



## Gujarat State Petronet Ltd.

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GSPL/COMM/2025  
11<sup>th</sup> July, 2025

**Secretary,**  
**Petroleum and Natural Gas Regulatory Board (PNGRB)**  
E-400, 4<sup>th</sup> Floor, Tower-E, World Trade Centre  
Nauroji Nagar,  
New Delhi- 110029

**Sub: Public Notice issued by PNGRB regarding application of Arcelor Mittal Nippon Steel India Limited to lay a dedicated pipeline from Shell Hazira LNG Terminal to AMNS Hazira Plant under Regulation 19(2) of NGPL Authorization Regulations**

**Ref.:** PNGRB/Auth/2-NGPL(05)/2023 dated 01<sup>st</sup> July, 2025

Respected Sir,

With reference to above, please find attached herewith GSPL's detailed views and objections at **Annexure-I** for your kind perusal.

Additionally, we would like to participate in the Open House Discussion to be convened by the Board on the aforesaid Public Notice.

Thanking You,

Yours Sincerely,

**Devendra Agarwal**  
**GM (Commercial)**

### Annexure-I

#### **GSPL's views on the dedicated pipeline proposal to be laid directly by AMNS**

- 1) Considering the fact, that PNGRB takes a balanced approach to ensure that pipeline entity's investment in infrastructure does not become infructuous, we request PNGRB to kindly share its views on dedicated pipelines connecting to source. Especially those instances wherein common carrier pipelines are available, and more so when the customer is already connected to more than one common carrier pipeline.
- 2) SEIPL Hazira LNG Terminal is connected to GAIL, GSPL LP Grid and PIL networks and the need for additional direct connectivity to customer may be reviewed by the Hon'ble Board.
- 3) Encouraging dedicated pipelines (direct or indirect connectivity to source), is not contemplated under the PNGRB Act and is also in conflict with PNGRB's stated objective of protecting customer interest as such natural gas pipelines laid by consumers directly, result in shift of volumes from common pool which leads to loss of surplus path and increases the UFT, harming the interest of a large number of consumers. Considering PNGRB's known stand of protecting customers' interest as well as those of the pipeline entities, we request the Hon'ble Board to advise what steps are being proposed to be taken to avoid laying of dedicated pipelines connecting to a source in the present situation and in future.
- 4) It has been mentioned in the Public Notice that application has been received from AMNS under Reg. 19(2) of PNGRB (Authorizing entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008, for authorization of dedicated pipeline starting from SEIPL Hazira LNG Terminal at Hazira.
  - a. However, on reviewing AMNS application it is observed that they have **submitted their proposal for kind information of PNGRB and advise, if any.**
  - b. In fact, the extant statutory framework does not allow for or recognize **customers laying dedicated pipelines to their respective facilities.**
- 5) AMNS had mentioned they will commission after 6 months of start of construction (1.10.24) and in all likelihood, AMNS may have already completed construction and probably only the interconnection is pending. Considering the short distance, this proposal could have been taken up on priority for public consultation. Now 10 months after the proposal was received, our options are limited and would directly affect our business and viability of GSPL's LP & HP Network. As AMNS's proposal was submitted almost a year ago, which disclosed that the construction of the proposed pipeline was to start on 1st October 2024, **AMNS should be required to disclose the present status of the construction of the pipeline.** It is requested that the Hon'ble Board require AMNS to provide information on the present status of the proposed pipeline.
- 6) Previously, Shell had provided this option of connecting to their terminal directly to NTPC Kawas in spite of an existing common carrier connectivity and now they have provided this option to AMNS. However, NTPC's proposal was not webhosted and AMNS' proposal is being webhosted when the position of both the pipelines are identical. AMNS (like NTPC) is the customer and shipper and the pipeline laying entity. This is entirely against the definition of "dedicated pipeline" wherein the pipeline is laid to the customer by an entity and not by the customer itself. As you may be aware, Para 2.1 of MoPNG's Policy for Development of Natural Gas Pipelines and City or Natural Gas Distribution Networks issued by Ministry of Petroleum and Natural Gas, Govt. of India (December 2006) provides for dedicated pipelines as those laid to supply gas to specific consumers and further mandates them to originate from regulated pipelines. In fact, PNGRB should consider these dedicated pipeline proposals as

Tie-in Connectivity as they are connecting to the source directly, i.e. SEIPL's Hazira LNG Terminal and evaluate the same in line with extant regulatory framework.

- 7) It is apparent that Shell Energy India Private Limited is encouraging violations of PNGRB Act and regulations and engaging in restrictive trade practice of encouraging such customers to lay natural gas pipelines in order to avoid the transmission tariffs as it is common knowledge that Shell's terminal is hardly receiving any cargoes. So it appears that they have resorted to extending some incentives to customers to lay dedicated pipeline. SEIPL is infringing the vested rights of GSPL. PNGRB may kindly take up with SEIPL to avoid disrupting the existing transmission business, which will directly impact UFT.
- 8) As you may be aware, UFT Zone 1 tariff is 42.04 Rs. /MMBTU and projected to reach around Rs. 50+ per MMBTU after proposed amendment to regulations. Such high UFT for Z1 (especially when GSPL LP Grid approved tariff is only Rs 4.07/MMBTU) may be a trigger point for entities like AMNS and NTPC to lay dedicated pipelines. Such dedicated pipelines, if developed, will result in loss of more than 4 MMSCMD of volume from GSPL LP Grid and UFT (Surplus Path).

### Other Legal Issues

- 1) As the proposed pipeline concerns building a pipeline to a facility that is already connected with the existing GSPL LP Gas Grid, it cannot be finalised in light of the Order dated 21.09.2023 of the Hon'ble High Court of Delhi in the matter of *Gujarat State Petronet Limited v. PNGRB & Anr*<sup>1</sup> ("**Order**"), Para 2 of which directs : "*The Board shall not finalize the public notice(s) issued in the matter concerning the Petitioner, however, the Board shall be free to proceed ahead in accordance with in respect of other proposals*". Consequently, the above referred Public Notice and its related proposal cannot be finalized.
- 2) Without prejudice to: (i) the above submission that the above referred Public Notice cannot be finalized in light of the Order, and (ii) the rights and contentions relating to Regulation 19 NGPL Authorising Regulations being ultra vires PNGRB Act and the averments made in GSPL's case<sup>2</sup>, it is submitted that the proposal submitted by AMNS is not covered by the scope of Regulation 19(2) NGPL Authorising Regulations ("Reg. 19(2)(a)") as AMNS is not laying the pipeline to a customer, but to itself. Further Reg. 19(2)(a) envisages that the proposal should provide details of pipeline length, capacity and details of the customers served along with DFR of the project. The proposal does not provide any details of the customers that the pipeline will serve nor does it provide any DFR related information as to its viability and revenue or feasibility. The proposal instead states that AMNS will lay the proposed pipeline and then use 100% of the proposed capacity only for itself. This is clearly outside the framework of Regulation 19(2) NGPL Authorisation Regulations.
- 3) Hence, dedicated pipelines, as contemplated under the extant statutory framework, cannot originate from gas source in order to bypass common carrier which is already connected with such source and the customer. This should be read in conjunction with PNGRB Authorisation Regulation 19(2)(a) which also provides that a dedicated pipeline is for transportation of natural gas **to a specific customer**. This clearly means that since a dedicated pipeline has to originate from regulated pipelines i.e. common carrier pipeline and has to be for transportation of gas to a specific customer, such dedicated pipelines should be laid only by the common

<sup>1&2</sup> WPC 5428/2021 in the matter of GSPL v/s PNGRB in Hon'ble Delhi High Court



carrier pipeline operator and hence this Proposal is in direct conflict with the stated MoPNG Policy.

- 4) Existing NGPL Authorization Regulation 19(2)(d) states that in case, despite receiving the advice from the Hon'ble Board, the entity still wishes to lay, build, operate or expand a dedicated pipeline, it may do so. After an embargo of 5 years, said entity (*which may not be an authorised common/contract carrier*) is not only allowed to convert the pipeline to a common carrier network, it is also allowed to earn revenue in the form of tariff from customers (if any) using such pipelines. We seriously believe that such conversion will lead to a case where, in future these customers may convert such networks in to common carrier, by **bypassing** the **competitive bidding** route and jeopardizing the viability of common carrier networks developed by authorized entities for serving customers at large.
- 5) It is also submitted that a “**dedicated pipeline**” as contemplated under the statutory framework, can only be from an authorised common carrier pipeline to the premises of a customer and cannot be directly connected to a natural gas source. By proposing to lay a pipeline directly from a natural gas source to a consumer premises, the proposal is defeating the framework created under the PNGRB Act and regulations including the framework governing “tie-in connectivity”. Such proposals need to be rejected and discouraged as they defeat the legislative intent envisaged under statutory framework.
- 6) AMNS's proposal is also in violation of its own affidavit dated 07.08.2023 that was duly recorded in the Hon'ble Board's Order dated 07.08.2023 in the complaint GSPL v. AMNS<sup>3</sup>, based on which GSPL had expressed its no objection to the disposal of its complaint at PNGRB. In the said complaint, GSPL had challenged the legality of the pipeline that was proposed to be laid from the same AMNS facility till SEIPL Hazira LNG Terminal's Receiving station. The Hon'ble Board in its Order dated 07.08.2023 had recorded:

*“The Ld. Counsel of the Complainant, expressed its no objection, to dismissal of Complaint, in terms of the para 5 and 6 of the Respondent's affidavit dated 07.08.2023, also, to the submission of Respondent i.e., regarding the ceasing of the upgradation work and willingness to dismantle the subject pipeline. Further, also not denied the fact that the Writ Petition (Civil) No. 5428/2021 is still sub-judice, wherein the vires of Regulation 19 of Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 have been challenged.”*

- 7) The relevant Para 5 and 6 of AMNS's Affidavit dated 07.08.2023 that are referred to were also recorded in the Hon'ble Board's order which were as follows:

*“5. I State that, in view of the proceedings before this Hon'ble Board and without prejudice to the rights, contention, submissions available to the Respondent, the Respondent hereby undertakes to cease any and all upgradation work qua the existing pipeline which is subject matter of the Complaint. The Respondent further undertake to not operationalise and and/or use the said existing pipeline. Accordingly, it is prayed that, the complaint filed by the Complainant to be dismissed.*

*6. I state that, the Respondent is further ready and willing, if deemed necessary by this Hon'ble Board to dismantle the existing pipeline, after taking due approvals. Further, the present undertaking is also without*

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<sup>3</sup> Legal 7/2019 in PNGRB



*prejudice to the right of the Respondent to file/ pursue a fresh application for a new pipeline in accordance with law. It is humbly prayed that in view thereof, the Complaint be dismissed.”*

- 8) AMNS had represented to GSPL and this Hon'ble Board that it will cease any and all upgradation works qua the existing pipeline that was the subject matter of the Complaint. The pipeline that was the subject matter of the complaint Legal 7/2019 was a natural gas pipeline between the same AMNS facility and the SEIPL Hazira LNG Terminal.
- 9) The proposal provided with the above referred Public Notice, simply modifies the route of the pipeline that was the subject matter of the complaint, by modifying the “Start point” of the proposed pipeline to be “Shell Hazira LNG Facility” (instead of earlier start point of Receiving Station of SEIPL Hazira LNG Terminal) and the “end point” as the “AMNS Hazira Plant”. Under the PNGRB Act and regulations thereunder, a pipeline is identified by the start point and end point. Hence, the proposed pipeline is the same pipeline that was the subject matter of GSPL's earlier complaint Legal 9/2019. Further, the purpose of proposed pipeline remains the same as that of the pipeline which was the subject matter of GSPL complaint Legal 9/2019, i.e. development of a pipeline proposed for transporting natural gas from SEIPL Hazira LNG terminal to the same AMNS Facility. The proposal is clearly an upgradation of the route that was the subject matter of GSPL's complaint and in violation of Hon'ble Board's Order dated 23.02.2023. AMNS is barred from implementing the proposed pipeline in terms of the Order of this Hon'ble Board dated 23.02.2023 in the complaint GSPL v. AMNS<sup>4</sup>.
- 10) Without prejudice to the above submissions, it is humbly submitted that the proposed pipeline is not merely a pipeline to AMNS facility, but it is a Tie in Connectivity to SEIPL Hazira LNG Terminal. As this proposal makes clear, AMNS is proposing to offtake a lion's share of 10 MMSCMD out of the total capacity of 18 MMSCMD of SEIPL's LNG Terminal.
- 11) It is a matter of grave concern if SEIPL's LNG Terminal reserves such huge capacity for one particular industrial consumer namely AMNS, as the pipelines laid by GSPL, GAIL and PIL (common carrier entities) will only be getting 8 MMSCMD amongst themselves and hence other customers on these common carrier networks shall be deprived and have access to less than 50% capacity of this source. The infrastructure laid by such common carrier entities will be rendered a waste and its customers might end up paying tariff of next higher zone, if AMNS is allowed to lay a dedicated pipeline connecting its premises to SEIPL's Hazira LNG Terminal.
- 12) In view of the above, we request that the proposed pipeline should not be proceeded with any further.

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<sup>4</sup> Legal 7/2019 in PNGRB



SEI/T&amp;S-PNGRB/2025/006

July 15, 2025

**To,**  
**The Secretary,**  
**The Petroleum and Natural Gas Regulatory Board**  
**(PNGRB/ Board),**

Tower E, 4th Floor (E-400),  
 NBCC World Trade Centre,  
 Nauroji Nagar,  
 New Delhi – 110029

**Shell Energy India Private Limited**

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**Sub.:** Views/ Comments on Application of Arcelor Mittal Nippon Steel India Limited (AM/NS) to lay a dedicated pipeline from Shell Hazira LNG Terminal to AMNS Hazira Plant under Regulation 19(2) of NGPL Authorization Regulations

Dear Sir,

At the outset, Shell Energy India Private Limited (SEIPL), sincerely appreciates the Honourable Board for the opportunity to participate in the public consultation process with respect to the development of robust natural gas downstream infrastructure in the country.

We write to you in context to the captioned subject and wish to place the following reasons in support of the application for the consideration of the Honourable Board. We believe that the proposed pipeline shall:

1. Enhance the country's energy security: Adding an alternative route to evacuate gas from Shell's Hazira LNG Terminal would enhance the security of supply from the terminal as it creates redundancy in evacuation routes, supporting the country's energy security.
2. Aid in diversification of supply sources: The proposed pipeline would help AM/NS in diversifying their sourcing needs and build redundancy for their strategic investment at Hazira, especially for their steel plant and power generation requirements.
3. Lower transportation cost for AM/NS: A dedicated pipeline would improve cost efficiency and reduce pipeline transportation charges, imbalance charges, etc. for AM/NS.
4. Add no burden on existing transporters: As the proposed pipeline is at AM/NS' own cost, it will not require any additional capex investment from the existing transporters.

We hereby support the proposal and trust the Honourable Board finds our submission in order. We look forward to working constructively with the Honourable Board to support the growth of natural gas infrastructure in India.

With warm regards,

**For Shell Energy India Private Limited,**

**Nakul Raheja,**  
**Director and Country Head (Power, Gas and LNG)**



**गेल (इंडिया) लिमिटेड**

(भारत सरकार का उपक्रम – महारत्न कंपनी)

**GAIL (India) Limited**

(A Government of India Undertaking - A Maharatna Company)

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**GAIL/ND/RA/AMNS-Views/2025/E63340/4034**

**Date: 15.07.2025**

To,

The Secretary,  
Petroleum and Natural Gas Regulatory Board,  
Tower E, 4th Floor (E-400),  
NBCC World Trade Centre,  
Nauroji Nagar, New Delhi – 110029

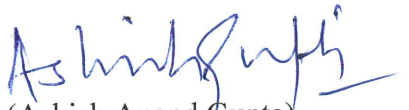
**Subject: Views/Comments on Application of Arcelor Mittal Nippon Steel India Limited to lay a dedicated pipeline from Shell Hazira LNG Terminal to AMNS Hazira Plant under Regulation 19(2) of NGPL Authorization Regulations.**

Sir,

This has reference to the PNGRB Public Notice No.: PNGRB/Auth/2-NGPL(05)/2023 dated 01.07.2025, soliciting views/comments from stakeholders on the subject application of Arcelor Mittal Nippon Steel India Limited for laying a Dedicated Pipeline. In this regard, the views / comments of GAIL are enclosed as **Annexure-A**.

This has the approval of Competent Authority in GAIL.

Yours sincerely,

  
(Ashish Anand Gupta)  
CGM (Mktg.- RA & Trans.)

**Encl.: As above**

**GAIL's views/comments on Application of Arcelor Mittal Nippon Steel India Limited to lay a dedicated pipeline from Shell Hazira LNG Terminal to AMNS Hazira Plant under Regulation 19(2) of NGPL Authorization Regulations.**

(Ref.: PNGRB Public Notice No.: PNGRB/Auth/2-NGPL(05)/2023 dated 01.07.2025)

1. The AMNS Hazira Plant is already connected with GAIL's Integrated HVJ Pipeline Network through a 12" x 0.55 km pipeline section (Capacity: ~ 4 MMSCMD) from GAIL, Hazira Compressor Station. During the last year, ~ 0.80 MMSCMD natural gas was transported to AMNS Hazira Plant through this pipeline.
2. Further, it is understood that the AMNS Hazira Plant is also connected with the GSPL's LP Gas Grid, thus already having pipeline connectivity redundancy.
3. Given the above, it is noted from the application of Arcelor Mittal Nippon Steel India Limited (AMNS) that they intend to lay a dedicated pipeline from Shell Hazira LNG Terminal to their Hazira steel manufacturing facilities, citing the reason of large gas requirements. It is not clear from the application that whether AMNS is planning for any expansion / conversion of fuel stream of existing facilities of their Hazira Plant or not. As already the AMNS Hazira Plant is connected with two common / contract carrier pipelines which are part of the National Gas Grid System (NGGS), laying a dedicated pipeline (10 MMSCMD capacity) is not required. Otherwise, it will make the already existing pipelines infructuous.
4. It has been observed that there is an increasing trend of applying to PNGRB for laying dedicated pipeline for natural gas by large volume consumers. In general, if relatively large volume consumers start bypassing the main pipeline grid by developing their own dedicated pipelines on the premise that it would help them saving some transportation tariff, then it may jeopardize the sustenance of the grid concept itself. The whole concept of Unified Tariff scheme is based on the premise that customers near to source contribute a little extra so that gas can be made affordable for the customers in far flung areas. The whole purpose of Unified Tariff scheme and concept of "One Nation-One Tariff" may get jeopardized if customers near to source are allowed to opt out by laying dedicated pipelines. Such an issue may come up even in the case of CGD networks because, there also, for consumers located nearer to an NG pipeline, dedicated pipelines bypassing CGD network can help them save the additional CGD network tariffs.
5. Therefore, the larger issue of promoting new Dedicated Pipelines, which may bypass the Natural Gas Pipeline Grid, needs a careful review because such duplicate Dedicated Pipelines would adversely impact the capacity utilization and viability of the existing NG Pipeline Grid.

6. In this connection, it is worth mentioning that earlier in 2021, MoPNG had initiated Public Consultation on the Draft PNGRB (Matters Related to Natural gas sector Development) Rules, 2021 wherein MoPNG had proposed that

***“No pipeline shall be laid, built or operated as a Dedicated Pipeline except as under:***

- i. Customer is not connected to an existing Natural Gas Pipeline or CGD Network;***
- ii. There is no authorization granted by PNGRB for a Natural Gas Pipeline or a CGD Network which provides for connecting the customer, and***
- iii. The entity authorized to lay, build or operate a Natural Gas Pipeline or a CGD Network has failed to do so within the approved schedule as the case may be.***

7. In view of the above, we request the Hon'ble Board to kindly advise AMNS to restrain from laying the proposed Dedicated Pipeline as this may lead to duplicity of infrastructure besides making the already existing infrastructure infructuous.

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Ref: PIL/Regulatory /PCD-Comments

Date: 15<sup>th</sup> July 2025

**The Secretary,**  
**Petroleum and Natural Gas Regulatory Board (PNGRB),**  
 E-400, 4<sup>th</sup> Floor, Tower E, World Trade Centre,  
 Nauroji Nagar, New Delhi – 110029

**Subject:** Views/Comments on Application of Arcelor Mittal Nippon Steel India Limited (AMNS) to lay a dedicated pipeline from Shell Hazira LNG Terminal to AMNS Hazira Plant under Regulation 19(2) of NGPL Authorization Regulations.

Respected Sir,

This is in reference to the PNGRB Public Notice PNGRB/Auth/2-NGPL(05)/2023 dated 01.07.2025, inviting comments on the application of AMNS for the proposed dedicated pipeline.

In this regard, following is submitted:

1. Laying of dedicated pipelines by the consumers near the source, bypassing the existing National Gas Grid, needs a careful review, keeping in view that such Dedicated Pipelines would adversely impact the capacity utilization and viability of the existing Natural gas Pipelines forming part of National Gas Grid.
2. Development of dedicated pipeline by the consumer connecting to the source would jeopardize the principle of common carrier pipelines.
3. The concept of National Gas Grid System (NGGS) was introduced with the aim to supports the Government of India's mission to increase the share of natural gas to 15% in the nation's energy mix. By providing nationwide access to gas sources, NGGS enables customers across the country to obtain natural gas at competitive gas prices at a reasonable tariff under Unified Tariff regime, thereby expanding the presence of natural gas throughout India.
4. Such developments of dedicated pipelines laid by the customers connecting the source would result into higher cost to the customers who are located far away from the source.
5. AMNS plants at Hazira is in the close vicinity of PIL pipeline and AMNS may consider connectivity with PIL, for sourcing supply from SHELL LNG terminal instead of laying a fresh dedicated line to its plant.

Therefore, in view of the above, we request the Hon'ble Board to kindly advise AMNS to restrain from laying the proposed Dedicated Pipeline as this may lead to duplicity of infrastructure besides making the already existing pipeline infrastructure infructuous.

Thanking you.

Yours faithfully,

For Pipeline Infrastructure Limited,

Neeraj Pasricha  
**Authorized Signatory**

**PIPELINE INFRASTRUCTURE LIMITED**

(Formerly known as Pipeline Infrastructure Private Limited)

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