

No gas for CNG stations, captive power in peak winter demand, says Omar

ISLAMABAD: The government on Monday announced that it would disconnect gas supply to CNG, followed by captive power plants of non-export sectors and then general industry in case of gas shortfall in winter.

Speaking at a news conference with Energy Minister Omar Ayub Khan, Special Assistant to Prime Minister on Petroleum Nadeem Babar said the decision to this effect was taken by the Cabinet Committee on Energy (CCoE) on Monday which would be taken up for ratification by the Federal Cabinet on Tuesday.

He said the gas load management plan was prepared about two months ago and submitted to the CCoE for approval. However, the CCoE directed that gas supply to export sectors should not be stopped because additional orders had come their way after diversion from India, Bangladesh and Sri Lanka etc which should not be affected due to natural gas issue.

Also, the CCoE had given two more instructions which he did not explain. Under these instructions, a revised plan was submitted to the CCoE which approved it and would now be presented to the federal cabinet for ratification on Tuesday.

Under the load management plan, the gas supply, in case of shortage, would be disconnected first of all to the CNG sector, then non-export captive plants and followed by general industry. He said the export industries would come as the last option in case of extreme gas shortage but added that such a situation may not come except during Dec 20 to Jan 10.

At the same time, he said the gas pressure could drop in the tail-end of the pipeline system. Responding to a question about a nine-month gas supply contract with the industry, he said the government had decided that gas supply to industries would not be disconnected for three months this year.

Minister Omar Ayub Khan said the previous government had put the country's future at stake and left landmines for the PTI government including in the energy sector which it was still struggling to overcome. He said a former prime minister was now alleging the present government for Rs1 trillion circular debt in the gas sector who had left behind about Rs350 billion circular debt by not increasing gas rates for almost 18 months despite approval by the Oil & Gas Regulatory Authority just to secure a few votes.

He alleged that previous government had diverted Rs80bn meant for Pakistan State Oil towards fuel supplies and other needs of Nandipur Power Project, blocked cheaper renewable energy projects and instead promoted imported fuel-based power plants through faulty agreements.

They destroyed the future of the country for personal benefits while the present government was trying to remove all those pilferages. He said the previous government also did not invest on power transmission system while the present government invested Rs47bn in transmission network and was able to increase power supply by 4,275MW to 24,500MW in peak summer.

Also, the PTI government was renegotiating agreements with independent power plants and public sector power plants to reduce burden on consumers. He said the government was ready for a public debate with the previous government at any forum including on the floor of the national assembly and the senate.

Mr Babar also criticised the previous government for not setting up gas storages when it set up LNG import terminals but the present government was now laying North-South Gas Pipeline to transfer up to 1,400mmcf of gas from port to consumption centres besides setting up storages.

Mr Babar said he would now update the media and the public about the gas demand and supply situation on a weekly basis until the end of winter. Also, he said the government would gradually clear about Rs350bn circular debt in the gas network over the next 4-5 years.

Mr Ayub agreed that he had promised an end to power sector circular debt by December and had significantly reduced the flow of circular debt before Covid-19. However, the government had to provide relief to the people and industry.