

S.No.292



2757/2019/0/0/secy.

भारत गैस रिसोर्सेस लिमिटेड
(भारत पेट्रोलियम कॉर्पोरेशन लिमिटेड की पूर्ण स्वामित्व वाली सहायक कंपनी)

BHARAT GAS RESOURCES LIMITED
(Wholly Owned Subsidiary of Bharat Petroleum Corporation Ltd.)

Ref: BPCL/PNGRB

11th Oct 2019

**The Secretary,
Petroleum & Natural Gas Regulatory Board,
World Trade Centre, 1st Floor, Babar Road,
New Delhi-110001**

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AA (all)

Sub: Submission of views on draft regulations on Guiding Principles for Declaring City or Local Natural Gas Distribution Networks as Common Carrier or Contract Carrier

Madam,

This is with reference to the public notice no. PNGRB/AUTH/7-MIS(3)/2015 webhosted by PNGRB to seeks views/comments on the enclosed draft "PNGRB (Guiding Principles for Declaring City or Local Natural Gas Distribution Networks as Common Carrier or Contract Carrier) Regulations, 2019.

1. We welcome the process initiated by PNGRB to declare CGD Network as common carrier or contract carrier at the end marketing exclusivity of authorized entity.
2. The third party access to these network would provide the level playing field for the entities who would like to service the consumers of different or same segment and consumers will have the choice to choose their suppliers based on economics and value propositions.
3. The third party access would not only bring end to the monopoly but also bring more competitiveness among other entities which would result into better customer service at competitive price.
4. We would like to take reference of section 20 of the PNGRB Act 2006 on 'Declaring, laying, building, etc., of common carrier or contract carrier and city or local natural gas distribution network'. Section 20 of the PNGRB Act 2006 clearly describes following principles:
 - (a) Protecting the interests of consumers,
 - (b) Promoting competition among entities,
 - (c) Ensuring adequate availability of natural gas to consumers.

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5. With reference to the draft regulations, followings are our views:

The process of declaration should start well before the end of exclusivity period and should be completed in time bound manner so that third party can have access right at earliest possible day after end of exclusivity. Our proposal is as below:

- i. Issuance of Public Notice (ref Sub-section 1 of Section 5) may be 180 days before end of exclusivity.
- ii. Above notice may be intimated separately to the authorize entity asking them to reply in writing if they have any objection (ref Sub-section 2 of Section 5) within 15 days & the reply may be webhosted by PNGRB. The interested third party can submit their views to PNGRB with reference to written submission of existing entity & the notice of PNGRB. Accordingly one hearing as per Section 2(b) is required which will be conducted for all including authorized entity with in 45 days from issuing public notice (or 15 days from last date to receive public views). Initial hearing of authorized CGD entity as mentioned in Sub-section 2 of Section 5 may be avoided to save time.
- iii. We proposed that PNGRB may notify the decision on declaring common/contract carrier as mentioned in Sub-section 2(c) of Section 5 within 30 days of the hearing.
- iv. CGD entity may be given 60 days' time (instead of 6 weeks, ref Sub-section 2(c) of Section 5), from final decision of PNGRB to provide all required data on cost to determine tariff, network capacity etc.
- v. Sub-section 2(d) of Section 5 which states that PNGRB shall notify start date of common/contract carrier may not be required, we propose that end of exclusivity will denote start of common/contract carrier period provided other stipulations of the regulations are satisfied.



- vi. In Sub-section (1) of Section 6, in cases where marketing exclusivity are already over, 60 days may be given to authorized entity to submit all required data instead of 180 days as proposed in draft regulation.
- vii. Ref Sub-section (1) of Section 7, common/contract capacity may be available to any entity excluding (wholly owned) subsidiary companies. In this para 'or an affiliate' may be removed otherwise promoter organizations of JV will be restricted to get access to common/contract carrier.

Further, when part capacity (min 20% of total capacity as mentioned in draft regulation) is declared as a common or contract carrier, the marketing exclusivity is lost only to an extent of this percentage being declared.

We would like to reiterate that PNGRB may devise the process of declaration of common/contract carrier in time bound manner so that third party access of the network can start at the earliest after end of marketing exclusivity of authorized entity.

We request PNGRB to take cognizance of our views and if required we would like to provide further clarifications in this regard.

Yours faithfully,

For **Bharat Gas Resources Limited,**



Mahesh Narain
CGM (Gas Projects)