

# Gas rates to be massively increased from July 1

Page No.11 Col NO.06

ISLAMABAD: The interim government is all set to drop the gas bomb on the masses, as Ogra has determined a mammoth raise of 300 percent in gas tariff for domestic consumers and 30 percent increase each for commercial, industrial and power sector. Earlier on June 12, the government had increased the price of petrol by Rs4.26 and diesel Rs6.55 per litre.

The raise in gas prices, to be effective from July 1, will pass a huge burden of Rs160 billion on to the masses bringing in its wake a new spate of inflation.

The gas tariff for tandoors has been increased by 300 percent, meaning that the price of roti will also surge. The Oil and Gas Regulatory Authority has increased the average gas price up to 629 per MMBTU from Rs234 per MMBTU. The PML-N regime on account of short-term political gains did not increase the gas price in four years due to which the gas utilities' deficit multiplied manifold and it was almost impossible for them to survive without the required hike in tariff. And this has forced the regulator to increase the gas price for domestic sector up to 300 percent and other categories by 30 percent.

In May this year, the government of Shahid Khan Abbasi silently communicated to Ogra to recover Rs117 billion from the masses in the head of four annual installments. Earlier, the gas prices were not allowed to increase and were artificially maintained by the government at Rs234 per MMBTU for political gains. However, increase in gas price will add a burden of Rs160 billion across the country.

According to the regulator's determinations on the petitions of gas companies, the Sui Southern consumers will also have to pay Rs11 billion in the head of theft and line loss (UFG — unaccounted for gas).

More importantly, the consumers will also pay Rs23 billion for the new gas schemes the PML-N government had initiated to pocket votes in the forthcoming general elections. Chairperson Ogra Uzma Adil has announced the independence of the regulator by increasing the gas prices.

During the PML-N government era, she wanted to readjust the gas price upward, but the government continued to subdue the regulator. She also sent the Ogra decision to the government recommending enforcement of the new gas price with effect from July 1, 2018.

Documents show that the gas tariff for domestic consumers had been increased by 300 percent by comparing the price of LPG, and by doing so, the regulator conveyed a message that there will be no cheaper gas for domestic consumers at all.

It will end the discrimination against those domestic consumers who had no access to the piped gas and were using the LPG. The Ogra has increased the gas tariff by 50 percent to Rs314 per MMBTU for domestic consumers, which falls under the first slab. It increased the gas prices by 300 percent to Rs629 per MMBTU for the second slab gas consumers. The gas price has also been increased by 30 percent to Rs629 per MMBTU for third slab domestic consumers.

For commercial, industrial, fertilizer, CNG, cement and power sector, the Ogra has increased gas price by 30 percent. The Ogra has this time changed the mechanism of gas price by separating the cost of gas for Sui Northern and Sui Southern.

Meanwhile, the regulator has also sought details from the federal government about the Rs150 billion collected under infrastructure development cess and its spending details. The infrastructure development cess was imposed basically for laying down pipelines and development of other related projects, but the last government is said to have consumed the major chunk of the amount in its projects including the metro bus projects.