

Before:

Ms. Uzma Adil Khan, Chairperson
Mr. Noorul Haque, Member (Finance)
Dr. Abdullah Malik, Member (Oil)

IN THE MATTER OF

OGRA-6(1)-SN/SS(CLAUSE-D&G)/2017

**APPLICATIONS FILED BY SNGPL AND SSGCL FOR AMENDMENTS
IN CLAUSE "D" AND "G" OF PROCEDURE FOR DEALING WITH
THEFT OF GAS CASES, 2005 UNDER OIL AND GAS REGULATORY
AUTHORITY ORDINANCE, 2002**

Date of Hearings:

10-12-2018 (at Lahore)

18-12-2018 (at Karachi)

Date of Decision:

June 26, 2019




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AUTHORITY'S DECISION

1. Background:

Oil and Gas Regulatory Authority established under the OGRA Ordinance, 2002 and in exercise of its powers conferred by Section 22 of the Ordinance and Rule 3(3) of the Natural Gas Regulatory Authority (Licencing) Rules, 2002 granted the licences to Sui Northern Gas Pipelines Limited (SNGPL) and Sui Southern Gas Company Limited (SSGCL) [the licensees] for Transmission, Distribution and Sale of Natural Gas on 03-09-2003. Both the licencees, under their Licence Condition No.20 are obligated to submit and seek approval of the Authority regarding policies and procedures for dealing with Theft of Gas cases. The Authority has approved the "**Procedure for Dealing with theft of Gas Cases**" (the Procedure) for both the licencees in 2005 and conveyed the same to both licencees on 16-08-2005.

2. Application for Amendment in Clause "D" of the Procedure:

SNGPL vide its request dated 28-08-2017 submitted their view point to OGRA regarding practical difficulties being faced by the company in compliance to Clause "D" of aforementioned Procedure, especially in case of domestic consumers and requested the Authority to amend / review the following Sub-clauses of Clause "D" as under: -

"Clause D. Action of the Company:

Sub-clause No	EXISTING PROCEDURE	SNGPL's PROPOSED AMENDMENTS					
v)	The disconnected meter and/or regulator shall be taken into personal custody by a responsible designated official of the company who shall place the equipment in a bag / container which shall be sealed at the site. Time and date shall be logged.	<p>The disconnected meter and /or regulator shall be taken into personal custody by a responsible designated official of the company as follows:</p> <table border="1" data-bbox="774 1646 1300 1859"> <thead> <tr> <th data-bbox="774 1646 997 1691">Category</th> <th data-bbox="997 1657 1300 1702">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="774 1691 997 1859">Industrial, Commercial & Special Domestic Consumers</td> <td data-bbox="997 1702 1300 1859">The equipment shall be placed in a bag/container which shall be sealed at the site.</td> </tr> </tbody> </table>		Category	Description	Industrial, Commercial & Special Domestic Consumers	The equipment shall be placed in a bag/container which shall be sealed at the site.
Category	Description						
Industrial, Commercial & Special Domestic Consumers	The equipment shall be placed in a bag/container which shall be sealed at the site.						

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Sub-clause No	EXISTING PROCEDURE	SNGPL's PROPOSED AMENDMENTS								
		<table border="1"> <tr> <td data-bbox="837 403 1061 470"><u>Domestic Consumer</u></td> <td data-bbox="1061 403 1364 604">The equipment shall be placed in box /container for safe handling/ transportation of meter.</td> </tr> </table>	<u>Domestic Consumer</u>	The equipment shall be placed in box /container for safe handling/ transportation of meter.						
<u>Domestic Consumer</u>	The equipment shall be placed in box /container for safe handling/ transportation of meter.									
vi)	<p>The observations made at the time of disconnection shall be logged /documented and signed by all members of the disconnection team. The document on which the said observations are recorded will be enclosed in the box/container in duplicate with copies to Head of department and local Regional General Manager. The company shall send a quarterly report to OGRA giving addresses of premises where acts of theft are confirmed, as well as brief description of mode of theft.</p>	<p>Time and date shall be logged.</p> <p>The observations made at the time of disconnection shall be logged /documented and signed by <u>In-charge</u> of disconnection team. <u>The consumer shall also be requested to sign the document and in case the consumer refuses to sign, the same will be documented/logged.</u> The document on which the said observation is recorded will be copied to concerned Sectional In-charge. The Company shall send a quarterly report to OGRA giving addresses of premises where acts of theft are confirmed as well as brief description of mode of theft.</p>								
vii)	<p>The suspected equipment shall be dispatched to the "Local /nearest Testing Workshop/Laboratory" within two working days of disconnection.</p>	<p>The suspected equipment shall be dispatched to the "Local /nearest Testing Workshop/Laboratory" as follow:</p> <table border="1"> <thead> <tr> <th data-bbox="805 1187 1013 1220">Category</th> <th data-bbox="1013 1198 1268 1232">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="805 1220 1013 1332"><u>Industrial Consumers</u></td> <td data-bbox="1013 1232 1268 1332"><u>Within 3 working days of disconnection</u></td> </tr> <tr> <td data-bbox="805 1332 1013 1444"><u>Commercial and Special Domestic Consumers</u></td> <td data-bbox="1013 1332 1268 1444"><u>Within 5 working days of disconnection</u></td> </tr> <tr> <td data-bbox="805 1444 1013 1556"><u>Domestic Consumers</u></td> <td data-bbox="1013 1444 1268 1556"><u>Within 7 working days of disconnection</u></td> </tr> </tbody> </table>	Category	Description	<u>Industrial Consumers</u>	<u>Within 3 working days of disconnection</u>	<u>Commercial and Special Domestic Consumers</u>	<u>Within 5 working days of disconnection</u>	<u>Domestic Consumers</u>	<u>Within 7 working days of disconnection</u>
Category	Description									
<u>Industrial Consumers</u>	<u>Within 3 working days of disconnection</u>									
<u>Commercial and Special Domestic Consumers</u>	<u>Within 5 working days of disconnection</u>									
<u>Domestic Consumers</u>	<u>Within 7 working days of disconnection</u>									
ix)	<p>The official taking charge of the equipment in testing workshop /laboratory shall break open the seal of the bag in the presence of the person delivering the equipment. Moreover, out of two, one copy of the document accompanying the meter in the container shall be endorse by the official receiving it and returned to the one delivering it for handling over the same to General Manager/ In-charge of the Region to which the meter pertains and would also confirm the physical /</p>	<p>The official taking charge of the equipment in testing workshop /laboratory shall:</p> <ul style="list-style-type: none"> <li data-bbox="774 1612 1300 1836">• <u>In case of Industrial, Commercial and Special Domestic consumers:</u> Break open the seal of the bag in the presence of the person delivering the equipment and would also confirm the physical / visual condition of the equipment as recorded by the inspection/ raiding team. <li data-bbox="774 1848 1300 1971">• <u>In case of Domestic consumers:</u> <u>Confirm the Physical / visual condition of the equipment as recorded by the inspection/ raiding team.</u> 								

Sub-clause No	EXISTING PROCEDURE	SNGPL's PROPOSED AMENDMENTS								
	visual condition of the equipment as recorded by the inspection/raiding team. Testing of internal parts/ operation of the meter and flow proving shall be carried out in the laboratory and reported to G.M of the region within five working days, in case of industrial category and ten working days, in case of commercial/domestic category after the receipt of meter.	<p>Moreover, out of two, one copy of the document accompanying the meter in the container shall be endorsed by the official receiving it and returned to the one delivering it for handling over the same to concerned Sectional Incharge of the region to which the meter pertains. Testing of internal parts/ operation of meter and flow proving shall be carried in the laboratory and Meter Inspection Report shall be forwarded to the G.M of the region as follows:</p> <table border="1" data-bbox="821 739 1300 1075"> <thead> <tr> <th>Category</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Industrial</td> <td>Within 7 working days of receipt of meter</td> </tr> <tr> <td>Commercial / Special Domestic</td> <td>Within 14 working days of receipt of meter</td> </tr> <tr> <td>Domestic</td> <td>Within 21 working days of receipt of meter</td> </tr> </tbody> </table>	Category	Description	Industrial	Within 7 working days of receipt of meter	Commercial / Special Domestic	Within 14 working days of receipt of meter	Domestic	Within 21 working days of receipt of meter
Category	Description									
Industrial	Within 7 working days of receipt of meter									
Commercial / Special Domestic	Within 14 working days of receipt of meter									
Domestic	Within 21 working days of receipt of meter									
x)	The meter will be tested if desired by the customer in his presence or otherwise the absence of the customer will be noted.	The Industrial, Commercial and Special Domestic meter will be tested in his presence, if desired by the customer or otherwise the absence of the customer will be noted.								

The comments of SSGCL were also sought in this regard and they stated that they have replaced approximately 90,000 domestic meters from July, 2016 to November, 2016, so it is not possible to seal all these meters in bags at site at the time of replacement / disconnection and cannot be tested, therefore SSGCL agreed upon the proposal given by SNGPL to amend / review the existing Clause "D" of the Procedure.

3. Application for Amendment in Clause "G" of the Procedure:

SNGPL vide its another letter dated 15-03-2017 submitted their view point to OGRA regarding practical difficulties being faced by the company in compliance to Clause "G", specially in case of Industrial Consumers and requested the Authority to amend / review the existing clause "G" as under:-

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“Clause G. TAMPERING OF METERS NOT DETECTED AT SITE BUT LATER DETECTED / PROVED AT COMPANY’S METER SHOP”

<u>Existing PROCEDURE</u>	<u>SNGPL’s Proposed Amendments</u>
Where tampering of meter is not detected at the site but later proved in the Central Meter Shop / Regional Meter Shop which inspection shall be carried out within time limit i.e. for industrial 03 weeks , for commercial 6 weeks and for domestic consumers 12 weeks	Where tampering of meter is not detected at the site but later proved in the Central Meter Shop / Regional Meter Shop which inspection shall be carried out within time limit i.e. for industrial 08 weeks , for commercial 6 weeks and for domestic consumers 12 weeks

OGRA also obtained input of SSGCL in the above matter whereby SSGCL stated that they have developed all their SOPs according to the time available in Clause “G”, however SSGCL had no objection if the time frame of 03 weeks is revised to 08 weeks as requested by SNGPL.

4. Admission of the Applications:

The Authority considered the matter and after admitting the aforesaid applications, invited all consumers, interveners, general public and interested / affected persons and parties to furnish their comments / interventions / views, if any, on the application filed by the licensees through Public Hearing Notice published in the leading national press on December 01, 2018. In response thereto, no intervention request / comments were received in OGRA.

5. Public Hearing Proceedings:

The Authority also provided an ample opportunity of hearing to the interested/affected persons/parties and general public alongwith the licensees through Public Hearing held at Lahore and Karachi on 10-12-2018 and 18-12-2018 respectively, which were attended by the following:-

Public Hearing at Lahore on 10-12-2018

- a) **Representatives of SNGPL**
 - i) Mr. Amer Tufail, Dy. Managing Director (S)
 - ii) Mr. Sohail M. Gulzar, Sr. General Manager (D)-S
 - iii) Mr. Mahmood Zia Ahmed, Sr. General Manager – N

- iv) Mr. Muhammad Khalid Aftab, Sr. General Manager (T)
- v) Mr. Azam Khan, Sr. General Manager (HR)
- vi) Mr. Ejaz Ahmed Chaudhry, Sr. General Manager (ES)
- vii) Mr. Sibghat Ullah, Sr. General Manager (P)
- viii) Mr. Saghir-ul-Hassan Khan, Chief Financial Officer
- ix) Mirza Mehmood Ahmad, Legal Counsel (SNGPL)
- x) Mr. Qaiser Masood, General Manager
- xi) Mr. Kaman Akram, General Manager (RA)
- xii) Mr. Muhammad Arshad, General Manager (HR)
- xiii) Mr. Abdul Aziz, General Manager
- xiv) Mr. Shahzad Iqbal Laun, General Manager (Metering)
- xv) Mr. Imran Yousaf Khan, General Manager (P&D)
- xvi) Mr. Imran Irshad, General Manager (F)
- xvii) Mr. Shamsul Arifin, General Manager (HR)
- xviii) Mr. Asif Iqbal Qureshi, General Manager (B)
- xix) Mr. Adil Nisar Khan, General Manager (Law)
- xx) Mr. A. Rafiq Awan, General Manager (Admn)
- xxi) Mr. Imran Javed, Sr. Law Officer
- xxii) Mr. Muhammad Sohail, Chief Engineer (Metering)
- xxiii) Mr. Ashraf Mahmood, Chief Engineer (Met)
- xxiv) Mr. Raheel Farooq, Chief Accountant (F)
- xxv) Mr. Liaqat Ali, Chief Accountant
- xxvi) Mr. Muhammad Shafqat Virk, Chief Engineer (Coord)
- xxvii) Mr. Omer Mohi Uddin, Dy. Chief Engineer (Met)
- xxviii) Mr. Kashif Javed, Dy. Chief Accountant (F)
- xxix) Mr. Faisal Ali Sadiq, Dy. Chief Engineer (Mcc)
- xxx) Mr. Zia ur Rehman, Executive Officer
- xxxi) Mr. Abrar Rashid, Sr. Executive (T)
- xxxii) Mr. Awais Bajwa, Executive PRO (M/A)

b) **Representatives of General Public**

- i) Mr. Sharoze Ali Khan, Statistical Analyst, Maple Leaf
- ii) Mr. Irfan Ghouri, All Pakistan CNG Association

6. **Presentation by SNGPL:**

During the Hearing Proceedings at Lahore on 10-12-2018, Mr. Sohail M. Gulzar, Senior General Manager (D&S), SNGPL gave a detailed presentation covering the existing and proposed sub-clauses of Clause "D" & "G" of the Procedure mentioned in preceding paras.

Clause "D"

SNGPL briefly stated that Procedure for Dealing with Theft of Gas Cases was notified in 2005. At that time all replaced / disconnected Domestic meters were not inspected / tested in Central Meter Shop (CMS).



Company started inspection / testing of Domestic meters during 2013 in the regions and now all replaced/disconnected Domestic meters are inspected/tested. Due to huge quantum of Domestic meters, there are practical constraints in implementation of Clause "D" of the said procedure on Domestic meters and requested the Authority to amend the proposed sub-clauses of Clause "D" of the Procedure.

Clause "G"

SNGPL briefly stated that as per the Procedure most of the meters were being installed with counters/Em-Correctors and few were with EVCs (Electronic Volume Correctors) on Industrial Consumer Meter Stations. At present, latest EVCs with capacity of approximate 6000 Data logs are being installed with all Industrial Meters to ensure measurement accuracy. Moreover, different steps/factors have been introduced/involved in generation of MIRs (Meter Inspection Reports) to make them more comprehensive. Therefore, request was submitted before OGRA for amendment in Clause "G" of the said Procedure.

Constraints faced by the Company:

The following constraints are being faced during MIR generation activity of replaced / disconnected industrial meter;

- **Induction of EVCs with enhanced No. of logs/parameters**

The latest EVCs can save approximate 6000 hourly logs, 400 of daily logs & 25 monthly logs in addition to setting / setup / binary archives etc. Number of requisite parameters in the EVC data have, also been enhanced i.e. minimum pressure, maximum pressure, maximum flow, minimum flow, different types of alarms etc. At the time of MIR generation each and every log of EVC data is being analyzed to mention all the abnormalities in Meter Inspection Report. Due to enhanced capacity of data logging and number of parameters in latest EVCs, it takes considerable time to download / analyze all the saved data logs.

- **Consumers witness of Flow Proving / inspection of their meters**

Consumers are being invited to witness Flow Proving / Inspection of their meters at Meter Shops. Mostly a week or more time after meter replacement / disconnection is being requested by the consumers to witness their meter inspection / flow proving at Central / Regional Meter Shops. Meter Shops cannot flow prove / inspect the meter before stipulated date / time given to consumer.

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Sometimes, the time and date may also be changed by the Regions on consumer's request, keeping in view of his genuine constraints.

- **Generation of MIRs through Customer Care and Billing Software**

Previously Meter Inspection Reports were being generated through Meter Shops offline software. From 2014 all Meter Inspection Reports are being generated through online Software i.e. Customer Care and Billing. After generation of MIRs through this software MIRs can be viewed by authorized persons of concerned Regions. The following sections are involved in the process of MIRs generation:-

- Receiving Section
- Flow proving and seal inspection section
- Meter internal parts checking section
- EVC Section
 - EVC Data analysis
 - EVC internal checking
- MIR typing and printing section
- MIR dispatch section
- Additional entries due to implementation of Meter Management Module at Meter Shops
- Implementation of Enterprise Resource Planning System (ERP)

"Clause G. TAMPERING OF METERS NOT DETECTED AT SITE BUT LATER DETECTED / PROVED AT COMPANY'S METER SHOP"

<u>Existing PROCEDURE</u>	<u>SNGPL's Proposed Amendments</u>
Where tampering of meter is not detected at the site but later proved in the Central Meter Shop / Regional Meter Shop which inspection shall be carried out within time limit i.e. for industrial 03 weeks, for commercial 6 weeks and for domestic consumers 12 weeks	Where tampering of meter is not detected at the site but later proved in the Meter Repair Shop which inspection shall be carried out within time limit i.e. for industrial 08 weeks, for commercial 6 weeks and for domestic consumers 12 weeks In view of above amendment, the Authority is requested to please extend the Claim from 6 Months to 7.5 months, accordingly.



Constraints faced by the Company in compliance of Clause "G":

The following constraints are being faced during Meter Test Report [MTR] generation activity of replaced / disconnected industrial meter;

- Induction of EVCs with enhanced No. of logs/parameters
- Additional entries due to implementation of Meter Management Module at Meter Shops
- Implementation of Enterprise Resource Planning System (ERP)
- Consumers witness of Flow Proving / inspection of their meters

Consumers are being invited to witness Flow Proving / Inspection of their meters at Meter Repair Shops. Mostly a week or more time after meter replacement / disconnection is being requested by the consumers to witness their meter inspection / flow proving at Meter Repair Shops. Meter Repair Shops cannot flow prove / inspect the meter before stipulated date / time given to consumer.

Sometime, the time and date may also be changed on consumer's request, keeping in view of his genuine constraints.

- Generation of Meter Inspection Reports [MIRs] through customer care and billing software

Previously Meter Test Reports were being generated through Meter Shops offline software. From 2014 all Meter Inspection Reports are being generated through online Software i.e. Customer Care and Billing. After generation of MTRs through this software MTRs can be viewed by authorized persons of concerned Regions. The following sections are involved in the process of MIRs generation: -

- Receiving Section
- Flow proving and seal inspection section
- Meter internal parts checking section
- EVC Section
 - EVC Data analysis
 - EVC internal checking
 - MIR typing and printing section

Public Hearing at Karachi on 18-12-2018

a) Representatives of SSGCL

- i) Mr. Amin Rajput, Managing Director
- ii) Mr. Muhammad Wasim, Dy. Managing Director (Ops)





- iii) Dr. Ejaz Ahmed, Sr. General Manager (CS)
- iv) Mr. Saeed Rizvi, Sr. General Manager (ES)
- v) Mr. Irfan Zafar, Sr. General Manager (UFG)
- vi) Mr. Shoaib Ahmed, General Manager (RA)
- vii) Mirza Mahmood Ahmad, Legal Counsel
- viii) Syed Shehryar Kazmi, General Manager (B)
- ix) Mr. Kamran Nagi, General Manager
- x) Mr. Muhammad Asad Mushtaq, Dy. General Manager (RA)
- xi) Mr. Muhammad Adnan Mughal, Dy. Chief Manager (RA)
- xii) Mr. Muhammad Nawaz, Dy. Manager (RA)
- xiii) Abdul Sami, Chief Manager (RA)
- xiv) Mr. Muhammad Latif Ullah, Dy. General Manager
- xv) Mr. Adnan Saghir, Asst. General Manager (T)
- xvi) Mr. Fazal Awan, Protocol Officer
- xvii) Mr. Usman Ali, Shareholder, SSGCL

b) Representatives of General Public

- i) Mr. M. H. Asif, Consultant, All Pakistan Textile Mills Association
- ii) Mr. Naveed Shakoor, Sr. Vice President, Bin Qasim Association of Trade & Industry
- iii) Dr. Qazi Kamal, Advisor, Karachi Chamber of Commerce & Industry
- iv) Mr. Shabbir Sulemanjee, Chairman, All Pakistan CNG Forum
- v) Mr. Masood Bhatti, Head of Commercial, Behria LNG
- vi) Malik Khuda Baksh, CNG Owners Association of Pakistan
- vii) Mr. Zain Bashir, President, Landi Association of Trade & Industry
- viii) Abdul Haseeb Khan, CNG Dealers Association
- ix) Mr. Mazhar Mehmood, All Pakistan Textile Mills Association
- x) Mr. Muhammad Faisal Maqsood, Sr. Manager, Lucky Cement
- xi) Mr. K.S Noorullah, Land Ocean Trading
- xii) Mr. Manas Makhdoom, Landi Association of Trade & Industry
- xiii) Mr. Arif Bilwani, Consumer
- xiv) Syed Raza Abbas, Sindh Petroleum & CNG Dealers Association
- xv) Mr. Muhammad Abid Ozair, CNG Dealers Association
- xvi) Mr. Kashif Pervaiz, CNG Dealers Association
- xvii) Mr. Tariq Jamil Khan, CNG Dealers Association
- xviii) Mr. Samir Gulzar, Vice Chairman, All Pakistan CNG Association
- xix) Mr. Samir Najmul, All Pakistan CNG Association
- xx) Mr. Junaid Naqi, Chief Executive Officer, Excel Energies Ltd.
- xxi) Mr. Raheel Fawad, Shan Paper
- xxii) Mr. Samiullah, Arif Habib Limited
- xxiii) Ms. Misha Zahid, Arif Habib Limited
- xxiv) Mr. Ahsan Arshad, Sr. Equity Analyst, Tavarus Securities Ltd.

7. Presentation by SSGCL:



During the Hearing Proceedings at Karachi on 18-12-2018, Dr. Ejaz Ahmed, Senior General Manager (CS), SSGCL gave a detailed presentation covering the existing and proposed sub-clauses of Clause "D" & "G" of the Procedure mentioned in preceding paras.

Clause "D"

SSGCL briefly stated that Procedure for Dealing with Theft of Gas Cases was notified in 2005. At that time all replaced / disconnected Domestic meters were not inspected / tested in Central Meter Shop (CMS). Company started inspection / testing of Domestic meters during 2013 in the regions and now all replaced/disconnected Domestic meters are inspected/tested. Due to huge quantum of Domestic meters, there are practical constraints in implementation of Clause "D" of the said Procedure on Domestic meters and requested the Authority to amend the proposed sub-clauses of Clause "D" of the Procedure.

Clause "G"

SSGCL briefly stated that the Procedure for Dealing with Theft of Gas Cases was formulated in 2005. At that time, most of the meters were being installed with counters/Em-Correctors and few were with EVCs (Electronic Volume Correctors) on Industrial Consumer Meter Stations. Moreover, different steps/factors have been introduced/involved in generation of MTRs (Meter Test Reports) to make them more comprehensive. Therefore, the following request was submitted before OGRA for amendment in Clause "G" of the said procedure.

8. Arguments of the Participant at Lahore:

After detailed presentation given by the representative of SNGPL during Public Hearing at Lahore on 10-12-2018, Mr. Ghiyas Abdullah Paracha, Central Chairman, All Pakistan CNG Association submitted the following points:-

- i) On behalf of CNG Association, he stated that CNG sector has a lot of reservations regarding procedure for inspection of CNG Stations by Gas Utility Companies. He proposed that a third party inspection system must be adhered for the inspection of Meter Reading, Data Collecting / management, Safety, security and equipment installed at the CNG Station.
- ii) He emphasized that SNGPL should observe some specific timing for inspection of CNG Stations i.e. 09:00 a.m. to 05:00 p.m. as in the number of cases it has been reported that their representatives suddenly visit CNG Stations in the evening or late night hours when the managerial staff, owner are not present and only lower staff or

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Chowkidar are present there and in the presence of the lower staff they impose penalty, theft or any other illegality which is not justified.

- iii) He further proposed that SNGPL should adopt a proper system of still photography or video recording for digital / documentary evidence for condition of meter, reading of the meter etc. installed at the CNG Stations and provide a copy of the same to CNG owner / manager with the signatures / verification in order to meet the ends of justice, if any dispute arises.
- iv) He informed that the CNG Stations maintain their consumption data for clarity of record on daily basis therefore SNGPL should also devise a mechanism to reconcile the data with its CNG Consumer on monthly basis or agreed time, in order to ensure transparency in billing & other related disputes.
- v) He further pointed out a very crucial factor which badly effects the social life of CNG Owners as Gas utility companies mostly SNGPL without any authentic evidence declares them huge thieves in miscellaneous theft cases. He said that being Central Chairman of CNG Association, a number of such cases have been reported to him that their social lives have been badly affected by this action of Sui Gas Company.
- vi) At the end, the Hon'ble Chairperson advised Mr. Ghiyas Paracha to submit their reservations to OGRA in writing for consideration of the Authority, however no written comments have been received by the Authority till date.

9. Reply of SNGPL:

SNGPL while responding the comments / reservations of the participant, submitted as under:-

- i) That their management is trying their level best to mitigate the consumer issues and today's Public Hearing is also a chain of that efforts being made by the Sui Company.
- ii) The reservations / issues raised by Mr. Ghiyas Abdullah Paracha have been noted and shall be considered / resolved on priority basis.

10. Arguments of the Participant at Karachi:





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After detailed presentation given by the representative of SSGCL, during Public Hearing at Karachi on 18-12-2018, Mr. Muhammad Tariq Mansoor, Advocate submitted the following points:-

(i) **Sub-Clause – v**

In the category titled as “Domestic Consumer” proposed amendment is against the Fundamental Right being guaranteed under Article 10-A of the Constitution of Pakistan, 1973 i.e. Right to Fair Trial as well as Article 25-A(1) of the Constitution i.e. Equality of citizens. Hence, in the context of the above, proposed amendment in clause-v are in violation and against the fundamental rights of the “Domestic Consumers”, because for the purpose of transparency, fair trial, principles of natural justice, and to minimize any potential conflict of interest leading to miscarriage of justice at later stage, it is needed that if proposed amendment in clause-v is considered then Industrial / Commercial.

Furthermore, in the proposed amendment in this clause, it is also objected and thereby recommended for the purpose of sound and self-explanatory Procedure, that in the description of all the categories after the words: “The disconnected meter and / or regulator shall be taken into personal custody by a responsible designated official of the company” The words: **‘who shall follow the procedure in the respective Category mentioned here as under:**

Shall be added where the words “as follows” shall be omitted to avoid any procedural ambiguity and to ensure field accountability in general.

(ii) **Sub-Clause – vi**

In this clause the words:

“The consumer shall be also requested to sign the document and in case the consumer refuses to sign, the same will be documented / lodged.”

Should be rephrased as under:

“The consumer shall also be requested to sign the document, however in case the consumer refuses to sign, the same for any reason whatsoever, then the said particular reason shall be noted and two spot witness(s) name(s), CNIC’s Nos. and addresses shall be noted and copy shall be given to the concerned consumer for his / her record.




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The said proposal for the addition is to follow the principles of natural justice and fair trial R/W Article-10-A of the Constitution, as the guaranteed fundamental right of the consumer(s).

(iii) Sub-Clause – vii

In this clause, we have reservations regarding the proposed Description in Commercial and Special Domestic Consumer as well as Domestic Consumers category as there is no sound reason, logic and rationale for such unnecessary delay that may cause the decay of evidence as well as infringement of consumer rights, hence it is needed that for both the Commercial and Special Domestic Consumer as well as Domestic Consumers the description should be amended to as:

“within 03 working days of disconnection”

In order to avoid stress, mental torture and waste of time in respect of the consumer.

(iv) Sub-Clause – ix

In this clause, it is interlined with our objections being raised in the clause-v, because here clause-v objection and recommendations should be followed than in that case following the principles of natural justice, fair trial and to ensure transparency, to avoid any conflict of interest b/w the two i.e., the Company and the Consumer, the Category Domestic Consumers para should be rephrased in both of the two x Categories i.e., the Industrial, Commercial and Special Domestic Consumers and the Domestic consumer to ensure transparency, equality and uniformity for the larger public interest recommend here as under:

“Break, open the seal of the bag in the presence of the person delivering the equipment as well as the respective consumer r/w clause-x (proposed objections / recommendations) and would also confirm the physical / visual condition of the equipment as recorded by the inspection / raiding team.

(v) Sub-Clause – x

In this clause, first the word / category Domestic meter shall be added and the further addition to be made following the principles of natural justice and fair trial and to ensure transparency and to avoid any possible conflict of interest between the two parties i.e. the Company and the consumer r/w Article-10-A, and Article-25 A, 25(1), 8(1)(2) of the Constitution of Pakistan and therefore needed to be, rephrased as under:

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“The Industrial, Commercial, Special Domestic and Domestic meter shall be tested in his / her presence, with prior intimation to the respective consumer in writing via registered letter at its registered address at least 05 working days in prior to the scheduled meter test date whereas if no response has been received by the respective consumer within 04 working days in writing to the designated official of the company for his / her intention, than the same shall be recorded and in case of absence or decline of presence of the consumer on the set schedule meter test date then the test will be proceeded in his / her absence with noting on record accordingly.”

At the end, he requested the Authority that on the basis of the above-mentioned facts and legal grounds with respect to the Fundamental Rights being guaranteed under Constitution of Pakistan, to consider the same in the larger Public Interest, the principles of natural justice, fair play and to avoid any conflict of interest enabling the consumers to exercise their rights in a transparent manner while dealing with Theft of Gas cases, accordingly.

11. Reply of SSGCL:

SSGCL while responding the comments / reservations of the Mr. Tariq Mansoor, Advocate participant, submitted as under:-

- (i) that their management has noted down the reservations / objections / proposals of the Intervener and they will try their level best to facilitate the consumers.
- (ii) In addition to above, Mr. Shahzad Iqbal, Executive Director (Gas), OGRA also assured the participants of the Public Hearing that their reservations / proposals shall be duly considered by the Authority during the formulation of its final determination.

12. Observations / Decision of the Authority:

The Authority, after scrutiny of the applications, hearing the arguments of the licensees and the participants of Public Hearings at length as well as on the basis of all available information observes as under:-

- (i) **“Clause D. Action of the Company”:**

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S.No	EXISTING PROCEDURE	SNGPL's Proposed Amendments	Authority's observations						
ii.	Meter testing workshops / mobile-testing workshops shall be established at all regional headquarters as far as possible keeping in view operational requirement, but not later than two years with effect from July, 2005.	No comments	(The words "but not later than two years with effect from July 01, 2005" may be deleted). "Meter testing workshops / mobile-testing workshops shall be established at all regional headquarters as far as possible keeping in view operational requirements."						
iii.	In case of strong evidences leading to confirmation of the act of theft, the company will disconnect the supply of the consumer / defaulter immediately and will remove all devices which can facilitate the consumer / defaulter in illegal restoration of gas supply.	No comments	In case of strong evidences leading to confirmation of the act of theft, the Company will disconnect the supply of the consumer / defaulter immediately and will remove all devices which can facilitate the consumer / defaulter in illegal restoration of gas supply. <i>The Company shall record the evidence of theft and the connected load in the form of photographs or video recordings.</i>						
iv.	Physical /visual appearance of the meter and/or pressure regulator shall be documented preferably in the presence of a representative of the defaulter consumer.	No comments /agreed.	Physical /visual appearance of the meter and/or pressure regulator shall be documented, <i>i.e. on Meter Replacement Advice, Field Order/Meter Disconnection advice, etc</i> , preferably in the presence of a representative of the defaulter consumer.						
v.	The disconnected meter and/or regulator shall be taken into personal custody by a responsible designated official of the company who shall place the equipment in a bag / container which shall be sealed at the site. Time and date shall be logged.	The disconnected meter and /or regulator shall be taken into personal custody by a responsible designated official of the company as follows:	The disconnected meter and /or regulator shall be taken into personal custody by a responsible designated official of the company as follows:						
				<table border="1"> <thead> <tr> <th>Category</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Industrial, Commercial & Special Domestic Consumers</td> <td>The equipment shall be placed in a bag/container which shall be sealed at the site.</td> </tr> </tbody> </table>	Category	Description	Industrial, Commercial & Special Domestic Consumers	The equipment shall be placed in a bag/container which shall be sealed at the site.	<table border="1"> <thead> <tr> <th>Category</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Industrial, Commercial & Special Domestic Consumers</td> <td>The equipment shall be placed in a bag/container which shall be sealed at the site.</td> </tr> </tbody> </table>
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S.No	EXISTING PROCEDURE	SNGPL's Proposed Amendments		Authority's observations							
		<u>Domestic Consumer</u>	The equipment shall be placed in box /container for safe handling/ transportation of meter.	<u>Domestic Consumer</u>	The equipment shall be placed in a box/container which shall be sealed at the site for safe handling/ transportation of meter.						
		Time and date shall be logged.		Time and date shall be logged. In case of any damage to the meter during transportation, the onus of responsibility shall totally lie on the Company.							
vi.	The observations made at the time of disconnection shall be logged /documented and signed by all members of the disconnection team. The document on which the said observations are recorded will be enclosed in the box/container in duplicate with copies to Head of department and local Regional General Manager. The company shall send a quarterly report to OGRA giving addresses of premises where acts of theft are confirmed, as well as brief description of mode of theft.	The observations made at the time of disconnection shall be logged /documented and signed by <u>In-charge</u> of disconnection team. <u>The consumer shall also be requested to sign the document and in case the consumer refuses to sign, the same will be documented/logged.</u> The document on which the said observation is recorded will be copied to concerned Sectional In-charge. The Company shall send a quarterly report to OGRA giving addresses of premises where acts of theft are confirmed as well as brief description of mode of theft.	The observations made at the time of disconnection shall be logged /documented and signed by <u>In-charge</u> of disconnection team. <u>The consumer shall also be requested to sign the document and in case the consumer refuses to sign, the same will be documented/logged.</u> The document (i.e. Meter Replacement Advice, Field Order/Meter Disconnection advice, etc.) on which the said observation is recorded will be copied to concerned Sectional In-charge. Copy of the meter replacement advice, Field Order/Meter disconnection advice shall also be provided to the consumer at site. The Company shall send a quarterly report to OGRA giving addresses of premises where acts of theft are confirmed as well as brief description of mode of theft.								
vii.	The suspected equipment shall be dispatched to the "Local /nearest Testing Workshop/Laboratory" within two working days of disconnection.	The suspected equipment shall be dispatched to the "Local /nearest Testing Workshop/Laboratory" as follow: <table border="1" data-bbox="526 1713 1005 1915"> <thead> <tr> <th>Category</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td><u>Industrial Consumers</u></td> <td>Within 3 working days of disconnection</td> </tr> </tbody> </table>	Category	Description	<u>Industrial Consumers</u>	Within 3 working days of disconnection	The suspected equipment shall be dispatched to the "Local /nearest Testing Workshop/Laboratory" as follow: <table border="1" data-bbox="1037 1780 1508 1971"> <thead> <tr> <th>Category</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td><u>Industrial Consumers</u></td> <td>Within 3 working days of disconnection</td> </tr> </tbody> </table>	Category	Description	<u>Industrial Consumers</u>	Within 3 working days of disconnection
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S.No	EXISTING PROCEDURE	SNGPL's Proposed Amendments		Authority's observations							
		Commercial and Special Domestic Consumers	Within 5 working days of disconnection	Commercial and Special Domestic Consumers	Within 4 working days of disconnection						
		Domestic Consumers	Within 7 working days of disconnection	Domestic Consumers	Within 5 working days of disconnection						
ix.	<p>The official taking charge of the equipment in testing workshop /laboratory shall break open the seal of the bag in the presence of the person delivering the equipment. Moreover, out of two, one copy of the document accompanying the meter in the container shall be endorse by the official receiving it and returned to the one delivering it for handling over the same to General Manager/ In-charge of the Region to which the meter pertains and would also confirm the physical / visual condition of the equipment as recorded by the inspection/raiding team. Testing of internal parts/ operation of the meter and flow proving shall be carried out in the laboratory and reported to G.M of the region within five working days, in case of industrial category and ten working days, in case of commercial/domestic category after the receipt of meter.</p>	<p>The official taking charge of the equipment in testing workshop /laboratory shall:</p> <ul style="list-style-type: none"> <u>In case of Industrial, Commercial and Special Domestic consumers:</u> Break open the seal of the bag in the presence of the person delivering the equipment and would also confirm the physical / visual condition of the equipment as recorded by the inspection/ raiding team. <u>In case of Domestic consumers:</u> <u>Confirm the Physical / visual condition of the equipment as recorded by the inspection/ raiding team.</u> <p>Moreover, out of two, one copy of the document accompanying the meter in the container shall be endorsed by the official receiving it and returned to the one delivering it for handling over the same to concerned Sectional Incharge of the region to which the meter pertains. Testing of internal parts/ operation of meter and flow proving shall be carried in the laboratory and Meter Inspection Report shall be forwarded to the G.M of the region as follows:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Industrial</td> <td>Within 7 working days of receipt of meter</td> </tr> </tbody> </table>	Category	Description	Industrial	Within 7 working days of receipt of meter	<p>The official taking charge of the equipment in testing workshop /laboratory shall:</p> <ul style="list-style-type: none"> <u>In case of Industrial, Commercial and Special Domestic consumers:</u> Break open the seal of the bag in the presence of the person delivering the equipment as well in the presence of the consumer and would also confirm the physical / visual condition of the equipment as recorded by the inspection/ raiding team on the Meter Replacement Advice, Field Order/Meter Disconnection advice, etc. <u>In case of Domestic consumers:</u> <u>Confirm the Physical / visual condition of the equipment as recorded by the inspection/ raiding team on the Meter Replacement Advice, Field Order/Meter Disconnection advice, etc.</u> <p>Moreover, out of two, one copy of the document accompanying the meter in the container shall be endorsed by the official receiving it and returned to the one delivering it for handling over the same to concerned Sectional Incharge of the region to which the meter pertains. Testing of internal parts/ operation of meter and flow proving shall be carried in the laboratory and Meter Inspection Report shall be forwarded to the G.M of the region as follows:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> </tbody> </table>	Category	Description		
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Industrial	Within 7 working days of receipt of meter										
Category	Description										

S.No	EXISTING PROCEDURE	SNGPL's Proposed Amendments		Authority's observations	
				Commercial / Special Domestic	Within 14 working days of receipt of meter
		Domestic	Within 21 working days of receipt of meter	Commercial / Special Domestic	Within 14 working days of receipt of meter
				Domestic	Within 21 working days of receipt of meter
x.	The meter will be tested if desired by the customer in his presence or otherwise the absence of the customer will be noted.	The Industrial, Commercial and Special Domestic meter will be tested in his presence, if desired by the customer or otherwise the absence of the customer will be noted.		This Para may not be amended as the Company frequently imposes tampering/under billing/sticky meter charges after carrying out inspection of domestic meters and it will be unfair with the Consumers to penalize them without giving them the opportunity to witness inspection of their meters. The Company should therefore improve/enhance their meter inspection facilities and ensure that domestic meters are inspected in the presence of respective consumer to make this whole process more transparent and consumer friendly.	

(ii) In view of above, the Authority has decided to amend the Clause "D" of "Procedure for Dealing with theft of Gas Cases, 2005" and the revised / amended Clause "D" is reproduced as under:-

"D. ACTION OF THE COMPANY: -

1. The Company may in association with local and provincial governments, acquire services of Magistrate, or Judicial Officer and police and / or personnel from the Army / Paramilitary establishment (as an alternative to police force) for conducting raids on suspected consumers.
2. Meter testing workshops / mobile-testing workshops shall be established at all regional headquarters as far as possible keeping in view operational requirement.
3. In case of strong evidences leading to confirmation of the act of theft, the Company will disconnect the supply of the

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consumer / defaulter immediately and will remove all devices which can facilitate the consumer / defaulter in illegal restoration of gas supply. The Company shall record the evidence of theft and the connected load in the form of photographs or video recordings.

Following procedure shall be adopted while undertaking disconnection.

- 4. Physical /visual appearance of the meter and/or pressure regulator shall be documented, i.e. on **Meter Replacement Advice, Field Order/Meter Disconnection Advice, etc.**, preferably in the presence of a representative of the defaulter consumer along with provision of the copy of the same to the consumer.
- 5. The disconnected meter and /or regulator shall be taken into personal custody by a responsible designated official of the Company as follows:

<u>Category</u>	<u>Description</u>
Industrial, Commercial & Special Domestic Consumers	The equipment shall be placed in a bag/container which shall be sealed at the site.
Domestic Consumer	The equipment shall be placed in a box/container which shall be sealed at the site for safe handling/ transportation of meter.

Time and date shall be logged. In case of any damage to the meter during transportation, the onus of responsibility shall totally lie on the Company.

- 6. The observations made at the time of disconnection shall be logged /documented and signed by In-charge of disconnection team. The consumer shall also be requested to sign the document and in case the consumer refuses to sign, the same will be documented/logged. The document, i.e. on **Meter Replacement Advice, Field Order/Meter Disconnection Advice, etc.** on which the said observation is recorded will be copied to concerned Sectional In-charge. The Company shall send a quarterly report to OGRA giving addresses of premises where acts of theft are confirmed as well as brief description of mode of theft.
- 7. The suspected equipment shall be dispatched to the "Local /nearest Testing Workshop/Laboratory" as follow:

<u>Category</u>	<u>Description</u>
Industrial Consumers	Within 3 working days of disconnection






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Commercial and Special Domestic Consumers	Within 4 working days of disconnection
Domestic Consumers	Within 5 working days of disconnection

8. Safe and secure handling of the equipment shall be ensured during transportation/transit to protect against possible damage.
9. The official taking charge of the equipment in testing workshop /laboratory shall:

In case of Industrial, Commercial and Special Domestic Consumers:

Break open the seal of the bag in the presence of the person delivering the equipment as well in the presence of the consumer and would also confirm the physical / visual condition of the equipment as recorded by the inspection/ raiding team on the Meter Replacement Advice, Field Order/Meter Disconnection Advice, etc.

In case of Domestic Consumers:

Confirm the Physical / visual condition of the equipment as recorded by the inspection/ raiding team on the Meter Replacement Advice, Field Order/Meter Disconnection advice, etc.

Moreover, out of two, one copy of the document accompanying the meter in the container shall be endorsed by the official receiving it and returned to the one delivering it for handling over the same to concerned Sectional Incharge of the region to which the meter pertains. Testing of internal parts/ operation of meter and flow proving shall be carried in the laboratory and Meter Inspection Report shall be forwarded to the G.M of the region as follows:

<u>Category</u>	<u>Description</u>
Industrial	Within 7 working days of receipt of meter
Commercial / Special Domestic	Within 14 working days of receipt of meter
Domestic	Within 21 working days of receipt of meter

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10. The meter will be tested if desired by the Consumer in his presence or otherwise the absence of the consumer will be noted."

(iii) **"CLAUSE G. TAMPERING OF METERS NOT DETECTED AT SITE BUT LATER DETECTED / PROVED AT COMPANY'S METER SHOP"**

<u>EXISTING Clause "G"</u>	<u>Proposal of SNGPL</u>	<u>Authority's Observations</u>
<p>"Clause G. Tampering of meters not detected at site but latter detected / proved at company's meter shop.</p> <p>Where tampering of meter is not detected at site but later proved on the Central Meter Shop / Regional Meter Shop which inspection shall be carried out within time limit i.e. for industrial <u>3 weeks</u> for commercial 6 weeks and for domestic consumers 12 weeks".</p>	<p>"Clause G. Tampering of meters not detected at site but latter detected / proved at company's meter shop.</p> <p>Where tampering of meter is not detected at site but later proved on the Central Meter Shop / Regional Meter Shop which inspection shall be carried out within time limit i.e. for industrial <u>8 weeks</u>, for commercial 6 weeks and for domestic consumers 12 weeks".</p>	<p>"Clause G. Tampering of meters not detected at site but latter detected / proved at company's meter shop.</p> <p>Where tampering of meter is not detected at site but later proved on the Central Meter Shop / Regional Meter Shop which inspection shall be carried out within time limit i.e. for industrial <u>6 weeks</u>, for commercial 6 weeks and for domestic consumers 12 weeks".</p>

(iv) In view of above, the Authority has decided to amend the Clause G of "Procedure for Dealing with Theft of Gas Cases, 2005" and accordingly the revised / amended Clause "G" is reproduced as under:

"CLAUSE G. TAMPERING FO METERS NOT DETECTED AT SITE BUT LATER DETECTED / PROVED AT COMPANY'S METER SHOP"

Where tampering of meter is not detected at site but later proved in the Central Meter Shop / Regional Mete Shop which inspection shall be carried out within time limit i.e. for industrial 6 weeks, for commercial 6 weeks and for domestic consumers 12 weeks, the basis of assessment of value of gas stolen and recovery of amount from defaulting consumer

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shall be the same as per clause "F". However, the company shall not claim recoveries shall have to be evaluated and finalized by the in-house committees within stipulated time frame of 06 months".

13. The Authority, after scrutiny of the applications, hearing the arguments of the Licensees and the participants of Public Hearings at length as well as on the basis of all available information, hereby disposes of the said applications in term of para-12, accordingly. Both the licensees are directed to comply with the aforesaid decision of the Authority in letter and spirit.



(Dr. Abdullah Malik)
Member (Oil)



(Noorul Haque)
Member (Finance)



(Uzma Adil Khan)
Chairperson

Islamabad,
June 26, 2019



REGISTRAR
Oil & Gas Regulatory Authority
Islamabad