



# MAHANAGAR GAS LIMITED

MGL/COMM/NEW DELHI/

October 20, 2020

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

Kind Attention: Ms. Vandana Sharma

Sub: Views/Comments on draft “PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations, 2008 (“NGPL Tariff Regulations”)

Dear Madam,

This is with reference to the PNGRB Public Notice No.: PNGRB/COM/2-NGPL/Tariff (3)/2014 Vol-IV dated 29.09.2020 seeking comments on proposed amendment on the “PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations, 2008 (“NGPL Tariff Regulations”)

In this regard, please find our views / comments enclosed at **Annexure-1** on the subject for kind consideration of the PNGRB

Please note that the submission by us is without prejudice to our arguments in the matter related to Uran Trombay Natural Gas Pipeline.

Should you require any further details/clarification, please let us know.

With regards,

Yours sincerely,

(Rajesh Wagle)

Senior Vice President-Marketing



## Annexure – 1

- 1) **Frequency of tariff revision** : As per the proposal, unified tariffs will be determined every fifteen days and accordingly the tariffs payable by customers/shippers will keep varying once in fifteen days. Fortnightly change in tariff could result in fluctuation of domestic PNG and CNG prices fortnightly, which may not be desirable. It is therefore suggested that tariff may be determined on six monthly basis, as is done in domestic natural gas price review and be declared on 1<sup>st</sup> April and 1<sup>st</sup> October of every year.
- 2) **Zone Wise Tariff and Regional Natural Gas Pipeline Networks** : At present, customers pay only for the pipelines which they actually use. A unified tariff usually means one postalized tariff across the country. The current proposal seems to be a hybrid approach with a two tier tariff structure covering only some select pipelines. Regional networks and some other pipelines have remained excluded. PNGRB may expound the rationale behind adoption of such hybrid and selective approach.
- 3) **Discount to CGD entities** : Considering the pivotal role of CGD sector in transforming India to a gas-based economy and CGD sector's gas offtake volumes being a small fraction of the total pipeline capacity, provisions for a discount in tariff may be considered for the CGD sector.
- 4) Proposed amendment regulations do not provide for opportunity of being heard before determination and fixation of such unified tariffs to be finally borne by customers. Such a situation may lead to legal issues in future when the said tariff is made applicable.