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Ms. Vandana Sharma
Secretary,
Petroleum and Natural Gas Regulatory Board (PNGRB)
1st Floor, World Trade Centre
Bahar Road
New Delhi-110001

Sub: Views on GAIL's tariff filling for the Kochi-Koottanad-Bangalore-Mangalore Natural Gas Pipeline Network (KKBMP)

Ref: PNGRB Public Consultation Document No. PNGRB/COM/2-NGPL Tariff (3)/2013 P-297 dated 16.07.2019

Respected Madam,

With reference to above, please find attached herewith GSPC's views at **Annexure-I** for your kind perusal.

Thanking You,

Yours Sincerely

Ravindra Agrawal
Group ED (Gas Business)

**Views on Public Consultation Document on
Kochi-Koottanad-Bangalore-Mangalore Natural Gas Pipeline Network (KKBMPL)**

Annexure-I

A. Volume Divisor

i. Capacity expansion

GAIL under paragraph 4.5 has considered volume divisor, based on phase wise commissioning of KKBMPL.

GSPL supports GAIL's said submission considering that actual capacity built-up by the authorised entity is different during period / year of economic life of a pipeline and is built-up considering natural gas demand from consumer and development of gas market.

By considering entire authorised capacity of pipeline from first day of commissioning of KKBMPL which has actually not built by the authorised entity would lead to dis-incentivize authorised entity and affect the entitled rate of return over capital employed as specified in the PNGRB Regulation.

In view of the above, PNGRB is requested to consider GAIL's said proposal and implement the said principle of considering phase wise capacity built-up as volume divisor uniformly for tariff determination of other natural gas pipelines authorised to entity.
