

SSGC plans distribution network sell-off: Asim

RECORDER REPORT

KARACHI (January 06, 2013) : Sui Southern Gas Company (SSGC) is planning to privatise the entire gas distribution network in Karachi to improve distribution and recovery system. Initially, SSGC is going to bifurcate/separate the distribution lines of domestic, commercial and industrial sector to avoid gas losses and other technical hindrances existed in the distribution network. This was stated by Dr Asim Hussain, Advisor to the Prime Minister on Petroleum and Natural Resources while addressing a press conference regarding the ongoing gas crisis in the country, especially Karachi where domestic consumers have also started facing unannounced gas load shedding. Apart from inequitable distribution, it is a fact that the country is facing acute gas shortage. He said against the demand of 8 BCF in the country, gas supply stands at only 4.2 BCF. Talking about the gas issue, he said the supply of gas to domestic consumers would be improved by Monday as SSGC has taken a number of steps to meet the domestic demand of gas in the city. The suspension of supply to industries and CNG stations and reduction in supply to Karachi Electric Supply Company (KESC) would help improve gas distribution/supply system to around 2.5 million domestic consumers. The increased consumption of gas at CNG stations after closure for few days a week was also disturbing the distribution system which was being maintained through the old and single lines. The government is planning to separate the transmission and distribution systems of the two gas companies. The adviser said tenders for the import of Liquefied Natural Gas will be floated on January 9, 2013. He hoped that LNG will start reaching Pakistan next month, which will help overcome gas shortage. According to the adviser, it would take some time to convert 3.5 million CNG-fitted vehicles back to petrol. About shortage of gas, he said the demand has increased due to winter. At least 16 percent of the available gas was being consumed by CNG outlets in the country. Sui and Qadirpur gas fields would deplete in a decade or so and we will have to make arrangements for import of gas and LNG. Gas reaches consumers five-six years after the start of its exploration. The work on gas policy started three years back and sufficient gas would be available in the country in 2014. People will have to take a decision whether they want the industries to run or waste the natural gas on CNG. It is sad that people owning luxury vehicles are using CNG when they can easily afford petrol or diesel. The present government has banned the issuance of license to new CNG stations. Dr Asim said the present government has added numerous consumers to the natural gas system. Based on additional domestic connection this year the additional gas requirement has increased by 200 mmcf. The cumulative use of CNG on SSGC and SNGPL is 475 mmcf. He said Iran-Pakistan (IP) gas pipeline project was in progress and it would be completed by December 2014. On the occasion, Zuhair Siddiqui, Managing Director SSGC claimed that gas supply to affected areas including Lines Area would be improved by Monday.

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