



OGRA-6(10)-2/2013 (F&VC)

IN THE MATTER OF

**SUI NORTHERN GAS PIPELINES LIMITED (SNGPL)'s
REQUEST FOR REVISION OF FIXED AND VARIABLE CHARGES w.r.t.
URGENT FEE FOR DOMESTIC ON LINE GAS CONNECTIONS**

UNDER

OIL AND GAS REGULATORY AUTHORITY ORDINANCE, 2002

AND

**OIL AND GAS REGULATORY AUTHORITY NATURAL GAS TARIFF RULES,
2002**

DECISION

FEBRUARY 17, 2014

Saeed Ahmad Khan, Chairman

Sabar Hussain, Member (Oil)/Vice Chairman

Aamir Naseem, Member (Gas)


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17/2






AUTHORITY'S DECISION

Subject: REQUEST OF SUI NORTHERN GAS PIPELINES LIMITED (SNGPL) FOR REVISION OF FIXED AND VARIABLE CHARGES w.r.t URGENT FEE FOR DOMESTIC ON LINE GAS CONNECTIONS

1. Oil and Gas Regulatory Authority (OGRA) under provision of Section 7 of OGRA Ordinance and Rule 3(1) of Natural Gas Tariff Rules 2002 notified the fixed and variable charges, to be recovered in respect of services relating to supply of natural gas to various categories of retail consumers, on 18-07-2006.
2. SNGPL (the petitioner) vide its petition dated 30-08-2013 informed that the petitioner over the period has expanded its network and consumer base manifold. At present the number of domestic consumers in its area of franchise exceeds 4.4 million. Around 400,000 new applications for domestic gas connections are received every year due to expansion in distribution network in new towns and villages. Presently the pending applications are in excess of 1.2 million in addition to approx. 325,000 such cases where prospective consumers have already deposited their security and service line charges but are awaiting connections. The petitioner has stated that parliamentarians, notables and public in general is pressing them hard for expeditious provision of gas connections against pending requests. The Govt. of Pakistan in order to alleviate their grievance has directed that any applicant who is desirous of getting gas connection expeditiously should pay an urgent fee of Rs 25,000/- in addition to the security and service line charges. Gas connections to such applicants shall be provided within three months of receipt of their applications. 10% quota of the Annual target approved by OGRA may be earmarked for processing of urgent fee cases. Applications against urgent fee received will be processed on their turn / merit. The Board of Directors in its 413th meeting held on 29-08-2013 recommended the scheme for urgent fee for domestic on line connections. The petitioner requested that OGRA may allow revision in fixed and variable charges as decided vide its order No OGRA-6(2)-1(5)/2005 dated 20-05-2006.
3. The Authority, keeping in view the request of the petitioner, admitted the petition and decided to conduct Public Hearing in the instant matter on 15-01-2014 at Lahore.
4. The Authority invited all consumers, interveners, general public and interested / affected persons and parties to furnish their comments / interventions / views, if any, on the petition filed by the petitioner through publication of the notice in the leading newspapers on 28-12-2013.
5. In response thereto, the Authority received following intervention requests:-
 - a) Mehmood Elahi Engineers, Faisalabad
 - b) Muhammad Aslam Chaudhry, Lahore
6. The Authority held Public Hearing on 15-01-2014 at Lahore in which representatives of the petitioner made presentation and interveners / participants presented their arguments.
7. The following participants also made participation in the Public Hearing and submitted their valuable comments:-
 - a) Mr. S.T. Hussain, Chairman, Consumer Awareness & Welfare Association
 - b) Mr. Ghulam Qadir Awan


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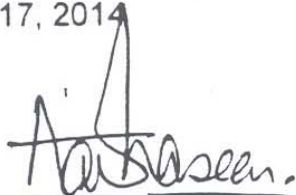


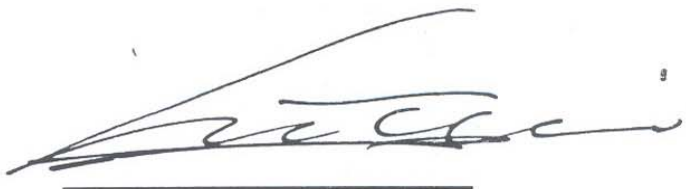




8. The Authority, after detailed scrutiny of the petition and hearing valuable comments / viewpoints of the interveners and participants concludes that the interveners and the participants were of the view that merit should be maintained. It should be non-discriminatory and the existing applicants be given preference. Moreover, the company should prepare a stable mechanism to handle this concept.
9. In view of the petitioner's request and taking into account the comments of the interveners during the public hearing the Authority decides as under:-
- The Authority has allowed 250,000/- gas connection in Determination of Estimated Revenue Requirements for F.Y. 2013-14 to be installed by the petitioner. 10% of these gas connections shall be given by the petitioner on urgent fee basis on first come first served basis. These connections would be in addition to the already allowed connections of 250,000 so that turn / merit of existing applicants is not affected.
 - The fee for such connections is being revised to Rs. 25000/- per connection instead of earlier notified urgent fee vide OGRA Order No. OGRA-6(2)-1(5)/2005 dated 20-05-2006.
 - Minimum waiting period of 6 months has been fixed to be eligible to avail this facility. However the applicant has to apply first on normal fee basis and would be eligible after six months as applicant for urgent fee basis. A separate merit list shall be maintained in petitioner's data base at Head Office and computerized merit lists shall be issued to the regions. The petitioner shall ensure that all such applications shall be treated purely on merit and on first come first served basis.
 - The petitioner shall give quota on monthly basis to all their regional offices for such urgent connections as per their consumer base without creating any discrimination.
 - The petitioner shall ensure provision of such connections within a period of 03 months after deposit of urgent fee.
 - Fee received on account of urgent gas connections shall be treated as operating income for the purposes of revenue requirement computations and entirely be booked in the year it is received.
 - The petitioner shall devise an execution plan for Urgent fee facility and inform the general public of the same through leading newspapers before launching the scheme

Dated: February 17, 2014


(Aamir Naseem)
Member (Gas)


(Sabar Hussain)
Member (Oil)/Vice Chairman


(Saeed Ahmad Khan)
Chairman


REGISTRAR
Oil & Gas Regulatory Authority