



**Oil and Natural Gas Corporation Ltd.
Corporate Marketing Group**

1st Floor, Tower B, Deendayal Urja Bhawan,
5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070
Phone: +91-11-26751315/1430/1431

No. ONGC/DLH/Gas/pipeline/tariff/PNGRB/2020

Date: 24.07.2020

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

Sub: Suggestions/comments/views on the proposed amendment to NGPL tariff Regulations and options for determinations of Unified tariff

Ref.: PNGRB/COM/2-NGPL/Tariff (3)/2019 Vol-II dated 29.06.2020

Dear Madam,

This has reference to above referred Public Notice webhosted on PNGRB website on 29.06.2020 regarding PNGRB seeking suggestions/comments/views of stakeholders on the proposed amendment to NGPL Tariff Regulations and options for determinations of Unified tariff for each integrated NGPL system. In this regard, the following is submitted:

This also has reference to earlier PNGRB Public Consultation Paper (PCP) webhosted on 28.09.2017, seeking comments of stakeholders on "Integrated Authorization for Unified/Pooled Tariff" for unified tariff for NG pipelines and Public Notice dated 02.08.2019, seeking comments on proposed amendment to NGPL Tariff Regulation for determination of unified tariff.

ONGC vide letter dated 27.10.2017 and 16.08.2019 has submitted its comments/views to PNGRB on above and requested for unification/integration of all the inter-connected cross-country natural gas pipelines (including bid-out pipelines) as it will be beneficial from both-producer as well as customer's point of view and this will enable development of gas market.

In view of above, PNGRB may like to consider the following comments/suggestions/views of ONGC:

1. PNGRB may like to consider the option of unification/integration (by way of Unified/Pooled Tariff) of all the inter-connected cross-country natural gas pipelines (including bid-out pipelines) in the proposed amendment to NGPL Tariff Regulations, 2008.
2. However, since bid out pipelines have to be paid tariff as per their bid, any excess collected from consumers as unified tariff can be retained as "Pipeline Development Fund" to be maintained by PNGRB. In case of viability gap for future pipeline, this fund can be utilized.

It is also suggested that some percentage of revenue received in excess for bidded pipeline may be shared with the respective entity so as to incentivize the revenue collection at unified tariff.

3. As per the proposed special provisions relating to determining of Unified tariff of an integrated natural gas pipeline system, the Unified tariff will be determined by the Board generally after a gap of three (03) complete financial years from the date since first Unified Tariff is applied.

In this regard, it is suggested that Unified Tariff shall be determined by PNGRB after each financial year. Further, the frequency (1 year or more) of Unified Tariff review may be regulated based on volumetric utilization of the integrated pipeline system or addition of new pipeline to the system by the entity or any parameter impacting the determination of unified tariff with a significant change. This shall be applicable to all the natural gas pipelines including the one which are not part of the integrated natural gas pipeline system.

With Best Regards,

Yours Sincerely,


(Sanjay Kumar) 24/07/2020

GGM-Chief Marketing