



**GUJARAT GAS**

GGL/CEO/2018-19/A-2/052

December 01, 2018

S.No. 6452

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To,  
**Ms. Vandana Sharma,**  
Secretary,  
Petroleum and Natural Gas Regulatory Board ("PNGRB/Board")  
First Floor, World Trade Centre,  
Babar Road, New Dehli-110 001

May like to see for  
information pl. V  
3/12  
Chairperson

**Sub.:** Comments on the proposed amendment to the Petroleum and Natural Gas Regulatory Board (Levy of Fee and Other Charges) Regulations, 2007

**Ref.:** 1. PNGRB Public Notice dated November 01, 2018

3/12  
SAO (M)  
AC (M)

Dear Madam,

This is with reference to the above mentioned Public Notice webhosted by the Honourable PNGRB wherein the PNGRB has sought comments/ views from the natural gas industry stakeholders on the proposed amendment.

In this regards, Gujarat Gas Limited ("GGL") would like to submit its comments/ views on the proposed amendment to the Petroleum and Natural Gas Regulatory Board (Levy of Fee and Other Charges) Regulations, 2007 for the kind consideration of the Honourable Board:

1. As per the powers enshrined to the Honourable Board under the PNGRB Act, 2006 and Regulation 5 of the Petroleum and Natural Gas Regulatory Board (Levy of Fee and Other Charges) Regulations, 2007, re- produced herein below:

**"5. Power to review and modify fee and other charges -** The Board may from time to time, review and modify the structure of fee and other charges payable under these regulations. The Board may also at any time, on reference from any affected party, and for good and sufficient reasons, review and modify the structure of fee and other charges payable under these regulations"

Read along with point no. 3 of Explanatory Memorandum provided as Annexure A to the said regulation:

*"The levy of fee has been necessitated on account of the fact that scrutiny of such a large number of applications and the process associated with them pertaining to registration, authorization, complaints etc. by the Board puts pressure on scarce regulatory resources available."*

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Page 1 of 3

**GUJARAT GAS LIMITED** (A GSPC Group Company – Government of Gujarat Undertaking) (Formerly known as GSPC Distribution Networks Limited)

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**Registered Office:** Gujarat Gas CNG Station, Sector-5/C, Gandhinagar – 382 006, Gujarat, India.

**Website:** www.gujaratgas.com, www.gspcgroup.com **CIN:** L40200GJ2012SGC069118

344



With due consideration to the above, GGL would like to suggest that the charges/ fees so being proposed by the PNGRB needs to be have a rationale and should be determined based on the certain parameters as deemed appropriate by the PNGRB rather than merely doubling/ exponentially increasing the previously notified fee structure with no strong rational for the same.

2. It is also imperative to note that any such amendment in the regulation and its applicability should be on prospective basis only. Further, the proposed amendment lays the entire responsibility on the authorised entity; however further review needs to be done if the pipeline / CGD is operated on common carrier / contract carrier as the shipper shall also be authorised / approved by the PNGRB and hence should also be liable to pay such charges / fees.
3. It is also imperative to note that in Year 2021, Census data would again enumerated and later on published for access within a year or two, GGL would like to request Honourable Board to provide clarification on which Census data would be applicable during the interim period (i.e from year 2021 till the year Census data get published) for evaluating applicable levy of other charges.
4. Such exponential increase in the fees shall have a direct impact on the Operating Expenditure of the respective entities and would necessitate passing on the increase to the end customers.
5. With regards to Regulation 4 of the proposed amendment regulation for the City Gas Distribution networks as well as the Natural Gas pipeline, no time period for payment of such annual fees/ charges upto certain period has been specified and it is proposed that the same should be restricted to a certain period.
6. In addition to the above, for the Natural Gas pipeline, the amount of Other Charges should be based on the revenue earned on the regulated activities.
7. With regards to the sub-regulation (3) of Regulation 4, GGL would like to propose that payment of such changes/ fees for a particular Financial Year should be payable post financial audited statement of the books of accounts has been finalized for the respective entities and the same shall also fall in line with the SEBI guidelines for the stock exchange listed companies.
8. GGL also like to request Honorable Board to provide clarity at large if any default in making payment made by entity would attract any penalty as conferred in PNGRB Act, 2006.



**GUJARAT GAS**

We trust that the Honourable Board shall find our comments/ views/ suggestions helpful in drafting robust natural gas regulations and we would be happy to provide any further clarifications should they be required by the Honourable Board in this regards.

Thanking you,  
**For Gujarat Gas Limited**

Nitin Patil

**Chief Executive Officer**