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GSPL/COMM/2019
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The Secretary
Petroleum and Natural Gas Regulatory Board (PNGRB)
1st Floor, World Trade Centre
Babar Road
New Delhi- 110001

Sub: Comments on proposed draft amendments in PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations, 2008


Ref.:

1. PNGRB public notice dated 16.04.2019

Respected Madam,

With reference to above, please find attached herewith at **Annexure-I**, GSPL comments / views on proposed draft amendments in PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations, 2008.

Submitted for your kind perusal please.


Ravindra Agrawal
Group ED (Gas Business)

Comments / views on proposed draft amendments in PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations, 2008

- i. We understand that the proposed amendments by the Hon'ble Board have arisen due to various litigations filed by the customers against the tariff orders issued for the different natural gas pipelines.
- ii. The major contentions among various issues raised by the customers in the litigations against PNGRB Tariff Order are:
 - a. Alleged retrospective implementation of Tariff Order issued by the Hon'ble Board.
 - b. Tariff determination for natural gas pipeline shall be issued in form of Regulations to be placed before Parliament and not in form of Tariff order.
- iii. Hon'ble Board, with the proposed amendment under sub-clause (4) of clause 9 of Schedule-A have addressed the issue of retrospective implementation of Tariff Order.
 - a. In this regard, we understand that proposed amendments in the Tariff Regulations shall be made applicable for Tariff determination of natural gas pipeline from the date of its notification in official gazette and shall not be applied for the past period in which tariff has already been determined as per the extant regulation. PNGRB is requested to clarify the same, as the same will have serious implications in existing legal cases pending before various courts.
- iv. With regards to the contention pertaining to Tariff determination for natural gas pipeline to be issued in form of Regulations, the same still persists. This may continue to be a cause for litigation for future tariff determinations by the Hon'ble Board.
 - a. In this regard, Hon'ble Board is requested to review the same and if required, it may suggest necessary amendment(s) in the PNGRB Act to remove such ambiguity.
- v. Further, it may be clarified that proposed provision introduced under definition of "Tariff review", i.e. gap between two tariff reviews shall not be less than three financial years, shall be applicable for tariff determination under Tariff review only or it is intended to be made applicable for determination of unit natural gas pipeline tariff and tariff review.