

# **Procedure to Obtain Gas Connection from SNGPL**



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## 1 Disclaimer

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## 2 Introduction to SMEDA

Small and Medium Enterprises Development Authority (SMEDA) is an apex SME development agency working under the Ministry of Industries and Production (MoI&P), Government of Pakistan. In pursuit of its mission, SMEDA has adopted an integrated strategy that comprises SME sectors & clusters development, Business Development Services (BDS), and Policy advocacy to protect and promote SME interests.

SMEDA offers a broad spectrum of business development services to SMEs which include prefeasibility studies, identification of experts and consultants, delivery of need based capacity building programs in addition to business guidance through help desk services.

## 3 Purpose of the Regulatory Procedure

This document will guide new entrepreneurs regarding obtaining Sui Gas connection for commercial and industrial purpose from **Sui Northern Gas Pipeline Limited (SNGPL)** in Pakistan. This will also help in understanding Sui gas connection procedure and registration options available for SMEs.

## 4 Types of Sui Gas Connection

There are three basic types of Sui Gas connections are for new applicants, depending on their usage such as:

- Domestic
- Commercial
- Industrial

The registration procedure and evaluation criteria of Sui Northern Gas Pipelines Limited (SNGPL) varies with the type of connection being applied for.

### 4.1 Commercial Gas Connection in Pakistan

The commercial gas consumers include all establishments registered as commercial units with local authorities or dealing in consumer items for direct commercial sale like cafes, bakeries, milk-shops, tea stalls, canteens, barber shops, laundries, hotels, malls, places of entertainment like cinemas, clubs, theaters and private offices, corporate firms etc. including tandoors (not manufacturing or producing finished products) and requires a gas connection. The commercial gas consumers are further classified as:

#### 4.1.1 Low Pressure Commercial Consumers

- Low-pressure commercial consumers are those who are using up to 300 cubic feet per hour of natural gas;
- A security fee is required to pay calculated on the basis of load in addition to fixed service line charges for low pressure commercial consumer;
- The monthly charges include sales tax, withholding tax and meter rent.

#### 4.1.2 High Pressure Commercial Consumers

- High-pressure commercial consumers are those who are using more than 300 cubic feet per hour of natural gas;
- A security fee is required to pay calculated on the basis of actual load being used, the total installation and service line charges required to get the high pressure commercial connection.
- The requirements for this connection are the same as industrial connection, however the tariff is higher,
- The monthly charges include sales tax, withholding tax and meter rent.

### 4.2 Industrial Gas Connection in Pakistan

Industrial consumers includes those engaged in the processing of industrial raw material into value added finished products irrespective of the volume of gas consumed including hotel industry but excluding such industries for which a separate rate has been prescribed.

- Industrial consumers/businesses are those which are using 500 or more cubic feet per hour of natural gas and are producing a finished product;
- The monthly charges includes sales tax, withholding tax, and meter rent.
- Some businesses producing finished products may be classified as low-pressure commercial consumers on the basis of the load of gas being used. The final classification depends on a physical evaluation and survey of the premises conducted by the SNGPL Sales Officer.

## 5 Process Flow Chart of Commercial / Industrial Gas Connection

### Submission of Application

- Filled Application Form (can be obtained from SNGPL office or downloaded free) ,
- Copy of CNIC,
- Property Title Document,
- NOC from Development Authority (if applicable),
- Partnership Deed/ Memorandum/Articles of Association/ Board Resolution (if applicable).
- Application Fee: Rs. 1,000 (commercial) & Rs. 10,000 (industrial) to be deposited in Bank

### Site Survey & Demand Notice

- Site survey is conducted (within six weeks after the receipt of application).
- Demand Notice is issued (on feasible application within one week after survey)  
**Note:** *A regret notice is intimated on non-feasible application.*
- Contract between SNGPL and the Applicant (within one month of issuance of demand notice)

### Bill of Security & Service Line Charges

- Deposit of Security & Service line charges into Bank (within 15 days of issuance of bill)
- Security Deposit & Service line charges are calculated on the basis of load while service line charges for low pressure connection are Rs. 5,000 (fixed).
- Start of Service Agreement (SA) in computerized system (within one week of receipt of payment in SNGPL Account)

### Service Line & Meter Installation

- Field order for service line & meter installation (2-8 weeks after start of Service Agreement)
- Meter Reading & Start of billing (first bill from the next bill cycle after installation)

### 5.1 Application for Gas Connection

The application form for new gas connection either commercial or industrial (in Urgent or Regular category) can be obtained from the Sui Gas office or can be downloaded free of cost from SNGPL website, <http://www.sngpl.com.pk>.

## 5.2 Site Survey & Demand Notice

A survey of the premises is conducted in approximately six weeks of the issuance of the acknowledgement slip of application. If the application is declared feasible after the survey, a demand notice is issued. On the non-feasible application a regret notice is intimated to the applicant. A contract is signed between SNGPL and the applicant within one month of issuance of demand notice.

## 5.3 Security Deposit & Service Line Charges

After the issuance of the demand notice, security deposit is submitted. The amount of security deposit is calculated based upon the gas load. In addition to the security deposit the service line charges for connection are to be paid. The service line charges for a low-pressure commercial connection are fixed i.e. Rs. 5000.

Security deposit and the service line charges for high-pressure and industrial consumers is the actual cost that occurs in the installation and are calculated by approximate appliance flow rate i.e. the average load of gas per appliance or machine, such as a boiler, a casting machine etc. On the basis of this a three-month advance bill is required to be paid equivalent to estimated 3 months of gas consumption/connection load. For an Industrial Connection, the applicant is required to pay the cost of material used in installation.

Field service and meter installation is issued within 2-8 weeks after start of Service Agreement. The processing fee for commercial connections is Rs. 500 for both high and low pressure. No processing fee is charged for an industrial connection.

**NOTE:** *The time period for gas connections is eight weeks approximately. However, the time for installation of an industrial connection depends on the applicant as to when he submits the demand notice with the security deposit. Once this is completed the process of installation of the connection is initiated.*

## 5.4 Documents Required for Gas Connection

- a. Filled Application Form, available on SNGPL website: <http://www.sngpl.com.pk>
- b. Copy of applicant's CNIC
- c. Copy of business NTN certificate
- d. Copy of factory premises layout plan
- e. Copy of property title document or rent agreement (in case of tenant).
- f. Copy of partnership deed or certificate from registrar of Firm (in case of registered Partnership)
- g. Power of attorney in case of Partnership firm, in the name of the person who is authorized to sign on behalf of the Firm
- h. Memorandum/articles of association (for limited Company) along with copy of resolution for power of attorney from the Board of Directors of the Company
- i. Affidavit of Proprietorship / Ownership (In case of Sole Proprietorship)