

MESSAGE

The Government of Pakistan has drafted the Natural Gas Utility Companies ACT, 2010. All the stakeholders, especially industrial gas consumers are advised to give their feedback within 30 days of the placement of the same to the following addresses:

- 1) The Executive Director(Legal),
OGRA,
Block-9, Melody, Civic Centre,
Islamabad
- 2) Director General Gas,
Directorate General Gas,
Ministry of Petroleum & Natural Resources,
21-E Huma Plaza, Blue Area,
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Draft Gas Utility Companies Act, 2010

Ministry of Petroleum and Natural Resources

Revised Final Draft
29 May 2010

The Gas Utility Companies Act, 2010

Whereas it is expedient to provide for the Gas Utility Companies to enable the expeditious carrying out of activities with respect to works and to provide for a summary procedure for recovery of amounts due, fines, penalties and other outstanding amounts payable to Gas Utility Companies and for matters ancillary and related thereto.

It is hereby enacted as follows:--

P a r t I **Preliminary**

1. Short title, extent and commencement. (1) This Act shall be called the Gas Utility Companies Act, 2010.

(2) It extends to the whole of Pakistan [,Azad Jammu and Kashmir, the Federally Administered Tribal Areas and the Provincially Administered Tribal Areas]¹.

(3) It shall come into force at once.

(4) It shall apply to all Gas Utility Companies, Qualified Contractors, gas producers and consumers and all persons dealing with Gas Utility Companies in any manner whatsoever.

2. Definitions. (1) In this Act, unless there is anything repugnant in the subject or context,--

(i) “Act” means the Gas Utility Companies Act, 2010;

(ii) “Authority” means the Oil and Gas Regulatory Authority established under the Oil and Gas Regulatory Authority Ordinance, 2002;

(iii) “air mix LPG” means LPG as defined in the Ordinance mixed with air.

(iv) “consumer” means and includes a person who receives a supply of gas under contract with a Gas Utility Company for the specific purpose of consumption and a premises that is connected to a gas pipeline for the purposes of obtaining supply of gas and includes a successor-in-interest of a consumer and includes Compressed Natural Gas (CNG) Stations which receive gas for their own consumption and resale for vehicular use;

(v) [“encroachment” means and includes unauthorized water channels, nallah crossing, dumping of industrial waste, deposit of drainage water and unauthorized hindrance or blockage of right of way.]

¹ Square brackets (“[]”) reflect provisions added to this draft on the specific instructions of Sui Northern Gas Pipeline Limited. These provisions require further review.

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(vi) “EVC” means an Electronic Volume Corrector, which corrects gas volume registered by the meter at line conditions to the base or contracted pressure and temperature values as stipulated in a gas supply contract between a Gas Utility Company and a consumer;

(vii) “gas” means natural gas as defined in the Ordinance.

(viii) “ gas pipeline” means any recognized pipe or system or arrangement of pipes which transports gas and includes right of way/land strips, compressor stations, repeater stations and all equipment of any kind used for the purpose of or in connection with, or incidental to the operation of a pipeline in transporting, transmitting, distributing, supplying and handling gas;

(ix) “gas producers” means and include all producers of gas from whom the Gas Utility Companies buy or receive gas under gas sale and purchase agreement or in any other manner deal with for the purposes of the supply and delivery of gas to them;

(x) “Gas Utility Company” means any one of the Gas Utility Companies as defined by this Act;

(xi) “Gas Utility Companies” mean Sui Southern Gas Company Limited, Sui Northern Gas Pipelines Limited and such other companies, government agencies or persons licensed by the Authority, that the Authority may, from time to time, determine and publish in the Official Gazette;

(xii) “Gas Utility Court” means a Gas Utility Court as defined in section 23 of this Act;

(xiii) “high pressure line” means any gas pipeline carrying gas determined to be a high pressure line by a Gas Utility Company under section 11;

(xiv) “housetline” means pipes and fittings, approved and tested by the Gas Utility Company, on and located within any property boundary wall for which gas sale and purchase agreement has been executed or perimeter used for the purposes of receiving the supply or the consumption of gas;

(xv) “metering pressure” means as the average pressure available at a meter;

(xvi) “Ordinance” means the Oil and Gas Regulatory Authority Ordinance, 2002 or any modification or re-enactment thereof for the time being in force;

(xvii) “person” means and includes any individual or any legal entity, authority, statutory body or government department including any partnership firm, company, group, trust, society, corporation, body or association of persons;

(xviii) “prescribe” and “prescribed” means prescribed by rules made under this Act;

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(xix) “Qualified Contractor” means such persons registered with a Gas Utility Company and permitted to carry out works under this Act and shall include such contractors and other persons who, at the time of the passing of this Act, are carrying out works for Gas Utility Companies under any valid and subsisting contract, agreement or understanding;

(xx) “rules” mean rules made under this Act;

(xxi) “sale” means the sale of gas to consumers of gas including gas internally consumed by a Gas Utility Company in connection with its regulated activity;

(xxii) “Safety Area” means an area extending fifty feet from either side of a high pressure line, compressor station or valve assembly carrying gas;

(xxiii) “Security Deposit” means the Security Deposit required to be furnished or deposited under section 16 of this Act;

(xxiv) “successor-in-interest” means and includes any person who either by inheritance or by transfer by way of sale, lease, mortgage, gift, exchange or other mode of transfer, happens to succeed to, acquire any share or interest in, benami or otherwise, the premises for which any charge for gas was or became due, but does not include a person who occupies such premises merely as a tenant but does include an ostensible owner of any property or premises;

(xxv) “sums due” means any or all such amounts, inclusive of applicable Government Taxes, recoverable from the persons who purchases or receives gas for self consumption or sale for vehicular use or a person whose premises is connected with the network of the Gas Utility Company, lawfully or unlawfully including but not limited to arrears of gas charges, meter rental, late payment surcharges or any other incidental charges for services including fixed and variable charges, gas theft claims determined in accordance with the Gas Utility Companies’ laid down procedures, and any amount recoverable on account of any land dispute, rentals, damages, fines, penalties, violation charges and or on account of any other dispute;

(xxvi) “Sui Northern Gas Pipelines Limited” means the Sui Northern Gas Pipelines Limited, a public limited company incorporated under the Companies Ordinance, 1984;

(xxvii) “Sui Southern Gas Company Limited” means the Sui Southern Gas Company Limited, a public company incorporated under the Companies Ordinance, 1984;

(xxviii) “unauthorized use of gas” means and includes the acts of receiving, consuming or providing a supply of gas from a pipeline or a meter of a Gas Utility Company other than that contracted for by any person, the unauthorized receipt of more gas than is registered by the meter or other measurement device, tampering to increase metering pressure, unauthorized enhancement of gas loads other than contracted for, consuming gas through by-passing of a meter or other measurement device and gas usage by direct tapping to the gas supply of a Gas Utility Company.

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(xxix) “works” mean and includes the opening and breaking up of any earth, land, premises, streets, railways or waters, the laying down and placing of gas transmission, distribution, supply and other pipelines or gas fittings for the purpose of buying, receiving or dealing with gas from gas producers or supplying gas to consumers over, under or on any earth, land, premises, streets, railways or waters, the demolition, clearance or removal of any structure, dwelling, encroachment or possession within a Safety Area and the sale and supply of gas and any and all activities and matters directly or indirectly related thereto.

(2) Words not defined in this Act shall be construed, where the context permits, in the same manner as under the Ordinance.

P a r t I I

S u p p l y G a s

Registration of Qualified Contractors

3. Registration of Qualified Contractors. (1) Gas Utility Companies shall have the exclusive power, to be exercised in a manner and under terms and conditions to be determined by a Gas Utility Company, to register Qualified Contractors for the purposes of carrying out works and to renew, extend, modify, amend, suspend, review and re-issue, revoke or terminate such registration.

(2) No person other than a Qualified Contractor, or a person so authorized by a Qualified Contractor, shall be permitted to carry out the construction or related works of any pipeline for the transmission, distribution or supply and sale of gas.

(3) The registration of any Qualified Contractor under this Part for any purpose shall not, in any way, hinder or restrict the work of any other Qualified Contractor within the same areas for the same purpose.

(4) The registration of a Qualified Contractor is non-transferable.

4. Revocation, amendment and cancellation of Registration. A Gas Utility Company may, if in its opinion the public interest so requires and after reasonable notice to the Qualified Contractor, revoke, cancel or suspend the registration of a Qualified Contractor in any of the following cases:--

- (a) Where a Qualified Contractor, in the opinion of the Gas Utility Company, makes willful and unreasonably prolonged default in doing anything required of it by or under this Act;
- (b) Where the Qualified Contractor breaks any of the terms and conditions of its registration;
- (c) Where the Qualified Contractor has been involved in an unlawful activity; 4

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- (d) Where the Qualified Contractor has become a lunatic;
- (e) Where the Qualified Contractor has gone into liquidation other than for the purpose of amalgamation or reconstruction;
- (f) Where the Qualified Contractor is voluntarily or involuntarily wound up; and
- (g) Where the Qualified Contractor has been adjudicated insolvent.

Execution of Works

5. Provision as to opening and breaking up of land, premises, streets, roads, railways etc.

(1) Any Gas Utility Company may, from time to time, lay down or place gas pipelines and carry out works necessary to ensure integrity of its system and related thereto within the area of its supply and, in doing so-

- (a) Install in, on, over, under, upon, along or across any land, premises, streets, roads, railways or waters and inspect, maintain, adjust, repair, alter, restore, replace or remove any gas pipeline or any ancillaries installed to protect the pipeline from corrosion or gas fitting which is or is to be part of its gas pipeline network; and
- (b) Carry out such activities as are necessary or incidental to the activities falling within sub-clause (a) of sub-section (1) above, including:
 - (i) Excavating any land, road, street or drain;
 - (ii) Tunneling or boring under any land, street, sewer or drain;
 - (iii) Opening and breaking up the soil and pavement of any street or railway;
 - (iv) [Construction of SMS, TBS and DRS]; and
 - (v) Such other action as may be necessary to lay down and place gas pipeline and other works for the supply of gas.

6. Notice of new works. (1) Where the exercise of any of the powers of a Gas Utility Company in relation to the execution of any works involves the placing of any works in, under, over, along or across any street, part of a street, road, railway, canal or waterway, the following provisions shall have effect, namely:-

- (a) Not less than one month before commencing the execution of the works (not being a service line immediately attached, or intended to be immediately attached, to a distributing main, or the repair, renewal or amendment of existing works of which the character or position is not to be altered), the Gas Utility Company shall serve upon the repairing authority or owner, as the case may be, a notice in writing describing the

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proposed works and intimating the manner in which, and the time at which it is proposed to interfere with or alter any existing works;

Provided that, for the purposes of this section, “repairing authority” shall mean any person responsible for a street or part of any street and “owner” shall mean any person for the time being entitled to work the road, railway, canal or waterway, the district governments/administration and highway.

- (b) If the repairing authority intimates to the Gas Utility Company that it disapproves of such works, section or plan, or approves thereof subject to amendment, the Gas Utility Company may, within one week of receiving such intimation, refer to the Gas Utility Court, whose decision, after considering the reasons given by the repairing authority for its action, shall be final; and
- (c) Where the works to be executed consist of the laying of any underground service line immediately attached, or intended to be immediately attached, to a distributing main, the Gas Utility Company shall give to the repairing authority or the owner, as the case may be, not less than forty-eight hours' notice in writing of its intention to execute such works.

(2) Notwithstanding anything contained in this section, where the works to be executed consist of the repair, renewal or amendment of existing works of which the character or position is not to be altered, the Gas Utility Company shall, except in cases of emergency, give to the repairing authority, or to the owner, as the case may be, not less than forty-eight hours' notice in writing of its intention to execute such works, and, on the expiry of such notice, such works shall be commenced forthwith.

(3) Notwithstanding anything in this section, a Gas Utility Company may, in case of emergency due to the breakdown of an underground gas pipeline, after giving notice in writing to the repairing authority or the owner, as the case may be, of its intention to do so, carry out any necessary repairs without complying with the provisions of sub-section (1).

7. Alteration of pipelines. A Gas Utility Company and its Qualified Contractor may alter the position of any pipe, cable and drainage which it is authorized to open or break up, if such pipe or wire is likely to interfere with the exercise of its functions under this Act.

8. Maintenance, etc. of gas service pipes and gas installations. (1) A Gas Utility Company may, if, in its opinion, at any stage, it deems necessary to carry out installation of [Cathodic protection station], maintenance, repair or renewal of any gas service pipe by which natural gas is conveyed by it to a consumer's premises, whether or not the gas service pipe was supplied and laid at the Gas Utility Company's expense, carry out and undertake such work of maintenance, repair or renewal.

(2) The cost of any work carried out under sub-section (1) shall be paid, in the case of any work made necessary by any intentional or negligent act of the consumer and if the Gas Utility Company so requires, by the consumer.

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(3) A Gas Utility Company may, if, in its opinion, it is necessary establish and implement a programme for the carrying out of a regular and periodic inspection of gas installations at each consumer's premises; and

(4) A Gas Utility Company shall notify the consumer and such other persons as may be prescribed to be responsible for the maintenance, repair, replacement, addition or renewal of the gas installation if any such work of maintenance, repair or renewal is necessary following any such inspection and such work shall be carried out at the expense of the consumer or such other person responsible for such maintenance, repair or renewal as the case may be.

(5) A Gas Utility Company shall, in the circumstances where it knows or ought reasonable to know that gas is [escaping/pilfering/leaking] from an internal pipe or that a gas appliance is faulty [or that the installation has not been authorized], remove or make safe, as the case may be, whether by shutting off the gas supply to that internal pipe or gas appliance or otherwise, the internal pipe or gas appliance whether or not the internal pipe or gas appliance was supplied, laid or fitted at the Gas Utility Company's expense, and where such work incurs any costs, such costs shall be borne by the consumer.

9. Civil works other than by a Gas Utility Company. (1) Where any person, public authority or government agency, not being a Gas Utility Company or a Qualified Contractor, requires to carry out any civil works in, on, under, over or around a gas pipeline, the following provisions shall have effect, namely:-

(a) Not less than one month before commencing the execution of the civil works, such person, public authority or government agency shall serve upon the Gas Utility Company a notice in writing describing the proposed civil works, together with a section and plan thereof on a scale sufficiently large to show clearly the details of the proposed works and intimating the manner in which, and the time at which it is proposed to interfere with or alter any existing works; and

(b) If the Gas Utility Company intimates to the person, public authority or government agency concerned that it disapproves of such works, section or plan, or approves thereof subject to amendment, the person, public authority or government agency may, within one week of receiving such intimation, refer to the Gas Utility Court, whose decision, after considering the reasons given by the parties and providing an opportunity of hearing to them, shall be final.

(2) Any person, public authority or government agency fails to comply with the provisions of this section shall be guilty of an offence under this Act.

Power to clear Safety Area

10. No encroachment on Safety Area. No person shall cause an encroachment within a Safety Area by such construction of buildings or places in which persons dwell or assemble or where any combustible material is stored and includes docks, wharves, roads and streets, public foot-paths and public parks.

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11. Power to clear Safety Area. (1) A Gas Utility Company shall have the power, to be exercised in accordance with the provisions set out below or otherwise prescribed, to determine any pipeline carrying gas to be a high pressure line and to order the demolition, clearance or removal of any encroachment within the Safety Area of such high pressure line.

(2) No person shall cause an encroachment within a Safety Area of a high pressure line by the construction of buildings or structures in which or around persons dwell or assemble or where any combustible material is stored.

(3) A Gas Utility Company shall, after giving notice to the owners or occupiers thereof, order the demolition, clearance or removal of any encroachment within a Safety Area of a high pressure line.

(4) Any person aggrieved by the service of a notice under sub-section (3) may, within seven days of the service of the notice, file a complaint before a Gas Utility Court whose decision shall be final.

Supply

12. Power for Gas Utility Company to enter premises and to remove fittings or other apparatus of a consumer. (1) A Gas Utility Company or any person duly authorized by the Gas Utility Company may, at any time during the office hours and on informing the consumer of its intention, enter the premises to which gas is or has been, or is to be supplied by it, for the purpose of:--

- (a) Examining, inspecting and testing the meter or other measuring apparatus, pipes, valves, fittings, devices, works and apparatus along the houseline;
- (b) Ascertaining the amount of gas consumed;
- (c) Removing, where the supply of gas is no longer required, or where there has been pilferage or unauthorized use of gas, or where the Gas Utility Company is authorized to do so, to take away and cut off such supply, meters, pipes, valves, fittings, devices, works and apparatus belonging to the Gas Utility Company;
- (d) Examining, inspecting or measuring the connected load or ancillary appliances;
- (e) Supplying gas to premises adjacent to the consumer or making a connection to a supply of gas located in the premises of an adjacent consumer.

(2) Where the consumer refuses to allow a Gas Utility Company or any person authorized as aforesaid to enter its premises in pursuance of the provisions of sub-section (1) or, when such Gas Utility Company or person has so entered, refuses to allow the Gas Utility Company or such person to perform any act which he is authorized by that sub-section to perform, or fails to give reasonable facilities for such entry or performance, the consumer shall be guilty of an offence under this Act and the Gas Utility Company may, after the expiry of

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twenty-four hours from the service of a notice in writing on the consumer, cut off the supply of gas to the consumer for so long as such refusal or failure continues, provided that the Gas Utility Company shall, upon the consumer allowing access to its premises or performance of the authorized acts, as the case may be, resume the supply of gas to the consumer. Where there is strong evidence leading to confirmation of gas theft, the Gas Utility Company, shall, without providing a notice to the consumer, immediately disconnect the gas supply.

13. Making of false statements to obtain gas connection. (1) Any person who:

- (a) When giving any statement to the Gas Utility Company in the application for a natural gas connection, makes any statement which he knows to be false;
- (b) When giving any information to the Gas Utility Company, recklessly makes any statement which is false in a material particular the effect of which is to endanger the safety of any gas pipeline or gas pipeline network;

shall be guilty of an offence under this Act.

14. Meters. (1) The volume of gas consumed shall be measured by a correct meter installed by the Gas Utility Company.

(2) In the event a consumer takes a supply of gas in default or violation of sub-section (1), the Gas Utility Company may disconnect or refuse to connect such consumer's premises with a supply of gas.

(3) The Gas Utility Company, or any person duly authorized by it, shall, at any time and on informing the consumer of its intention, have access to, and be at liberty to inspect and test, and for that purpose, if he thinks fit, take off and remove, any meter referred to in sub-section (1), any regulator or other allied measurement materials, and all reasonable expenses of, and incidental to, such inspecting, testing, taking off and removing shall, if the meter, regulator or allied measurement materials is found to be otherwise than correct, be recovered from the consumer; and, where any difference or dispute arises as to the amount of such reasonable expenses, the matter shall be referred to a Gas Utility Court;

(4) A consumer shall not connect any meter referred to in sub-section (1) with any gas pipeline through which gas is supplied by a Gas Utility Company, or disconnect the same from any such gas pipeline.

(5) In the event that the meter cannot be read due to any reason, the Gas Utility Company, shall submit provisional bill based on the consumption of the corresponding period of the immediately preceding year and that if that is not available, on a seasonal average of domestic consumers, or any other reasonable basis as the Gas Utility Company may deem fit, and the consumer shall make payment against that bill within the due date. The Gas Utility Company shall adjust the estimated consumption against the actual reading in the following billing period and will bill the consumer for the difference. The consumer shall make payment against each bill within due date.

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(6) Where any difference or dispute arises as to whether any meter referred to in sub-section (1) is or is not correct or in case of the Passing Unregistered Gas (PUG") estimations, provisional bills and theft claims, the matter shall be referred, in accordance with the contracts and/or the prevailing policy of the Gas Utility Company, to and shall be decided by, upon the application of either party, a Gas Utility Court and, where the meter has, in the opinion of such Gas Utility Court, ceased to be correct, such Gas Utility Court shall review the amount of the natural gas supplied to the consumer or the quantity contained in the supply, during such time as the meter was not, in the opinion of such Gas Utility Court, correct but, save as aforesaid, the register of the meter maintained by the Gas Utility Company shall, in the absence of fraud, be conclusive proof of such amount or quantity:

Provided that, before either a Gas Utility Company or a consumer applies to the Gas Utility Court under this sub-section, they shall give to the other party not less than seven days' notice of their intention so to do.

(7) In addition to any meter which may be placed upon the premises of a consumer in pursuance of the provisions of sub-section (1), a Gas Utility Company may place, install and provide upon such premises such other meters or apparatus as it may think fit for the purpose of ascertaining or regulating the amount of gas supplied to the consumer or any other quantity or time connected with the supply:

Explanation: A meter shall be deemed to be "correct" if it registers the amount of gas supplied, or the quantity contained in the supply, within the prescribed limits of error.

15. Discontinuance of supply to consumer neglecting to pay charge. (1) Where a consumer neglects to pay any charge assessed against him by a Gas Utility Company, within the due date, in respect of the supply of gas to its premises or consumption of natural gas by it, the Gas Utility Company may, without prejudice to its right to recover such charge or other sum by a recovery suit [or a suit under land revenue] or otherwise and after giving notice thereof, cut off the supply and for that purpose cut or disconnect any pipeline or other works and apparatus, being the property of the Gas Utility Company, through which gas may be supplied to such premises, running distinctly in the name of the consumer, and may continue to keep the supply cut off until such charge or other sum, together with any expenses incurred by it in cutting off and reconnecting the supply and the minimum charges on account of continued reservation of supply during the period of such discontinuance, are paid.

(2) Any person aggrieved of the service of notice under sub-section (1) may refer to a Gas Utility Court who shall, after affording the parties an opportunity of being heard, decide the reference.

(3) Where any difference or dispute has been referred to the Gas Utility Court before notice under sub-section (1) has been given by the Gas Utility Company or a reference has been preferred under sub-section (2) and the consumer deposits with the Gas Utility Court the amount of the Gas Utility Company's charges or other sum to which such dispute, difference or appeal relates and also the Gas Utility Company's further charges for natural gas as they accrue, if any,

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the Gas Utility Company shall not exercise its powers conferred by sub-section (1) until the Gas Utility Court has given its decision.

16. Power to demand Security Deposit. (1) A consumer shall be required to furnish to a Gas Utility Company a Security Deposit in the form of cash deposited into a bank account designated by the Gas Utility Company or a bank guarantee acceptable to the Gas Utility Company. In the event the Security Deposit is in the form of cash or a bank guarantee, it shall be equivalent to the price as may be determined by the Gas Utility Company in accordance with the prevailing policy of the Gas Utility Company. The Gas Utility Company may revise the Security Deposit, from time to time, and shall demand from the consumer, by a notice in writing, the replenishment of the Security Deposit so increased to bring it up to the increased limits.

(2) A Gas Utility Company shall, in the event any consumer fails to replenish the Security Deposit within two weeks of the issuance of a notice issued under sub-section (1), shut off the supply of gas to that consumer or premises till such time as the outstanding amounts are paid in full.

(3) Any person aggrieved of a demand notice or action taken under this section may file a complaint before a Gas Utility Court whose decision shall be final.

(4) A Gas Utility Company, in addition to its right under sub-section (2), has the right to file a recovery suit [or a suit under land revenue] against the consumer for the outstanding amount of the Security Deposit due from such consumer.

(5) Proceedings before a Gas Utility Court under this section shall be summary in nature.

17. Unauthorized connection or consumption of gas. (1) Any person who:

- (a) Intentionally lays or causes to be laid a pipe or a gas fitting to connect with any gas pipeline or gas pipeline network belonging to or under the management or control of a Gas Utility Company; or
- (b) Intentionally alters, damages or tampers with any meter, measuring device or equipment through which gas is supplied

shall be guilty of an offence under this Act.

(2) Where any person is prosecuted for an offence under sub-section (1)(b):

- (a) The possession or proof of use by such person of any device for altering the index of any meter or for preventing any meter from duly registering the quantity of gas supplied;
- (b) The evidence of any willful damage or alteration on any part of a meter supplied by a Gas Utility Company;

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- (c) The existence of any hole on the meter cover of any meter supplied by a Gas Utility Company;
- (d) The existence of any damage to, removal of or change to the chemical composition of any paint or other chemical compound applied by a Gas Utility Company over any screw, or other component mechanism of any meter;
- (e) The existence of any damage to the seal which is fastened to the outer cover of any meter and allied fittings/apparatus and regulators/by pass valve to ensure that the cover is not removed, opened, dislodged or otherwise tampered with when the meter is in the custody or under the control of the person or consumer; or
- (f) The use of any material or object by such person to obstruct or hinder the registration of gas by a meter

shall be prima facie evidence that the person has altered or tampered with the meter.

(3) A Gas Utility Company may charge the consumer or any other person specified in Sub-Clause 1(a) above on the basis of one or more of the following considerations for the amount of gas deemed to have been unlawfully abstracted or consumed, for the period during which the meter or other measuring apparatus had, in the opinion of the Gas Utility Company, remained disconnected, injured, altered or prevented from registering the amount of gas supplied or the quantity contained in the supply—

- (a) connected load or maximum demand during any period;
- (b) maximum consumption of gas during any period;
- (c) load factor;
- (d) The hours and the time for which the gas is deemed to have been abstracted, consumed or used by the consumer or any other person specified in Sub-Clause 1(a) above; and
- (e) The purpose for which the gas is deemed to have been abstracted, consumed or used by the consumer or any other person specified in Sub-Clause 1(a) above.

18. Restoration of supply without consent. (1) Any person who reconnects a supply of gas to any premises where the supply of gas to such premises was disconnected by a Gas Utility Company in the exercise of powers under this Act or pursuant to a valid and enforceable contractual right, shall be guilty of an offence under this Act.

(2) In the circumstances set out in sub-section (1), the Gas Utility Company may, in addition to any other remedies available to it under law or contract, again disconnect the premises.

19. No obligation to resume or restore supply where consumer in default. (1) This section applies where:

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- (a) A consumer's premises have been disconnected by a Gas Utility Company under this Act; or
- (b) The supply of gas to a consumer's premises has been discontinued by a Gas Utility Company under this Act.

(2) In every circumstance to which sub-section (1) applies, the Gas Utility Company shall not be, after meeting the procedural requirements, under any obligation to resume or re-connect the consumer's premises or restore the supply of gas to the consumer's premises, as the case may be, until the consumer has:

- (a) Made good the default, or remedied the matter, in consequence of which the premises were disconnected or the supply of gas to such premises was discontinued; and
- (b) Paid the reasonable expenses of discontinuing and reconnecting the premises or of discontinuing and restoring the supply of gas to the premises, as the case may be.

20. Power to reduce supply pressure. (1) A Gas Utility Company may, for operational reasons without incurring any liability for doing so, reduce as it thinks fit the pressure of gas supplied in any case, if at any time it is of the opinion that its gas pressure is insufficient for the purposes of maintaining a normal supply of gas and such pressure shall be restored as soon as reasonably possible.

(2) A Gas Utility Company may, for operational reasons without incurring any liability for doing so, curtail or shut down the supply of gas, provided however, the Gas Utility Company shall intimate the affected consumer of such curtailment or shutting down.

Safety

21. Safety requirement in relation to gas. (1) No person, public authority, government agency, a Gas Utility Company and its Qualified Contractor shall carry out any work in such a manner that damages pipe coating and renders its surface bare which can corrode and allows gas to escape unless precautions are taken to prevent any such escape of gas from being a danger to any person, property or surrounding environment;

- (2) No person other than a Gas Utility Company and its Qualified Contractor shall:
- (a) connect a gas installation to a source of natural gas without ensuring that every outlet is sealed with the appropriate gas fitting;
 - (b) carry out any work in relation to a gas fitting which might affect the gas tightness of a gas installation, a gas pipeline or a gas pipeline network without immediately testing the system for gas tightness;

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- (c) disconnect a gas fitting without sealing off every outlet of every pipe to which it is connected with an appropriate fitting; and
- (d) while searching for an escape of gas from a gas fitting, use any source of ignition unless the source of ignition is incorporated as part of an instrument designed for the detection of gas.

(3) No person shall:

- (a) encroach onto, occupy or otherwise use, in any manner whatsoever, any property belonging to a Gas Utility Company or the Safety Area along any service line, distribution main or pipe carrying a supply of gas vested in, owned or maintained by a Gas Utility Company;
- (b) where they are carrying out work in relation to a gas fitting, smoke or use any source of ignition unless the gas installation has been purged so as to remove all such natural gas or has otherwise been made safe from the risk of fire or explosion;
- (c) use any naked flame or carry out any hotwork in the vicinity where gas is known to be leaking;
- (d) install a gas storage vessel unless the site or location where it is to be installed is such as to ensure that the gas storage vessel can be used, filled or refilled without causing danger to any person;
- (e) interfere with a gas storage vessel or otherwise do anything which might affect a gas storage vessel so that the subsequent use of that vessel might cause a danger to any person;
- (f) connect rubber or plastic pipes to appliances except by a permanently fixed rigid pipe;
- (g) use a gas appliance without ensuring and verifying that it is in a safe condition as per the standards laid down by a Gas Utility Company, from time to time, for such use;
- (h) carry out the installation of a gas appliance and leave it connected with a supply of gas without verifying that it is in a safe condition for further use; and
- (i) install a gas appliance unless it can be used without a danger to any other person.

(4) Any person who contravenes any provision of this section shall be guilty of an offence under this Act.

22. Notified escape of gas. Where any gas escapes from any gas service pipe or gas main of a Gas Utility Company, or from any internal pipe, gas fitting or gas appliance used by a consumer to whose premises gas is conveyed by the Gas Utility Company, the consumer shall immediately inform the Gas Utility Company. The Gas Utility Company shall:

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- (a) Immediately after being informed of the escape, take necessary steps to prevent the gas from escaping (whether by disconnecting any premises or otherwise); and
- (b) Take any other steps necessary to avert danger to life, property or surrounding environment.

Part III

Gas Utility Courts, Offences, Penalties and Procedure

Jurisdiction of Gas Utility Court and Procedure

23. Exclusive Jurisdiction of Gas Utility Court. (1) A Gas Utility Court shall have exclusive jurisdiction with respect to all matters covered by this Act.

(2) A Gas Utility Court shall be in respect of a case in which the claim, fine, penalty, sum due or matter in dispute does not exceed [Rupees five million] or for the trial of offences under this Act a Court established under section 24 and, in all other cases, the High Court.

(3) The Court having jurisdiction under this Act shall be a Gas Utility Court having jurisdiction in the place in which the Gas Utility Company, consumer, gas producer or offender, as the case may be, is situated.

24. [Constitution of Gas Utility Courts. (1) The Federal Government shall, by notification in the Official Gazette, establish as many Gas Utility Courts in a District as it considers necessary to exercise jurisdiction under this Act and appoint a Judge for each of such courts from amongst the District and Sessions Judges and the Additional District and Sessions Judges in that District after consultation with the Chief Justice of the High Court of that province..

(2) Where more Gas Utility Courts than one have been established to exercise jurisdiction in the same territorial limits the Federal Government shall define the territorial limits of each such court.

(3) Where more Gas Utility Courts than one have been established in the same or different territorial limits, the High Court may, if it considers it expedient to do so in the interests of justice or for the convenience of parties or of the witnesses, transfer any case from one Gas Utility Court to another.]

25. [Powers of the Gas Utility Court. (1) Subject to the provisions of this Act, a Gas Utility Court shall:

- (a) In the exercise of its civil jurisdiction have all the powers vested in a Civil Court under the Code of Civil Procedure, 1908;

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- (b) In the exercise of its criminal jurisdiction, try offences punishable under this Act and shall, for this purpose have the same powers as are vested in a Court of Sessions under the Code of Criminal Procedure, 1898;

Notwithstanding anything to the contrary contained in the Ordinance, a Gas Utility Court shall not take cognizance of any offence punishable under this Act except upon a complaint made in writing made by a person authorized in this behalf by a Gas Utility Company in respect of which the offence was committed.

(2) A Gas Utility Court shall in all matters with respect to which the procedure has not been provided for in this Act, follow the procedure laid down in the Code of Civil Procedure, 1908 and the Code of Criminal Procedure, 1898.

(3) All proceedings before a Gas Utility Court shall be deemed to be judicial proceedings within the meaning of Sections 193 and 228 of the Pakistan Penal Code, 1860, and a Gas Utility Court shall be deemed to be a Court for the purposes of the Code of Criminal Procedure, 1898.

(4) Subject to sub-section (5), no Court or authority, including a Mohtashib, shall have or exercise any jurisdiction with respect to any matter to which the jurisdiction of a Gas Utility Court extends under this Act.

(5) Nothing in sub-section (4) shall be deemed to affect:

- (a) The right of a Gas Utility Company to seek any remedy before any other Court, tribunal or forum that may otherwise be available to it under the law; or
- (b) The powers of the Gas Utility Company, or jurisdiction of any Gas Utility Court as is referred to in clause (a) or the transfer to a Gas Utility Court of any proceedings pending before any such Court immediately before the coming into force of this Act.

(6) All proceedings pending in any other Court, including suits for recovery, shall stand transferred to, or be deemed to be transferred to, and heard and disposed of by, the Gas Utility Court having jurisdiction under this Act. On transfer of proceedings under this subsection, the parties shall appear before the Gas Utility Court concerned on the date previously fixed.

(7) In respect of proceedings transferred to a Gas Utility Court under subsection (6), the Gas Utility Court shall proceed from the stage which the proceedings had reached immediately prior to the transfer and shall not be bound to recall and re-hear any witness and may act on the evidence already recorded or produced before the Court from which the proceedings were transferred.

(8) The Gas Utility Court may, if it so requires, be assisted in technical aspects of the natural gas sector involved in any case by an amicus curiae who has at least ten years experience in the relevant field.

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(9) Remuneration of the amicus curiae, and the party or parties by whom it will be payable will be determined by the Gas Utility Court keeping in view the circumstances of each case.]

26. Procedure for suits for default before Gas Utility Courts. (1) Where a consumer or a Gas Utility Company commits a default in fulfillment of any obligation with regard to the supply of gas under a contract between them or imposed by this Act or where a consumer or any other person is involved in the case of theft of gas under this Act, the Gas Utility Company or, as the case may be, the consumer, may institute a suit in the Gas Utility Court by presenting a plaint which shall be verified on oath, in the case of a Gas Utility Company by such officer of the Gas Utility Company as may be duly authorized in this behalf by power of attorney.

(2) The plaint shall be supported by a written contract between the Gas Utility Company and consumer or such other documentation that evidences such contract or obligation, a statement of dues outstanding and all other documents relevant to the supply of gas. Copies of the plaint, statement of dues and other relevant documents shall be filed with the Gas Utility Court in sufficient numbers so that there is one set of copies for each defendant and one extra copy.

(3) The plaint, in the case of a suit for recovery instituted by a Gas Utility Company, shall specifically state:

- (a) the quantity of gas consumed or extracted by the defendant from the Gas Utility Company;
- (b) the amounts paid by the defendant to the Gas Utility Company and the dates of payment, and
- (c) the total dues relating to the supply, consumption or extraction of gas and other dues by the defendant to the Gas Utility Company up to the date of institution of the suit.

(4) On a plaint being presented to the Gas Utility Court, a summons in Form No.4 in Appendix 'B' to the Code of Civil Procedure, 1908 or in such other form as may, from time to time, be prescribed by rules, shall be served on the defendant through the bailiff or process-server of the Gas Utility Court, by registered post acknowledgement due, by courier and by publication in one English language and one Urdu language daily newspaper, and service of summons duly effected in any one of the aforesaid modes shall be deemed to be valid service for purposes of this Act. In the case of service of the summons through the bailiff or process-server, a copy of the plaint shall be attached therewith and in all other cases the defendant shall be entitled to obtain a copy of the plaint from the office of the Gas Utility Court without making a written application but against due acknowledgement. The Gas Utility Court shall ensure that the publication of summons takes place in newspaper with a wide circulation within its territorial limits.

27. Leave to defend. (1) In any case in which the summons has been served on the defendant, the defendant shall not be entitled to defend the suit unless he obtains leave from the Gas Utility Court as hereinafter provided to defend the same; and in default of his doing so, the allegations of fact in the plaint shall be deemed to be admitted and the Gas Utility Court may

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pass a decree in favor of the plaintiff on the basis thereof or such other material as the Gas Utility Court may require in the interests of justice.

(2) The defendant shall file the application for leave to defend within ten days of the date of first service:

Provided that where service has been validly effected only through publication in the newspapers, the Gas Utility Court may extend the time for filing an application for leave to defend if satisfied that the defendant did not have knowledge thereof.

(3) The application for leave to defend shall be in the form of a written statement, and shall contain a summary of the substantial questions of law as well as fact in respect of which, in the opinion of the defendant, evidence needs to be recorded.

(4) In the case of a suit for recovery instituted by a Gas Utility Company, the application for leave to defend shall also specifically state the following:-

- (a) the amount of gas supplied by the Gas Utility Company and consumed by the defendant, the amount paid by the defendant to the Gas Utility Company for such consumption and the dates of payments;
- (b) the amount of dues and other amounts relating to the supply and consumption of gas paid by the defendant to the Gas Utility Company up to the date of institution of the suit;
- (c) the amounts of outstanding dues and other amounts relating to the supply and consumption of gas by the defendant to the Gas Utility Company up to the date of institution of the suit;
- (d) the amount, if any, which the defendant disputes as payable to the Gas Utility Company and facts in support thereof;
- (e) a statement specifically admitting or denying the documents relied upon in the plaint.

(5) The application for leave to defend shall be accompanied by all the documents which, in the opinion of the defendant, support the substantial questions of law or fact raised by him.

(6) An application for leave to defend which does not comply with the requirements of subsections (3), (4) and, where applicable, (5) shall be rejected, unless the defendant discloses therein sufficient cause for his inability to comply with any such requirement.

(7) The plaintiff shall be given an opportunity of filing a reply to the application for leave to defend in the form of a replication and such replication shall also specifically accept or deny any documents relied upon in the application for leave to defend.

(8) The Gas Utility Court shall grant the defendant leave to defend the suit if, on consideration of the contents of the plaint, the application for leave to defend and the reply

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thereto, it is of the view that substantial questions of law or fact have been raised in respect of which evidence needs to be recorded.

(9) In granting leave under subsection (8), the Gas Utility Court may impose such conditions as it may deem appropriate in the circumstances of the case, including conditions as to deposit of cash or furnishing of security.

(10) Where the application for leave to defend is accepted, the Gas Utility Court shall treat the application as a written statement, and in its order granting leave shall frame issues relating to the substantial questions of law or fact, and subject to fulfillment of any conditions attached to grant of leave fix a date for recording of evidence thereon and disposal of the suit.

(11) Examinations in chief shall be on affidavit and cross examinations may be allowed by a local commission appointed by a Gas Utility Company where the party seeking to cross examine a witness or witnesses bear the expenses of the local commission. The expenses so borne by a party shall be factored into the costs to be awarded, if any, on the disposal of the case.

(12) Where the applications leave to defend is rejected or where a defendant fails to fulfill the conditions attached to the grant of leave to defend, the Gas Utility Court shall forthwith proceed to pass judgment and decree in favour of the plaintiff against the defendant.

28. Power to set aside decree. In any case in which a decree is passed against a defendant under subsection (1) of section 32 he may, within twenty-one days of the date of the decree, or where the summons was not duly served when he has knowledge of the decree, apply to the Gas Utility Court for an order to set it aside, and if he satisfies the Gas Utility Court that he was prevented by sufficient cause from making an application under section 30, or that the summons was not duly served, the Gas Utility Court shall make an order setting aside the decree against him upon such terms as to costs, deposit in cash or furnishing of security or otherwise as it thinks fit and allow him to make the application within ten days of the order.

29. Disposal of suit. (1) A suit in which leave to defend has been granted to the defendant shall be disposed of within ninety days from the day on which leave was granted, and in case proceedings continue beyond the said period the defendant may be required to furnish security in such amount as the Gas Utility Court deems fit, and on the failure of the defendant to furnish such security, the Gas Utility Court shall pass a final decree in such amount as it may deem appropriate.

(2) The requirement of furnishing security under subsection (1) shall be dispensed with if, in the opinion of the Gas Utility Court, the delay is not attributable to the conduct of the defendant.

(4) Suits before a Gas Utility Court shall come up for regular hearing as expeditiously as possible and except in extraordinary circumstances and for reasons to be recorded, a Gas Utility Court shall not allow adjournments of more than seven days.

(5) Where the Gas Utility Court is satisfied that any proceedings brought before it is frivolous or vexatious, the Gas Utility Court may direct that compensation not exceeding one

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million Rupees be paid to the party against whom such frivolous or vexatious proceedings were brought.

30. Execution of decree and sale with or without intervention of Gas Utility Court. (1)

Upon pronouncement of judgment and decree by a Gas Utility Court, the suit shall automatically stand converted into execution proceedings without the need to file a separate application and no fresh notice need be issued to the judgment debtor in this regard. Particulars of the assets of the judgment debtor shall be filed by the decree-holder for consideration of the Gas Utility Court and the case will be heard by the Gas Utility Court for execution of its decree on the expiry of 30 days from the date of pronouncement of judgment and decree:

Provided that if the record of the suit is summoned at any stage by the High Court for purposes of hearing an appeal under section 32 or otherwise, copies of the decree and other property documents shall be retained by the Gas Utility Court for purposes of continuing the execution proceedings.

(2) The decree of the Gas Utility Court shall be executed in accordance with the provisions of the Code of Civil Procedure, 1908 or any other law for the time being in force or in such manner as the Gas Utility Court may at the request of the decree-holder consider appropriate, including recovery as arrears of land revenue.

(3) The Gas Utility Court and the Gas Utility Company shall be entitled to seek the services and assistance of the police or security agency in the exercise of powers conferred by this section.

(4) Notwithstanding anything contained in the Code of Civil Procedure, 1908 or any other law for the time being in force, the Gas Utility Court shall follow the summary procedure for purposes of investigation of claims and objections in respect of attachment or sale of any property and shall complete such investigation within 30 days of filing of the claims or objections.

31. Application of fines and costs. (1) A Gas Utility Court may direct that the whole or part of any fine, security or costs imposed under this Act shall be applied in or towards--

(a) payment of costs of all or any proceedings under this Act; and

(b) payment of compensation to an aggrieved party,

(2) An order under subsection (1) shall be deemed to be a decree passed under this Act for purposes of execution.

32. Appeal. (1) Subject to subsection (2), any person aggrieved by any judgment, decree, sentence, or final order passed by a Gas Utility Court may, within thirty days of such judgment, decree, sentence or final order prefer an appeal to the High Court.

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(2) An appeal against any judgment, decree, sentence or final order by a Gas Utility Court, shall lie, in the case of a Court of District and Sessions or Additional District and Sessions Judge, to the High Court and, in the case of a High Court, before a bench of not less than two judges of the High Court

(3) The appellant shall give notice of the filing of the appeal by means of registered post with acknowledgement due or by courier in accordance with the provisions of Order XLIII, Rule 3 of the Code of Civil Procedure, 1908 to the respondent who may appear before the Gas Utility Court to contest admission of the appeal on the date fixed for hearing.

(4) The High Court shall at the stage of admission of the appeal, or at any time thereafter either suo motu or on the application of the decree-holder, decide by means of a reasoned order whether the appeal is to be admitted in part or in whole depending on the facts and circumstances of the case, and as to the security to be furnished by the appellant:

Provided that the admission of the appeal shall not per se operate as a stay, and nor shall any stay be granted therein unless the decree-holder has been given an opportunity of being heard and unless the appellant, in any case where the appellant is not a Gas Utility Company, deposits in cash with the High Court an amount equivalent to the decretal amount inclusive of costs; and in the event of a stay being granted for a part of the decretal amount only, the requirement for a deposit in cash or furnishing of security shall stand reduced accordingly.

(5) In case an appeal under subsection (1) is admitted, it shall be decided within 90 days from the date of admission.

(6) An appeal may be preferred under this section from a decree passed ex- parte.

(7) No appeal, review or revision shall lie against an order accepting or rejecting an application for leave to defend, or any interlocutory order of the Gas Utility Court which does not dispose of the entire case before the Gas Utility Court.

(8) Any order or stay of execution of a decree passed under subsection (2) shall automatically lapse on the expiry of six months from the date of the order whereupon the amount deposited in Court shall be paid over to the decree-holder or the decree-holder may enforce the security furnished by the judgment-debtor.

Criminal offences and penalties

33. Theft of gas. (1) Whoever dishonestly or fraudulently abstracts or consumes natural gas or engages in the unauthorized use or theft of gas or installs or uses any device or contrivance or artificial means for the dishonest abstraction, theft or consumption or unauthorized use of gas shall be punished with imprisonment of either description for a term which may extend to [three years] or with a fine which may extend to [five million] rupees, or with both; and the existence of any device, contrivance or artificial means for such abstraction or consumption or unauthorized use shall be prima facie evidence of such abstraction, consumption or use.

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(2) Whoever abets, or conspires, including an employee of the Gas Utility Limited, in the commission of acts mentioned in sub-section (1) shall be deemed to have committed an offence under sub-section (1).

Explanation I: A person shall be deemed to have dishonestly abstracted or consumed gas:

- (a) If the meter testing report or the flow proving report measured by the Gas Utility Company concludes or indicates that the meter has been tampered with;
- (b) If he is found to have tampered, damaged or interfered with diaphragm meter, including cutting the outlet port, cutting the diaphragm, by drilling hole, bending the valve guide, cutting or removing the 'O' ring or by damaging the capsule of diaphragm meter;
- (c) If he is found to have tampered, damaged or interfered with the valve plate;
- (d) If he is found to have removed or tampered with the index assembly of a meter, the index seal or has reversed the meter reading;
- (e) If he is found to have changed, tampered, damaged or interfered with the intermediate gear assembly or has cut or rubbed the teeth of one or more of the gears of the counter assembly;
- (f) If he is found to have drilled a hole in the counter cover and stopped, tampered, damaged or interfered with the counter assembly;
- (g) If he is found to have cut or to have inserted anything in between the impellers to stop, tamper, damage or interfere with the impellers of the rotary meter;
- (h) If he is found to have disengaged the EVC drive from the meter;
- (i) If he is found to have cut the EVC pressure transducer connections from the main board or has damaged the pulse generating system;
- (j) If he is found to have prevented by drilling a hole in the meter, or by jamming mechanism, magnetic or any other means, the meter or other measuring apparatus from duly registered the amount of gas supplied;
- (k) If he is found to have directly or indirectly tapped into a Gas Utility Company's pipelines;
- (l) If he is found to have employed means as to enhance the pressure of gas being supplied to him;
- (m) If he is found, without written consent of the Gas Utility Company to have connected their installations, appliances and apparatus for the consumption or use of gas with the

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Gas Utility Company's works directly without passing through a meter or other measuring apparatus;

- (n) If he is found, without written consent of the Gas Utility Company, to have allowed the supply of gas through his property to any other premises;
- (o) If he is found to have reconnected a supply of gas to any premises where such premises were disconnected by a Gas Utility Company or where the supply of gas was discontinued by a Gas Utility Company without the written consent of the Gas Utility Company.

Explanation II: Theft of gas will be presumed:

- (a) Where the meter is found to be damaged due to overloading;
- (b) Where there is indication of depressurization of a meter in EVC data;
- (c) Where any equipment installed at the meter assembly is damaged or has been tampered with;
- (d) Where there is reverse installation of a meter;
- (e) Where there has been unauthorized consumption of gas on account of the change of activity of the consumer or within the premises;
- (f) Where the supply of gas to a consumer or premises for domestic purposes is used in commercial activity;
- (g) Where there is interlinking of house lines of different connections;
- (h) Where there has been an unauthorized enhancement of the connected load of gas to a premises; and
- (i) Where a meter, EVC or regulator or any other equipment or instrument used for the supply of gas to the consumer is used to secure more gas than registered by the meter;

And any of the above acts, being acts of theft of gas, shall create a rebuttable presumption that they were performed by the consumer.

34. Penalty for maliciously wasting gas or injuring works. Whoever maliciously causes gas to be wasted or diverted, or, with intent to cut off the supply of gas, cuts or injures, or attempts to cut or injure, any pipeline or works, shall be punishable with imprisonment for a term which may extend to three years, or with a fine which may extend to five million Rupees, or with both.

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35. Penalty for interference with meters or works and for improper use of gas.

Whoever—

[(1) Connects any meter referred to in section 14, sub-section (1), or any meter, indicator or apparatus referred to in section 14, sub-section (3), with any gas pipeline through which natural gas is supplied by a Gas Utility Company, or disconnects the same from any such natural gas pipeline, without giving to the Gas Utility Company forty-eight hours' notice in writing of his intention;]

(2) Maliciously injures any meter referred to in section 14, sub-section (1), or any meter, indicator or apparatus referred to in section 14, sub-section (3), or willfully or fraudulently alters or removes the index of any such meter, indicator or apparatus, or prevents any such meter, indicator or apparatus from duly reading or registering the supply of gas; or

(3) Uses the gas supplied to him by a Gas Utility Company under one method of charging in a manner for which a higher method of charging is in force without the Gas Utility Company's consent in writing, or adopts any appliance or uses natural gas supplied to him by a Gas Utility Company in a manner prejudicial to the safety or efficient working of a Gas Utility Company's pipelines or works or deals with it in a manner so as to interfere with the efficient supply of natural gas by the Gas Utility Company to any other person

shall be punishable with fine which may extend to five hundred thousand rupees, and, in the case of a continuing offence, with a daily fine which may extend to five thousand rupees; and if it is proved that any artificial means exist for making such connection as is referred to in clause (a) or for causing such alteration or prevention or for facilitating such improper use as is referred to in clause (b), and that the meter or apparatus is under the custody or control of the consumer, whether it is such consumer's property or not, it shall be presumed, until the contrary is proved, that such connection, alteration, prevention or improper use, as the case may be, has been knowingly and willfully caused by such consumer.

36. Penalty for negligently wasting gas or injuring works. Whoever negligently causes natural gas to be wasted or diverted, or negligently breaks, throws down or damages any pipeline, works or other apparatus connected with the supply of gas, shall be punishable with fine which may extend to one million rupees

37. Penalties not to affect other liabilities. The penalties imposed by sections 33 to 37 (both inclusive) shall be in addition to, and not in derogation of, any liability in respect of the payment of compensation which the offender may have incurred and no time bar shall apply in respect to either granting compensation or ordering recovery of arrears of dues of any kind or in respect to initiating proceedings in this regard.

38. Penalty for offence not otherwise provided for and Offences by bodies corporate. (1) Whoever, in any case not already provided for by sections 33 to 37 (both inclusive), commits an offence or makes default in complying with any of the provisions of this Act, or with any order issued under it, or, in the case of a Gas Utility Company, with any of the conditions of its

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license, shall be punishable with fine which may extend to five million rupees, and, in the case of a continuing default, with a daily fine which may extend to one hundred thousand Rupees:

(2) Where an offence under this Act has been committed by a company, firm, society or other body of persons, any person who, at the time of the commission of the offence, was a director, manager, secretary or other similar officer or a partner in the company, firm, society or other body of person or was purporting to act in any such capacity, shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly unless he proves that:

- (a) The offence was committed without his consent or connivance; or
- (b) He has exercised all such due diligence to prevent the commission of the offence as he ought to have exercised, having regard to the nature of his functions in that capacity and to all the circumstances.

39. Suspension of supply of gas. The supply of gas to any person found guilty of the offences mentioned in sections 33 to 38 shall remain suspended by the Gas Utility Company for a period of one (1) year unless the Gas Utility Company decides otherwise.

40. Power to detain and search in case of theft and suspected theft. Notwithstanding anything contained in any law or the time being in force any officers or employees of a Gas Utility Company authorized in this behalf by the Board of Directors of the Gas Utility Company, may search any premises where gas is supplied or consumed in a manner that is or may constitute an offence under this Act or detain any person employed in, or found in the vicinity of any gas pipeline, and suspected of having committed any of the offences in this Act.

41. Arrest for offence against certain sections. (1) If a person commits any offence mentioned in sections 17, 18, 21, 33, 34, 35 and 36, he may be arrested without warrant or other written authority by any officer of a gas utility company or police officer, or any other person whom such officer or police officer may call to his aid.

(2) Any person so arrested shall, with least possible delay, be taken before a Magistrate having authority to try him or send him to trial.

IV. General

42. Service of notices or order. (1) Every notice or order or other document by or under this Act required or authorized to be addressed to any person may be served by registered post with acknowledgment due or courier or left,--

- (a) Where the Federal Government or the Provincial Government is the addressee, at the office of such officer as the Federal Government or the Provincial Government, as the case may be, may designate in this behalf;

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- (b) Where a local government or government authority or agency is the addressee, at the office of the local government or local government authority or agency;
- (c) Where a company is the addressee, at the registered office of the Company or, in the event of the registered office of the Company not being in Pakistan, at the head office of the Company in Pakistan;
- (d) Where any other person is the addressee, at the usual or last known place of abode or business of the person.

(2) Every notice, order or document by or under this Act required or authorized to be addressed to the owner or occupier of any premises shall be deemed to be properly addressed if addressed by the description of the "owner" or "occupier" of the premises (naming the premises), and may be served by delivering it, or a true copy thereof, to some person on the premises, or, if there is no person on the premises to whom the same can with reasonable diligence be delivered, by affixing it on some conspicuous part of the premises.

43. Recovery of sums recoverable under certain provisions of this Act. Any penalty imposed, every sum declared to be recoverable and every fee leviable under this Act may be recovered, in accordance with the prevailing policy of the Gas Utility Company, on application to a Magistrate, or any other officer having the powers of a Magistrate, having jurisdiction where the person liable to pay the same is for the time being resident, by the distress and sale of any moveable or immovable property belonging to such person.

44. Charges for supply of gas recoverable as arrears of land revenue: (1) Notwithstanding anything contained in this Act or in any other law for the time being in force or in any instrument or agreement, the charges for supply of gas or any other sum outstanding against a consumer or any other person under this Act shall be recoverable as an arrear of land revenue.

(2) A Gas Utility Company, or any person duly authorised by the Gas Utility Company, may apply, with a certificate showing the amount outstanding against a consumer, to the District Officer (Revenue) of the district concerned for the recovery of the said amount, and the District Officer (Revenue) shall, thereupon, proceed to recover the same from such consumer, or his sureties, or from all of them, as an arrear of land revenue and for the purposes of recovery under this section, the officer authorized to effect such recovery shall be vested with magisterial powers under the Code of Criminal Procedure, 1898.

45. Power to request assistance. A Gas Utility Company shall have the power to seek information from or the assistance of any Ministry, Division or agency of the Federal Government, any Department or agency of a Provincial Government, local authority, financial institution, political agent, law enforcement agency, including the police and the Federal Investigating Agency, land revenue officials, including patwaris or mukhtarkar, registrar of assurances and the Securities and Exchange Commission of Pakistan and it shall be the duty of such Ministry, Division, Department, agency, local authority, financial institution, law enforcement agency, registrar of assurances and Security and Exchange Commission of Pakistan

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to furnish such information or render such assistance, including but not limited to removal of encroachments, as may reasonably be required.

46. Power to amend or rescind certain contracts. A Gas Utility Company shall, in order to achieve equity, have the power to amend or rescind its obligations in relation to the provision of alternate fuel costs, if any, that may exist in any contract, agreement or understanding with any consumer or natural gas provider.

47. Bar of Jurisdiction: (1) Notwithstanding any other law for the time being in force, no Gas Utility Court shall make an order prohibiting the Gas Utility Company from disconnecting the supply of gas to a premises, or requiring it to restore supply of gas to such premises if the consumer is in default, and any such order made before the commencement of this Act shall cease to have effect:

Provided that nothing contained herein shall apply to a case in which the plaintiff, applicant or appellant, within a period of thirty days of the aforesaid date or at the time of filing the suit, application or appeal, as the case may be, deposits with the Gas Utility Court the amount assessed against him by the Gas Utility Company and all further charges of the Gas Utility Company as and when they become due; and in the event of his failing to do so, any order prohibiting the Gas Utility Company from discontinuing the supply of gas to the premises or requiring it to restore the supply of gas to the premises, if already made, shall cease to have effect.

(2) Where an amount has been deposited under sub-section (1), the Gas Utility Court shall direct it to be deposited in a scheduled bank in the name of the Gas Utility Company on an undertaking being furnished by the Gas Utility Company to the effect that in case the suit or appeal is decided against it, it shall repay the said amount to the plaintiff or appellant, as the case may be, with such reasonable return as the Court may determine.

48. Exemption from audit. Notwithstanding anything contained in the Pakistan (Audit and Accounts) Order, 1973, the accounts of the Gas Utility Company shall not be audited by the Auditor-General of Pakistan, but shall be subject to audit in accordance with the provisions of the Companies Ordinance, 1984.

49. Protection of acts done in good faith. No suit, prosecution or other proceeding shall lie against any public officer, or any servant of a local authority or agency or any Gas Utility Company or person duly authorized by them, for anything done, or in good faith purporting to be done, under this Act.

50. Amendment of the Land Acquisition Act, 1894. In section 40, sub-section (1), clause (b), and section 41, sub-section (5), of the Land Acquisition Act, 1894, the term "work" shall be deemed to include gas supplied, or to be supplied, by means of the works to be undertaken, constructed or done under this Act.

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51. Amendment of the Companies Ordinance, 1984. In Section 405, sub-section (1), clause (a) of the Companies Ordinance, 1984, after the phrase “local authority” the words “or to Gas Utility Company under the Gas Utility Company Act, 2010” shall be added.

52. Amendment of the Ordinance. In Section 11, sub-section (1) of the Oil and Gas Regulatory Ordinance, 2002, after the word “regulation” at the end, the words “or any other law for the time being in force which confers onto the Authority jurisdiction to decide complaints” shall be added.

53. Power of Authority to make rules. (1) The Authority may, by Notification published in the official Gazette, make rules to regulate the transmission, distribution, supply and use of natural gas, and, generally, to carry out the purposes and objects of this Act.

(2) In making any rule under this Act, the Authority may direct that every breach thereof shall be punishable with fine which may extend to one million rupees, and, in the case of a continuing breach, with a further daily fine which may extend to five thousand rupees.

54. Act to override other laws. The provisions of this Act shall have effect notwithstanding anything to the contrary contained in any other law for the time being in force.