



June 30, 2020

**To**  
**The Secretary,**  
Petroleum & Natural Gas Regulatory Board,  
1<sup>st</sup> Floor, World Trade Centre,  
Babar Road,  
New Delhi – 110001

**Subject : Comments on EOI for Anjar – Chotila NGPL webhosted on 1 Jun 2020 by PNGRB**

**Ref. : Public notice no. PNGRB / INFRA / NGPL / ACPL / 2020**

Dear Madam,

With respect to the abovementioned subject and the reference thereunder, we would like to respectfully submit as follows.

- 1) The EOI provides for the proposed pipeline to originate at Anjar, where it will connect to the existing pipeline (for receipt of gas) and on the downstream side, it will connect to the existing pipeline at Chotila (for onward transportation). However, both the upstream and the downstream pipelines are part of a single network 'Gujarat HP network' of GSPL. Also, the Gujarat HP network is already connected from near Rajkot to Anjar, which is on similar route as proposed in the EOI. So, the pipeline proposed under the aforesaid EOI, is akin to laying a loop line in the Gujarat HP network.
- 2) If the Anjar – Chotila line were to be created as a separate natural gas pipeline as proposed, then for all the customers situated beyond Chotila who wish to contract / consume RLNG from the Mundra terminal, there will be additive prohibitory tariffs applicable which will include:
  - a. HP network tariff from Mundra to Anjar, plus
  - b. New Anjar – Chotila pipeline tariff, plus
  - c. HP network tariff from Chotila to exit point.

Further, in case the customer is located outside Gujarat or is not on Gujarat HP network, then one more additive tariff will be applicable depending on last mile connectivity.

Adani Gas Limited  
Heritage Building, 8<sup>th</sup> floor,  
Ashram Road, Usmanpura,  
Ahmedabad-380014  
Gujarat, India  
CIN: U40100GJ2005PLC046553

Tel +91 79 2754 1988  
Fax +91 79 2754 2988  
info@adani.com  
www.adani.com

For all the customers located beyond Chotila, the additive tariffs will be excessive, unreasonable and will increase landed cost of gas. Such tariffs will deter customers from using Mundra terminal and the new proposed line for sourcing gas. This will further lead to underutilization of the new proposed pipeline, making it an unviable and stranded asset / infructuous investment.

- 3) AGL holds the authorisation for several GAs in Gujarat and Rajasthan for which Mundra terminal is a potential source of RLNG. But, if the Anjar – Chotila line is built as a separate line, the resultant increase in landed cost of gas will make the gas from the Mundra terminal commercially unviable for AGL.
- 4) It is to be noted that with the Government initiatives to increase the share of natural gas in the energy mix, such piecemeal development of infrastructure with additive / incremental tariffs would defeat the purpose of providing natural gas at an affordable price to the customers in general and from Mundra terminal in particular.
- 5) Further, the situation would be such that the RLNG sourced from terminals in the same state would have different delivered gas prices owing to transportation tariffs differential, resulting in distorted playing field for gas sourcing.
- 6) It is therefore suggested that the proposed pipeline may be constructed and operated as a part of the Gujarat HP network of existing entity.

In view of the above, it is submitted that the Board may kindly consider building the Anjar – Chotila natural gas pipeline as a part of the Gujarat HP network of existing entity which will better serve the interest of the stakeholders including shippers, consumers and terminal operator.

We thank you for providing us the opportunity to provide our views and look forward towards favorable consideration of our suggestions.

Yours sincerely,  
**For Adani Gas Ltd.**

*K. D. Rawal*

**(Authorised Signatory)**

