

2755/2019/0/0/SPC

Subject: **Guiding Principles for Declaring City or Local Natural Gas Distribution Networks as Common Carrier or Contract Carrier**

Date: 11/10/19 07:56 PM

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Respected Madam,

With reference to Public Notice (No: PNGRB/AUTH/7-MIS(3)/2015 dated 22/08/2019) seeking comments on draft Guiding Principles for Declaring City or Local Natural Gas Distribution Networks as Common Carrier or Contract Carrier, please find below our comments for your kind consideration:

As per the Article 12.1 of the draft Guiding Principle, CNG stations shall not be considered as being covered by the infrastructure exclusivity upon the expiry of the marketing exclusivity. In this regard, we would like to submit following for the kind consideration of the PNGRB:

- We had already made huge capital investment considering the availability of the infrastructure exclusivity for 25 years as per the PNGRB regulation for Exclusivity for city or local natural gas distribution network. Further, as per our understanding most of the CGD companies will also be doing the same thing. Such scenario of taking out the infrastructure exclusivity for CNG station will lead to CGD business into a commercially unviable option.
- In most of the city areas, getting a land for setting up a CNG stations is one of the biggest challenge and therefore CGD entities are co-locating their CNG station at existing retail outlets of Oil Marketing companies (OMC). In accordance with the above-mentioned guideline, OMCs may refuse to CGD entities to open a CNG station at their own RO. This may lead to dilution of one of the objective of these draft guidelines of promoting competition among the entities.
- Implementation of above guideline will also lead to less focus towards the more capital intensive CGD business segments like Domestic PNG connections. This may defeat the noble objective of the PNGRB and MoP&NG to increase the number of Domestic PNG connections.

In view of the above, it is requested to the Board that the CNG stations shall be continued to be considered under the infrastructure exclusivity of 25 years.

In addition to above, we also request to the Board that there must be a fixed time period i.e. weekly or fortnightly etc. to be specified in the regulation for booking of common carrier capacity on a CGD network.

Soliciting your favourable consideration.

With Regards,

Navin K. Singh
Manager (Marketing)



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