

S.No. 209



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

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Sub: Final Initial Unit Natural Gas Pipeline Tariff of East West Pipeline Limited under the PNGRB Tariff Regulations 2008.

Ref.: Public Consultation Document Ref. No. PNGRB/M(C)/IV dated 04.05.2018

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AA/ACT

Dear Madam,

We thank PNGRB for inviting comments from the stakeholders in the process of determining the final tariff for East – West Natural Gas Pipeline (EWPL) of East West Pipeline Limited. GSPL being a transporter itself is affected by any decision taken in determination of tariff, therefore being a stakeholder, we hereby submit our comments which are as follows:

i. Tariff Determination:

It is evident from the Public Consultation Document that as on today PNGRB has declared the capacity of EWPL only for the FY 2010-11 and 2011-12 i.e. 85 MMSCMD and 95 MMSCMD respectively.

It is also evident that PNGRB is in the process of finalizing the initial unit tariff for EWPL and since all other parameters like Capex and Opex are available on actual basis till FY 2016-17, it is only the capacity of the pipeline which is available for FY 2011-12.

- a. In this regard, GSPL submits that PNGRB Tariff Regulation has already considered this aspect since tariff is calculated based on the DCF method, thereby allowing transporter to earn reasonable rate of return over the economic life of the pipeline.

In view of the above, it is submitted that due to non-availability of one parameter, entire process of finalizing the tariff should not be halted since the adjustments can be done in tariff reviews.

ii. Future Capex:

It may be kindly noted that the proposed future capex is to connect EWPL with ONGC Odalveru (Rs. 400 Cr) and PLL LNG Terminal (Rs. 300 Cr), both of which are new source connectivity.

- a. Since new source connectivity shall have an impact on the capacity of the pipeline, expenditure related to new source connectivity and its impact on capacity should be considered simultaneously.

