

## GAIL's Response to Public Comments received on

**PCD (Ref: PNGRB/COM/2-NGPL Tariff (1)/2013 P-305 dtd. 20.09.2019 of Cauvery Basin**

M/s AGP CGD India Private Ltd.

(i) OPEX :

Cauvery Basin Regional Network consists of four different sub-sections namely Narimanam-Kuttalam (NKM), Ramnad (RMD), Bhuvanagiri (BVG) and Kovilkalappal (KVK), with tariffs of NKM and RMD sub-networks determined by PNGRB. All these sub-sections are being operated by the GAIL's Cauvery Basin site office under Business Area (BA) 3140, 3145. As per PNGRB's authorization, economic life of NKM is upto 31.03.2025 & RMD up to 21.03.2027.

Total Opex mentioned in PCD includes allocated site Opex, allocated common Corporate Opex, non-recurring future O&M Opex & also Opex @ 2.5% of future connectivity. Future regular Opex from 01.04.2019 upto the economic life of respective sub-network is considered based upon actual allocated Opex of FY 2018-19 plus escalation @ 4.58%.

Increase in Opex is mainly due to increase in allocation ratio, increase in Salary & Wages on account of pay revision, gratuity and increase in security/surveillance expenses. The detailed analysis for increase of Opex has been submitted to PNGRB.

(ii) WORKING DAYS:

It has been the position of GAIL that even though extant regulatory framework provides for 10 days/year of planned maintenance works for a pipeline facility, however other downstream facilities connected to a pipeline (power plants, non-power customers etc.) do require planned/unplanned maintenance as per their respective maintenance schedules. In view of the same, and in line with past practices, a reasonable 20 days (*10 days for pipeline and 10 days for all other connected facilities*) has been considered by GAIL as totally allowable maintenance period (i.e. 345 Working Days in a year) in the tariff calculations.

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