

Ref: AGCL/GMB/IGX/2020/65

Date: 12.08.2020

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

Sub: Comments on Public Notice Ref: PNGRB/Tech/35-GasEx./(1)/2020, dtd. 10.07.2020

Respected Madam,

Inviting reference to subject Public Notice, soliciting views from stakeholders on proposed draft "**Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020**", we would like to submit our views/comments/queries as follows:-

Background: Assam Gas Company Limited (AGCL), a Govt. of Assam undertaking has been in the business of collection, transportation, marketing and distribution of natural gas since the year 1965. The company transports Natural Gas through its integrated pipeline infrastructure to several market segments i.e. Power, Fertilizer, petrochemicals, Industrial, Commercial and Domestic consumers primarily located in Upper Assam. Presently, AGCL is the only company that owns and operates both NGPL and CGD networks in the state of Assam. For natural gas supply, AGCL is solely dependent on gas production by two NOCs namely OIL and ONGCL, as connectivity with national Gas Grid or any LNG terminal is not present. Connectivity to National Gas Grid through is Barauni – Guwahati Gas pipeline (BGPL) of Indradhanush Gas Grid Limited (IGGL) is hoped to be obtained in next 2-3 years.

Observations and queries:

1. As per the clause 6, b (Principles of Market and Market Design, Delivery procedure) - *The gas exchange will inform National Gas Grid Management System (NGGMS) for the gas nomination and its scheduling.* Kindly clarify
 - a. How stated information sharing mechanism holds relevance for those regions where there is no connectivity with National Gas Grid?
 - b. The draft regulation does not clearly specify, whether domestic gas trading shall be considered under Indian Gas Exchange set up.

- c. How the terms of business are with regards to business transactions for domestic gas utilization contracts.
 - d. Can operating entities such as AGCL become members of an exchange outside their operating regions?
2. Other than the bulk consumers of AGCL, most of the gas is consumed by Tea industries in Upper Assam, who have a cyclic gas drawal pattern with almost zero gas consumption during winter season (Dec – March) due to considerable reduction of growth of tea leaves. In such a case, AGCL network has abundant gas in the system as a result of which, gas suppliers such as OIL and ONGC are requested to curtail their gas production.
 - a. Assuming that domestic trading is permitted under the proposed regulation, can the company enter into short term contracts with other consumers for the aforementioned lean period?

With details above, we humbly request the Board to consider our submissions.

Thanking you,

Yours faithfully,



(G. C. Swargiyari)
Managing Director
Assam Gas Company Limited