

**Format for submission of views on the Expression of Interest for
Mumbai-Nagpur-Raipur-Angul Natural Gas Pipeline**

Views in respect of the Expression of Interest		Public Notice No: Infra/NGPL/145/MAPL/01/18
1	Name of the entity / person	H-Energy Gas Marketing Private Limited
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4	Identification proof (in case of an individual person)	Not Applicable
5	Views and suggestions related to:	Proposed Mumbai - Nagpur - Raipur - Angul Natural Gas Pipeline
a)	Natural Gas Pipelines proposed by the entity for laying, building, operating or expanding Natural Gas Pipeline.	Comments attached as Annexure I
b)	Other aspects of the proposal	
c)	Any other issue	

(*) To be separately submitted for each pipeline.

Date: 23rd November, 2018

Place: Mumbai

**Hiren Mehta
General Manager - Marketing**



Name and Signature of Entity/ Individual
Person
Official Seal (in case of
Entity)

Annexure I

Background

As per the application, the proposed Natural Gas Pipeline from Mumbai to Angul via Nagpur (hereinafter referred as MAPL) will connect with GAIL's Dahej -Uran Natural Gas pipeline (DUPL) at Mhaskal in Thane District and at another end, the pipeline is proposed to be connected with upcoming Jagdishpur-Haldia-Bokaro-Dhamra Natural Gas Pipeline (JHBDPL) at Angul. The potential Gas source on the eastern coast will be KG Basin through East West Pipeline or the proposed SrikakulamAngul pipeline which will connect to under construction Kakinada Srikakulam pipeline, Dhamra LNG Terminal through JHBDPL while on the western coast, PLL Dahej through DUPL.

View/Comments

- The proposed MAPL will connect gas pipeline network in the country from East to West which is likely to be around 1400 km long. Further, it is very certain that there will be additions of spurlines to the proposed pipeline in the future to connect central parts of urban and rural areas in the country and hence it will be essential to supply a required amount of gas volume without interruptions. Therefore, it is imperative for such a long pipeline to directly connect with gas source so that there will not be any constraints of gas supply in the pipeline. It may be noted here that this pipeline is currently proposed in such a way that it will not connect to any of the gas source directly but will connect to other natural gas pipeline which will connect this pipeline indirectly with the gas sources.
- MAPL pipeline will connect to DUPL pipeline on west side. It merits mention that there is a constraint of capacity availability in DUPL which will become a limiting factor to supply gas in the proposed pipeline as
 - DUPL is already connected with PLL Dahej LNG Terminal, Dahej and Konkan LNG Terminal, Dabhol at both the ends. Jaigarh LNG Terminal via Jaigarh Dabhol Tie-in Connectivity is under construction which will also connect to DUPL at Dabhol and the same will be operational by Q2 2019
 - According to the latest PPAC's report, as of April 2018, the average flow for 2017-18 was 13.94 mmscmd having percentage capacity utilization of 70%. Further, DUPL connectivity with Jaigarh LNG Terminal having capacity of 4 MMTPA (equivalent to ~15 mmscmd) will further increase the capacity utilization of DUPL pipeline.
 - It is observed that the total common carrier capacity in DUPL is 4.98 mmscmd out of which only 1.470 mmscmd is available as of November 2018 while the same was 0.484 mmscmd in October 2018 and 0 (zero) in August 2018 so in general the availability of common carrier capacity in DUPL oscillates between 0 (zero) to ~1.5 mmscmd.

Hence, based on the above, it is inferred that DUPL will neither be able to inject more gas into MAPL nor take gas out from MAPL.



Proposal

Based on above, we put forward that the proposed MAPL pipeline must be extended upto Dabhol LNG terminal (about 240 kms) in Maharashtra to connect it directly with the source of gas. This shall ensure connectivity to both the LNG Terminals located in Maharashtra viz. Dabhol LNG Terminal at Dabhol, and Jaigarh LNG Terminal at Jaigarh which can be facilitated by H-Energy at its Jaigarh-Dabhol Terminal station at Dabhol.

Benefits of the Proposal

There are noteworthy benefits of connecting MAPL directly to Jaigarh LNG Terminal as mentioned below,

- End consumers on MAPL will not be required to pay tariff of DUPL. This will result into less cost of natural gas delivered to customers by **~Rs.37/mmbtu** (levelized tariff).
- The pipeline tariff proposed by GAIL for JHBDPL is **~Rs.150/mmbtu** which will make it more expensive and commercially unfavorable solution for customers on the proposed pipeline to source RLNG from LNG terminal in East coast. Hence, the proposed direct connectivity with the terminals in Maharashtra will be highly beneficial to the end customers.
- Access of gas to additional urban and rural areas enroute from Mumbai to Dabhol as extended pipeline can be laid through a different route than that of the DUPL.
- It will secure interest of customers as well as gas transportation companies by facilitating them to access to other source of RLNG directly.
- There will be additional pipeline capacity available to evacuate gas from terminals in Maharashtra.
- In VAT regime, customers in Maharashtra on the proposed pipeline will be saved from paying additional Gujarat VAT of 15%.

