

Ref: HMPL/OTM/MKT/2020/54

13-10-2020

To,

The Secretary
Petroleum and Natural Gas Regulatory Board
First Floor, World Trade Centre, Babar Road
New Delhi, 110001

Subject: Views/Comments on draft "PNGRB (Determination of Transportation Rate for CGD and Transportation Rate for CNG) Regulations, 2020"

Dear Madam,

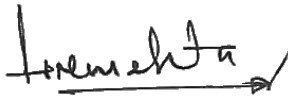
This is in reference to the PNGRB Public Notice no. PNGRB/COM/1-CGD Tariff(1)/2015 dated 23.09.2020 seeking views/comments on proposed draft PNGRB (Determination of Transportation Rate for CGD and Transportation Rate for CNG) Regulations, 2020 (hereinafter referred to as 'draft Regulations') from the stakeholders.

At the outset, we welcome the step taken by the Hon'ble Board in the direction to fully protect the interest of end consumers by enabling the competition after the end of the exclusivity period while providing more options to end consumers.

In this regard, our views/comments are enclosed at **Annexure I** for kind consideration of the Hon'ble Board.

Thank you.

With regards,



Hiren Mehta
Asst. Vice President - Marketing

Annexure I

H-Energy supports the PNGRB's proposal for including the cost of service methodology for determination of transportation rates in the draft Regulations. The cost of service is related directly to the regulatory asset base, with the end consumer paying for the infrastructure/facilities used. Cost of service is a globally accepted methodology which is widely used to regulate electricity and gas utilities which are natural monopolies. The proposed Regulations will not only help the authorized entity to get guaranteed returns for the services, which is conducive to making further investments but also protect the interest of consumers while bringing competition amongst the entities.
