

Why default when you can pay

A public utility company has a major challenge of ensuring that its customers pay their bills on time. Most public utilities in Pakistan are equipped with a recovery department whose main function is the recovery of outstanding dues from the defaulting domestic, commercial and industrial customers. Recovery departments of utility companies have developed a mechanism for ensuring that customers pay up in time for a variety of reasons. Recovered bills beef up organization's financial position and make enough liquidity available to them for investing in customer-driven core activities including infrastructure development and other customer-centric initiatives. If the Company's cash flows are tied up because of the inability of the customers to settle their outstandings, its ability to settle its own bills with upstream companies from whom it purchases gas, is badly affected. Besides, paying utility bills on time is a moral and national obligation and ensures a win-win situation for all stakeholders.

Take Pakistan's gas utility companies – SSGC and SNGPL – for that matter. One of the biggest challenges these companies constantly face is that of the rising overdues, be it with big corporations or relatively smaller customers in different categories. Gas companies have their own dedicated disconnection and reconnection teams in their franchise provinces, driven towards ensuring recoveries of dues.

Disconnecting gas supply for failure in non-payment by any category of customer is seen as a last resort measure. Gas utility companies have a carefully worked out disconnection and reconnection criteria that gives reasonable opportunity to defaulting customers to pay up instead of going straight into disconnection spree. The Department undertakes a number of pre-disconnection efforts that includes bill messages, yaadashtnama or red notice and final disconnection notice. Other tools used include persuasion of Government and Bulk Customers for timely payments and setting up recovery camps for live and disconnected customers to settle their overdues.

And if nothing works, the Company would then be left with no other option but to disconnect the gas line. Disconnection can either be temporary disruption of gas supply which is restored as soon as the customer removes the default amount from his name or a permanent suspension, when the customer makes absolutely no effort to remove the default amount, despite notices and consistent persuasion. In this regard, the Recovery Department dispatches its team to take diverse recovery actions include meter locking and meter removal while at the same time giving the customers reasonable amount of time to seek reconnection by settling their dues. Gas utilities go to the extent of publishing names of defaulters in the newspapers which eventually prompts many customers to start settling their dues.

Even in the post-disconnection phase, the recovery team continues with persuasion of disconnected customers through deployment of dedicated staff that visits customer's premises for recovery of outstanding dues. Flexible installment option is given to the disconnected customers to reconnect after paying affordable amount against total outstandings. In addition, disconnected customers are regularly monitored through meter readers and recovery teams to identify any case of gas theft, which is duly reported to the Companies' theft control department.

These on-ground activities go hand in hand with mass media campaigns that creates awareness among the customers about timely bill payments. The Communications or Media Affairs departments of the utility companies are responsible for developing print advertisements and television commercials with a very strong message that reinforces that making payments on time or before due date will save the customers from hassles including disconnections and of course embarrassment. Since the last few years, the utilities have also used the growing influence of social media to relay messages to the rising number of 'followers' on their official facebook, twitter and Instagram pages. Constant communication through a variety of mediums have acted as a deterrence for chronic defaulters.

Constant persuasion, follow-ups and mass media communication have helped the utility companies to not just meet their disconnection and reconnection targets but exceed them on many occasions, thus helping them recover substantial outstanding amounts accruing to defaulting customers. Customers too need to realize the fact that uninterrupted gas supply is only possible if they pay their gas bills on time. So why suffer unnecessarily and make the utility companies suffer in the process?

(The views expressed in this article are not necessarily those of the newspaper)

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