

June 19, 2020

The Secretary
Petroleum & Natural Gas Regulatory Board
1st floor, World Trade Centre
Babar Road
New Delhi – 110 001

Sub: Views on EoI for Anjar – Chotila Pipeline web hosted on 1st June 2020 by PNGRB

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

Dear Sir/ Madam

We have following observations with reference to the Public Notice dated 1/6/2020 issued by Hon'ble Board for the Anjar - Chotila pipeline.

- 1) The proposed Anjar - Chotila pipeline will provide connectivity to the 5 mtpa Mundra LNG import terminal which will cater to the gas markets in West and North India. Award of contract of this stand-alone pipeline to any entity (other than the existing pipeline operator along this section), will result in additional tariff. . The additional tariff will result in additional transportation cost for end users of gas and higher delivered cost of gas for end users – which goes against the efforts made by the government in creating an enabling ecosystem for enhanced use of gas in the country. Also, this will result in the terminal not being able to compete with existing LNG import terminals, may result in sub-optimal utilization and reduce overall viability of the Mundra terminal.

In view of the above, it is put forth that Hon'ble Board should ensure that the development rights be given to the existing pipeline operator in that region and as part of the existing grid, ensuring that there is no additional tariff burden on end users.

- 2) We also refer to the Public Notice dated 29.4.2020 on Draft Amendment of Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008 (“Tariff Regulations”) wherein views/ suggestions are invited regarding exclusion of some of the existing provisions viz :

exclusion of provisions of regulation 12 and regulation 21 of Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 for the purpose of determination of tariff in respect

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of 'cost-plus' natural gas pipelines and also on whether or to treat interconnection between two natural gas pipelines as extension/ expansion/ tie in.

Since the Hon'ble Board is already evaluating the possibility of excluding the above provisions, we also support the exclusion of these provisions for the purpose of tariff determination. This will benefit all the new LNG terminals that are coming up in Gujarat and other parts of the country and will boost expansion of existing pipeline infrastructure keeping transportation tariff reasonable.

- 3) We would also like to request Hon'ble board to ensure that additional capacity created by the proposed pipeline on Gujarat Gas Grid network remains available to all users on common carrier basis as per PNGRB guidelines.

We look forward to meeting you during the proposed open house discussion.

Thanking you,
Sincerely,
For **Adani Total Pvt. Ltd.**,



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