



GUJARAT GAS

GGL/C&M/2019-20/025

June 26, 2019

To,
Ms Vandana Sharma,
Secretary,
Petroleum and Natural Gas Regulatory Board ("**PNGRB/Board**"),
1st Floor, World Trade Centre,
Babar Road,
New Delhi – 110001

Sub.: Submission of comments on the proposed amendment to the PNGRB (Access Code for Common Carrier or Contract Carrier Natural Gas Pipeline) Regulations, 2008

Ref.: PNGRB Public Notice no. PNGRB/M(C)/31 (Vol-III) dated June 10, 2019

Dear Madam,

This is with reference to the abovementioned public notice webhosted by the Honourable PNGRB pertaining to amendment in the PNGRB (Access Code for Common Carrier or Contract Carrier Natural Gas Pipeline) Regulations, 2008 ("**NGPL Access Code**").

In this regards, Gujarat Gas Limited ("**GGL**") would like to seek following clarifications from the Honourable Board:

1. As per the proposed sub- regulation 10(i) of Regulation 13:

(10)(i) "There shall be established an escrow account to be maintained by the Board from the date these regulations coming into force....."

As per Chapter III of PNGRB Act, Board has power to monitor escrow account but the Board cannot maintain transporter's account on behalf of transporter.

As per the existing notified NGPL Access Code regulation an Escrow account is to be maintained by the transporter and annual audited statement of escrow account showing the details of debits and credits duly certifying that the funds in this account has been maintained is to be submitted to the PNGRB.

Based on the proposed amendment GGL would like to seek clarity with regards to "maintainability" of such escrow account by the Board. The *modus operandi* of such account to be maintained by the PNGRB needs to be detailed out in the proposed amendment. Further it is requested to clarify whether the escrow account shall be unique to each shipper and/or entity.

GUJARAT GAS LIMITED (A GSPC Group Company – Government of Gujarat Undertaking) (Formerly known as GSPC Distribution Networks Limited)

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In addition to the above, the proposed amendment also needs to elaborate the process to be followed for operating such account in terms of whether the transporter shall also be an authorized signatory apart from the PNGRB to carry out any audit or carry out day to day operations associated with such an Escrow account.

2. As per the proposed sub- regulation 10(viii) and (ix) of Regulation 13:

"(10)(viii) Board shall consider such claims on merits and may seek such further information as it may deem fit. Board shall order release of admissible payment to the entity within 60 days from receipt of complete information."

PNGRB shall appreciate the fact that any pipeline maintenance/ extra efforts required for compressing gas needs to be addressed at the earliest in order to avoid any further system imbalances and in such critical scenario the time period required for the PNGRB to release such claim amount post reviewing the claim so placed by the transporter, would further delay the maintenance activity thereby causing inconvenience to the transporter, shipper and the customer at large.

3. GGL would request the Honourable Board to review the cross linkages of the proposed Amendment with other regulations/ guidelines as deemed fit.
4. As per the powers enshrined to the Honourable Board under Chapter III of the PNGRB Act, 2006, the Board has the power to regulate by way of formulating regulations for ensuring fair trade and competition amongst entities and maintain such data bank of information on activities relating to petroleum, petroleum products and natural gas; but the PNGRB Act, 2006 does not empowers or authorises the PNGRB to create and hold escrow accounts on behalf on the transporter.

Hope the Honourable Board shall take cognizance of the above and shall provide clarity on the said subject matter and GGL shall be happy to provide any further clarifications should they be required by the Honourable Board in this regards.

Thanking you,
For Gujarat Gas Limited

Maqsood Shaikh
Executive Vice President- Commercial & Marketing