

Govt hints at reviewing gas pricing mechanism

ISLAMABAD: Amid public uproar over the inflated gas bills, the government on Wednesday hinted at reviewing pricing mechanism through a cross-season equalisation margin for domestic consumers without affecting revenue stream of the gas companies.

This came following a meeting of the Cabinet Committee on Energy (CCOE), presided over by Finance Minister Asad Umar, on special instructions of prime minister to look into the matter of inflated gas billing to consumers.

The meeting ordered an audit of gas bills for December and January by A F Fergusons – the external auditors of Sui Northern Gas Pipelines Ltd (SNGPL).

It also directed a probe committee of the Petroleum Division constituted on the orders of prime minister to submit its report along with Fergusons findings next week.

Both the audits were required to look into the question of any parking of units in consumer bills, the impact of marginal increase in consumption to higher slab, how this could be addressed and how the pressure factor entered into the gas pricing and if this had any sudden impact on bills.

The meeting discussed a proposal to introduce the concept of ‘consumption equalisation’ among low and high consumption months for various consumers so that they do not suddenly feel the pinch of high bills and their peak winter consumption could be spread over an annual basis.

It was reported that such a practice was applicable in the case of utility charges in some advanced countries further pros and cons will be examined.

The CCOE, nevertheless, was firm that it was a conscious decision of the government to increase gas prices to cover debts of the gas companies accumulated over the last five years of gas price freeze so they continue to remain afloat.

The meeting directed that both the audit report by Fergusons and inquiry by the Petroleum Division on excessive billing should be presented to the committee next week along with any proposals on the review of gas price slabs that may benefit consumers.

Mian Asad Hayaud Din, Additional Secretary In-charge of the Petroleum Division, gave a detailed presentation on the recent billing exercise of the gas sector. Oil and Gas Regulatory Authority Chairperson Uzman Adil and SNGPL Acting Managing Director Amir Tufail also gave their input.

The committee was told by the Power Division that there had been an overall increase of eight per cent in the consumption pattern of those falling in the lowest consumption slab. It said that out of the total 6.4 million gas consumers of SNGPL, only 92,000 falling in the 6th and 7th (highest consumption slabs) were affected by the increase of more than Rs14,000 per month.

Ogra chief said that December doubled the domestic consumption of gas which has changed the pricing slabs for many consumers. However, she also suggested that data for the last two months may be looked into to find any prominent anomaly.

The Newspaper's Staff Reporter