



August 10, 2020

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

Subject: Comments on the Draft Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020.

Ref: PNGRB public notice no. PNGRB/Tech/35-GasEx./(1)/2020 dated 10 Jul 2020

Dear Madam,

With reference to the draft regulations proposed on Gas Exchange, our comments from are submitted as follows.

1. It may be pertinent to webhost the guidelines issued by GOI in the preamble to fully understand the context of the regulation.
2. Regulation 7 provides "No person shall conduct, organize or assist in organizing any gas exchange or clearing corporation unless he has obtained authorisation from the Board in accordance with these regulations". It is submitted that it would be more appropriate to have this provision in the statute.
3. It is submitted that in order to protect the interest of the CGD entities, it is important that an obligation must be provided as a part of regulations that the Gas Exchange shall ensure full proof mechanism of ensuring sourcing of gas through the exchange only for the customers having gas requirement >50,000 scmd (in the draft CGD policy the threshold has been proposed to be revised to 1,00,000 scmd). The requirement of seeking NOC from relevant CGD entity must be made mandatory before Gas Exchange allows gas sourcing transaction by a consumer whose requirement is emanating in the CGD authorized area.

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4. The terms like capacity tranche agreement, NGGMS and the implications of the same are referred in the Access Code, but the same are yet to be defined / clarified in the Access Code.
5. It may be clarified that the term pipeline capacity contract referred in regulation 3(1)(b) is same as the GTA or has a different interpretation.
6. Delivery based gas exchange being a very novel idea in the country and with many market participants involved, it may be better to provide more clarity with respect to interplay between the capacity agreement, capacity tranche, gas trading and delivery procedure, booking of capacity and real time updating of price in the GBB as proposed.

We request favorable consideration of the above suggestions.

Thanking you,

Yours sincerely,
For Adani Gas Ltd.

A handwritten signature in blue ink that reads "K. D. Rawal" with a horizontal line underneath.



(Authorised Signatory)

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