

Ban on industrial gas connections to be lifted

ISLAMABAD: The government is expected to soon lift a seven-year moratorium on new connections of domestic natural gas for industrial consumers.

Secretary Petroleum Division Mian Asad Hayaud Din told a meeting of the Senate Standing Committee on Petroleum that the proposal for lifting moratorium on industrial sector gas connections would be taken up with the federal cabinet in the forthcoming meeting.

The moratorium on fresh connections on local gas to the industrial sector was imposed in 2011 and the industry was given re-gasified liquefied natural gas (RLNG) connections.

Responding to suggestions from senators, the secretary also promised to take a summary to the cabinet proposing utilisation of natural gas by the provinces according to their production.

In response to questions, Director General Gas Shahid Yousaf told the committee that Punjab produced only 3 per cent natural gas or 119 million cubic feet of gas per day (mmcf) and was currently consuming a total of 1,782 mmcf (34pc) that included 1,007mmcf of local gas and 775mmcf of imported liquefied natural gas (LNG). Punjab's consumption was met 44pc through LNG and 56pc through local gas.

He said Khyber Pakhtunkhwa produced about 411 mmcf or 10pc to domestic gas of 3,300mmcf while it consumed 296mmcf or 7pc Sindh produced 2,320mmcf or 56pc of total production and consumed 1,696mmcf or 42pc from the pipeline system. In addition 610mmcf from Mari Gas, 250 mmcf from Uch Gas Field and 100mmcf supplies to Liberty Power were outside the pipeline network but consumed within that province.

Likewise, Balochistan currently produced 467mmcf or 11pc for the pipeline system and consumed just 7pc or 290mmcf. The total gas supply currently stood at 4,064mmcf including 3300mmcf of local and 821mmcf of imported LNG. It was reported that current constrained gas demand was more than 5,300mmcf, leaving a shortfall of about 1,300mmcf.

The meeting – presided over by Senator Mohsin Aziz — recommended that the government should allow provinces to use gas according to their production and as per their constitutional rights.

The committee was informed that it was also the responsibility of the provinces to provide gas to the federal government. Senator Aziz said the previous government had committed to provide 100mmcf of gas for Khyber Pakhtunkhwa's gas-based energy project but this commitment was not fulfilled. It would be suitable to give this 100mmcf of gas to KP's consumers as the project has not been started so far, he added.

A Petroleum Ministry official responded that the allocation was made on the commitment by the provincial government for setting up of a power plant that now been shelved. He said the gas belonged to the provinces but would be provided to upcoming Rashakai Industrial Zone being development with Chinese assistance.

Senator Dr. Jehanzeb Jamaldini complained that Balochistan was being supplied gas through air mix plants and only for two hours a day.

Sarhad Chamber of Commerce and Industries representative informed the committee that KP's industrial sector was being supplied natural gas at the price of imported RLNG. He said the chamber held detailed

meetings with the provincial government for Industrial Estate, Jamrud Road and a separate pipeline had been promised in addition to a 32km pipeline to improve gas pressure for Peshawar.

Managing Director SNGPL informed that presently there were about 4,215 industrial and 22,605 commercial consumers. He said the company provided 0.6million new domestic gas connections last year while 0.6m connections will be provided this year. However, there was a backlog of 2.4m applications.

The Senate body was apprised that on April, 21 2017, moratorium on new gas connections for industrial, commercial, captive consumers and load enhancement of existing consumers was relaxed on provision of RLNG.

SNGPL's Managing Director Amjad Latif said that 293 industrial, 213 captive and 1,622 commercial connections had been given connection through RLNG.

Khaleeq Kiani