

# **SG POWER LIMITED**

B-40, S.I.T.E, KARACHI, PAKISTAN

- SG Power is a Gas based captive power plant and the sole consumer of power is SG Allied Businesses Limited.

- Currently the company is facing many challenges, the biggest challenge is uncertainty of Gas Supply.
- During Summer months the company faced Gas outages, therefore associate company had to generate power with Diesel.

- However, the associate company SG Allied Businesses Limited has made substantial investment in new Hydroponic Facility and Inshaa Allah sales are expected to increase in the current Financial year.

- Unfortunately, as we speak the Gas supply for the first time in the history of Company was disconnected just by giving 7 days notice which will adversely effect the Company's operation, Sales and Profitability.
- The Gas is disconnected from 15<sup>th</sup> November 2022 till 28<sup>th</sup> February 2023.



# Sui Southern Gas Company Limited

Dated 10<sup>th</sup> Nov,2022

To: M/S S G Power Ltd  
PLOT NO B 40  
S I T E,KARACHI  
Customer No. 3501831000

**SUBJECT: NOTICE FOR CLOSURE OF GAS STARTING FROM 15TH NOVEMBER 2022 TO 28 FEBURARY 2023**

Dear Sir(s),

This is with reference to the Contract for the Supply of Gas entered between the Parties which expressly states that:

**"Gas supply will be provided by the Company on 'as and when available' basis only during the period from March to November each year. The Consumer will make dual firing arrangements to avoid loss of production as and when Gas is not available during March to November and also during December to February when the Company will keep the Consumer's Gas supply disconnected at his cost, each year."**

In adherence to Ministry of Energy (Petroleum Division), Government of Pakistan's priority order for gas load management, where domestic sector tops the list and to serve the domestic customers with even more care and consideration, especially those in Balochistan already experiencing the winter season.

With the advent of winter season, SSGC is facing severe shortage in the indigenous gas receipts from producers every passing day resultantly depleting line pack and simultaneously, SSGC is also experiencing increased gas consumption in the Domestic Sector that peak during winter seasons and ultimately causes Low Gas Pressure in the System. Catering to such eventuality, SSGC follow the guidelines, as circulated vide **Load Management Policy** of October 2018 to tackle such situations.

Currently, SSGC is facing severe shortage of supply of gas due to depletion of existing gas reserves, details whereof is reproduced here in tabulated form for the better understanding of gas crisis.

Year	MMCFD
2017-2018	1,200
2018-2019	1164
2019-2020	1,087
2020-2021	984
2021-2022	921
2022-2023	847

Below Table showing the demand, supplies and shortfall in the winter period (November 2022 to February 2023) for 2022-2023 in MMCFD:

10<sup>th</sup> Nov 2022

3501831000

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**Month wise Demand, Supplies and Shortfall - MMCFD**

Description	November 2022	December 2022	January 2023	February 2023
Constrained Demand	1135	1185	1195	1170
Projected Supplies Indigenous	848	845	867	866
Projected supplies - RLNG	75	75	25	75
<b>Total Supplies</b>	<b>923</b>	<b>920</b>	<b>892</b>	<b>941</b>
<b>Shortfall</b>	<b>(212)</b>	<b>(265)</b>	<b>(303)</b>	<b>(229)</b>

It may be noted that in Balochistan, supply of additional gas is a must for the survival of human lives since gas serves as a LIFELINE to scores of populace needing to keep themselves warm through water and space heating gas appliances in the extremely low temperatures.

In view the gas shortage and in adherence to the Federal Government's policy of priority allocation to the domestic sector, gas supplies under "Contract for the Supply of Gas", are being discontinued from 15-11-2022 to 28-02-2023 as already provided in the aforesaid Contract.

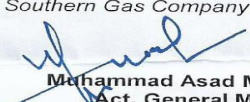
In addition to above, the terms and conditions of GSA executed between the Parties explicitly demonstrates that gas supply will be provided by the Company on "as and when available" basis during the period March to November each year, therefore due to severe shortage and non-availability of gas in the system to cater the demand of "Domestic Consumers", SSGC is curtailing your supply of gas w.e.f. 15 November 2022.

The volume of gas saved from this arrangement would be diverted to domestic customers for them to cater their enhanced gas loads in context of the winter season.

SSGC looks forward to all consumers who are being supplied gas subject to the terms of "Contracts for the Supply of Gas for Power Generation" for their understanding on the matter and expects their cooperation for serving the domestic customers through uninterrupted gas supplies.

We expect that in appreciation of emerging situation, needed cooperation and support shall be extended to SSGC to smoothly sail across this difficult period.

Yours sincerely,  
For: Sui Southern Gas Company Limited

  
**Muhammad Asad Mustafa**  
Act. General Manager  
Tariff & Co-Ordination Department  
for: Managing Director

# GENERATOR PICTURES







**THANK YOU**