

Reliance
Gas Transportation
Infrastructure Limited

CIN:U60300GJ1999PLC040064

3rd February, 2017

To
The Secretary,
The Petroleum and Natural Gas Regulatory Board,
First Floor, World Trade Center,
Babar Road, New Delhi – 110001

Subject: Comments on Public Consultation Document (Ref
13.01.2017 related to final tariff determination for GSPL's HP Gujarat gas grid

Dear Sir,

1. As you are aware, GSPL's HP grid's provisional tariff determination was initially done in September 2012 which was later on modified in July 2014 to comply with APTEL order on applicability of tariff effective from date of authorization.
2. The modification basically was to change the effective date of applicability of tariff from November 2008 to July 2012 keeping all other parameters unchanged.
3. During this tariff determination, understandably the HP grid capacity was considered as per acceptance letter by PNGRB.
4. PNGRB has declared capacity of HP grid vide letter dated 09/11/2012 for the period up to April 2012 as per the capacity determination regulations.
5. It is observed from the public consultation document that all the data regarding capital expenditure, operating expenditure has been submitted and would be considered up to 2015-16 whereas the volume divisor is found to be based on the declared capacity up to 2011-12.
6. It is already been more than four years since provisional initial tariff was initially worked out by Board resulting in a quite a big open period for adjustment of provisional initial tariff and final initial tariff.
7. As per recent amendment in Tariff Determination regulations, adjustment on account of variation in provisional initial tariff and final initial tariff would be made in DCF and the final tariff will be recovered from customers on prospective basis. Therefore, it would be in the

interest of shippers as well as pipeline entities to consider all the updated and relevant critical parameters like capex, opex and volumes as on last Financial Year for tariff determination uniformly.

8. In the instant case, when PNGRB is planning to finalize the initial unit natural gas pipeline tariff in 2017, it is essential to first get updated value of all the parameters up to FY 2015-16 (or FY 2016-17 as relevant) and only then work out the final tariff. Such tariff determination will ensure that all the necessary adjustments as regards to capital and operating costs and capacity / volume etc. are duly captured without leaving any scope for uncertainty of tariff on account of updation of these parameters. This should be the principle to be applied in all tariff finalization exercise uniformly.
9. Hence, Board is requested to consider all the parameters including the capacity for volume divisor based on the latest data i.e. 2015-16 (or FY 2016-17 as relevant) at the time of finalization of tariff. To enable the same, Board is requested to expeditiously declare the capacity of the GSPL up to the year 2015-16 (or FY 2016-17 as relevant).

It is requested that the comments are considered favorably and in line with regulatory framework during final tariff determination and applied in a uniform manner.

Thanking you,

Yours faithfully,



(E.V.S Rao)
Sr. Vice President