

Subject: Subject: Public Notice dated 2nd August 2019 seeking comments / views on the Proposed Amendment to the PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations

To: "secretary@pngrb.gov.in" <secretary@pngrb.gov.in>

Cc: FSRU <fsru@swanlng.co.in>, Pawan Rastogi <pawan.rastogi@swanlng.co.in>

Date: 29/08/19 01:55 PM

From: Rahul Sharma <Rahul.Sharma@swanlng.co.in>

To,
Secretary,
Petroleum and Natural Gas Regulatory Board
1st Floor, World Trade Centre, Babar Road,
New Delhi – 110001

Subject: Public Notice dated 2nd August 2019 seeking comments / views on the Proposed Amendment to the PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations.

Dear Sir/Madam,

This is with reference to the PNGRB public notice dated 02nd August 2019 proposing a draft amendment to the PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations and seeking comments/views on the proposed draft amendment.

Swan LNG Private Limited, hereby furnishes its views as under –

1. Cost of transportation tariff to North India customers in delivered price of RLNG regasified at Swan LNG's FSRU based Terminal, Jafrabad viz-a-viz PLL, Dahej LNG terminal

Northern Gas market	Cost of Transportation Tariff from Swan, LNG Port, Jafrabad	Cost of Transportation Tariff from PLL, Dahej LNG terminal (Pre-integration)	Cost of Transportation Tariff from PLL, Dahej LNG terminal (Post-integration)
Haryana Region	34.84 (GSPL's HP Zone-2) + 41.80 (GIGL MBPL Zone-3) = Rs 76.64 / MMBTU	Combined Tariff of Integrated HVJ (Z-4) + CJHPL = * Rs 101.38 / MMBTU	Combined Tariff of Integrated HVJ (Z-4) + CJHPL = * Rs 63.06 / MMBTU
Punjab Region	34.84 (GSPL's HP Zone-2) + 41.80 (GIGL MBPL Zone-3) = Rs 76.64 / MMBTU	Combined Tariff of Integrated HVJ (Z-4) + DBNPL = * Rs 121.76 / MMBTU	Combined Tariff of Integrated HVJ (Z-4) + DBNPL = * Rs 63.06 / MMBTU

* shall be subject to further moderation by PNGRB

Swan LNG Port shall have to compete with PLL, Dahej LNG terminal for supply of RLNG in northern market of India.

It may be concluded from above table:

- Pre-integration of GAIL's pipeline network, cost of transportation tariff in price of RLNG re-gasified at Swan LNG Port would have been competitive than that of RLNG re-gasified at PLL, Dahej.
- However, post-integration of GAIL's pipeline network, sale on RLNG from Swan's Port shall not be competitive vis a vis sale of RLNG from PLL, Dahej on account of transportation tariff from Dahej;
- Hence, post-integration of GAIL's pipeline network, Swan's Port shall be required to decrease / provide discount in Regasification charge of FSRU, thereby affecting viability / revenue of Swan's Port.
- Further, majority of the offtakers of RLNG from Swan's Terminal are also the promoters of the GIGL pipeline. Post integration of GAIL's pipeline network, GIGL shall lose tariff competitiveness in Northern market, which may result into lower utilisation of Swan Terminal
- Accordingly, Swan requests PNGRB to disallow integration of GAIL's pipeline network as it shall affect development of new LNG terminal.

2. However, if PNGRB considers integration of GAIL's network, the same should be carried out for all the natural gas pipelines i.e. Integration of both bid out and non-bid out pipeline, to have uniform transportation tariff.

3. Further, new investments in pipeline development shall not be viable as GAIL shall be in an advantageous position to lay spur lines from existing network.

In view of the above, we request you to kindly take cognisance of the same.

Best regards
Rahul Sharma
Swan LNG Pvt Ltd