

Open House discussion on Public Consultation Document for tariff determination of Cauvery Basin Natural Gas Pipeline (CBPL)

Name of Entity	GAIL (India) Limited (GAIL)
Date & Time of Open House	21 st October 2019 & 10:30 hrs

1. Open House (“OH”) was held on 21.10.2019, on the public consultation document (“PCD”), for tariff review of GAIL’s CBPL. OH was chaired by Chairperson, PNGRB, wherein other Board Members viz. Member (C&M), Member (Legal) and Member (I&T) were also present. List of other participants is attached as Annexure I.
2. Comments were received from AG&P only and GSPL requested that they will participate in the OH only. However, no representative from AG&P and GSPL attended the OH.
3. GAIL made a presentation in the OH on its responses already submitted to AG&P comments vide letter dated 18.10.2019 as under:
 - i. Total Opex includes allocated site Opex, allocated common Corporate Opex, non-recurring future O &M Opex and also Opex @ 2.5% of future connectivity.
 - ii. Increase in Opex is mainly due to increase in cost allocation ratio, increase in Salary and Wages on account of pay revision, gratuity and increase in security/surveillance expenses.
4. GAIL was asked to provide the following information within 7 days time:
 - i. Total Capex, Opex and ratio of Opex to Capex for all the networks in CBPL including two dedicated pipelines over the economic life of CBPL(year wise / Cumulative).
 - ii. Year-wise volumes for Dedicated pipelines within Cauvery Basin.

- iii. Yearwise details of Opex for respective networks considering allocation of common expenses on the basis of Gross Block instead of volumes for all the networks of CBPL separately (NKM, RMD, two Dedicated networks).
 - iv. In case of RMD network, reasons for reduction in volumes considered for tariff filing from 2.003 MMSCMD to 1.819 in the FY 2018-19 to 1.819 MMSCMD in FY 2019-20 till FY 2021-22 and there-after to 1.748 MMSCMD till FY 2023-24.
 - v. Details of production of ONGC/BPRL Madanam and other field wise production/projections in Cauvery Basin.
 - vi. Reasons for increase in site Opex of RMD network from Rs.4.04 Crore in FY 2009-10 to Rs.19.56 Crore in FY 2018-19.
 - vii. Replacement cost of NKM in FY 2017-18 and 2018-19. Whether the same was approved by PNGRB.
5. It was deliberated that since there is a tie in connectivity in the case of NKM network, final capacity determination is important being an important parameter for the tariff calculations. It was also emphasized that final capacity determination needs to be expedited for other pipeline networks also.
- Meeting concluded with a vote of thanks to the chair.

Participant List

S.No	Name	Organisation	Designation
1	Ms. Vandana Sharma	PNGRB	Secretary
2	Mr. Arvind Kumar	PNGRB	Additional Adviser
3	Mr. Rakesh Kumar Jain	PNGRB	Joint Adviser
4	Mr. Pankaj Bhutani	PNGRB	Joint Adviser
5	Mr. Vineet Kumar Saxena	PNGRB	Assistant Consultant
6	Mr. S. C. Gupta	PNGRB	Deputy Adviser
7	Mr. Tarun Kumar Chopra	PNGRB	Dy. Consultant
8	Mr. V. Krishnan	GAIL	GM (Pricing)
9	Mr. Davinder Singh	GAIL	GM (Proj.)
10	Mr. A.B. Roy	GAIL	DGM (Pricing)
11	Mr. A. Raj	GAIL	DGM (Construction)
12	Mr. Joy Banerjee	GAIL	CM (Mktg. RA)
13	Mr. Atul Kumar Soni	GAIL	Mgr. (Pricing)