



पेट्रोलियम एवं प्राकृतिक गैस विनियामक बोर्ड  
Petroleum and Natural Gas Regulatory Board  
प्रथम-तल, वर्ल्ड ट्रेड सेंटर, बाबर रोड, नयी दिल्ली 110001 :  
1<sup>st</sup> Floor, World Trade Centre, Babar Road, New Delhi – 110001  
फैक्स नं / Fax No. 91 11 23709151; E-mail contact@pngrb.gov.in

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**PNGRB/COM/2-NGPL/Tariff (3)/2019 Vol-II**

**Dated 29<sup>th</sup> June, 2020**

**Public Notice**

It is proposed to amend the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008 (“NGPL Tariff Regulations”) as per **Annexure-1**.

Further, suggestions/ comments/ views of stakeholders are invited to discuss various options during the open house meeting for incorporating certain other provisions as per **Annexure-2**.

All stakeholders are requested to submit their suggestions/ comments/ views on the proposed draft amendment as per **Annexure-1** and options provided in **Annexure-2**, to the Secretary, PNGRB by 26<sup>th</sup> July, 2020 through an email at [secretary@pngrb.gov.in](mailto:secretary@pngrb.gov.in) and/or through post at the above mentioned address. For discussing the comments/views, the open house will be conducted on 31<sup>st</sup> July, 2020 at 11:00 hrs. through video conferencing.

(Pankaj Bhutani)

Joint Adviser



**Annexure-1**

**THE PETROLEUM AND NATURAL GAS REGULATORY BOARD**  
**NOTIFICATION**

New Delhi, the \_\_\_\_\_ 2020

F.No. PNRB/COM/2-NGPL/Tariff (3)/2019 Vol-II – In exercise of the powers conferred by clause (g) of sub-section (2) of section 61 of the Petroleum and Natural Gas Regulatory Board Act, 2006 (19 of 2006), the Petroleum and Natural Gas Regulatory Board hereby makes the following regulations, namely: --

**1. Short title and commencement. –**

(1) These regulations may be called Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Amendment Regulations, 2020.

(2) They shall come into force on the date of their publication in the Official Gazette.

**2. In the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008,-**

a) in regulation 2, in sub-regulation (1),

after clause (e), the following shall be inserted:

“(ea) “integrated natural gas pipeline system” means as defined in regulation 4A.”

b) in regulation 2, in sub-regulation (1),

after clause (i), the following shall be inserted



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“(j) “Unified Tariff” means as defined in regulation 4A.”

c) in regulation 3,

after sub-regulation (3), the following sub-regulation shall be inserted

“(4) laying, building, operating or expanding an Integrated Natural Gas Pipeline System.”

d) after regulation 4, following regulation shall be inserted:

“4A. Determination of Unified Tariff in respect of Integrated Natural Gas Pipeline System

(1) The Board may, either on the application of an entity authorized to lay, build, operate or expand more than one interconnected natural gas pipelines to which these regulations apply or on its own, determine by order the unified tariff in respect of its entire integrated natural gas pipeline system in accordance with the provisions of these regulations;

Provided that any such application made by the entity shall cover all its present and future interconnected natural gas pipelines to that integrated natural gas pipeline system, and such application once made shall not be withdrawn.

“Integrated Natural Gas Pipeline System” of an entity means all the interconnected natural gas pipelines to which these regulations apply. The list, of such integrated natural gas pipeline systems and the natural gas pipelines constituting each such system, is given in the Part 1 of Schedule B.

“Unified Tariff” means the unit rate of tariff for the Integrated Natural Gas Pipeline System (excluding statutory taxes and levies) in rupees per million British Thermal Units (Rs. /MMBTU) for transportation of natural gas.



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(2) Special provisions relating to determination of Unified Tariff in respect of each integrated natural gas pipeline system are given in Part 2 of Schedule B.”

e) after schedule A, following schedule shall be inserted

**“Schedule B**  
**[see regulations 4A]**  
**Part 1**

**List Integrated Natural Gas Pipeline Systems**

<b>S. No.</b>	<b>Pipeline</b>	<b>Capacity (MMSCMD)</b>	<b>Authorisation Letters and Dates</b>
<b>A. Integrated Natural Gas Pipeline System of GAIL India Limited</b>			
1.	Jagdishpur-Haldia-Bokaro-Dhamra Natural Gas Pipeline network	23.00	Infra/NGPL/124/GAIL /JHBDPL/01/18 dated 29.01.2018 & dated 07.09.2018 and Infra/NGPL/124/GAIL /JHBDPL/01/19 dated 08.11.2019
2.	Dadri-Bawana-Nangal Natural Gas Pipeline	31.00	Infra/PL/New/17/DBNPL /GAIL/01/11 dated 15.02.2011 and PNRGB/Monitoring/2/ NGPL-DBNPL/(4)/2012 dated 02.07.2019
3.	Dahej-Vijaipur (DVPL)-Vijaipur-Dadri (GREP) capacity augmentation	54.00	Infra/PI/Exis/17/DVPL-GREP-UPGR/GAIL/01/10 dated 14.02.2011
4.	Hazira-Vijaipur-Jagdishpur-GREP-Dahej-Vijaipur	57.30	Infra/PI/Exis/17/HVJ-GREP-DVPL/GAIL/01/10 dated 19.04.2010
5.	Dabhol-Bangalore Natural Gas Pipeline	16.00	Infra/PL/New/17/DBPL/ GAIL/01/11 dated 14.11.2011



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6.	Dahej-Uran-Dabhol-Panvel Natural Gas Pipeline	19.90	Infra/PL/Exis/17/DUPLDPPL /GAIL/01/10 dated 10.05.2010 and Infra/PL/Exis/17/DUPLDPPL /GAIL/01/11 dated 05.01.2011
7.	Chainsa-Jhajjar-Hissar Natural Gas Pipeline	35.00	Infra/PL/New/17/CJHPL/GAIL/01/10 dated 13.12.2010 and PNRGB/Monitoring/2/NGPL-CJHPL/(5)/2012 dated 12.06.2019
<b>B. Integrated Natural Gas Pipeline System of Gujarat State Petronet Limited</b>			
1.	GSPL's Low Pressure Gujarat Gas Grid	12.00	Infra/PL/Exis/18(1)/GSPL/Guj-Gas-Grid-LP/01/13 dated 19.03.2013
2.	GSPL's High Pressure Gujarat Gas Grid	30.46	Infra/PL/Exis/18(1)/GSPL/Guj-Gas-Grid-HP/01/12 dated 27.07.2012, PNRGB/Monitoring/2/NGPL-HPGGG/(3)/ 2018 dated 18.02.2020 and PNRGB/Auth/2-NGPL(05)/2013 dated 29.05.2020

**Part 2**

**Special Provisions Relating to Determination of Unified Tariff in Respect of Each Integrated Natural Gas Pipeline System**

1. Notwithstanding anything to the contrary in the other provisions of these regulations (including Schedule A), the provisions of this part shall apply for determination of Unified Tariff in respect of each integrated natural gas pipeline



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system. For such determination provisions of these regulations (including Schedule A) shall apply to the extent they are not contrary to the provisions of this part.

2.1 Determination of provisional initial unit natural gas pipeline tariff shall not apply for the integrated natural gas pipeline systems.

2.2 First Unified Tariff in respect of an integrated natural gas pipeline system shall apply from such prospective date as may be fixed by the Board in the Unified Tariff determination order, after the Board accepts the application of the entity to determine the unified tariff in respect of its entire integrated natural gas pipeline system or after the Board makes such a decision on its own.

2.2 Subsequent Unified Tariff shall be determined by the Board generally after a gap of three complete financial years from the date first Unified Tariff applies.

2.3 The Board may, if it deems necessary, determine the subsequent tariff to apply from an earlier date, if a new natural gas pipeline of the same entity is connected to the integrated natural gas pipeline system or any parameter impacting the determination of Unified Tariff undergoes a significant change.

### **3. Volumes to be considered in determination of the Unified Tariff.**

3.1 Capacity of the integrated natural gas pipeline system to be considered for the purpose of determination of the Unified Tariff shall be the summation of the capacities of constituent natural gas pipelines, as specified under the Petroleum and Natural Gas Regulatory Board (Authorizing Entities for Laying, Building, Operating or Expanding Natural Gas Pipelines) Regulations, 2008; provided that the actual



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quantity of natural gas transported through more than one such pipelines shall be deducted in respect of the second and subsequent pipelines.

3.2 Provided further that the capacity of natural gas pipeline is respect of entity authorized by the Central Government for laying, building, operating or expanding natural gas pipelines before the appointed day shall be as approved by the Board as per the basis specified in the relevant regulations for determining the capacity of natural gas pipeline.

4. For the purpose of apportioning Unified Tariff among tariff zones, there shall be two zones. The first tariff zone shall be of three hundred kilometers from the point of injection and the remaining length of the pipeline shall be the second zone. Such apportionment among the two tariff zones shall be proposed by the entity and approved by the Order of the Board, in such a way that the tariff for the second zone shall not be lower than that of the first zone.

5. The Net Fixed Assets of the constituent natural gas pipelines of the integrated natural gas pipeline system as on the date of determination of the first Unified Tariff shall be considered for determination of the Unified Tariff. The discounted cash flow (DCF) would be computed for a period of 25 years from such date. The net financial impact of the difference between the assumptions made in the past tariff determinations of the constituent pipelines and the actual data till the date of application of first Unified Tariff shall be adjusted in the DCF working of the first Unified Tariff. Any remaining unadjusted amount shall be adjusted in the DCF working of the subsequent Unified Tariff (s).



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6. For determining the Unified Tariff for an integrated natural gas pipeline system, first year of operation will be assumed to be the date of commissioning of the oldest constituent natural gas pipeline for the purpose of the ramp-up under para 6 of Schedule A.”

**Vandana Sharma**

**Secretary**





## **Annexure-2**

### **Suggestions/ Comments/ Views of stakeholders are invited for discussion during the open house meeting on the following:**

1. The proposed amendment in this public notice may be read along with the proposed amendment in NGPL Tariff Regulations webhosted on PNRB website on 29.04.2020. As pipeline capacity is planned to be linked to authorised capacity as amended from time to time, we seek your suggestion on how to calculate capacity of Integrated Natural Gas Pipeline System.
2. Whether integration should be considered only for cost-plus pipelines or Bid out Pipelines can also be included for the purpose of Unified Tariff and suggest proposed methodology for including bid out pipelines and any legal difficulty envisaged therein.
3. Consequent to the change in NGPL Tariff Regulations, what changes may be required in the corresponding related provisions of other NGPL Regulations. Comments are also sought from the stakeholder for the corresponding changes in the other regulations with reasons along with the proposed draft amendment.
4. Whether while determining the Unified Tariff, pipelines of subsidiary companies can be included in the Integrated Natural Gas Pipeline System or not and any legal difficulty envisaged therein.
5. Whether two-Zone tariff concept may also be applied to other pipelines i.e. cost-plus pipelines other than Integrated Natural Gas Pipeline System. Further, whether to include bid out pipelines also without changing total revenue from the pipeline, which are not part of the Integrated Natural Gas Pipeline System, and any legal difficulty expected therein.



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6. Whether PNRB should give unrestricted freedom to the entity to decide zone wise tariff or it should be within certain specified parameters as per regulations.

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