas thieves, it is quite clear that the government and the gas utilities under it are on the same page.

Although in the past, a legislation was promulgated to rein in gas theft, efforts by the gas companies to control gas theft did not make much inroads. Unfortunately, instead of paying their bills on time, consumers in domestic, commercial and industrial sectors resorted to using the fuel in direct violation of the Gas Sales Agreement. They bypassed domestic and industrial meters, ran heavy generators, used unauthorized connection, damaged transmission lines, tampered with gas pipelines and yet get away with the crime scot free.

Then in 2016, National Assembly of Pakistan passed the Gas (Theft and Recovery Act) that imposed heavy penalties on those offenders engaged in various types of gas theft with maximum punishment of 14 years and a penalty of Rs 10 crores. SSGC, already troubled by rising UFG levels, was driven by the Act to take stringent measures against rising gas theft cases. In 2017, the Company's Security Department was revamped as Security Services and Control Gas Theft Operations (SS & CGTO) Department. The Department was structured on more professional and result-oriented, with the establishment of gas theft intelligence, security, prosecution and operations wings. In conjunction with SSGC Police that was established in 2015 and other law enforcement agencies including Sindh Rangers and FIA, the Department started carrying out regular raids against domestic, commercial and industrial units.

Since July 2017, SS & CGTO Department has undertaken 127 intelligence-based operations across Sindh and Balochistan by conducting raids on those domestic, commercial and industrial units that are involved in blatant gas theft. Overall, the department has conducted around 1,370 raids as part of the 'Operation Grift'. In May 2018, in the first such arrest of its time, a roadside restaurateur in Karachi was arrested and sentenced for five years and fined Rs 50,000. Since then, around 20 miscreants have so far been apprehended and jailed. As recently as this February, a CNG station owner was sentenced to thirteen years and was fined Rs 180 million. As a result of these operations, natural gas worth 1,315 MMCF to date (Rs 755 million) has been saved. SSGC officials who collude with the miscreants have also not been spared.

SSGC's efforts have been further bolstered by the establishment of more than 35 gas utility courts in Sindh and Balochistan, as defined in the Act, to take punitive action against the offenders and serve them punishment commensurate with the type of theft committed. The Act spurs a common citizen into playing a proactive role in prosecuting the wrongdoers. Section 25 of the Gas Act 2016 specifically states that if an incident of a bona fide theft is reported to the Company, that individual, as per law will be eligible to 5% of any recovered amount.

While on the ground, SSGC continues its relentless drive against gas thieves, the Company's Corporate Communication Department is regularly running media campaigns in print, electronic and social media about this menace. The aim is to mobilize the stakeholders about this crime against community so that they too can rise with SSGC to combat it.

The current mass media anti-gas theft campaign is primarily aimed at the rising tide of industrial theft. New television commercials have been developed and media planning has been done to ensure that message reaches more and more customers in the Company's franchise areas in Sindh and Balochistan. The advertisements carry strong messages, warning the miscreants against unauthorized enhancement of gas loads and installation of suction booster in industrial units, both of which can land them in trouble.

To root out what is bad in society is never easy. Team SSGC is, however, determined to counter gas theft and the inroads it has made during the last year or so is a manifestation of its steadfastness against this major misdemeanor. Gas theft is a crime against community and true SSGC success in this regard will be ensured with concerted effort from the government, general public and the media.

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