



**UGL/PNGRB/2020/1001**

**October 11, 2020**

**The Secretary,  
Petroleum and Natural Gas Regulatory Board  
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**Sub – Public Notice regarding views/comments on the draft “PNGRB (Determination of Transportation Rate for CGD and Transportation Rate for CNG) Regulations, 2020” hereinafter referred as “proposed regulations”.**

**Ref (1) – PNGRB public notice PNGRB/COM/1-CGD Tariff (1)/2015 dated 23.09.2020**

Dear Madam,

We welcome the proposed draft regulation made available for comments from stakeholders. We have made certain observations, which if relevant and acceptable, may be taken on board the discussions vide the open house scheduled on 16th October 2020.

**I. clause (4) (4), Determination of transportation rate for CGD and transportation rate for CNG and web-hosting of information**

It is recommended to review the provisions of the sub clause (4) and revise, “The Board may examine the complaint under the extant provisions of the Act and the relevant regulations made thereunder and pass such order as it may deem fit. Pending Board’s decision on the complaint, the rates so determined under sub-regulation (1) or sub-regulation (2) as the case may be, shall apply”, as

“The Board may examine the complaint under the extant provisions of the Act and the relevant regulations made thereunder and pass such order as it may deem fit. Pending Board’s decision on the complaint, the rates applicable shall be so determined under sub-regulation (1) or sub-regulation (2) or at Rs. 30/mmbtu for “transportation rate for CGD” and “Rs 2/kg “transportation rate for CNG”, whichever is lower.

These rates are now settled as industry norm for areas awarded vide bidding through round IX & X and can be made applicable during the dispute period. Definitely, once the dispute is resolved and based on the order issued by the honourable board the determined rates may be made applicable for resolution of the dispute.



**II. Schedule, Methodology for determination of Transportation Rate for CGD and Transportation Rate for CNG [Page 5/24] clause (1), Cost and Financial Data:**

It is recommended that the determination of the “transportation rate for CGD” & “transportation rate for CNG” will exclude all costs incurred by the entity under the heads of penalties, fines, or any cost associated with invocation of bank guarantees, etc.

**III. Schedule, Methodology for determination of Transportation Rate for CGD and Transportation Rate for CNG [Page 6/24] clause (2), Methodology for determination of transportation rate for CGD and CNG**

Since, determination of applicable rates is being done by the entity, it is recommended that the honourable board considers putting a higher limit, beyond which automatically the determination shall be carried out by the honourable board itself, rather than resulting in to dispute, which eventually is being already settled as per the *proposed regulations* to be intervened by the honourable board. It is recommended that all rates in excess of the Rs. 30/mmbtu for “transportation rate for CGD” and “Rs 2/kg “transportation rate for CNG” shall be reviewed by the honourable board before it is published by the relevant entity on its website.

Further, the term “network tariff” in the para (1) of Attachment (2), “Definition of a fixed asset and treatment in the determination of transportation rates for CGD and CNG” [page 23/24] of the *proposed regulations*, may be reviewed and replaced with “transportation rate for CGD”. Similarly, “compression charge for CNG” may be replaced with “transportation rate for CNG” aligning to the spirit of the proposed regulation.

We look forward to participate in the open house scheduled as per the subject public notice.

**Thanking you,**

**Yours sincerely,  
For Ultra Gas Limited**

A handwritten signature in blue ink, appearing to read "Maqsood Shaikh", with a horizontal line underneath.

**Maqsood Shaikh  
Chief Marketing Officer**

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