
FW: Comments on "NGPL Tariff Regulations"

From : bhutani p <bhutani.p@pngrb.gov.in>
Subject : FW: Comments on "NGPL Tariff Regulations"
To : 'Ankur Jain' <ankur@pngrb.gov.in>
Cc : 'Vineet Kumar' <vineet.saxena@pngrb.gov.in>

Thu, Oct 22, 2020 10:14 AM

From: Secretary <secretary@pngrb.gov.in>
Sent: 22 October 2020 09:46
To: Pankaj Bhutani <bhutani.p@pngrb.gov.in>
Subject: Fwd: Comments on "NGPL Tariff Regulations"

From: "Anupam Rungta" <Anupam.Rungta@trafigura.com>
To: "Secretary" <secretary@pngrb.gov.in>
Cc: "sachin gupta" <sachin.gupta@trafigura.com>
Sent: Wednesday, October 21, 2020 5:59:23 PM
Subject: Comments on "NGPL Tariff Regulations"

Dear Madam,

Trafigura India Private Limited (Trafigura), part of Trafigura Group, is planning to venture into the business of Gas marketing and LNG supply through trucks in domestic Indian market. Trafigura is one of the world's leading independent commodity trading and logistics houses with annual revenue of US\$ 171 bn in 2019. Trafigura is also one of the prominent suppliers of LNG to buyers in India at various LNG import terminals in the country. Trafigura plans to expand its natural gas and LNG business in India.

We appreciate various regulatory reforms undertaken by PNGRB for development of gas markets in the country. We have reviewed the proposed Unified Tariff structure proposed by PNGRB and would like to submit following comments:

- (1) We support the proposed structure of Unified Tariff and hope that this will rationalize the transportation costs for all gas consumers. As a next step, we hope that PNGRB will also review implementation of Unified Tariff without any zones similar to a postal tariff structure.
- (2) Schedule C: The list of natural gas pipelines which are part of national grid system for calculation of Unified tariff does not include few interconnected networks. We request PNGRB to include Gujarat Regional P/L Network, Mumbai Regional and K.G. Basin Network pipelines as part of Unified Tariff. The gas buyers on these networks will not be required to pay additional tariffs and will be able to take benefit of Unified Tariff.
- (3) The determination of Unified Tariff is proposed on fortnightly basis. This would mean new tariffs for each fortnight which is a cumbersome process considering the actual pipeline-wise and zone-wise data that would be required for revised tariffs. We would recommend quarterly tariff determination process with one quarter lag during which time the tariff revision exercise may be conducted.

(4) We request PNGRB to clarify that the Unified Tariff shall also apply to already executed GTAs regardless of the Entry Points agreed under the GTA. For ex. If a Shipper has an existing GTA with Entry Point PIL-GSPL connectivity at Bhadbhut, and if the Shipper takes new pipeline capacity from PIL-Kakinada to PIL-Bhadbhut, the Unified Tariff will need to be applicable from PIL-Kakinada up to the Exit Point of the GTA in accordance with the contractual path between the gas injection point and the gas consumption point. We believe that this clarity will ensure that the Shippers are not adversely impacted under their existing GTA.

(5) We propose that the tariff for first zone tariff be around 50% of tariff for second zone for unified tariff.

We hope that the above comments will be taken into consideration while finalizing the regulations. We look forward to further discussions during the open house meeting.

Warm regards
Anupam Rungta
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Trafigura India Private Limited
Tel: +91 7777020380

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