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**Ms. Vandana Sharma**  
**Secretary**

Petroleum and Natural Gas Regulatory Board  
1st Floor, World Trade Centre  
New Delhi - 110001

Dear Madam,

**Sub.: Comments on the proposed Petroleum and Natural Gas Regulatory Board (Access Code for City or Local Natural Gas Distribution Networks) Regulations, 2020**

We thank you for the draft Regulation on Access code for City or Local Natural Gas Distribution Networks. We appreciate recent initiatives taken by the PNGRB to reform the sector. These reforms will lead to significant positive externalities such as fostering competition between gas suppliers, efficient utilization and creation of infrastructure, lower prices for end consumers through enhanced competition. These reforms thus support Government of India objective of increasing the share of gas in India's primary energy mix.

For this Regulation to be successful and further enhance its effectiveness, we believe the following needs to be addressed:

**Provision of Access to third party CNG/L-CNG stations:** The compression facilities installed by the Shipper involve significant investments and do not form a part of the regulated asset base of the authorised entity and therefore should be outside the purview of common carrier or contract carrier regulations. Further, given that Shipper is creating its own compression facilities, no compression charges should be levied by the authorised entity.

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**Capacity declaration:** To fully reap the benefits of liberalising CGD network, over a period, say two to three years, 100% of the capacity should be made available on an open access basis rather than restricting the access to only 20%. Given that market exclusivity has ended, Regulation should provide customers full freedom to choose suppliers and hence lower gas price.

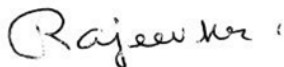
**Capacity booking:** Market will be competitive only when all pre-conditions/restrictions in capacity booking are removed. Also, to disincentivize likely hoarding of capacity, allocation of capacity should be on a pro-rata basis rather than highness of the product of the sum of the entry points maximum daily quantity and the period of capacity booking as envisaged by the Regulation.

Lastly, PNGRB should frame Model Access Agreement between shipper and CGD entity. Standardisation of these arrangements will lead to common rules and facilitate seamless operations.

We believe addressing these crucial elements will enable this Regulation to benefit all stakeholders.

We thank you for giving us the opportunity to provide our views on the draft policy.

Yours sincerely,



**Rajeev Kumar**  
**Director – Regulatory Affairs & Business Development**