

Subject: **Re: Public Consultation Document issued by PNGRB**

To: Technical <tech@faidelhi.org>

Cc: secretary@pngrb.gov.in, cragroup@gail.co.in, pgdave <pgdave@gnfc.in>

Date: 03/11/18 12:12 PM

From: K H PATEL <khpatel@gnfc.in>

khpatel.vcf (353bytes)

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Dear Sir,

This is with regard to your email attaching therewith Public Consultation Document issued by PNGRB (Petroleum and Natural Gas Regulatory Board) inviting comments on attached Public Consultation Document ref. No. PNGRB/M(C)/65-Vol-II dated 18.10.2018.

GNFC would like to submit as under:

GNFC is receiving 0.4 MMSCMD (15011.43 MMBTU/day) RLNG from LT Contract with GAIL through HVJ -DVPL & South Gujarat network at Bharuch complex. The present tariff for the above mentioned contract under Zone-I is 22.2096 INR/MMBTU (incl. GST of 12%) for HVJ-DVPL pipeline. South Gujarat network tariff is already increased exorbitantly by PNGRB to 30.9008 INR/MMBTU from 8.7472 INR/MMBTU (incl. GST of 12%) more than 3.5 times w.e.f 01.04.2018. GNFC is also receiving 0.3 MMSCMD (11257.83 MMBTU/day) RLNG from Mid-Term Contract with GAIL through HVJ - DVPL Upgradation at Bharuch complex. The present tariff for this MT RLNG under Zone-I is 47.5552 INR/MMBTU (incl. GST) for HVJ-DVPL Upgradation pipeline.

As proposed by GAIL in the public consultation document, it has proposed to increase the tariff substantially for HVJ and HVJ-Upgradation to 175.20 INR/MMBTU & 88.09 INR/MMBTU (plus GST) respectively and integrated tariff would be 97.04 INR/MMBTU (plus GST). Considering proposed HVJ tariff of 175.20 INR/MMBTU and pipeline capacity of 53 MMSCMD, approximate revenue for GAIL works out to be more than Rs 12,550 crore per annum, which exorbitant and pay back will be less than 2 years for all GAIL CAPEX and OPEX put together.

As per proposed new tariff, the burden of incremental tariff on GNFC will be huge to the tune of Rs. 111.57 crore per annum (Rs 91.43 crore for LT RLNG through HVJ and Rs 20.14 crore for MT RLNG through HVJ Upgradation) This will in turn increase subsidy burden to that extent on Gol.

Moreover, please be noted that the Products have already been sold at prices determined after taking into consideration the prevailing Gas Transmission costs. Therefore, if the transportation tariffs are revised Retrospectively, GNFC will not be able to recover the same from its customers.

Therefore, it is hereby submitted that the proposed tariff by GAIL is exorbitantly high & unjustifiable, shall impact the GNFC/Gol adversely and hence not acceptable to GNFC, as well as any increase by PNGRB with Retrospective effect is also not acceptable.

With warm regards,

K H Patel

L-1854/JA(RKJ)
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On 01-11-2018 11:26, Technical wrote:

>Dear Sir,

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>We have come across a Public Consultation Document issued by PNGRB on 'final initial unit natural gas pipeline tariff under provisions of the PNGRB (Deterioration of Natural Gas Pipeline Tariff) Regulations, 2008. This will have implication for cost of production, working capital and subsidy. A copy of the same is attached.

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>The last date to provide the comments to PNGRB is 3rd November, 2018. We request you to provide your comments to contest the increased tariff at the earliest.

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>With regards,

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>Manish Goswami

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>Chief (Technical)

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