

Subject: **HVJ tariff upgrade proposed by Gail to PNGRB**
 To: 'Secretary' <secretary@pngrb.gov.in>
 Cc: narain mahesh (नारायण महेश) <maheshn@bharatpetroleum.in>,
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Date: 08/12/18 11:18 PM

From: sharma priyotosh (शर्मा प्रियोतोश) <sharmapy@bharatpetroleum.in>

Dear Sir,

320/54
10/12L-2024/3A(RKT)
10/12/18
JACR K JV
10/1280
w/12
20/12/18

This is with reference to **PUBLIC CONSULTATION DOCUMENT - PNGRB/M(C)/65-Vol-II**
Dated 29.11.2018. We would like to submit as under:

The consumption of natural Gas in our country has increased at a CAGR of 3.26% in the last decade from 37.9 billion cubic metre to 52.26 BCM, however production has not been able to keep pace with it.

Post 2010-11 there has been a consistent decline in production till 2017 resulting in significant dependence on imported LNG which now makes up almost half of the total consumption of the country. LNG imports in the country have grown at a CAGR of 9.19% in the last decade from 2007-08 to 2017-18.

LNG imports are certainly more expensive than the domestic gas and customers across the pipelines are price sensitive. Due to unfavourable tax structures like non-inclusion of gas under GST and non-issuance of C-forms quite a few customers are finding it unviable to consume RLNG already.

If the proposed tariff is implemented then all customers on the line might stop the consumption of natural gas and this is contrary to the vision of Government to more than double the share of Natural Gas in the energy basket of our country. The proposed tariff is roughly a 600% increase from the existing tariff (for the HVJ line) and this will severely affect the customers. Based on the current long term prices, this will be an increase of around 15-20% of the overall delivered RLNG price.

A large part of RLNG consumption is from fertilizer industry who are getting subsidy from the government for production of Urea. This proposed tariff might add to the subsidy burden of our government having a negative impact on the health of the sector.

When for gas based power plants which are currently under shutdown because of unfavourable tax structures, the burden will increase further.

We request you not to allow increase in tariff as this will have a negative impact on the natural gas consumption of the country.

Thanks and Regards,

P.Sharma

C.G.M (Sales) Gas

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