

Open House discussion on Public Consultation Document for tariff determination of Kochi Koottanad Bangalore Mangalore Natural Gas Pipeline (KKBMPL)

Name of Entity	GAIL (India) Limited (GAIL)
Date & Time of Open House	7th August 2019 & 10:30 hrs

1. Open House (“OH”) was held on 07.08.2019, on the public consultation document (“PCD”), for tariff review of GAIL’s KKBMPL. OH was chaired by Chairperson, PNGRB, wherein other Board Members viz. Member (C&M) and Member (I&T) were also present. List of other participants is attached as Annexure I.
2. Though comments were received from four stakeholders viz. H-Energy Gas Marketing Private Limited (H-Energy), Pipeline Infrastructure Limited (PIL), Indian Oil Corporation Limited (IOCL) and Gujarat State Petronet Limited (GSPL), however, representatives from only three stakeholders i.e. H-Energy, PIL and IOCL were present in the OH.
3. GAIL, through a presentation responded on the comments of all the stakeholders.
4. (i) In respect of increase in Project Execution Capex, GAIL clarified that project has been witnessing significant challenges in terms of Land/ RoU acquisitions and therefore, there is increase in Land/ RoU cost. RoU cost is paid in terms of Kerala Government’s Order. Board asked GAIL to submit the relevant order/ document issued by Kerala Government.

(ii) In respect of Future Capex, Board observed that while working out the tariff for KKBMPL, Capex, Opex and Capacity for the completed section only will be considered to avoid impact of loading of Future Capex and Opex for

the portion which are not completed/ delayed. GAIL agreed to the observation of Board.

(iii) In respect of unaccounted gas and number of working days, Board clarified that same shall be dealt in terms of extant Regulations.

Further, in order to review the extant Regulations w.r.t. unaccounted gas loss and number of working days, Board advised GAIL and other natural pipeline owning entities to provide year wise details of:

- a) **Number of Working Days:** Pipeline wise/ day wise actual volume flow, pipeline wise, day wise/ customer wise shutdown, average volume flow of the pipeline/customers taking shutdown.
- b) **Unaccounted Gas Loss:** Pipeline wise/ year wise actual transmission loss and actual volume flow in quantity.

(iv) In respect of the assets decapitalized, Board asked GAIL to provide year wise/asset wise details of cash outflow on account CWIP/capitalization, for such decapitalization and reasons thereof.

(v) In respect of H-Energy comments on allocation of Common Corporate Capex for FY 2014-15, Board asked GAIL to provide details and reasons for increase in allocation of Corporate Common Capex and Opex to KKB MPL.

(vi) In respect of suggestion of PIL regarding issue of single order for both levelized and zonal tariff order, Board sought views of other stakeholders, which was agreed by other stakeholders.

(vii) Board informed that tariff for KKB MPL will be worked out considering economic life of pipeline as 30 years, GAIL agreed to the view of Board.

5. Meeting concluded with a vote of thanks to the chair.

Participant List

S.No	Name	Organisation	Designation
1	Ms Vandana Sharma	PNGRB	Secretary
2	Mr Rakesh Kumar Jain	PNGRB	Joint Adviser
3	Mr Md Tanweer Akhter	PNGRB	Deputy Adviser
4	Mr Tarun Kr Chopra	PNGRB	Deputy Consultant
5	Mr M V Iyer	GAIL	ED (Projects)
6	Mr Kumar Shanker	GAIL	CGM (RA)
7	Mr V Krishnan	GAIL	GM (Pricing)
8	Mr A K Porwal	GAIL	DGM (PD)
9	Mr Joy Banerjee	GAIL	CM (RA)
10	Mr Anish Kumar	GAIL	Manager (Pricing)
11	Mr Neeraj Pasricha	PIL	Sr. Lead
12	Mr Hiren Mehta	H-Energy	CM (Gas)
13	Mr Hemendra Goyal	IOCL	GM (RA)
14	Mr Sanjay Saxena	IOCL	CM (Gas)
15	Mr Kumar Chandravanu	IOCL	SPJM (Gas)