



हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड

(भारत सरकार का उपक्रम) रजिस्टर्ड ऑफिस : 17, जमशेदजी टाटा रोड, मुंबई - 400 020.

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Date: 27nd October, 2020

To

The Secretary

Petroleum & Natural Gas Regulatory Board

1st Floor, World Trade Centre, Babar Road,

New Delhi – 110001

Subject: Comments on draft "Petroleum & Natural Gas Regulatory Board (Access code for City or Local Natural Gas Distribution Networks) Regulations, 2020

Dear Madam,

This is with reference to your subject Public Notice no PNGRB/Auth/1-CGD(16)/2020 dated 6th October 2020 on draft "Petroleum & Natural Gas Regulatory Board (Access code for City or Local Natural Gas Distribution Networks) Regulations, 2020.

Our comments are tabulated as under:

Reference Clause	Access Code 2020	HPCL's Comments
Clause no 2(f) on Definitions	"CNG exit point capacity" means the maximum quantity of CNG for open access, which the authorised entity shall deliver to the shipper at the relevant CNG exit point in a day: Provided that the authorised entity shall from time to time define a homogenous zone upfront and the same shall be displayed on its website;	<i>Homogenous zone</i> needs to be defined
Clause no 4(1), 4(2) on Capacity Declarations	(1) Authorised entity shall, within 90 days of declaration of its CGD network, as common carrier or contract carrier, determine in accordance with applicable regulations and declare by publishing on	It is specified under the clause, that Entity has to maintain minimum 20 percent capacity as open access on cumulative basis for all entry points. It is also stated that, if such open access falls

its website the entry point capacity, the exit point capacity, the CNG exit point capacity for open access at all entry points and exit points and the capacity at DPRS level for PNG and capacity at mother stations (Cascade filling capacity) for CNG in accordance with the provisions of these regulations: The authorised entity shall similarly declare the aforesaid information as on the end of each calendar month by tenth of the succeeding month

(2) The capacity in a CGD network for open access on cumulative basis at all entry points shall be at least twenty percent of the capacity of the CGD network or the maximum quantity of gas that has flowed in the CGD network even for a period of one day in the past whichever is higher. If such open access capacity in the CGD network falls below ten percent, the authorised entity shall increase the capacity of the CGD network so as to restore the open access capacity to at least twenty percent within a period of six months from the date it has fallen below ten percent.

below 10%, the authorised entity shall increase the capacity of the CGD network so that open access capacity is restored to 20% within 6 months period.

(1) It is therefore construed that the CGD entity has to increase the capacity of the CGD network. In that case it may require to lay additional pipeline / increase pressure of the network within permissible limit. It may happen that there is a limitation of the trunk line operator in terms of additional volume / capacity. PNGRB to look into that aspect and confirm.

(2) It needs clarification, whether the CGD entity has to enhance the capacity, when the Open access capacity falls below 10% due to already booking of Open access capacity of 10% or more by one or more parties.

(3) It is mentioned that at least 20% of entry point capacity on cumulative basis, shall be available for open access. It is suggested that in the similar manner 20% of capacity at each exit point shall also be allowed for open access.

(4) It is also suggested that delivery at customer point shall be continuous and in line with requirement of the customer, but subject to Maximum Offtake rate declared by CGD Entity and also with regard to delivery of Gas by Shipper at Entry Point, equal opportunity shall be given to all the Shippers in a Transparent manner, subject to Maximum Receipt Rate.

For Ex.: For cascade filling for the Shipper to be allowed during the entire operational hours of the CGD entity in a transparent manner.

<p>Clause no 5(1) on Capacity Booking</p>	<p>The authorised entity shall, within 21 days of declaration of its city or local natural gas distribution network as common carrier or contract carrier, publish information in the format specified in Schedule-II on its website and a short advertisement referring to such publication on the website in a national daily and a vernacular daily newspaper, seeking capacity booking for the entry points and exit points capacity on its CGD network and thereafter take similar action within twenty one days of when extra capacity is available in its CGD network</p>	<p>As per schedule II, Capacity used by Associates & Affiliates of the CGD entity has been included in the CGD entity capacity. However, the affiliates & associates have not been defined. PNGRB is requested to define 'associates' and 'affiliates' in the regulation..</p>
<p>Clause no 5(4) on Capacity Booking</p>	<p>The allotment of capacity shall be decided by the authorised entity in a transparent and non-discriminatory manner. If the available common carrier capacity is more than total booking quantity by all shippers then the booked capacity will be allotted to all the shippers and in cases where the booking for capacity received on a particular day is more than the available common carrier capacity, such common carrier capacity shall be allotted to the entities from whom booking has been received based on the highness of the product of the sum of the entry points MDQ and the period of capacity booking.</p>	<p>This Sub Clause 4 of Clause no 5 of Capacity booking for multiple shippers may be explained through illustration how capacity will be allocated among the multiple bidders, incase capacity available is less than available open access capacity, to avoid any ambiguity.</p>
<p>Clause no 8(7) on Obligations of shippers and authorised entity:</p>	<p>Shipper shall ensure that all gas entering CGD network shall conform to gas specifications and shall be within operational range of pressure and temperature to flow in CGD network. The entry pressure and temperature at all entry points shall be the mutually agreed pressure between the shipper and the authorised entity.</p>	<p>In all practical cases the shipper will use the trunk line connected to the CGD network at its CGS. Therefore, shipper will not have any control over the pressure and temperature of the gas being injected into the CGD network. We suggest that CGD entity should accept the pressure and temperature of the trunk line connected to its CGS.</p>

<p>Clause no 8(9) on Obligations of shippers and authorised entity:</p>	<p>Shipper shall be responsible for billing and collection of dues from its customers for natural gas, while for applicable charges the authorised entity shall raise bills on the shipper. As meter reading is the responsibility of the authorised entity except for PNG domestic consumers, the authorised entity shall have right to charge meter reading charges from the shipper as may be mutually agreed. In case of PNG domestic connection, shipper shall be responsible for meter reading and shall pay the meter reading charges to the authorized entity. Shipper shall also be responsible for any complaints from its customers in relation to billing and collection for natural gas and shall be dealt as per the Petroleum and Natural Gas Regulatory Board (Code of Practice for quality of Service for City or Local Natural Gas Distribution Networks) Regulations, 2010.</p>	<p>(1) 'applicable charges' needs to be defined.</p> <p>(2) In case of industrial or commercial customers also the meter reading shall be responsibility of the shipper as well, even though the meter is provided by the CGD entity. However, we suggest that the applicable charges shall be defined by PNGRB.</p> <p>(3) In case of PNG customers, Shipper is responsible for meter reading. Still shipper has to pay meter reading charges to authorised entity. If meter reading is arranged by shipper at his cost, we suggest that authorised entity shall not charge for a service that has not been provided by them.</p>
<p>Clause on 10(2) on Facilities at the entry points and exit points.</p>	<p>The shipper shall ensure that the authorised entity has ready access to the measuring equipment installed in his premise.</p>	<p>The shipper shall ensure that the authorised entity has ready access to the measuring equipment installed in his premise and vice-versa.</p>

<p>Clause on 13(1)(a) to 13(1)(e) on Charges</p>	<p>The shipper shall pay to the authorised entity the following charges for using its CGD network or compression facility, namely:</p> <p>a) "transportation rate for CGD" in accordance with Petroleum and Natural Gas Regulatory Board (Determination of Transportation Rate for CGD and Transportation Rate for CNG) Regulations, 2020 to be notified by Board.</p> <p>b) "transportation rate for CNG" in accordance with Petroleum and Natural Gas Regulatory Board (Determination of Transportation Rate for CGD and Transportation Rate for CNG) Regulations, 2020 to be notified by Board Overrun charges, system imbalance charge, off-spec gas charges</p> <p>c) overrun charges, if applicable;</p> <p>d) system imbalance charges, if applicable;</p> <p>e) off-spec gas charges, if applicable, as agreed in access arrangement;</p>	<p>(1) It is mentioned that Transportation Rate for CGD and Transportation Rate for CNG shall be in accordance with PNGRB (Determination of Transportation Rate for CGD and Transportation Rate for CNG) Regulations, 2020. It may be noted that in all Bidding rounds of PNGRB, the Transportation rate & Compression Rate has to be quoted by a Bidding Entity and it is one of the parameters for award of a particular GA to a Bidder. Considering the same, Transportation rate for CNG and Transportation rate for CGD as quoted in the bid shall be applicable.</p> <p>(2) Overrun Charges, System imbalance charges and Take or pay charges to be levied on shipper are on higher side in comparison with current charges for the trunk pipeline. PNGRB should moderate the same.</p>
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Above is for consideration at your end.

Thanking you.

Very truly yours,



Sanjoy Ghosh
GM – CGD Projects