

East West Pipeline Limited

(Formerly Reliance Gas Transportation Infrastructure Limited)

CIN: U60300GJ1999PLC040064

PNGRB/	6159
Dt.	2/11/18

Date: 2nd November, 2018

To

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

L-1843/JA(RKT)
2/11/18
JA(RKT)

2/11/18

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Subject : Public Consultation Document (PCD) regarding Final Initial Unit Natural Gas Pipeline Tariff of GAIL's HVJ-GREP-DVPL (HVJ) and DVPL/GREP Upgradation Pipelines (HVJ-Upgradation).

ADCAJ

Dear Madam,

This is in reference to PNGRB letter No PNGRB/M(C) /65-Vol-II dated 18th October, 2010 regarding stakeholders comment on the above mentioned subject. EWPLL comments are as detailed below:

1. **Capacity For Volume Divisor** : As per tariff determination regulations Clause 6(1), the normative volume divisor is linked to the capacity of natural gas pipeline as declared under the Petroleum and Natural Gas Regulatory Board (Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations, 2010. However, in the case of HVJ capacity has not been declared by Board beyond FY 2011-12 and in case of HVJ Upgradation capacity has not been declared for any operational year. In absence of declared capacity, volume divisor can be worked out in terms of the provision of clause 6(1)(b) of tariff determination regulations which provides that capacity as mentioned in the authorization or acceptance letter issued by the Board shall be used for tariff determination till the capacity is declared as per capacity determination regulations.

2. Clause 4.3.2.4 – Additional Compressor Fuel :

a. Gas consumption is a major cost head in the opex and it's price will keep on fluctuating. Making adjustment on this account at the next

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review period will make a large exposure for customer or pipeline. Hence, PNGRB may like to incorporate a formula to address the gas price issue for fuel which can be used to adjust tariff half yearly or yearly.

- b. Fuel quantity : Quantity of fuel needs to be in commensurate with volume considered for tariff workings. Also, the opex other than the gas cost need to be commensurate with the volume divisor.
3. Phase-Wise Commissioning of PL: Phase wise commissioning of pipeline and its implication on the period of Economic Life and their extension, whether the same will be also be defined phase-wise. Similarly, the impact of Phase wise commissioning on the capacity determination and volume build up needs deliberation and clarity in the regulations.
4. It is also submitted that considering the nature of business, un-accounted-for gas (UFG) is a practical reality and need to be allowed to be factored as a part of opex, with certain normative cap.
5. Other points we would like to deliberate in the open house for the subject tariff.

Thanking you,

Yours faithfully,
For EWPL Ltd.



E V S Rao
Sr. Vice President

CC: Chief General Manager (Mktg.-RA), GAIL (India) Ltd., GAIL Bhavan, New Delhi

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