

### **SNGPL, SSGC incur Rs180 billion losses in two years**

ISLAMABAD: Gas utilities have suffered Rs180 billion in losses over the past two years as they couldn't pass the impact of growing costs on to the consumers, the petroleum minister said on Tuesday.

Minister for Petroleum Omar Ayub Khan said the Oil and Gas Regulatory Authority (Ogra) determines the average price of locally-produced gas annually based on projected costs of the two Sui companies.

The government cross-subsidises various categories of customers but used to keep the total collection the same to avoid any subsidy or shortfall.

“However, since year 2015 despite Ogra suggesting gas prices increase to account for increased costs, the government chose not to pass these costs on to the consumers for over two years,” Khan said in a statement.

“This resulted in accumulation of unrecovered cost of Rs141.8 billion for SNGPL (Sui Northern Gas Pipelines Limited) and Rs38.6 billion for SSGC (Sui Southern Gas Company), or a total of Rs180 billion, as of June 30, 2018.” The petroleum minister was addressing a meeting at the petroleum division.

The minister said the numbers are based on filings made by gas companies with the Ogra and audited accounts prior to the present government.

The previous government recognised the shortfalls in a meeting of the Economic Coordination Committee last year and allowed to stagger the same over a period of four years onwards.

“The new government had no choice but to increase the prices to recover this cost that should have been passed on by the previous government,” the petroleum minister said.

“Anyone taking a position that there was no need of gas price increase with this shortfall in June 2018, which is audited, and confirmed by the Ogra, is merely an attempt to hide the facts.”

Our Correspondent