



GSPC LNG LIMITED

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GLL/2020-21/PNGRB/001

26th July, 2020

The Secretary,

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

Sub.: Comments on proposed amendment in the Natural Gas Pipeline (NGPL) tariff regulations, 2008

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

Respected Madam,

GSPC LNG Limited (GLL) is promoted by Government of Gujarat (GOG) and other GOG entities. GLL has set up the 5 MMTPA LNG receiving, storage and regasification terminal at Mundra, Kutch, Gujarat. The LNG terminal was successfully commissioned in February 2020. The terminal has been running successfully ever since and carrying out commercial operations and receiving regular LNG cargoes.

However we feel that to increase market competitiveness and to provide a level playing field to all LNG terminals across India especially the new / upcoming ones we would suggest to consider pan India Gas grid networks (i.e. not just entity level integration) for the purpose of arriving at unified tariffs.

GLL's LNG terminal at Mundra is currently connected to the high pressure Gas Grid of GSPL in Gujarat. In a scenario wherein this draft amendment is approved in its present form the customers outside the State of Gujarat who would like to offtake R-LNG from the Mundra LNG terminal would continue to be at a disadvantage and would not gain from this proposed amendment against the customers/end users offtaking R-LNG from some other LNG terminals who are directly on the GAIL network.

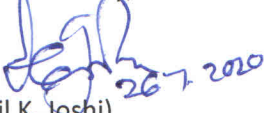
Similarly offtake volumes from new LNG terminals including Mundra are more likely to cater to customers on various bid out pipelines which are currently not covered as part of this amendment. The price of natural gas to such end customers would be higher leading to lower utilization of such LNG terminals and pipelines.

We feel that unified tariff at entity level would not lead to a vibrant gas market and it would in fact create more barriers for new LNG terminals and make it more difficult for new/upcoming LNG terminals to achieve commercial viability and compete on a level playing field. The existing and established LNG terminals are already operating at full capacities. In order to ensure future supply growth in R-LNG volumes, new / upcoming LNG terminals need to be provided due support.

We therefore request the Hon'ble Board to consider unification of all pipelines at all India level so each customer has the same tariff irrespective of the pipeline they are connected to and have freedom to source the cheapest / most competitive gas. This will not be possible if the draft amendment in its present form i.e. entity level integration is pursued.

We look forward to your kind consideration.

Yours sincerely,


(Anil K. Joshi)
President