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GMR/GEPL/2018/DEL/043

Date: 30th November 2018

The Secretary,
Petroleum and Natural Gas Regulatory Board (PNGRB),
1st Floor, World Trade Centre,
Babar Road,
New Delhi – 110 001

Dear Madam,

Subject: Comments on PNGRB webhosted draft regulations on PNGRB (Levy of Fee and Other Charges)

Reference:

1. PNGRB webhosted Public Notice dated 01st November 2018
2. PNGRB (Levy of Fee and Other Charges) Regulations

This has reference to the Public Notice and webhosted draft amendments on the PNGRB (Levy of Fee and Other Charges) Regulations, 2018, please find below our point wise views/ comments for your kind consideration:

Reg. No	Observation/ Justification/ Proposal
Levy of Fee 3 (1)	<p><u>Observation:</u></p> <ul style="list-style-type: none"> • The fees for registration of entities desirous of marketing natural gas and establishing LNG terminal is Rs.10,00,000 irrespective of the capacity. <p><u>Justification:</u></p> <ul style="list-style-type: none"> • Regulator should ensure implementation of the Projects in compliance to the rules and regulations and terms of approval. • The levy of fees should only be collected to ensure genuineness to participate and implement the projects thereafter. • In order to ensure the genuineness, the Regulatory should also have a process to carry out due diligence and ascertain the genuine intent. • Any hike in fees will be a burden to the public at large by way of the same being loaded as a part of the project cost by developer. • Rs. 10,00,000 would be unviable for smaller capacities of < 2 MTPA. <p><u>Proposal:</u></p> <ul style="list-style-type: none"> • The registration fees should be linked to the capacity for marketing natural gas or LNG terminal being registered.

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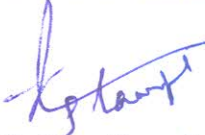
New Regd. Office:
Unit No. 1B, 1st Floor,
Riaz Garden, Old No.12, New No.29,
Kodambakkam High Road, Chennai-600 034,
Tamil Nadu, INDIA.

<p>Levy of other charges. 4 (2) (b)</p>	<p><u>Observation:</u></p> <ul style="list-style-type: none"> Charges are levied “before commencement of operations” as Rs. 5,00,000 and Rs. 1,00,000 for natural gas pipelines of any nature for lengths of more than 50 km and up to Rs. 50 km respectively. <p><u>Justification:</u></p> <ul style="list-style-type: none"> Intent of the Regulator is not to collect revenues from the project developers. Different Regulators are created by GoI in order to have Regulations and Compliance in the Industries. The award of other necessary statutory clearances for starting the construction will normally take considerable duration after the authorization. Hence the charges should be levied after after CoD of the Project. Charges should not be levied on entity before it commences operations as it is not earning any revenue in this duration. <p><u>Proposal:</u></p> <ul style="list-style-type: none"> Levy of Other Charges should not be charged till the CoD of the projects. In order to comply with the provisions of regulations, small fee may be levy based of the 0.02% of net profit or Rs 1,00,000/- whichever is lower.
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We request PNGRB to consider our point wise comments and suitably amend the draft Regulations.

Yours sincerely,

For GMR Enterprises Private Limited,



S. Ram Prasad
Head- LNG Project

