

2nd January 2025

To,
The Secretary,
Petroleum & Natural Gas Regulatory Board,
1st Floor, World Trade Centre,
Babar Road, New Delhi - 110001

Subject: Comments towards Sou-Motu proposal for development of Natural Gas Pipeline from Ennore to Suryapet under Regulation 4(2) read with Regulation 6 of PNGRB NGPL Authorization Regulations.

Respected Sir,

This is in reference to the PNGRB Public Notice (Ref. No: PNGRB/Auth/2-NGPL(17)/2024), dated 3rd December 2024, proposing the development of a Natural Gas Pipeline from Ennore to Suryapet and seeking comments/views of stakeholders on the same.

Pipeline Infrastructure Limited (PIL) welcomes the proposal to develop a natural gas pipeline originating from the Ennore LNG Terminal and terminating at CS-03 of the PIL pipeline at Suryapet. The proposed pipeline, as part of the National Gas Grid System (NGGS), would play a crucial role in providing an additional LNG source to the country through downstream pipelines under the Unified Tariff Regime, ensuring competitive and distance-agnostic pricing.

We would like to submit the following observations and suggestions for the PNGRB Board's consideration:

1. Pipeline Route Optimization:

- It is suggested that the pipeline route be determined by considering the locations of the upcoming refinery, SEZs, industrial clusters, and CGD GAs along the route, ensuring they are within a reasonable distance of the pipeline. Additionally, the locations of thermal power plants having significant environmental impact, should be considered when finalizing the route.
- Additionally, the proposed pipeline should connect to the Ennore-Tuticorin Natural Gas Pipeline authorized to Indian Oil Corporation Limited (IOCL). This connectivity would strengthen the NGGS and enable western gas sources to reach customers in southern India.

2. Possible Approach:

- The Ministry of Power has guidelines for encouraging competition in power transmission projects emphasize network planning, project identification, and facilitation through an Empowered Committee and Special Purpose Vehicle

PIPELINE INFRASTRUCTURE LIMITED

(Formerly known as Pipeline Infrastructure Private Limited)

CIN: U60300MH2018PLC308292; **Registered Office:** Seawoods Grand Central, Tower-1, 3rd Level, C Wing - 301 to 304,

Sector 40, Seawoods Railway Station, Navi Mumbai, Thane, Maharashtra - 400706, India

Tel No.: +91 22 3501 8000 **Email:** cbmpliance@pipelineinfra.com **Website:** www.pipelineinfra.com

(SPV). A similar approach, akin to the practices in the Ministry of Power's transmission sector, can be adopted.

- For gas transmission projects, a structured framework could include:
 - An Empowered Committee for planning gas transportation and distribution areas.
 - Creation of an SPV to handle pre-project activities such as demand assessment, land acquisition, and securing necessary clearances. Further, SPV can be transferred to the authorized entity ensuring a smooth transition for project execution.
- This approach not only expedites project implementation but also addresses initial challenges related to approvals and clearances and can attract more investors.

3. Bid Evaluation Criteria:

- Given the proposed pipeline's critical role in evacuating gas from the Ennore LNG Terminal and integrating with the NGGS, it is suggested that its tariff be determined in line with NGPL Tariff Regulations rather than being part of the bid criteria.
- Instead of tariff-based bidding, evaluation criteria could focus on CAPEX and project timelines. This approach would facilitate future upgrades and ensure consistent returns for investors while benefiting customers through the development of new markets along the pipeline route.

4. Awareness and Stakeholder Engagement:

- During the 9th, 10th, and 11th CGD bidding rounds, PNGRB's roadshows across the nation successfully created awareness among customers, pipeline owners, and state authorities, resulting in enthusiastic investor participation.
- Similar initiatives should be undertaken for the Ennore-Suryapet pipeline project to engage statutory authorities and stakeholders, enhancing project execution and market awareness.

PIL requests to be invited to the open house discussion with stakeholders to provide further clarifications or inputs as required.

Thanking you

Yours faithfully,

For **Pipeline Infrastructure Limited**,



Neeraj Pasricha

Authorised Signatory

PIPELINE INFRASTRUCTURE LIMITED

(Formerly known as Pipeline Infrastructure Private Limited)

CIN: U60300MH2018PLC308292; **Registered Office:** Seawoods Grand Central, Tower-1, 3rd Level, C Wing - 301 to 304,

Sector 40, Seawoods Railway Station, Navi Mumbai, Thane, Maharashtra - 400706, India

Tel No.: +91 22 3501 8000 **Email:** ccompliance@pipelineinfra.com **Website:** www.pipelineinfra.com