

## Going green on August 14th



SSGC celebrated 66 th independence anniversary of Pakistan with traditional fervor and enthusiasm. A colourful flag hoisting ceremony was held in the front podium of the head office building.

The ceremony was held amongst a large number of employees and executives. At exactly 9 am, Rahat

Kamal Siddiqui, DMD (Operations) SSGC hoisted the flag and all present sang national anthem in unison.

In his thought provoking remarks, Mr. Siddiqui said that the independence day celebrations should be more about reaffirming our resolve to play a constructive role for Pakistan rather than just about humming national songs. He
recalled that back in 1970s when he was based in Saudi Arabia, he had a chance to see a PakistanKSA football match where he was overwhelmed to see the patriotism displayed by Pakistani fans in a foreign land. Muhammad Ali Gohar, DCM (CSR/CCD) conducted the proceedings. Sweets were served to the employees at the end of the flag hoisting ceremony. ■


## In this issue...



## Editor's Note

## A month of happenings

Dear readers,
August proved to be a highly eventful month in Sui Southern. It began with the conventional Eid milan at the head office atrium where Managing Director and members of Senior Management embraced scores of employees and exchanged greetings of this festive event of our Islamic Calendar. Soon followed the 67th Independence Day of Pakistan that was celebrated with traditional fervor in the Company with a heart touching flag hoisting ceremony. The event that however became the talk of the Company was the talent hunt show entitled "Claim to Flame" that provided every single employee an opportunity to unearth his/her hidden talent in the fields of acting and singing. This was an effort initiated by the Corporate Communication Department to foster inter-departmental harmony that was welcomed with huge response from all quarters, witnessing two full days sessions of auditions in which the jury meticulously viewed the performances of the contestants. They were then shortlisted for the 'The Grand Finale" that proved as a resounding success with power pack performances from the budding singers and some very impressive actors. A bunch of raw talent was revealed, astounding the jury that comprised of veteran stars of showbiz. The hearty feedback suggested that the department's endeavors behind this activity to offer a platform for team SSGC to discover their hidden talent was highly appreciated as it simultaneously provided them a rare opportunity to mingle with each other and to come closer for a better understanding. Ed

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## Federal Minister for P\&NR visits SSGC for the first time since assuming the office

Federal Minister for Petroleum - and Natural Resources Shahid Khaqan Abbasi visited SSGC head office on Tuesday, August 27, 2013 for the first time after assuming the charge of the ministry. He was also accompanied by the Minister for State Jam Kamal Khan and Federal Secretary, MP\&NR Abid Saeed.

The Ministers and Secretary were given a detailed presentation on SSGC's operations and ongoing developmental projects by Managing Director, SSGC Zuhair Siddiqui. Chairman Shahid Aziz Siddiqui, DMD (Ops) Rahat Kamal Siddiqui, DMD (CS) Yusuf J. Ansari, CFO Abdul Malik, CIA Muhammad Amin Rajput, SGM (IT) Irfan Zafar, SGM (ES) ljazuddin Faruqi, SGM (T) Shoaib Warsi, SGM (MS) Dr. Shehla Naqvi, ASGM (Dist. North) Mustafa Abdulla, ASGM (Dist. South) Muhammad Aminuallah Khan, ASGM (Coordination) Maj. (R) Mohammad Akhtar, ASGM (CS) Dr. Ejaz Ahmed and other members of senior management were also present during the presentation in Company's boardroom.


During the presentation, MD explained that import of LNG is Company's top priority. He highlighted different hurdles and issues being faced by the Company's management in this regard. Federal Minister gave suggestions and instructions to SSGC management for addressing these issues.

Focusing on other important developmental projects, MD SSGC informed that in Balochistan, Zarghoon Gas Pipeline Project will
be completed during September 2013 and the cost incurred would be Rs. 1.458 billion. After completion of the said project around 25 mmcfd gas will be added in SSGC's system that will be provided to Quetta city. The project consists of around 64 km long pipeline network.

The MD elaborated on other gas supply projects, which were completed during recent past or are nearing completion. He said that Jhal Magsi, Sinjhoro, Kunnar



Pasakhi, Mehar, Rehman and Nar Baghla gas supply projects were completed against a cost of Rs. 3.432 billion, comprising of 291 km long pipelines that added/will add around 235 mmcfd gas in SSGC's system.

Managing Director informed the guests that for the first time during the last 5 years, Company has succeeded in bringing down its UFG by $2 \%$. The Managing Director also explained the progress on SSGC's Natural Gas Efficiency Project (NGEP). He anticipated that after completion of this important project, the utility will be in a position to bring down its 'Distribution Line Losses (UFG)' to 6 \% per annum in 2017, from the current $10.8 \%$. He was hopeful that the initial activities for the project will start in September 2013. He said that Company has already sent the Accounts (FY 2012-

13) to OGRA for its approval and subsequently it is anticipated that our financial position will improve accordingly this year.

The Federal Minister was also informed by the Managing Director about the huge receivables of Rs. 50.53 billion from KESC and Rs. 16.32 billion from Pakistan Steel Mills which are due since long. MD said that KESC is not acknowledging the late payment surcharge that amounts to Rs. 17.83. He elaborated that SSGC is supplying around 220 mmcfd gas to the power utility without any 'Gas Sales Agreement (GSA). He requested the Ministers and Secretary to facilitate SSGC in recovering these long due outstanding from both the organizations. The Federal Minister was also briefed about another Rs. 10 billion recoverable amount from Federal Bureau of Revenue (FBR).

Mr. Abid Saeed assured to soon convene a meeting in Islamabad to solve this issue. The MD said that the cash liquidity position of the company has disturbed considerably due to these long due receivables. Federal Minister praised SSGC's management for ably managing the Company functions despite of such adverse financial conditions.

Later the Minister and Secretary visited different departments that include 1199 Contact Center, IT's Geographical Information System (GIS) and Data Storage Centre and expressed their satisfaction over the smooth management. MD thanked the Ministers and Secretary for their visit to the utility and presented them Company souvenirs.

Report: Inayatullah Ismail, Chief Manager (MR-CCD)


## Senate's Standing Commíttee visits SSGC, LPG Subsidiary

The Senate's Standing Committee for Petroleum and Natural Resources visited SSGC Head Office for getting a comprehensive presentation on the Company's operations and a visit of the LPG Terminal on August 15 and 16, respectively.

On the first day of the visit, the standing committee led by its Chairman, Senator Muhammad Yusuf was briefed by Zuhair Siddiqui, MD, SSGC on some of the recent developments on LNG front especially with regards to the LNG integrated and retro projects and press reports in this regard. The SSGC management also discussed the current and projected natural gas demand.

The Senate Committee and the management shared the view that mitigation of demand and supply of natural gas lies in the development of alternative supply sources viz., LNG import, SNG and LPG, fasttrack indigenous gas production and

management of supply and demand gap by analyzing high economic value consumption beneficial for the Country and for the Company.

The Senators who participated in the meeting were Dr. Jahangir Badar, Rozi Khan Kakar, Rubina Irfan and Hamza. M. Naeem Malik, Additional Secretary, MP\&NR also participated in the discussions. Rahat Kamal Siddiqui, DMD (Operations), Abdul Malik, CFO, Dr. Shehla Naqvi, SGM (MS), ljazuddin Faruqi, SGM (ES), Dr. ljaz Ahmed, ASGM (CS), Major (R) Mohammad Akhtar, ASGM
(Coordination) and Major (R) Raashid Ahmed, SA to MD, assisted MD, SSGC.

After the meeting, the Committee Chairman and MD, SSGC spoke briefly to the media.

On the second day of the visit, the Committee members accompanied by the senior management went to SSGC LPG Subsidiary located in Port Qasim Authority. They were given a thorough briefing on the facility by MD SSGC and LPG officials.


## SSGC clamps down on íllegal connections in Rabia Cíty and Shah Latif Town, Karachi

As part of its continuous drive against unaccounted-for-gas (UFG), SSGC's Customer Relations Department (CRD) Task Force conducted a raid against illegal connections in two of Karachi's populated areas, Rabia City (Gulistan-e-Johar, Block-18) and Shah Latif Town situated on National Highway. In Rabia City, on August 20, 2013, the Task Force dismantled 400 illegal connections of those inhabitants who were involved in direct gas use through the Company's distribution lines. The residents were found using at least four connections from one point. These illegal connections were resulting in the loss of $22,576 \mathrm{mcf}$ gas which in monetary terms translates to losses of Rs. 3.6 million per annum.

Earlier on August 19, the Task Force also cracked down on direct gas use in Shah Latif Town, where they removed around 2,700 illegal connections. The illegal connections

were resulting in the loss of 152,388 mcf gas which amounts to Rs. 20 million per annum.

The residents found using gas directly from the Company's main supply lines, were asked by the CRD team, during the raid to settle their arrears immediately with the Company in order to avoid future
disconnections. Both raids were led by Nawab Ali Shah, Dy. Chief Manager (CRD).

UFG has severely dented the Company's profits in recent times since every $1 \%$ increase in UFG reduces SSGC's profits by Rs. 1.3 billion plus the cost of gas.


# Quetta distribition conducted raíd at Killí Ameen and FGS Colony Saríab Road, Quetta 

SSGC's special task force conducted a major raid in KILLI Ameen Abad and FGS Colony, Sariab Road, Quetta.

The raid was conducted by the Quetta Distribution Team on July 04, 2013 under the supervision of Mohammad Anwar Baloch Zonal

Manager (Quetta) comprising of Mr. Mohammad Anwar and Mohammad Younas Welding Supervisor. The team discovered that 15 houses were using gas through underground clamps puncturing the company's 2" O MS Pipe. The team removed clamps and rubber pipes of around 300 meters and rectified the
punctured spots.
The Task Force Team faced considerable resistance by the area residents.

Courtesy: Mohammad Anwar Baloch Zonal Manager, Quetta


## Quetta dístríbution conducted raíd at Balochistan Constabulary (Mess) eastern by - pass, Quetta

As part of SSGC's ongoing initiative against unaccounted for gas (UFG) the emergency team of Quetta Region Maintenance Department under the supervision of Zonal Manager (Quetta) Mr. Mohammad Anwar Baloch consisting of Mr. Mohammad Welding Supervisor and Mr. Riaz-Ud-Din Sr. Helper raided Balochistan Constabulary
(Mess) on June 5, 2013 at Eastern By Pass who were using direct gas through underground clamp (approximately for 200 persons).

The team removed the clamp and rectified the punctured 2" Ó MS Gas Pipeline. ■

Courtesy: Mohammad Anwar Baloch Zonal Manager, Quetta


Eíd Milan Get Together at SSGC head office


0n August 12, 2013 , a cordial ceremony was held at SSGC Head Office Karachi where all executives and senior management
greeted each other with traditional Eid hugs and wishes. Zuhair Siddiqui, MD, SSGC greeted all present at the Ground Floor reception where

MD alongwith members of senior management personally met and exchanged eid greetings with all executives and staff members.


## SSGC cricket team shines in Corporate T20 Ramadan Tournament

During the holy month of Ramadan SSGC participated in Corporate T20 Cricket tournament 2013 held at Moin Khan Cricket Academy, DHA Sports Club, Karachi. The tournament was contested by star studded departmental sides such as PIA, Omer Associates, National Bank, Port Qasim Authority, SSGC etc. Although SSGC's team was rated as underdogs by many experts but the tournament ended with a spectacular performance by our players with team SSGC making it to the semifinals and nearly going through to the finals in a nail biting thriller against star studded Omer Associates. The tournament also witnessed record breaking fastest century scored by SSGC's Awais Zia who had represented Pakistan national T20 side. Awais Zia also achieved record of scoring most sixes in the tournament's history. Although records fell in the bag of Awais Zia, it would be fair to say that SSGC performed tremendously

as a team and the role of sports department and its management was very significant in the successful performance of the team. The

SSGC team was coached by Saeed Asif with Mohammed Zafar as Manager. ■


## Howzatt 2013 - Awarding super duper performances



The Prize Distribution Ceremony for HR-OD organized SSGC Ramadan Night Cricket Tournament was held on August 13, 2013 at the Head Office Auditorium.

Zuhair Siddiqui, MD, SSGC and other members of the management presented trophies to the top three teams and best players of the tournament.

IT Lions beat Management Knights in the final while Finance Falcons defeated CS Dolphins to take the third position. At the onset, Shahbaz Islam, DGM (HR) gave an overview of Howzatt 2013 that saw 11 SSGC teams competing for top slots.

Shahid Wasi (IT) was declared Man of the Match of the final while Syed Sadaf Abbas (Distribution) was given the award of best bowler of the tournament. Qazi Nasar Abbas (IT) bagged two coveted awards on his overall performance that included best batsman and Player of the Tournament. Mementos were also given to the organizers as well as supporting departments. The high point of the ceremony was the conferring of trophies to players of top three teams and glittering team trophies to the Champions and the 2nd and 3rd position squads.

In his brief remarks, the MD appreciated HR's initiative of

organizing Ramadan Night Cricket for the executives and employees and hoped that the Department will make it a regular feature.



## Newly elected officers association takes oath of office

Oath taking ceremony of the newly elected members of Sui Southern Gas Officers' Association took place in the Company's Head Office on August 26, 2013. Managing Director SSGC, Mr. Zuhair Siddiqui was the ceremony's chief guest. After the recitation of the Holy Qur'an, the former President of the Officers' Association, Dr. Ejaz Ahmed, ASGM (CS) expressed his views. He was of the view that inviting the former members of the association and

Managing Director (CS), felicitated the newly elected office bearers of the association and said that the management's doors are always open to resolve the officers' just demands and other issues of the association. The host of the ceremony, Salah Soomro invited the Company's Managing Director, Mr. Zuhair Siddiqui to address the gathering. Mr. Siddiqui congratulated the association for organizing the ceremony. He said, "Instead of discussing the matters externally, they should be settled

giving them a forum to speak at the oath taking ceremony of the newly elected body was a good tradition. He further advised that the association should try to resolve the issues through dialogue. In his address the newly elected General Secretary,
within the Company. Furthermore, we have also agreed to many demands of the union through dialogues and the officers' issues can also be resolved through dialogue." On this occasion the Managing Director announced that, "The
condition of $80 \%$ and $20 \%$ has been abolished. There is a ban from the government on promotions, MD informed. He also showed concern over the increasing UFG and advised the officers to be more alert in this regard.


Shahabuddin Siddiqui, thanked the officers for their confidence in him and his colleagues. He elaborated, "God willing we will try to come up to the expectations of the officers". He also hoped that the management will make headway towards resolving the problems of the officers.

Mr. Yusuf Jamil Ansari, Deputy
maximum limit on PMS has been lifted for this year, facility of availing the AC room for all officers from Grade I to Grade III has been accepted and the condition of giving an 'Undertaking for Medical Purposes' has been revoked. Other than that now the medical expenses of the Company's officers will be borne totally by the Company and in this regard the

In the end, the association's newly elected President Syed Irfan Ali Jafri in his address, said, "we are also a part of the management and wish to work as a team." He appealed to the management to create a pleasant working environment through promotion of teamwork, so that mutual cooperation, interest in work and sense of responsibility takes root

among the staff. He expressed the hope that, "with the management's cooperation, we will try to overcome all the problems of the officers and try to come up to their expectations, as per the officers' faith in us." He also said that the eradication of UFG is the crucial need of the time and the officers will cooperate with management in this regards; because this is "Our Company, we are all together and a part of the Company's team." IIfan Jafri presented bouquets to the former president of the association Dr. Ejaz and the Managing Director, whereas General Secretary Shahabuddin Siddiqui presented a
bouquet to the Deputy Managing Director Yusuf Jamil Ansari. Later the President presented a memento to the Managing Director.

The Chairman of the Election Committee, Mr. Umar Shariff, along with the committee members attended the ceremony. On this occasion representatives of the CBA, Saeed Khan, Aslam Rajput and Zulfigar Qadri were also present and conveyed good wishes on behalf of President Ejaz Baloch.

Report By: Moinuddin (Finance, Head Office)



## Workshop on "Corrosion and Cathodic Protection"

Naik Muhammad Shaikh, Deputy Chief Engineer (CP) conducted a workshop on "Corrosion and Cathodic Protection" for the Quetta-based executives in July 2013. The purpose of this course was to provide information to the Company staff about operation and maintenance of gas pipeline to ensure integrity of underground and overhead structure against corrosion attacks and protection by availing best possible resources.

The trainer stressed that if corrosion develops and gas leakage occurs in pipelines it is not only destructive but also contributes to UFG.

Habib ur Rehman Khattak, DGM


Incharge, Quetta got feedback from the participants of the training and then reiterated to all the participants
that Cathodic Protection is the back bone of pipelines. ■


# Repaír Maintenance of RoW conducted at BITE 

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TI recently arranged a training program on 'Repair, Maintenance of Right of Way, Gas Pipeline and Sleeving at Balochistan Institute of Technical Education (BITE) in Quetta in July 2013.

Muhammad Altaf, DCE (Operations) was nominated by GTI to provide training on the above mentioned subject. Through a blend of multimedia presentation and technical field activities, the trainer briefed the students about route selection for gas pipeline, acquisition of right of way, cleaning of right of way, maintenance of right of way and gas

pipeline repair maintenance and Courtesy: Muhammad Altaf, DCE sleeving procedures. The trainer gave (O-HQ Quetta) field demonstration in the presence of Pakistan Army officials.


## Retírements - Executives

| Name | Designation | Department | Place of Posting |
| :--- | :--- | :--- | :--- | :--- |
| Lt. Col. (R) Pervez Anwar Gill | Dy. General Manager | Security | Head Office |
| Javed Shamim | Manager | Finance | Head Office |
| Shamimuddin | Deputy Chief Manager | Finance | Head Office |
| Ahsan | Manager | Sales | Gulshan-e-lqbal |

## Retírements - Non-executives

| Name | Designation | Department | Location | Hyderabad |
| :--- | :--- | :--- | :---: | :---: |
| Abid Hussain Shah | Supervisor (Driving) | Distribution - Lower (Sindh) | 31-Jul-2013 |  |
| Ghulam Qadir | Supervisor (Driving) | Transmission | HQ-Hyderabad |  |
| Abdul Ghafoor | Supervisor (Transport) | Project and Construction | Karachi Terminal | 5-Aug-2013 |
| Syed Shamim Ahmed | Supervisor (Fitter) | Measurement | Head Office |  |
| Gulistan Ali | Senior Superintendent (Typist) | Sales | 6-Aug-2013 |  |
| Anwar Kamal Bugti | Supervisor (Meter Repairing) | Distribution - Upper (Sindh) | Head Office |  |
| Abdul Aleem Khan | Superintendent | Administrative Services | 2-Aug-2013 |  |
| Mir Adam Khan | Supervisor (Machine Operator) | Meter Plant | Head Office |  |
| Aurangzeb Khan | Supervisor (Driving) | Customer Relations | Karachi (MP) | 15-Aug-2013 |

## The Dynamic New Look of SSGC's Official website

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SGC's recent leaps on digital side has further endorsed why SSGC has been awarded the best utility company of Pakistan award year after year. With its ongoing commitment to quality service and being in line with the requirements of today's market, SSGC has yet again taken another leap by updating its website with a whole new dynamic look. After the recent activation on Facebook and twitter, the newly revamped SSGC website comes with a brand new interface with Company updates as real time events occur.

The new website project was overseen by Mazhar Usman DCM (VAS) and developed by Sharjeel Jan and Naved Latif of IT department under the leadership of Irfan Zafar SGM (IT).

Various menus and sections include Company's basic information, media
center, bill payments, tenders and much more for customers and stakeholders to be one step closer to the company. The website also updates latest announcements, publications and also connects visitors directly with the social media pages of Facebook and twitter etc.

The efforts from Company's end reflects the senior management's will and determination towards innovation and customer service with an enthusiastic vigor backed by qualified staff vigilant beyond the call of duty and go the extra mile for its customers. SSGC remains to be an organization that reflects the positive image of the country and remains to be the contender for becoming the top utility company of Pakistan yet again this year with such initiatives.

The current links to connect with SSGC online are:

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Khatme Quran in Ramadan


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## Academic Achíevements - Employees Children



Simra Aziz d/o Kazi Aziz-UrRehman Engineer HSEQA Department, Head Office Passed KG-2 examination by achieving 1st position from Juel Montessori School Karachi.


Mehreen Bibi d/o Sher Ali Khan secured 2nd position with $84.9 \%$ marks in her class 4 final exams from Tuba Public School.


Abeera Aziz d/o Kazi Aziz-UrRehman Engineer HSEQA Department, Head Office Passed KG-1 examination and achived good result from Juel Montessori School Karachi.


## Muhammad Junaid

 Raza s/o Mohammad Ashraf Khatri Dy. Manager (CRD) Hyderabad secured $74.94 \%$ in his matric board exams securing A grade from Board of Intermediate and Secondary Education Hyderabad Sind.

Aimal Khan Zakhpail s/o Rasheed Khan Zakkhpail - incharge Build. Maintainence Quetta Region got 1st position securing 98\% marks in his exams of class 4 from Beaconhouse, School, Quetta


Dua d/o Allah Ditta, Assistant,
(HSEQA-Head Office) secured 1st position in Class 1, fro Iqra Public School, Naushera Feroze.


Irfan Baig s/o Engineer Kabir Baig, ADCE / Zonal Manager Mirpurkhas secured 87.05\% marks in SSC-II from Eden Grammer High School Naseem Nagar Hyderabad.


Abdullah s/o Abdul Rauf of UD Central secured A Plus grade from Education Trust Nasra Primary School, Karachi in his Class II Final Examinations.

## Transitions

- Liaqat Ali Khan Ghori, former employee and father of Sohail Ali Khan Ghouri Executive (Tax) - August 6, 2013
- Pervaiz Thomas, Supervisor (Meter Assembling-Meter Plant) - August 10, 2013
- Muhammad Mazharuddin Abro, ADGM (CW), Admin Services - August 27, 2013

May their souls rest in peace. Ameen.



A$t 45 \%$ the composition of natural gas in the country's energy mix apparently looks quite imposing. However the greatest challenge in front of the present government and gas utilities working under it is to ensure that this mix is not disturbed to serious levels. In the recent years, while on one hand the demand for gas is constantly rising due to the increased consumption in domestic, power, industrial and CNG sector, supply on the other hand continues to remain range-bound. To balance this widening gap, SSGC has been following an ECC-approved gas load management program to rationalize the consumption of gas. While import options such as LNG and transnational pipelines will augment the supply side and help in mitigating the gas shortages there have been little progress so far on these fronts. Hence there is a dire need for examining the demand side as well where the phenomenon of unaccounted for gas (UFG) or line losses has further influenced the demand and in doing so has
aggravated the supply-demand gap.

## Unaccounted-for-Gas

UFG in parlance of a gas distribution and transmission company means the difference between gas purchased in volume, gas billed in volume and gas used internally by the Company for its operations. UFG occurs when the difference between the overall purchased gas and overall sold gas exceeds 10\%.

A number of factors had contributed to rising UFG levels in recent years, including population shift to urban centres leading to a phenomenal growth in unregistered consumers. Other factors included underground and overhead gas leakages, measurement errors, shift in revenue share in favour of retail from bulk, theft, third-party damages and a volatile law and order situation. Previously, bulk sales constituted $54 \%$ of total sales, while the rest were retail sales. SSGC officials contend that UFG would have stood at $6 \%$, had the revenue ratio stayed in favour of bulk sales. However,
bulk consumers now account for $28 \%$ of total sales, while $72 \%$ of gas is sold to retail consumers, which has pushed up UFG by three to four percentage points. In addition, SSGC faces unfavourable conditions in 'franchise areas' especially Balochistan, which consumes 9\% of total gas supplied by the company and contributes $40 \%$ to the overall UFG.

The phenomenon of UFG can be classified into two primary categories:

Technical which includes above and under-ground leakages (that are approximated at 35\% and call for engineering solutions.
Non-Technical which includes gas theft (approximately 30\%), measurement errors (approx. 20\%) and billing errors (approx. 15\%).

Theft has been identified as the main reason of UFG and both SSGC and SNGPL have focused on its prevention and control. The utility companies have formed large anti-
theft surveillance teams and made use of technology including smart meters especially for industrial and commercial customers, laser leak detection device and advanced cyber locks in customer meter stations. Despite the anti-theft law passed by the Parliament in 2011 that made gas theft a major criminal offence, there has been no let up in UFG which is growing by 10 per cent every year.

It may be pertinent to say that the leakage rate greatly increases with the increase in system pressure. In the month of December the gas losses in SSGC hover around 20\%. Analysts put the ratio of line leakage to theft ratio in the winter months at $80: 20$. The good news is that this loss is avoidable and can be controlled by plugging the leakages from the leaking distribution network.

This combination of leaks from corrosion holes in the network, measurement, gas quality issues along with gas theft has led gas utilities to take urgent steps to bring down UFG to acceptable international levels. While gas theft is a serious concern, the two utilities cannot take their focus away from efficiency and improvement of the gas distribution system that has remained ill maintained and has developed serious bottlenecks especially because of expansion of gas distribution network in bigger urban cities.

It is therefore pertinent to study the phenomenon of lost gases caused by above and under ground leakages that has caused UFG to shoot up every year while costing SSGC millions in revenue losses.

So what is a leakage in gas industry phraseology? It is the action of unmeasured gas passing from within a transmission/distribution system to the outside atmosphere. Leaks can occur on pipe walls, at welded, screwed, or flanged connections, at couplings and at valve stems. Generally, leaks can appear at any point on a pipeline/main/service-line and on any object attached to the
system. Causes of such leaks on the system might be improper assembly or maintenance, faulty material, damaged equipment, poor workmanship and corrosion. Simply put, leakages result in gas escaping from the distribution system while on its way to the customer.

The American Society for Mechanical Engineers has identified 22 root causes of potential threats to gas pipeline. Three of the most common causes of 'lost gases' and their percentage influence are given below:
a) External corrosion (40\%)
b) Poor Construction Practices (40\%)
c) Third Party Damages (20\%)

Let us look at each factor and some plausible solutions to get a grip on these factors:
corrosion to the US oil and gas industry amounts to US\$200 per km of buried pipeline per annum Admittedly it is not possible to ensure that the pipeline maintains the original condition but with a better mechanism in place corrosion can be prevented. For instance, if prior to burial steel pipelines are properly coated and installed and then buried in a properly prepared trench, pipeline longevity will be ensured. In the local distribution system, the coating system has deteriorated to the extent that some 30 to $40 \%$ of small diameter pipes lay bare and exposed to environment. The rising water table has submerged the pipelines in water which is acidic, further accelerating corrosion of our pipelines.

Experts suggest re-coating of defective system of pipeline or replacing the corroded sections,


1) Corrosion is a natural process of deterioration of metal and comes into action when any steel component is left bare or uncoated above ground or buried in soil or under water. Bare or uncoated metal will corrode through cussedness as it attempts to go back to its original oxide form which is more stable than pure metal due to the environmental attack on metal by electrochemical reaction through which the metal is exposed. The moment pipelines and other steel accessories are installed above or under-ground they become vulnerable to corrosion or degradation. Millions of dollars worth of steel infrastructure are scrapped universally because of rust and corrosion. For instance, the cost of
wherever possible and installing hot spot Cathodic protection system on priority basis. This methodology can increase the life of ageing pipelines by 5 to 10 years ensuring minimal leaks.

## 2) Maintaining quality of material

 and construction: Another reason for the lost gases phenomenon is the inability to ensure quality of materials in-house and maintaining quality in the new construction/pipe laying activities. Properly following the 'Standing Operating Procedures' during installation stage will ensure a long life for gas pipeline system. While poor coatings and poor backfilling practices further exposes pipelines to corrosion, poor qualityof equipments including regulators and domestic meters at the time of new connections along with poor workmanship all add to the 'lost gases' factor. Proper hands-on technical training and further education of engineers in quality control and induction of fresh engineering graduates in right disciplines are essential to overcome the above shortcomings. Training of field workers especially welders and fitters should be carried out and should be aimed at skills enhancement, defect/error prevention and quality improvement of the job. In addition, when purchasing equipment and material, quality should be the number one priority and not cost.
3) Third party damages: In most countries, gas pipelines are allotted a separate corridor or right of way as it is referred to in industry parlance. That does not seem to be the practice here in Pakistan where water and sewerage pipelines and electric cables are laid either on top of gas pipelines or parallel to them. During the laying down of these pipelines, gas pipelines get damaged; hence the term 'third party damages'. If these pipelines are made of steel, they interfere with the CP system thus further increasing the corrosion rate of pipelines. Moreover, high water table due to leaking sewerage lines accelerate corrosion of our pipelines.
4) System maintenance: For last many years, the focus has been more towards providing new connections and constructing new pipelines in economically unfeasible far flung areas purely due to the state's socio-economic commitments. If in their place the core activity of maintenance of the ageing infrastructure was done on regular basis, the distribution system would have been in a relatively better position. SSGC has been continuously replacing and rehabilitating leaking pipelines but the efforts have been more on a reactive basis, whenever there are complains of leaks, low pressure or interrupted gas flows.

NGEP: For a more sustainable
solution, the Company plans to deploy a US \$ 200 million World Bank loan/credit assistance program called Natural Gas Efficiency Project (NGEP) towards this goal. It is also important to arrest the rising trend of UFG since for every $1 \%$ increase in UFG, OGRA slashes Rs. 1.3 billion along with cost of gas from the Company's profits. The Company's bottomline is severely hit as a result.

Before we discuss NGEP any further it is equally important to understand the impact of UFG on financials. The Company prepares its accounts on the basis of determination of Final Revenue Requirement (FRR) given by OGRA. For instance in 2011-12, while giving its determination OGRA had taken into account the stay order granted by the Sindh High Court wherein the Authority was directed to treat UFG benchmark at 7\% for the said financial year and was also ordered to treat certain incomes as non-operating incomes till the final decision of the petition filed by the Company. The petition was filed by SSGC on several grounds including 1) the benchmark fixed by OGRA at 4.5\% was arbitrary and unrealistic. 2) OGRA could only impose a penalty under Rule 20 of the Natural Gas Tariff Rules 2002 on the company for violating the UFG benchmark, which could not exceed the maximum of Rs 730 million per year. 3) Certain incomes were illegally treated as Operating Income. The Company is not yet out of the woods. Despite recent media reports, with the matter subjudiced in the courts, UFG benchmark has remained at a highly vulnerable 4.5\%.

Meanwhile, the major components of the NGEP program are rehabilitation of the leaking system coupled with augmentation to remove bottlenecks and capacity expansion so as to operate the distribution system at optimum pressures. An owner's engineer will be selected through Tendering process to help manage the NGEP program. The Owner's engineer will play a key role in all aspects of project management right from the formulation to implementation phase while bringing in technical expertise for enhancing knowledge base at

## different levels.

While SSGC has been busy in working out modalities for NGEP, good news is that greater awareness has been created within the Company through various initiatives taken including the segregation of the Distribution system into zones and further dividing them into subzones to ensure greater efficiency, transparency and accountability. This requires setting up new town border stations (TBS) and addition of pressure regulating stations (PRS). NGEP will ensure that SSGC "divides" the network into many segments where wholesale meters measure incoming gas and compares it with consumed metered gas. Since UFG is the difference between the in/out readings, this mechanism will (a) prioritize investments in segments where UFG is the highest (b) expose gas theft as the remaining UFG in a segment after the physical leakages have been remedied (c) drastically reduce theft levels and (d) introduce greater accountability in middle management through business units based on these segments.


If SSGC is serious in taking up leakages issue, it has to allocate its working and human capital towards repairing, replacing and rehabilitating its ageing distribution infrastructure. And since replacement and rehabilitation remain pretty expensive options, the focus should be first on repairing and maintenance on a simple premise - plug the holes and prevent any further damage to the infrastructure. If this approach is not followed, radically reducing UFG will remain a pipe dream. ■

[^1]
## What Stress Does to Your Body



## Important Health Típs

- Answer cell phone by left ear.
- Don't take vitamins with cold water.
- No cold drinks with fatty foods.
- Don't have huge meals after 5 pm.
- Drink more water in morning, less at night.
- Best sleeping time is from 10 pm to 4 am .
- Don't lie down right after taking medicine.
- When power is down to last bar, don't answer the cell phone as radiation is 1000 times stronger.


شمارهوه
() $_{\text {SSGC }} \left\lvert\, \begin{aligned} & \text { Sui Southern Gas } \\ & \text { Company Limited }\end{aligned}\right.$


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 ايل بي جي مبسيبي! يري كينيّ ةَ جو دؤرور

مئنيجر (كوآردينيشن ) \& كرنل ( رينائرد ) راشد احمد اسيششل اسستنت براء مئيجنگً جائريكتر ب شامل هئ -
 سدرن گيس جي مئيجنغگ بائريكتر ميبيا سان توري گهيّي بُالهـ بولهـ بـ كئي بي ذّينهن كميتي ءَ جي بيمبرن سئي سدرن گيس جي سينيئر انتظاميا سان كَّ ايس ايس جي سي ، اليل بي جي مبسيدبيري جيكي يورت قاسم اتارتي वَ وت آهي ، جو دؤرو كيو - انهن كي هن تنصيبات تي سئي سدرن گَس جي مئيجناً




جنهن كميتي ميمبرن هن ميتنغا مر شركت كئي انهن ه جاكنرّ جهانَّير بدر ، روزي خان كاكز ، رويينا عرنان ء جمزا شامل هئا ـ محمد نعيم ملك يبيتروليئم
 كئي - سئي سدرن گيس پاران راحت كمال الي
 عبدالمالك حيض فائنانشل آفيسر ، جا اكنر شهلا نتوي سينيئر جنرل مئيجر ( مييديكل سروسز ) ، اعجازالدين فاروقي ، ايكتنگَ سينيئر جنري مئيجر ( ترانسميشن )، جاكتر اعجباز احمد ،

سينيت جي يتينرويئم استّينبنَّل كميتي كميني جي آريششنز تي يريور يريزينتيشن هـ ايل بي بي تُرمينل جي معائني بي لاءٍ 15 هـ 16 آكست تي سئي سدرن گِيس جي هير آفيس جو دؤرو كيو -
 جي پيئربين سيينير محمد يوسف جي آبوائي مر كسيتي كي سئي سدرن گيس جي مئيجناًى جائريكتر: زهير صديتي ايل اين جيَّ جي ضمن هر ثيُندز عائوكي بيش رفت خاص طور تي ايل اين جي ءَ جي هائوكي يُ كَريل رتّأنّ ء هن ضمن هـ اخباري ريورنّن تي بريفنگَ تّني سئي سدرن گيس جي انتظاميا گيس جي هائوكي ـ آئندي بي گهرج

كئي
سينيت جي اسنينابنگً كميتي گيس جي انتظاميا قدرتي گيس جي گهرج ئ رسد جي فرق كي دور كـرث لا گيس جي حصول جي جي متبادل طريتن جيئن تم ايل اين جي ءَ جي درآده، ايس اين جي ؛ ايل بي جي َّ جي فوري دستيابي





12 آكست 2013 تي سئي سدرن گَس جي
هيبر آنيس هر هـ پر تّاك تقريب منعقد كئي
وئي ، جتي سيني ايكزيكتيوز ه سينيئر مئنيجمينت ء هـلازسن هـ بئي كي روائتي انداز مر كلي لمي عيد جي مباركباد ذني - زهير صديقي ، مئنيجنگَ جائريكتر ، سئي سدرن كيّس گَرائونب فلور تي استقباليم هال مر موجود سيني


| - عيد جي مباركباد جي ذي ون كئي




علي زيبي ، سي اين سي جي ريهي خان شروع
 شكست ذّئي فائنل هر جُكَهـ ناهي -
 سپلينبد سائونب سسنٌ بـ فائنل جي معيار كي وتائن شر پنهنجو كردار ادا كيو ـ گلو كاري



 جاكنر قرآت العين هئا ـ دلجّبپ اداكاري
 تّتم كي جرامن جي هقابلن جو فاتح قرار ذّنو فاتحين كي دتامي \& كثير القوني كمونين پا شاندار تحفا يُ انعام ذنا ويا ـيا ـي
 كلمات ءء سيني حاضرين پاران هن كي ني دستقل



انعقاد تي انه شركت كـرض لاءِ پرجوش نظر آيا ، جنهن سان سئي سدرن گيس هر زبردست صلاحيتن جي موجودگي جو پتو پوي ثو - هن تقريب گهمن ئي اسپانسرز كي پنهنجي طرف ذيان چکايو \# انهن آرت جي فروغ هر سئي سدرن جي كاوشن جي حوصل افزائي كندي هن تقريب جي كاميابي هي اهم كردرار ادا كيو شوبز جي دنيا جون ششهور شخصيون كـرانيانب.

 احتشام الدين ، ايم وارثي ، اسلم شيخ هي عمران ناشاد شامل آهن - غير جانبدار ججن خاص احتياط ء غور و خوض سان گَّ جاهٍ كيل طريقن كي اختيار كرث كانيوءٍ كتنط وارن جي چونب كئي گلو كاري جو دقابلو سي آربي جي سهيل جليل


 بي جي دانث باويد ، ايسى اينبا ايم جي عامـ كئي بيمن كانيوء سئي سدرن كيس جي
 شركت كانيوء سئي سدرن كيس بي بيرين تيلينت هنت متابن " "كيم تو نيبي "بو 16 آكست2013 ع تي هيبر آينس آبيتوريم



 مر اجث شورع تي ويا هيا -
 رينهين لكيل ملاحيتن بي الظهار بو يريور

 شامل هيون - متابلي م شريد تُّندزن كي مي آبيشن ذريعي يونايو ويو و آبيشن دؤران انهن
 من تريب جي انثرادي نصوويت اما هيا هئي ت~



 متظم طريقي سان آرت بي هوصرل انزائي لاء كَهن ني شاندار انغاني جو انتظام بـ كيو ويو
 ششهور شخصيتن شانار كانيابي ترار تنو -




[^0]:    Khatm-e-Quran was completed in SSGC's mosque during the holy month of Ramadan which concluded with prayers and a heartwarming ceremony.

[^1]:    By Syed Imran Ahmed, DCM Corporate Communications

