



Sui Northern Gas Pipelines Limited

# sng

NEWSLETTER

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## ANNUAL EID MILAN PARTY

After the blessed month of Ramadan came to an end, the SNGPL fraternity organized an exuberant and vivacious Eid Milan Party at the Head Office. It is a tradition of the Company's Management to celebrate Eid with its corporate family annually, with absolute mirth and good will.

The event was graced by the presence of the Honorable Managing Director, Mr. M. Arif Hameed. Members of the senior management, including the DMDs and the CFO were present. Apart from them, the entire executive and subordinate employee body was invited for a hearty, interactive session. It is an avid opportunity for the employees to interact with their seniors and members of the Management.

Mr. M. Arif Hameed exchanged cordial greetings and had a light hearted discussion with the attendees at the event. A large number of female employees were also present on the event. It was a pleasant occasion for them to intermingle / socialize with other colleagues. Mr. M. Arif Hameed also interacted with the female employees and exchanged good wishes. Group photos were also taken. The event was followed by a tea party arranged for all the guests.

### Editorial Board

Patron-in-Chief  
**Mr. M. Arif Hameed**

Chief Co-ordinator  
**Syed Jawad Naseem**

E-Team  
**Media Affairs  
Department**

## Federal Minister for Petroleum & Natural Resources arrives at the Head Office

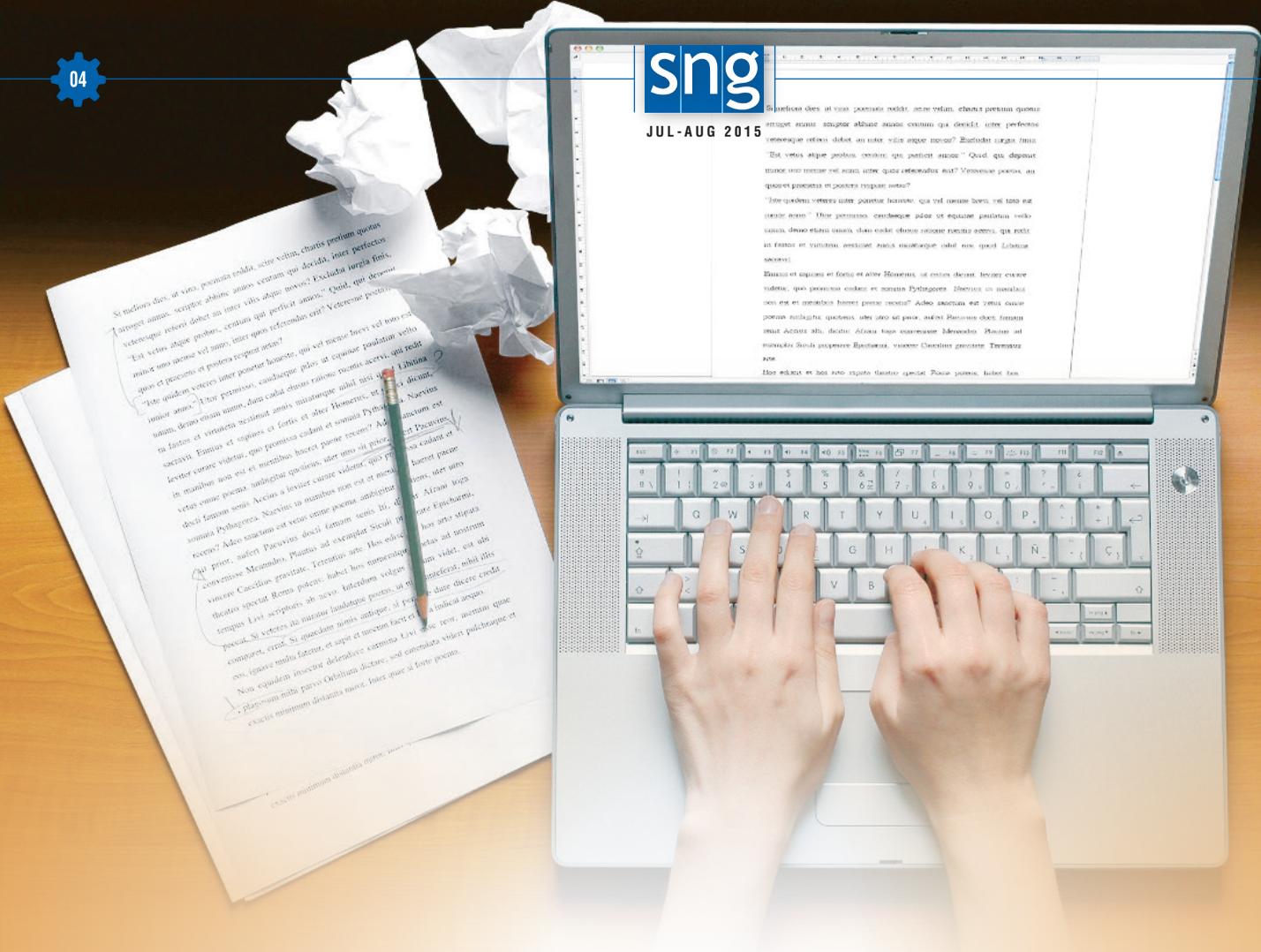
Mr Shahid Khaqan Abbasi, Federal Minister for Petroleum and Natural Resources, arrived at the Head Office for a meeting with the senior management. He was cordially greeted by the Managing Director, Mr. M. Arif Hameed and other members of the senior management. It was an interactive meeting stretching across various matters related to the increasing challenges faced by the energy sector of Pakistan.

The Honorable Minister for PNR was given an overview of the current situation of the UFG control strategy adopted by the Company. The details of regions covered and the numbers of gas theft operations conducted across the region were also presented. The Minister stressed upon the continuity of the Company's efforts in curtailing gas theft. He was of the view that laying out of the LNG infrastructure be carried out within adequate time. It was a productive meeting focusing on the interests of the Company.



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# Editor's Note

Following the blessed month of Ramadan, the SNGPL fraternity, enthusiastically returned to work. The employee body came back after a long break, with absolute zeal to meet the targets and setting up of new ones. Carrying forth the tradition, a vivacious and exuberant Eid Milan Party was organized at the Head Office by the Senior Management. Honorable Managing Director, Mr. M.Arif Hameed graced the occasion with his presence. The employee body invited along with the management was ardent to interact with the MD.

This month also witnessed the visit of the Federal Minister for PNR, Mr. Shahid Khaqan Abbasi to the Gas House. A variety of issues were highlighted during the meeting.

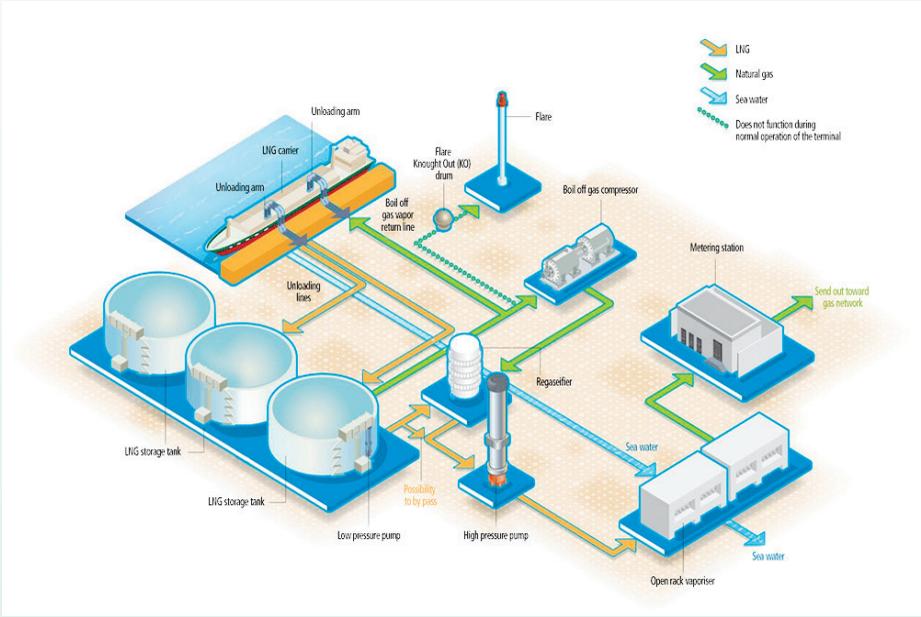
This edition gives the readers an insight into the technical side of the Audit, Transmission and Compression Departments respectively. Dwelling into the LNG market and its scope in the Asian continent, an article from the Billing Department is definitely worth a read.

**Syed Jawad Naseem**  
 General Manager  
 (Media Affairs)

# ALL ABOARD FOR ASIA (ASIAN LNG MARKET)

If you ask LNG industry players which region they think will grow fastest, change the most and offer good opportunities for value creation, Asia comes close to the top of the charts.

Asia performed strongly in the first half of 2013 – importing around 89Mtpa (74% of global sales). This represents 5 Mt of growth (6%) in the region, compared to the same period last year. Currently, LNG demand in the period 2013- 2020 is estimated around 60Mtpa with buying interest from both established players as well as new companies.



Asian gas prices are strong – up to five times higher than in other consuming regions and the short term outlook suggests Asian gas prices will remain strong.

But there are lots of changes bubbling away sub-surface. Customers are becoming more challenging to serve. Established buyers in Japan are currently managing large uncertainties around future gas demand levels. They need to judge their government commitments to gas versus nuclear, the success of various new LNG projects where they have signed purchase agreements subject to Final Investment Decisions (FID) and various consumer energy efficiency drives.

Emerging buyers in China and India have to be contended with local market price subsidies that currently make LNG look uneconomic in the long term. Several new markets (yet to contract long-term LNG) have small annual demands and poor credit worthiness in terms of meeting long-term LNG Take or Pay obligations. These, and other issues, have made conventional LNG contracting very challenging and are slowing down business development.

Yet despite their diversity, Asian buyers are united by their common needs for lower Delivered Ex Ship gas prices and more operational flexibility in their procurement.

**- In summary, today's Asian buyers are trying to secure new pricing structures and more operational flexibility**

Suppliers meanwhile, within Asia, the Atlantic Basin (notably the US Gulf Coast) and new frontiers like East Africa, are pinning their hopes on sustained Asian market demand growth at attractive prices to launch their projects. The suppliers are also quite a diverse group, made up of established sellers, new sellers targeting Asia and US liquefaction tolling companies. They too are united through their needs to manage more complex projects using new technology or new commercial models; Greenfield projects in countries yet to permit LNG exports; and escalating construction costs. Whilst managing these issues, they need to ensure they have sold at attractive prices to deliver robust investment propositions for their shareholders and their lenders.

The way in which overall LNG value is measured will vary from each buyer to each seller, but it is likely there will be some high level trends such as: -

### **i) Security of supply or demand**

Both these issues will remain central to Asian LNG business development and result in long-term sales remaining as the main basis of underpinning new LNG business. However, we should recognize that today's Asian LNG buyers are buying more short-term LNG (2012 saw approximately 30Mtpa of short-term and spot sales in Asia). The trends are for short term LNG to increase. By 2020 it could double to around 60Mtpa and short-term LNG is likely to be a higher percentage of overall sales (up from 25% today to around 35% by 2020).

Security of "investment grade" long-term demand will remain crucial to sellers. Without it, LNG projects are unlikely to develop. An emerging trend is the way sellers achieve security of demand. In the past it was through high Take Or Pay obligations on fixed volumes into one (or a few) destinations. However, some of today's sellers are willing to allow buyers to divert LNG to other markets or offer buyers equity participation in the upstream/liquefaction which gives buyers an ability to manage their off-takes directly.

### **ii) Price competitiveness**

With Delivered Ex-Ship Asian LNG prices currently between two to five times the price of pipeline gas in other regions, Asian buyers are pushing sellers for new price formulae to lower prices and diversify risk from JCC to other indices. New approaches include Henry Hub formulae; JKM price formulae (particularly for short-term sales and financial swaps); and hybrid formulae escalating with both JCC and Henry Hub.

However, it is not clear whether the new price formulae being agreed today will actually result in lower prices for the region when the new gas contracts start up. The new formulae are likely to diversify the average selling prices into each market as more are introduced.

Whilst these changes are happening, sellers are balancing these new pricing formulae for Asia with their options into other markets, such as Central and South America. Some sellers seem to be willing to incorporate new indices into the Asian price formulae. However, to be price competitive for sellers, the Asian netback has to be superior as compared to other regions. For as long as they are considered attractive, it is expected that sellers will be prepared to accept these changes.

Generally, the current outlook is that there should be sufficient overlap between the price requirements of buyers and sellers to enable solutions to be found and for new projects to proceed.

### **iii) Operational risk**

Asian buyers have been looking to improve the operational flexibility in their LNG purchases, notably, more destination flexibility and more volume flexibility. The arguments are compelling: buyers are faced with more uncertainty about their LNG demands; some governments are yet to firmly commit to a clear long-term energy policy; some markets are price sensitive; and diversions to other markets may become economically and operationally necessary.

Buyers will also continue to argue that if they have to accept Take or Pay commitments, they will need operational flexibility and destination flexibility to manage the risks.

Sellers will still be driven by the need to optimize the LNG plant's performance. This will limit the amount of operational flexibility they offer to customers. They will want to minimize operational risk with respect to changes in cargo scheduling and marine risks such as discharge port congestion, bad weather routes and restricted port access.

Overall the outlook is for buyers to continue to push for as much operational flexibility as they can achieve and for sellers to run an efficient production and transportation model.

### The Bottom Line

Intense interest and competition in new business development is likely to result in changes in Asia over the next seven years or so. It is very likely we will see more diverse buyers and sellers, more market liquidity promoting changes in commercial business models for procurement, more short term LNG and more variation in price formulae.

Asia has been and will remain a region where buyers and sellers meet often and challenge each other to find new ways of working together to grow the business. These challenges will be addressed increasingly from a global perspective rather than from a regional perspective and that is likely to generate new approaches to LNG development.

**- In summary, LNG sellers into Asia today are focused on managing increasing project risks and ensuring they create value.**

The competing requirements of buyers and sellers are likely to sharpen everyone's focus on "LNG value". Each will need a clear view on how they value LNG as a balance between: -

- i) For Buyers: - Security of supply                      For Sellers: - Security of demand
- ii) Price competitiveness
- iii) Operational risk



By:  
**Liaqat Ali Nehra**  
Chief Officer (Billing)  
Courtesy: Pat Roberts  
Associate Director - Gas,  
CWC Group Ltd

## SALIENT TERMS USED IN LNG VALUE CHAIN

Liquefied Natural Gas (LNG) is being imported and supplied to consumers on SNGPL pipeline network. Salient terms used in LNG value chain are being furnished for familiarization of the readers.

**LNG (Liquefied Natural Gas):** LNG is Natural Gas that has been cooled to a temperature of around  $-161^{\circ}\text{C}$  at atmospheric pressure, at which it condenses to a liquid. On liquefaction, volume of natural gas reduces by a factor of around 600 time making it economical to store and transport over long distances for which pipeline is too expensive or other constraints exist. The exact boiling point and reduction in volume depends on its composition.

**RLNG:** Acronym used for Re-gasified LNG. It is the gas obtained by conversion of LNG from its liquid state to gaseous state.

**LNG Value Chain:** The major stages of LNG Value Chain are:

- (1) **Exploration** for natural gas
- (2) **Production** for delivery after treatment of raw natural gas
- (3) **Liquefaction** to convert natural gas into liquid so that it can be transported in ships
- (4) **Shipping** through a special purpose vessels
- (5) **Storage** of LNG in specially made tanks
- (6) **Re-gasification** to convert LNG from liquid phase to gaseous phase for ultimate delivery to end consumers through pipelines.

**MTPA:** Million Ton per Annum. One mtpa of LNG is equal to around 133 MMCFD of natural gas (exact conversion depends upon the composition of LNG).

**Boil-Off:** As LNG is transported and stored in tanks which along with allied infrastructure are well insulated to keep it cool at its boiling point, however some heat from atmosphere flows in and warms the liquid. The vapors of LNG (natural gas) are vented to avoid overpressure of LNG tank. This vaporization of LNG is called as "boil off" and discharge of these vapors from the LNG tank is called "venting". Under normal operation, boil off (natural gas) is not vented to atmosphere but transferred to fuel system of LNG Vessel to be used as a fuel.

**FSRU:** Floating Storage and Re-gasification Unit is a specially designed ship mounted tanks used for receipt and storage of LNG from LNG Ships. It also contains facilities for re-gasification of liquid LNG.

**LNG Vessel:** A purpose built or converted sea ship / tanker suitable for transportation of LNG from loading port to unloading port.

**LNG Cargo:** Quantity of LNG expressed in MMBTU (Million British Thermal Units) carried by an LNG Vessel.

**HEEL:** The amount of LNG actually retained by an LNG Vessel / Ship after completion of unloading of the LNG Cargo at the Buyer's Facilities. The quantity of heel is used in cooling / maintaining the temperature of LNG tanks and also as fuel in LNG Vessel.

**Delivery Point:** It is a point at the unloading port at which the flange coupling of the LNG receiving line of buyer's facilities connects to the flange coupling of the LNG discharging line of the LNG Vessel.

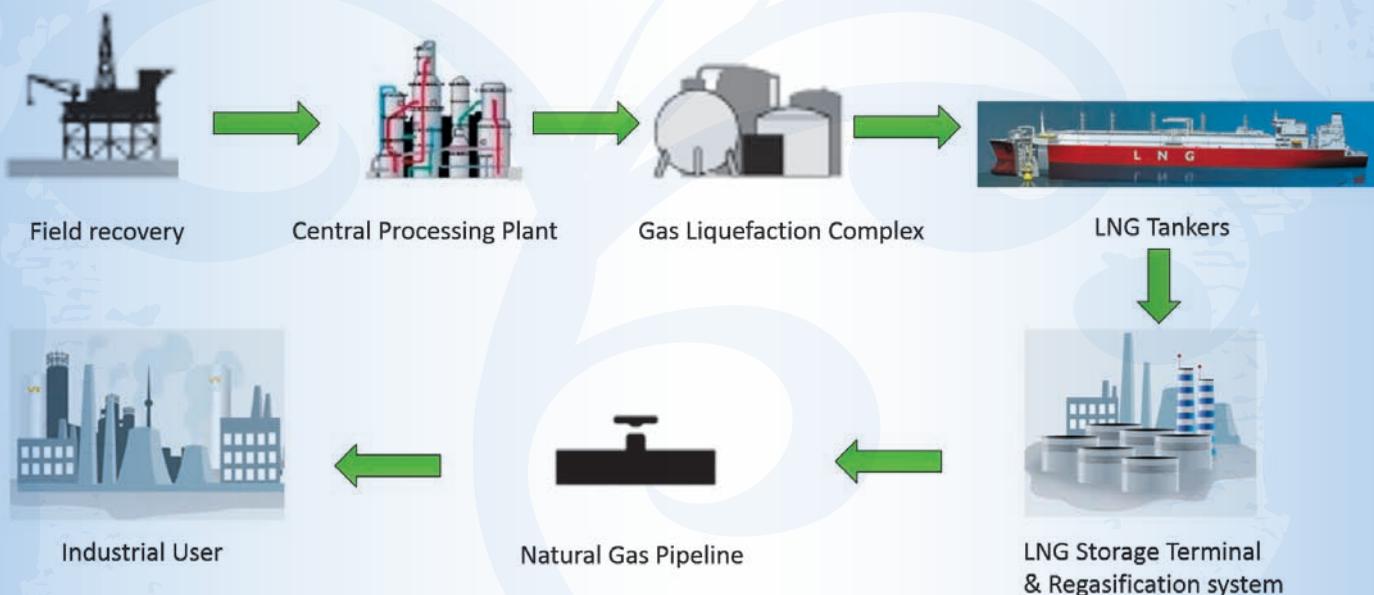
**Annual Delivery Program (ADP):** A plan agreed between the LNG seller and buyer for scheduling of LNG Vessels for deliveries of LNG during a contract year of a long term LNG Sale and Purchase Agreement.

**Annual Contract Quantity (ACQ):** Quantity of LNG (in MMBTUs), agreed in LNG Sale and Purchase Agreement, to be delivered by LNG seller and accepted by the buyer during a contract year.

**Independent Surveyor** is the technical expert related to the field of LNG measurement, appointed jointly by Buyer and Seller in accordance with the LNG Sale & Purchase Agreement to witness the unloading and the calculation of the quantity of LNG delivered from the LNG Vessel.

**Natural Gas Swapping:** Arrangements under which natural gas destined for a specific Delivery Point is delivered elsewhere, and substitute natural gas is supplied at that Delivery Point. Such a natural gas is called as Swap Gas e.g. SSGCL supplies gas from Zamzama and Sawan to SNGPL as swap gas in lieu of RLNG delivered to SSGCL system in Karachi.

By:  
**Mr. Zahid Parvez**  
 DCE (Gas Control)  
 Transmission Head Quarters,  
 Faisalabad



## LNG Training Workshop conducted by Shell Dubai



The addition of Liquefied Natural Gas (LNG) as a new source of Natural Gas supplies into the SNGPL network necessitated a broader understanding of the new dynamics of its value chain. Realizing this need, recently LNG department of the Company arranged a one day workshop in Lahore on LNG Value Chain conducted by Shell International, Dubai. This one day workshop was conducted by Shell's Trainers covering Markets, Contracts, Commercial and Operational matters involved in the overall LNG Value chain. The workshop was attended by 30 participants from different departments of SNGPL, including Technical, Sales and Finance functions.

General Manager (LNG-LPG) welcomed the guests from Shell Dubai and appreciated their initiative for sharing their experiences on various aspects of the LNG trade worldwide and specifically in the region. Mr. Adil Taj Mohammad, LNG Market Development Advisor of Shell EP International Dubai, opened the session by outlining the purpose of arranging the workshop. He termed LNG as a game changer for a developing but energy deficient market like Pakistan. He briefly outlined the issues that need to be carefully examined before a buyer enters into an LNG Sale Purchase arrangement. He also obtained the feedback from the participants about their areas of interest and what they expected to gain from the workshop.

In the second session, Ms. Laure Baynes Clarke, Senior LNG Accounts Manager from the Shell International Trading Middle East gave a detailed presentation on all the technical and commercial aspects of the LNG business with a special emphasis on how best to negotiate a favorable Contract with potential suppliers. Matters related to the sampling, measurement and quality control of LNG were also discussed in detail. It was mostly an interactive session in which the participants showed keen interest for elaboration of the various LNG concepts. A formal Q & A session ended the presentation in which queries were asked by the participants for better understanding of the issues involved. Participants appreciated the content and termed it very useful for improving their understanding of LNG business.

In the end, SGM (Transmission) SNGPL, Mr. Ali Hussein Qureshi presented mementos to the guests from Shell Dubai and thanked them for their time. The Shell team assured SNGPL of continued support in future as well.

## Independence Day Celebrations at Head Office

The 68th Independence Day was celebrated with absolute zest and patriotism at SNGPL, Head Office. It was an elaborate ceremony conducted in festive mood. The honorable Managing Director, Mr. M. Arif Hameed graced the occasion with his valuable presence. The ceremony was attended by all members of the senior management and the entire employee body.

The series of event was lead by the arrival of Mr. M. Arif Hameed, MD SNGPL. He headed towards the flag hoisting platform and hoisted the national flag. The ceremony formally began with the recitation of the Holy Quran. After the recitation, presents were distributed amongst the guest children present on the occasion.

Mr. M. Arif Hameed came forth for his address on this auspicious occasion. He shared his views about the path of success for a nation which can be achieved by following the principles put forth by Quaid-e-Azam Muhammad Ali Jinnah, namely Unity, Faith and Discipline. He encouraged the SNGPL family to follow his footsteps so that the Company can improve its public performance for their facilitation. He expressed the Company's keen efforts in striving to strengthen the employee welfare and security.

The ceremony was concluded with the cutting of the cake followed by a scrumptious breakfast for all the attendees.



## CORPORATE GOVERNANCE: THE CONCEPT

*“If a country does not have a reputation for strong corporate governance practices, capital will flow elsewhere. If investors are not confident with the level of disclosure, capital will flow elsewhere. If a country opts for lax accounting and reporting standards, capital will flow elsewhere. All enterprises in that country – regardless of how steadfast a particular company’s practices may be – suffer the consequences. Markets must now honour what they perhaps, too often, have failed to recognize. Markets exist by the grace of investors. And it is today’s more empowered investors who will determine which companies and which markets will stand the test of time and endure the weight of greater competition. It serves us well to remember that no market has a divine right to investors’ capital”.*

**(Arthur Levitt, former Chairman of the US Securities and Exchange Commission)**

Corporate governance is defined as a system by which business entities are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as, the boards, managers, shareholders and other stakeholders, and spells out the rules and procedures or making decisions on corporate affairs. By doing this, it also provides the structure through which the Company objectives are set, and the means of attaining those objectives and monitoring performance.

The concept of corporate governance is gaining momentum because of the changing business environment in Pakistan. The Securities & Exchange Commission of Pakistan, Pakistan Institute of Corporate Governance and three Stock Exchanges of Pakistan i.e. KSE, LSE & ISE have also contributed to the rising

awareness and are compelling the public sector companies to think in terms of adhering to the good governance practices. Corporate governance, by the very nature of the concept means effective accountability to the shareholders. Corporate Governance is not just corporate management, it is something much broader to include a fair, efficient and transparent administration to meet certain well-defined objectives. It is a system of structuring, operating and controlling a Company with a view to achieve long term strategic goals to satisfy shareholders, creditors, employees, customers and suppliers and complying with the legal and regulatory requirements, apart from meeting environmental and local community needs. When it is practiced under a well-laid out system, it leads to the building of a legal, commercial and institutional framework and demarcates the boundaries within which, these functions are performed.

### **Why corporate governance matters?**

*“The aim of corporate governance is to align as nearly as possible the interests of individuals, corporations and society”.*

**(Sir Adrian Cadbury speaking at ‘Global Corporate Governance Forum’, World Bank, 2000)**

Corporate governance ensures fairness, transparency, accountability, sustainable financial performance, increased shareholder confidence, access to external finance and foreign investment, fair treatment of the stakeholders in a Company, maximization of shareholders’ value and the enhanced reputation of a Company, nation and economy. Efficient corporate governance practices lead to higher return on capital employed, attraction of long-term capital, mitigation of systematic risk, higher return for shareholders, improvement in the confidence of

domestic and foreign investors, reduction in the cost of capital, stable flow of finance, availability of international capital, and greater productivity. An effective and efficient corporate governance framework depends on the legal, regulatory, business and institutional environment.

- **Corporate Governance and Investors**

Corporate governance is becoming increasingly important to investors, because well-governed companies have lower risk and fewer unexpected events. Well-governed companies are better at protecting the shareholders.

- **Corporate Governance and other Stakeholders**

Stakeholders such as banks, suppliers and employees will prefer to enter into business relationships with well governed companies, since the resulting relationships are likely to be more prosperous, fairer and long lasting compared with relationships with companies where corporate governance practices are deficient. They will also benefit from reduced risk and the increased wealth creation of the Company.

- **Corporate Governance and the Country**

From the perspective of the country, corporate governance is important as it facilitates the development of stronger capital markets, reduces risk, and improves a country's ability to mobilize, allocate and monitor investments, which ultimately fosters economic growth.

- **Corporate Governance and Enterprises**

Good corporate governance is an essential aspect of risk management as the corporate governance practices of enterprises affect market confidence as well as Company performance. Good corporate governance practices may correlate with superior share price growth, ensure sustainable economic prosperity of enterprises, facilitate access to cheaper capital, enable efficient running of the enterprise, attract investors, ensure investors' confidence, protect minority shareholders' rights, increase wealth creation and reduce reputation risk. Poor corporate governance, on the other hand, weakens a company's potential and may pave the way, for financial difficulties and even fraud.

Sui Northern Gas Pipelines Limited (SNGPL), as a public limited Company, listed on all three stock exchanges of Pakistan is committed to the best corporate governance practices with well-defined and protected shareholders' rights, a solid control environment, high levels of transparency and disclosures and an independent Board.

By:  
**Abdul Rauf Khan**  
Executive Officer (CA)

## ISO 9001: 2008 Annual Surveillance Audit Stage II Of Central/Regional Meter Shops

In processing products and providing services, quality assurance is a systematic process of checking to see whether a product or service being delivered is meeting specified requirements. A quality assurance system is said to increase customer confidence and a company's credibility, to improve work processes and efficiency, and to enable a company to better compete with others. Quality assurance was initially introduced in World War II when ammunitions were inspected and tested for defects after they were made. Today's quality assurance systems emphasize catching defects before they get into the final product.

ISO 9001:2008 is an international standard that many companies use to ensure that their quality assurance system is in place and effective. Conformance to ISO is said to guarantee that a company delivers quality products and services. To follow ISO, a company's management team decides quality assurance policies and objectives. The Company then formally writes down the company's policies and requirements and how the staff can implement quality assurance system. Once this guideline is in place and quality assurance procedures are implemented, an external assessor examines the company's quality assurance system to make sure it complies with ISO standard. He then prepares a detailed report, which describes parts of the standard at the company has not implemented and the company agrees to correct these problems within a specific time. Once the problems are corrected, the company is certified to be in conformance with the standard.

SNGPL Meter shops have under gone the above mentioned process and have been certified to ISO 9001:2008 since 2009. SNGPL Meter shops are committed to ensure quality of repaired EVCs/modems/meters installed in distribution network, transparent meter inspection and prepare technical specifications to procure quality meters, EVCs and GSM/GPRS modems. In order to built trust of our customer on our measurement/communication gadgets; we are committed to adopt international standards, quality management system (ISO 9001:2008) and to introduce latest measurement techniques.

In order to examine the implementation of Quality Management System at Meter Shops, a third party annual audit was conducted from 16th-17th June, 2015. In the concluding meeting of surveillance audit, few improvement points were suggested to further strengthen the quality management system. It has been appreciated by auditors that the implementation of QMS is properly functional and improving day by day, due to strong commitment of management and team work.

By:  
**Muhammad Faisal Ali Sadiq**  
Sr. Engineer (Metering)  
Central Meter Shop, Lahore

**Incharge Regional Meter Shop and Lead Auditor conducting a session to check calibration record of measuring and monitoring equipment of Central Meter Shop, Lahore.**



**Opening Session with management of Central Meter Shop, Lahore.**



**Opening Session with Incharge Regional Meter Shop, Faisalabad.**



**Lead auditor and technical auditor visited domestic section to witness the implemented QMS.**



**Lead auditor visited to industrial flow proving section to check calibration record of measuring and monitoring equipment.**

# INTERACTIONS



Representatives from the World Bank, came in through the Government of Pakistan to discuss the energy infrastructure development and any funding requirement of the Company. DMD (Ops) Mr. Amjad Latif, DMD (S) Mr. Amer Tufail and CFO Mrs. Uzma Adil Khan were present on the occasion.



Mr. M. Arif Hameed, MD SNGPL, in a meeting with Mr. Abid Sher Ali, Minister of State for Water and Power.

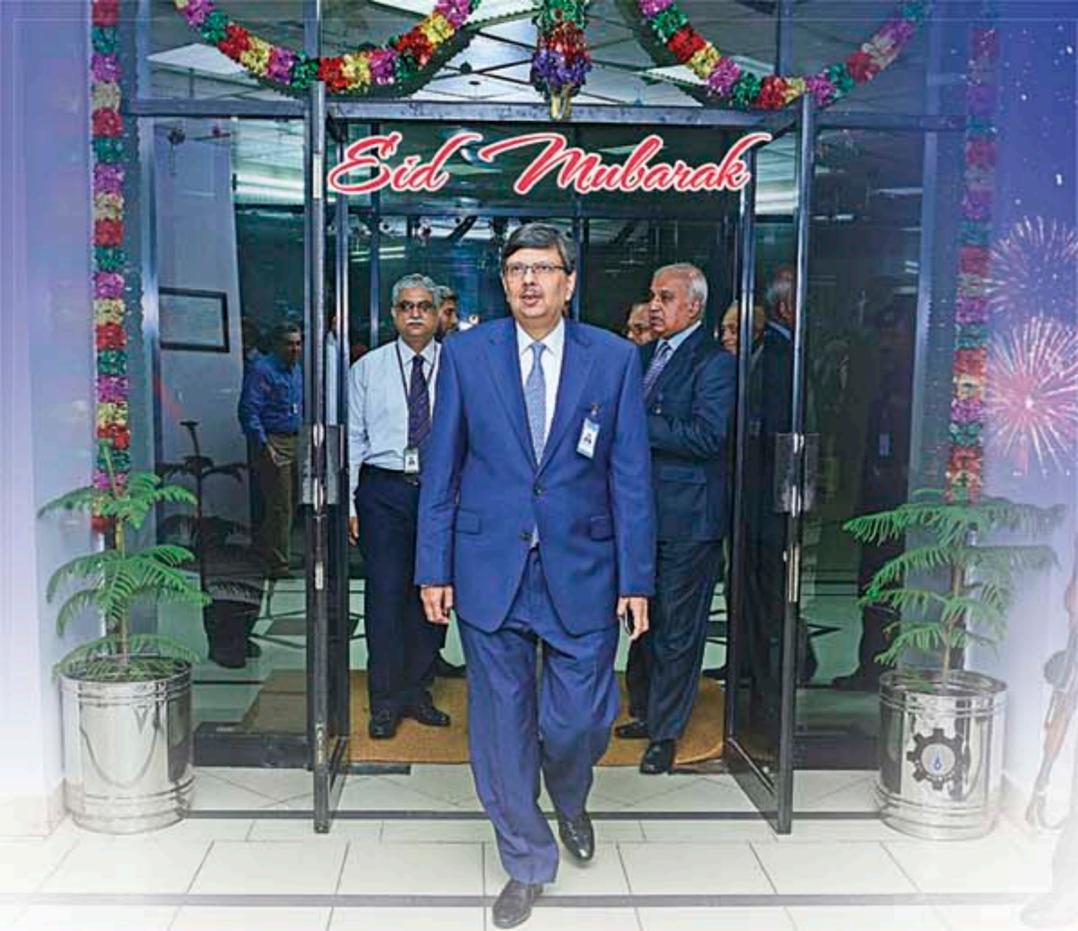
## RETIREMENTS



Mr. Najeeb Ul Hasan, TA to DMD (Ops) retired from the Company, after having served for a time period of 36 years, 3 months and 24 days.

## OBITUARY

It is stated with great grief and sorrow that Mr. Saleem Akhtar Chishti, Ex-Executive Technical Officer, Transmission has expired. May Allah shower His blessings upon his family members in this hour of grief and stress.

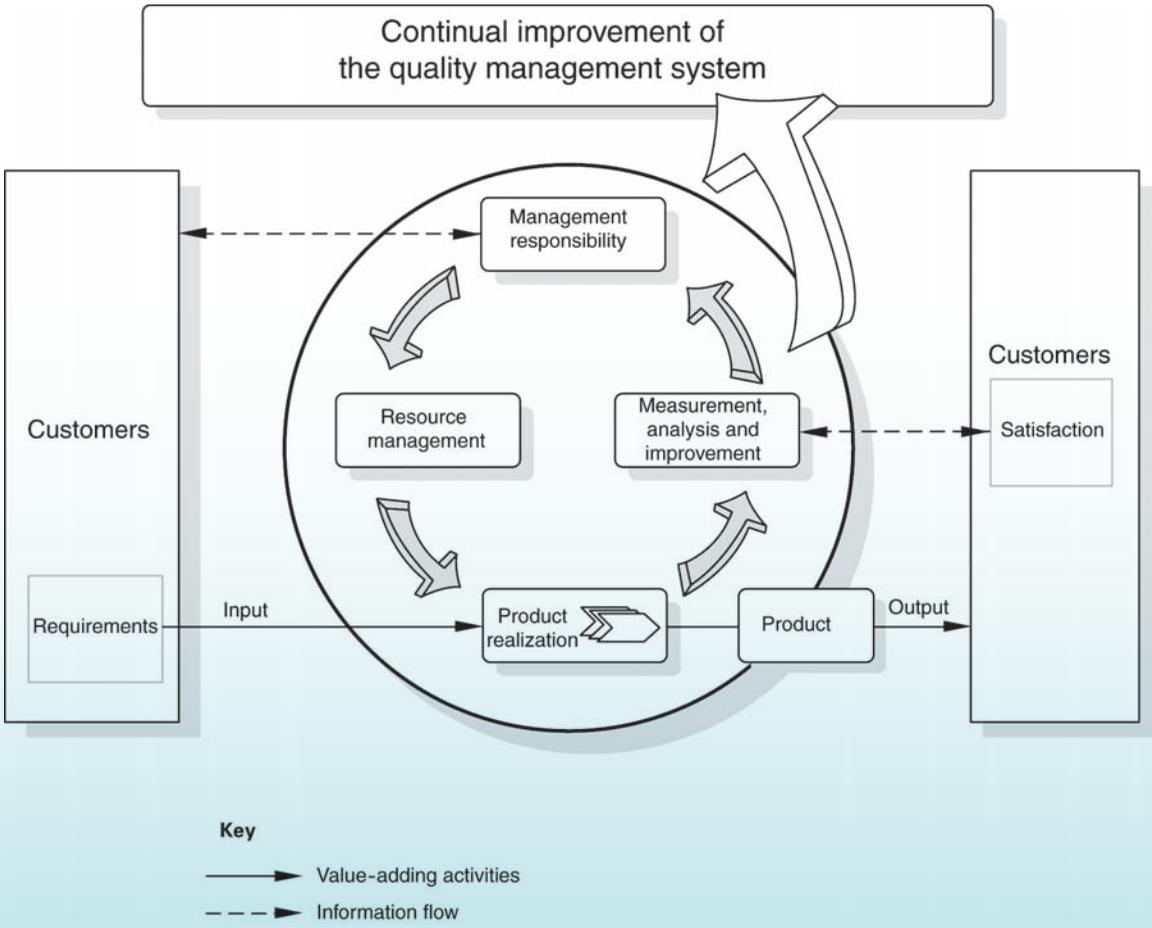


*Eid Milan Party*



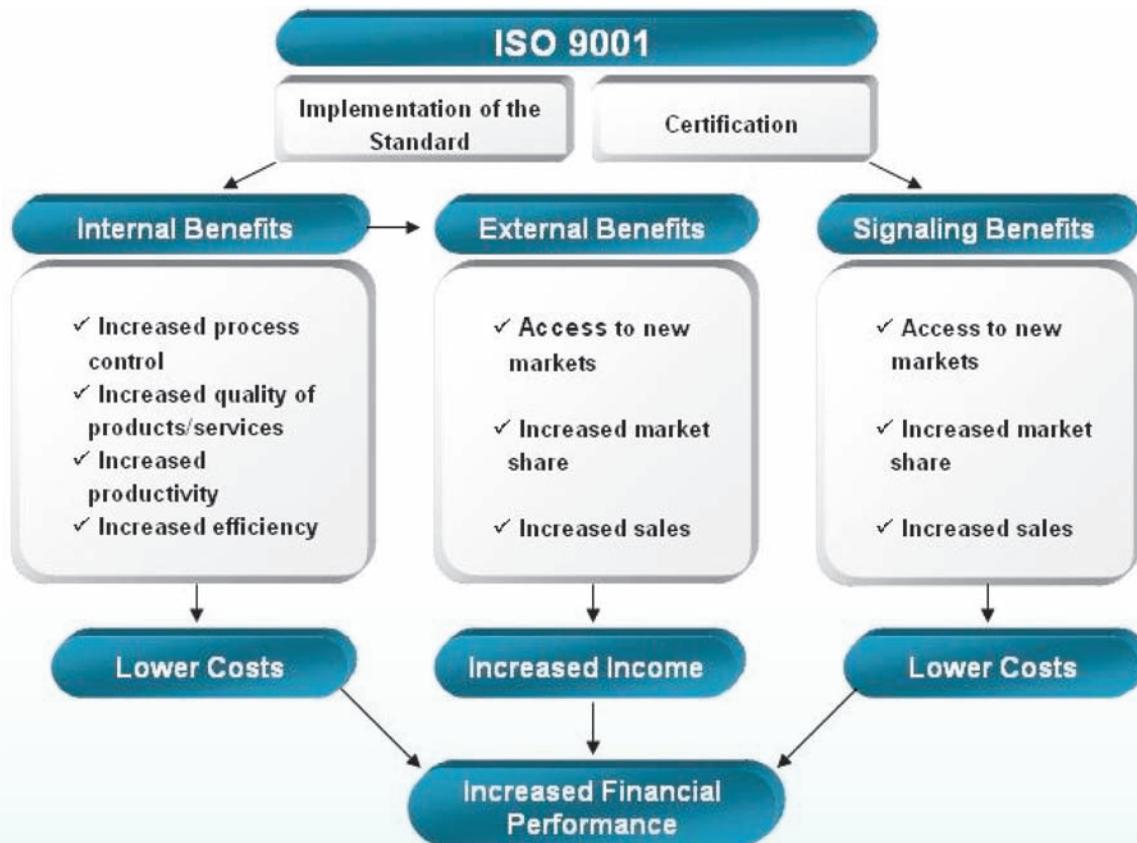
# Compression Department Achieving a Milestone of ISO 9001:2008 Certification

ISO 9001:2008 standard sets out the criteria for a quality management system which provides guidance and tools for organizations who want to ensure that their services consistently enhance and working quality keeps on improving regularly. This standard is based on a number of quality management principles including motivation, implication and commitment of top management, process re-engineering for continual improvement, focuses on good quality products/ services, trainings and customer satisfaction. All of this results in bringing many business benefits and value additions for the organizations. The overview of the complete model covering the QMS processes is illustrated below:



ISO 9001:2008 standards evaluate whether the Quality Management System works appropriately and its effectiveness is judged through identification of the deficiencies and thereafter its improvement after evaluation of the set objectives and new targets are determined. Action plans developed for continuous improvement assuring the maximum benefits, are achieved by enhancement in quality for products and services. By linkage of various processes, their combination and interactions,

organizations can gain profits from increased job satisfaction, improved processes, optimized operational results (reduced down time and increased efficiency) and meeting legal and regulatory affairs; being extremely advantageous for the community.



With the collective efforts of Compression Management and staff, the Compression Department has acquired the status of ISO 9001:2008 certification from M/s. DAS International (The international Certifying Body). The Compression Department being the backbone of SNGPL, plays a vital role in the gas transmission network by ensuring smooth & reliable operation of compressor stations to maintain the natural gas supply to consumption centers at desired pressure & flow. In this respect, Compression Department has formulated a quality policy ensuring the laid down objectives & targets in line with international codes & standards, ISO-9001:2008 and ISO-14001:2004 & OHSAS 18001:2007.

The department's core objective entails smooth operation, ensure equipment & plant availability, its reliability by adopting preventive & predictive maintenance plans, monitoring & evaluation of performance of the overall system.

Compression Department has the distinction of acquiring the status of ISO-9001:2008 certification to upgrade the processes and activities for the achieving set goals.

## The ISO Certificate:

**DAS CERTIFICATION**



**Quality Management Systems  
Certificate of Approval**

This is to certify that QMS of

**Compression Department of  
Sui Northern Pipelines Gas Limited Pakistan**  
Transmission Head Quarter, Sargodha Road, Faisalabad  
&  
Transmission Office, Piran Ghaib Road, Multan  
has been assessed and found to meet the requirements of

**ISO 9001:2008**

The certificate is valid for the following scope of operations:

**“Planning & Design, Execution, Construction, Installation & Commissioning Jobs, Operations & Maintenance of Equipments Installed at Natural Gas Compressor Stations, Overhauling of Gas Turbine Engines and Precision Machining Operations for SNGPL and Outside Agencies”**

Authorised by:  **Stan Wright  
Chief Executive**

Date of Certificate Issue: 24 April 2015  
Certificate Valid Until: 23 April 2018  
Recertification audit before 25 February 2018. Certified Since 24 April 2015.  
This certificate is the property of DAS Certification and remains valid  
Subject to satisfactory annual Surveillance Audits.



**SN Registrars (Holdings) Limited  
Trading as DAS Certification Ltd &  
QEC Certification Ltd.** Certificate Number: DAS 29386066/19/Q

Registration House, 22b Church Street Rushden, Northamptonshire, Nn10 9YT, UK  
Company No: 0765067  
Email: [info@dascertification.co.uk](mailto:info@dascertification.co.uk)  
Web: [www.dascertification.co.uk](http://www.dascertification.co.uk)





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Note: This certificate is not a legal document and can not be used for legal purposes. The certificate remains the property of DAS Certification to whom it must be returned on request.

By: Amjad Ishaque

Sr. Engineer (Compression Department-Faisalabad)

# International Public Procurement: Roles and Challenges

Using International Public Procurement or International competitive bidding, Public Procuring Agencies engage in procuring goods, services and acquiring contracts for works by inviting International competition under the umbrella of national/international laws, rules, regulations and procedures.

International Public Procurement has a significant role in procuring high quality standardized products and services at competitive prices, to fulfill organizational requirements. The main objective is to ensure best value for money by engaging international competitive bidding and competitive prices available in the international market.

Like local bidding process, International Public Procurement is achieved by team work, which requires joint efforts of all the stake holders, be it manufacturers, their Principals, local Agents, third party Inspectors, logistics companies, local and foreign banks, Insurance companies, custom clearing agents, procurement professionals, auditors, inventory & material controllers and the end users. For effective and efficient international public procurement all stake holders should have to play their active role and participation in successful completion of the procurement cycle.

Public Procurement plays a vital role in the standardization and up gradation of organizational infrastructure. There are many challenges/issues that can be faced by the Procuring Agencies during international public procurement, which are as follows :

**Legal Requirements:** International Procuring Agencies have to abide by not only local laws, but also International laws, rules and regulations as they create complexities in Procuring and shipment process.

**Uncertainty:** Uncertainty regarding product quality, performance, and shipment when International Procurement is being conducted especially from a new source. Another issue of International Public Procurement is wrong supply or missing of material which can badly affect operational requirements of the projects of any organization. Although Third Party Inspections are conducted but mostly they are sample or on random basis, therefore the above mentioned issue may arise.

**Logistics and Customs Clearance Issues:** In International Public Procurement some times shipments are delayed due to logistical issues, Custom clearance or exporting countries legal requirements.

**Omissions and errors in Preparation of Documents:** Mistake(s) in preparation of documents or conflict in original shipping documents can cause the delay in availability of material as per the planned delivery schedules and also cause (Financial losses) in shape of Penalties/ demurrage.

To handle and minimize these issues/challenges continuous proper follow ups, periodical meetings, understanding of different international laws, trainings and very good coordination with all stake holders is imperative. An efficient and effective Procuring Agency can not only procure quality products on competitive prices, but also makes proactive efforts to minimize the challenges faced by them.

By:

**Muhammad Shahid Ikram**

Officer Procurement

## DISCIPLINE AT WORKPLACE



Discipline at workplace is defined as regulations or conditions that are imposed on employees by the Management in order to correct or prevent behaviors that are detrimental such as insubordination, absence, tardiness, verbal abuse, dishonesty, theft or violation of laid down procedures/policies. The importance of discipline in the organization cannot be underestimated, since employee morale, productivity and even a company's profitability can be adversely affected.

The purpose of discipline is to ensure that an employee performs in a manner which is in accordance with the accepted norms of behavior within the organization and develop an organizational culture which improves working efficiency. It is viewed by most employees as a legitimate way of maintaining order, ensure protection of rights of every employee and to keep them working towards the same organizational goals and standards. A reasonable level of discipline has to be maintained within the organization at all times. If it is too high a level, employees might feel insulted and a low level of discipline would allow people to take advantage.

Although best discipline is self-discipline, the foundation of discipline at workplace is a set of rules and regulations clearly stated in an executive handbook or memo, etc., that is communicated to all employees periodically to inform them what is termed as acceptable behavior and the consequences of violations. Employees should be required to sign an acknowledgment form certifying that they have received and read the policy. The policy should also be communicated at the time of new inductee orientation.

It is the responsibility of the supervising officer to maintain discipline among the employees and recommend disciplinary action if and when required. However, disciplinary action is a tool and not a weapon, therefore, supervisors should exercise impartiality and good judgment before recommending disciplinary action. They should resort to disciplinary action as a last resort and never use it as a means to show authority or power.

Like most organizations, SNGPL uses traditional or progressive discipline system, which defines a series of steps, that must be completed, such as issuance of charge sheet, conducting enquiry proceedings before awarding punishments. This

approach ensures that all employees undergo same disciplinary procedure, however, it focuses merely on disciplining an employee by issuing warning, withholding annual increment and downgrading. Failure to correct the problem may result in dismissal from Company's service. This approach does not resolve the issue neither does it correct the behavior. However, companies still use it to avoid legal implications or claims.

Another approach which is more effective towards creating a positive response and improved employee behavior is the employee-focused counseling approach. It revolves around the concept that all employees are productive members of the organization, however, when their performance begins to deteriorate, or an inappropriate incident occurs, it is imperative that the supervisor communicates his concerns with the employee. He should describe the specific problem and its impact. By showing confidence and involving the employee in understanding the impact of his negative behavior/ actions and finding a solution, the desired behavior will be achieved.

**The table below shows the differences between traditional discipline and employee-focused counseling approach:**

	<b>Traditional Discipline System</b>	<b>Counseling Approach</b>
<b>Goal</b>	<b>Discipline</b>	<b>Problem solve</b>
<b>Problem Ownership</b>	<b>Supervisor</b>	<b>Employee</b>
<b>Supervisor's Mindset</b>	<b>Document, build a case for termination</b>	<b>Understand the root cause</b>
<b>Communication Style</b>	<b>One-way, parent-to-child, ends with a threat</b>	<b>Two-way, adult-to-adult</b>
<b>Outcome</b>	<b>Fear, anger, resentment</b>	<b>Commitment to change behavior and increase performance or, if the employee does not wish to make a change, resignation</b>

With progressive discipline, both the manager and the employee become stuck in a series of lengthy procedures, ending in documentation and coercion or punishment. When you use employee-focused counseling, you treat people with respect and the positive assumption that being responsible adults, they will resolve the problem. Companies should now move towards creating the kind of workplace that values people and focuses on behavior modification of employees rather than punishing them.

By:  
**Shams Ul Arifin**  
 Chief Officer HR

# Significance of Departmental Manuals

## Introduction – Purpose of Manual

Manuals contain company's best practices that define systematic approach to implement business policy expectations, plans, and work routines – also known as procedures. It can achieve a number of benefits for the organization.

The purpose of procedures in general is to serve as training material. In addition, an important purpose of procedures is to ensure consistency throughout the organization. Procedures are designed to help reduce variation within a given process in different regions. Clearly stating the purpose of procedures helps in gaining employee cooperation, or compliance, and it instills in the employees a sense of direction and urgency.

The workplace procedure manual communicates corporate vision and mission. Individual business policies and appropriate standard operating procedures (SOP) outline steps for achieving company's objectives in company's style and format. The following is the difference between policy and procedure:

### Business Policy

A definite course or method of action to guide and determine decisions; it is a guide to decision making under a given set of circumstances within the framework of corporate objectives, goals and management philosophies. A policy may also be referred to as: a business rule, management philosophy, company mission, company culture, "the way it's done around here", a standard, a principle and even a procedure.

### Business Procedure

A particular way of accomplishing something; an established way of doing things; a series of steps that, when followed in a definite, regular order, ensure consistent results. A procedure is also referred to as: a best practice, standard operating procedure (SOP), work instruction (although work instructions are different than procedures), business process documentation, guide (i.e. style guide), checklist, workflow, rule, or standard.

**Here are some general benefits of having current and usable internal manuals:**

### Communicate the corporate philosophy –

Manuals are one of the key ways through which management can implement its mission and vision statements. For example, if our organization wants to become more service-driven and empower employees at every level, manuals will accomplish it.

### Establish the roles and responsibilities of different departments and groups –

Without clear delegation, departments may duplicate functions, leave important functions undone, or get into turf wars.

### Reduce procedural mistakes and costly errors –

Mistakes can cost a lot of money to fix and leave our organization open to legal challenges. Clear step-by-step procedures will help ensure that staff members are performing their duties with consistent accuracy. Business policies and procedures build consistency into business operations.

### Ensure consistency in operations –

Consumers always like to be treated the same way each time they visit our offices, regardless of which office they visit. Manuals help ensure that important functions are performed the same way by all staff in all offices.

### Improve efficiency and productivity –

By themselves manuals won't make operations more efficient, but the careful review of our procedures that's required to develop a manual often uncovers hidden inefficiencies, such as unnecessary actions or out-of-date forms.

### Train employees on their job functions –

Our staff may not have the time to train new employees or cross-train existing employees. Well-documented procedures can improve the ease and efficiency of training.

### Serve as an orientation tool –

New employees need a lot of information about the organization to get them started. Without a manual, they will have to rely more heavily on staff that may be busy doing other things.

**Meet legal or regulatory requirements** – If our operations are closely governed by legislation, how can we ensure that procedures are complying with all aspects of the applicable laws? Well-documented and carefully reviewed procedures can keep us out of trouble.

**Improve Communication** - Part of the purpose of a procedure manual is to transform Company's business philosophy, objectives, and goals into results oriented actions. A well designed procedure in the manual is a valuable communication device for efficiently driving business operations within every department / sections and for reducing gaps that exist between departments / sections to achieve organization's objectives efficiently and effectively.

**Company Procedures Improve Employee Productivity** - Well-developed policies and procedures speed up employee decision making. Yet another purpose of a procedure manual is to serve as an authoritative source for answers to common company questions. Properly documented company policies and procedures help compliance with statutes and regulations.

### **Role of Internal Audit Department**

With the introduction of various automated processes in the Company's' procedures, it has become imperative that all departmental manuals should be revised / updated to incorporate current practices and procedures.

Internal Audit Department took the initiative by requesting all departments of the Company to submit their revised / updated manuals for review by Internal Audit Department. The main objectives of this review are:

- To evaluate the adequacy of internal controls incorporated in manuals against strategic, operational, financial and compliance risks to the extent to which those internal controls contribute in achieving the key objectives of the Company;

- To review the reliability and utility of financial and operational information covered in manuals; and
- Ascertaining that the reporting structures are adequate and effective.

In order to achieve these objectives, the Internal Audit Department entailed:

- An analysis of revised Standard Operating Procedures in comparison with the practices and rules;
- Discussions with relevant personnel to obtain an understanding of how the control procedures are designed to operate; and
- Sample based testing made to determine how the control procedures operate in practice.

With sheer devotion, Internal Audit has successfully completed the detailed review of following four manuals and handed over the reviewed notes to the concerned Head of Departments:

- Sales
- Billing
- Stores
- Procurement

The remaining manuals are under review and shall be submitted after in depth analysis and review of policies and procedures mentioned in manuals of respective departments.

By:  
**Tasneem Riaz Naqvi**  
Chief Audit Officer

# IT Round Up

## INFORMATION AT THE TOUCH OF A FINGER

The world around us is in a state of change and everybody seems to be trying to either catch up or cope with this change. New developments, products and services are appearing across the horizon and new words such as Google, Tweet, etc. are being added into everyday vocabulary. Recent advancement in Information Technology has a vivid effect on the individuals as well as the workplace performance.

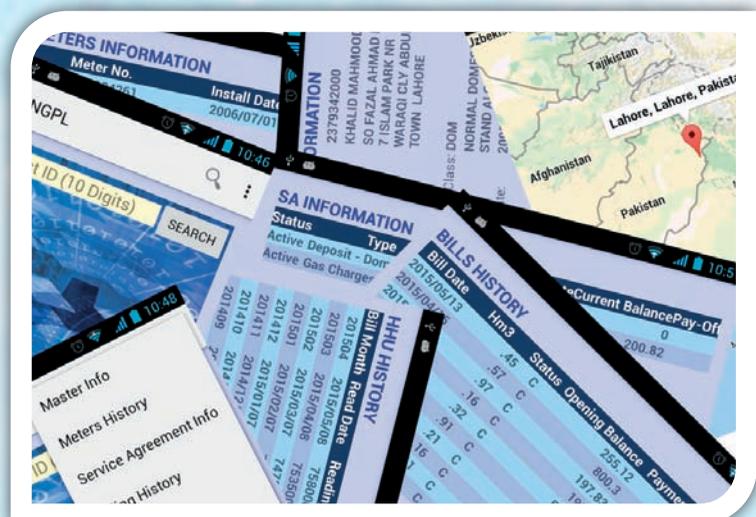
Android is one of the smart improvements in the field of Information Technology and smart phones. This is the time when everyone would like to get all information on his/her palm within no time.

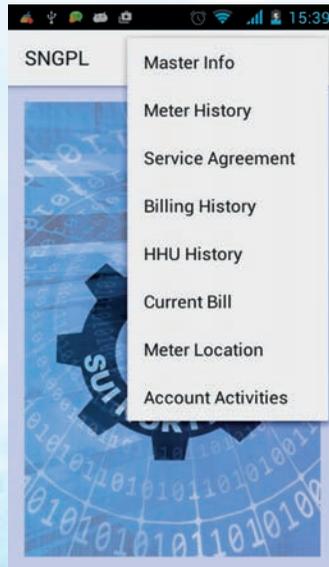
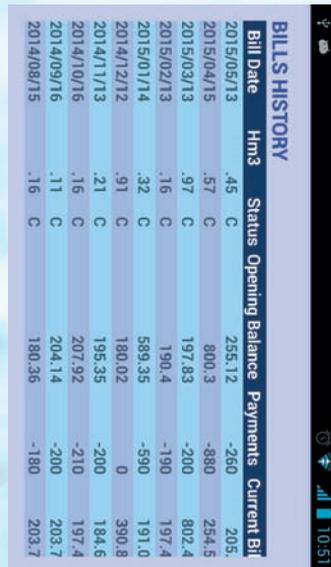
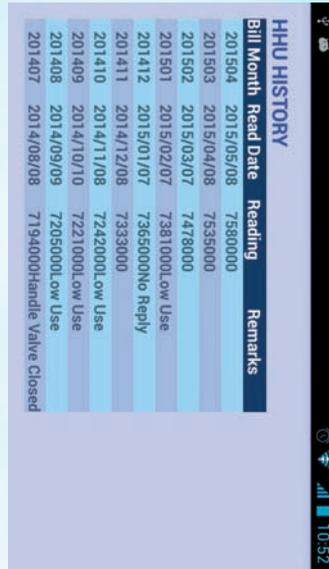
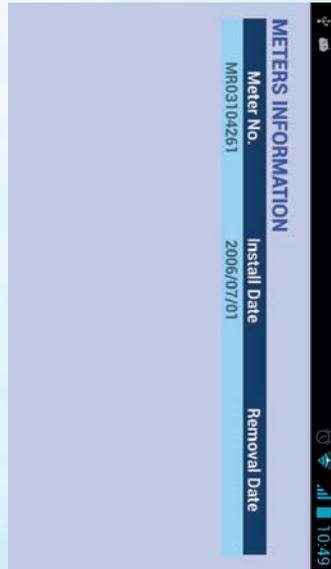
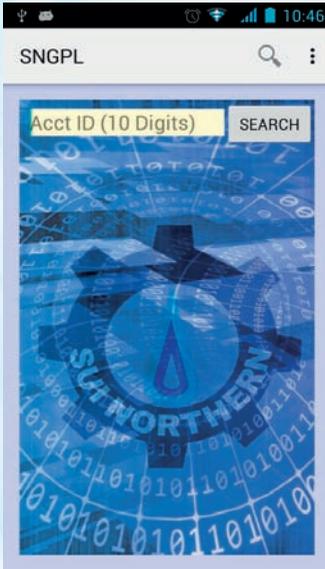
### Android App by IT/MIS Dept

IT/MIS department has recently started to focus on android based smart phones and apps to provide information at the touch of a finger. An app has been developed to be used by Executive users of SNGPL initially. This app will be deployed on your android smart phone. It provides the following information for each consumer:

- Consumer Master Information (Account ID, Name, Address, City, Cust Class, Setup Date, CNIC ...)
- Meter Installation and Removal History
- HHU Reading History
- Billing History
- Account Activity Logs (Complaints & Field work)
- Geographical location using Google maps.
- Service Agreement Details

Following are sample screen shots of the application.





Initially, this app will be provided upon request only to internal SNGPL users through GM (IT/MIS).

Sample unofficial app is now available on Android play store to view gas bill on your phone. Search for "SNGPL" on Google Play Store and install "utilities bill". Meanwhile the IT/MIS will soon be offering additional apps to SNGPL employees.

By:  
IT Department

## BUILDING MATERIALS FOR HEAT INSULATION



Although buildings are insulated for a variety of reasons such as fire safety, sound-proofing and vibration cancellation, this article will focus solely on insulation meant to keep out the heat in hot climate.

The concept of insulation seems to be somehow alien to the country as a vast majority of houses are unprotected from the sun's wrath in summer. Following materials may be used for insulation of building:

- **SPRAY POLYURETHANE INSULATION**

Spray polyurethane insulation is the best form of insulation available in Pakistan. In fact, polyurethane is the material used to insulate deep freezers and refrigerators, so it is pretty good at keeping temperatures hot or cold as per the user's requirements. In Pakistan, various companies use a technique to insulate roofs using polyurethane sprayed in the liquid form, which then dries up and turns into solid insulation material.

- **POLYSTYRENE INSULATION**

Polystyrene insulation is also referred to as 'thermopore' insulation in Pakistan, is another type of insulation used to keep houses cool in the summer and warm in the winter. However, the extruded form of polystyrene with no pores is a better option for insulation. The preferred time for installation of polystyrene sheets is during the construction of the house, where the sheets are placed within the walls and topped with cement or concrete. However, if you missed out on installing the sheets during the construction process, you can still add polystyrene sheets and top them with a layer of concrete or cement later.

By:  
**Rao Muhammad Waqas**  
Engineer (Civil)

# STOP if not SAFE



Safety is a natural instinct. Every person is a safety manager in his place. HSE professional describes mothers as the best Safety Managers as they have a never ending tendency of spotting hazard within the reach of the child.

Every work procedure or SOP is designed or made keeping in focus the safety of the operation. All tools, equipments and machines are designed /manufactured considering the safety factors.

If any thing unsafe happens, it is our responsibility to keep ourself and people around us safe. It is an international practice to **STOP Work if it is Unsafe.**

SNGPL operations vary from laying of transmission lines, its operation and maintenance, construction, operation and maintenance of distribution network. A variety of work procedures are performed to carry out these activities and large number of hazards are associated with them.

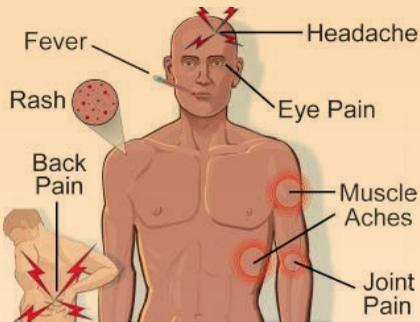
In SNGPL, the practice to **“STOP work if UNSAFE”** is implemented to ensure that all its operations remain safe causing no loss to the employees, equipment, community and environment.

It is the responsibility of all executives and staff engaged in construction, operational and maintenance activities to ensure that the Company’s HSE policy is complied with, which states that all activities are carried out safely. Although HSE Department has been authorized to exercise “Work Stop Authority”, we feel that it is also the responsibility of all to:

**“STOP work if it is Unsafe”.**

By:  
**Farrukh Majeed**  
General Manager (HSE)

# DENGUE FEVER AWARENESS



With a view to promote dengue fever prevention activities; a training session for Logistic Support and Stores department Executives on Dengue Control was organized by the HSE Department at SNGTI on 18.06.2015.

Worthy Parliamentarian M/s Lubna Faisal (MPA, Member Dengue Control Cabinet Committee Team) graced the occasion and shared her experiences in Dengue eradication campaign. During this interactive session the participants discussed preventive measures in detail with practical examples. The worthy parliamentarian appreciated the efforts of SNGTI in providing the opportunity of interaction with SNGPL executives for the Dengue Campaign.

By:  
**Dr. Huma Tabassum**  
OH Consultant



## HEAVY MACHINERY OPERATOR TRAINING IN LACHI CAMP

Heavy Machinery Equipments refer to equipments which need special consideration by virtue of their size, weight or the fact that they are capable of being extended outside their normal envelope. They are specially designed for executing construction tasks and earth moving works. In Projects Department, Heavy machinery equipments usually comprise of Mobile Cranes, Crane Trucks, Pipe Layers, Excavators, Dozers etc. There are certain hazards involved in the operation of Heavy Machinery Equipment, which are countered with different controls ranging from following manufacturers, preventive maintenance schedule, annual third party inspections, daily safety checklists and operators training and awareness.

Heavy equipment operators must be qualified in the skills and knowledge that they have in order to be successful or even permitted to do the job. It is important that all operators are aware of all the things surrounding them. Whether it is related to other pieces of equipment, people, buildings, or anything, the operator has a responsibility to know what is around. When heavy construction equipment is ill handled, accidents like fatalities, injuries, and equipment loss / damage can happen.

Keeping in view, the importance of operator's role in handling heavy machinery, Heavy Machinery Operator Training is carried out in Lachi camp by M/s Applus Velossi on 09th June 2015 followed by practical training of each machinery. Training provided to Heavy Machinery Operator includes the safety portion of the job but the most important skill concerned is the actual operation or driving involved.

### Following topics were covered during the training session:-

- Introduction to Heavy Machinery and its types.
- Lifting Equipment Accessories,
- Safe Working Load (SWL),
- Slings and its types
- Hand signage used during lifting activity
- Earth moving equipment accessories, safe working load.
- Hazards associated with Heavy Machinery Operations
- PPEs recommended during Heavy Machinery Operator Works
- Training with aid of different video clips regarding safety measures.



By:

**Muhammad Noman**

Exec. Engr HSE (Project Camp Laachi)



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