

TGPL/Comm/2019-20/030

11th October 2019

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

Sub: Comments on draft PNGRB (Guiding Principles for Declaring City or Local Natural Gas Distribution Networks as Common Carrier or Contract Carrier) Regulations, 2019

Ref: 1. Public Notice No: PNGRB/AUTH/7-MIS(3)/2015 dated 22nd August 2019
2. Draft PNGRB (Guiding Principles for Declaring City or Local Natural Gas Distribution Networks as Common Carrier or Contract Carrier) Regulations, 2019.

Dear Madam,

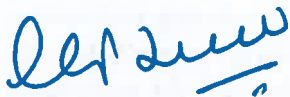
This is with reference to above mentioned Public Notice webhosted by Honourable Board seeking views from stakeholders on the draft PNGRB (Guiding Principles for Declaring City or Local Natural Gas Distribution Networks as Common Carrier or Contract Carrier) Regulations, 2019.

In this regard, the views / comments of Torrent Gas Private Limited (TGPL) are attached as Annexure-1 for the kind considerations of Honourable Board.

We trust Honourable Board finds our views helpful in framing the regulations and would be happy to provide any further clarifications should they be required by Honourable Board.

Thanking you.

For Torrent Gas Private Limited



Utkarsh Bhatt
Vice President (Commercial)



TGPL Views / Comments on "PNGRB (Guiding Principles for Declaring City or Local Natural Gas Distribution Networks as Common Carrier or Contract Carrier) Regulations, 2019.

Sr. No.	Regulation No.	Views / Comments
1	3	Applicability of the proposed Regulations for the Geographical Areas (GAs) authorised under Regulation 18 of (Authorising Entities to Lay, Build, Operate or Expand City or local Natural Gas Distribution Networks) Regulations, 2008 is not clear. Board me clarify the same.
2	5	It is submitted that the PNGRB Act, 2006 does not envisage declaring part of CGD network as common carrier. Hon'ble Board may clarify the rationale for declaring part of CGD network as common carrier as well as criteria's for selecting the part of CGD network for declaring common carrier network
3	8(2)	Regulation contemplate for providing right to the third party to assign or trade the whole or any part of capacity booked by it in the open market. It is submitted that currently Gas market in India is evolving and it would be too early to envisage such provision currently. This may be considered as a long-term goal when the gas market in India matures.
4	9(1)(i) & 9(1)(ii)	Regulation mention about delivery of gas up to Suraksha Hose for Domestic Customers and Metering Point for Industrial and Commercial Customers. However, PNGRB CGD Network Capacity Determination Regulations 2015 provides for determination of CGD Network capacity upto Steel Network/CNG comp/DRS etc. In such case it is not clear how the capacity and Access to MDPE network will determined. Board may consider providing clarifications in this regard.
5	11	Regulation provide for allowing Third Party to set up CGD infrastructure in the areas not covered by the authorised entity after the marketing exclusivity period is over. This provision goes against the infrastructure exclusivity provided to the authorised entity and hence Board may consider removal of the same.
6	12(1)	Regulation provide that upon the expiry of the marketing exclusivity, CNG stations shall not be considered as being covered by the infrastructure exclusivity that may continue to vest with the authorized entity under the provisions of regulation 5 of the PNGRB (Exclusivity for City or Local Natural Gas Distribution Network) Regulations, 2008. We would like to mention here that this sub regulation goes against the principles of bidding that were notified by PNGRB during the 9 th and 10 th bidding rounds. All the bids during both these rounds have been made based on the clear understanding that authorised entities under the 9 th and 10 th bidding round shall have the infrastructure exclusivity

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Sr. No.	Regulation No.	Views / Comments
		<p>for a period of 25 years. By taking out CNG stations from the overall purview of exclusivity before the period of 25 years, these projects would become unviable and will be detrimental for authorized entities which are investing significant amount. With respect to authorisations before such bidding rounds, the Hon'ble PNGRB may decide on the matter suitably.</p> <p>Without prejudice to TGPL's rights, even if Hon'ble PNGRB allows CNG stations not to be considered as part of the infrastructure exclusivity, then it should be made clear that the compression and transportation (including Online, Daughter Booster, Daughter, LCNG type CNG stations) shall be carried out through the facilities of the entity authorised by PNGRB.</p> <p>It may also be noted that APM gas is available only to the entities that are authorised by PNGRB and hence it would not be appropriate to allow any other third party to set up any CNG infrastructure which does not have such allocation from MoPNG.</p>
7	12(4) Proviso	<p>It is also suggested that the comments above (Sr. No.6) shall also apply for the proposed sub regulation 12 (4) with respect to third party seeking to install CNG stations supplied by LNG. The CGD entities bidding in the 9th and 10th round took into consideration the LCNG and/or only LNG facilities being set up within their authorised area. If any third party is allowed to set up infrastructure which relates to dispensing of LNG/LCNG, the same will hamper the viability of the authorized entity.</p>
8	2(1)(n)	<p>Board may correct the typo error i.e. "Regulation 2(1)(n)" to "Regulation 2(1)(zn)" referring to the provisions of PNGRB (Access Code for City or Local Natural Gas Distribution Networks) Regulations, 2011 for "system use gas" (SUG) definition.</p>
9	3	<p>Board may correct the typo error i.e. "200" to "2008" referring to the provisions of PNGRB (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Network) Regulations, 2008.</p>

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