

Date: 14 Oct. 2020

Secretary

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

Kind Attention: Ms Vandana Sharma

Subject: Comments on Draft regulations on i) Determination of Network tariff and compressions charges & ii) Access Code for CGD network

Respected Madam,

We congratulate PNGRB for emphasis on multiple reforms being taken up to safeguard the consumers interest in CGD sector and we are confident with continuous focus on reforms, gas shall be accessible across country in next 5 to 8 years period by expansion of city gas distribution (CGD) networks.

We further thank you for inviting comments and views from stakeholders on subject matter under regulations "Determination of Transportation Rate for CGD and Transportation Rate for CNG" and we would like to submit our comments as below::

- 1. Methodology of determining the Network tariff:** As proposed under the draft regulations, the normative level cost will be used under capex/opex section and volume to be used as divisor shall be used at actual basis. We would suggest that the volume divisor should also be on normative basis only to have uniformity across all the components to derive at the network tariff of CGD and compression charges. This is used in common carrier pipeline tariff determination as well.
- 2. Increase in Open Access capacity upto 25%:** We propose that any access capacity after fulfilling CGD's own requirement shall be made available on common carrier basis for atleast equivalent to 25% of the actual volume / capacity in the network, to promote competition and while laying/expanding network by CGD entities in their respective GAs, this should also become a guiding principal for to create a sufficient capacity infrastructure to cater the future demand. Already there is a provision of 25% capacity option in main pipeline regulations, which can be replicated in CGD sector too.

We hope the above suggestions will be useful and looking forward to participation in open house discussions.

Warm regards,
For **Reliance Industries Ltd**



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