

Ref: BPCL/PNGRB

14th October 2020

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

Sub: Submission of views on Draft Regulations on determination of Transportation rate for CGD Network and Transportation rate for CNG

Madam,

This is with reference to your public notice ref no. PNGRB/COM/1-CGD Tariff (1)/2015 dated 23.09.2020 asking views on draft 'PNGRB (Determination of Transportation rate for CGD Network and Transportation rate for CNG) Regulation, 2020'.

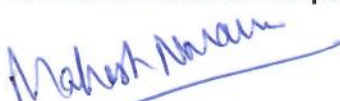
We welcome the process initiated by PNGRB for determining the transportation rate for CGD Network and transportation rate for CNG post marketing exclusivity in the GAs authorized under regulation 17 & 18 of PNGRB CGD regulations and section 16 pursuant to section 42 of the PNGRB Act. In this regard we would like to submit our views on the draft regulation as given below:

- a) Refer Subclause 1(d) of para 3 of the Schedule, capital expenditure in PNG-D may be netted off against the entire cost incurred for the LMC as related facilities should not be considered as part of common/contract carrier for practical purpose.
- b) Refer Subclause 2(viii) of para 2 of the Schedule, the useful life of the pipeline may be considered for 25 years considering the Project Life.
- c) The methodology to be adopted as per draft regulation is normative level of capital employed plus normative level of operating expense. However the each GA differs from other and so to avoid future dispute PNGRB may provide reconciliation format or reference cost which may be uniformly used for all the GAs to avoid any discrepancy.

We request PNGRB to take cognizance of our views.

Yours faithfully,

For Bharat Petroleum Corporation Limited



Mahesh Narain
CGM (CGD Projects)