

PHC stays 142pc increase in gas tariff

PESHAWAR: The Peshawar High Court (PHC) on Friday stayed 142 percent increase in gas tariff and directed the Sui Northern Gas Pipelines Limited (SNGPL) not to recover the increased tariff till the next order.

A division bench headed by Justice Roohul Amin Khan admitted the writ petition for hearing and directed the SNGPL, Ogra and Ministry of Petroleum and Natural Resources to submit a reply in the petition.

The court issued the stay order in a writ petition filed by M/S Lakki Cement Limited. During the course of the hearing, the lawyer submitted that gas tariff has been increased by 142 percent by Ogra on October 4, 2018, without fulfilling legal requirements.

He pointed out that the tariff was proposed to be increased by Economic Coordination Committee (ECC) on September 27, and not the cabinet, which is now the requirement after the recent Supreme Court ruling.

The court also took notice of self-contradictory stances by Chaudhry Fawad, federal minister for information, on the proposed increases. The government had increased natural gas prices by up to 142pc to recover Rs94 billion from consumers, in effect slashing consumer subsidies that were a fiscal drag on the government's budget.

The increase will make gas utility companies financially viable but will stoke inflation due to an increase in the price of commodities. The petition said that the decision is hurting as many as 9.4 million domestic consumers, 3.6 million of them falling in the lowest income slab and another 2.63 million in the second lowest income group.

Due to the increase in gas prices for the power sector, the electricity will get expensive by 12 percent also, it added. It said that the ECC allowed raise in the gas prices for domestic consumers in the range of 10pc for the lowest slab consumers and 142pc for the highest slab domestic consumers.

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