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Email

secretary@pngrb.gov.in

**Fwd: Public Consultation Document: Amendment of the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008**

**From :** Secretary <secretary@pngrb.gov.in>

Mon, Nov 02, 2020 02:45 PM

**Subject :** Fwd: Public Consultation Document: Amendment of the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008

1 attachment

**To :** Pankaj Bhutani <bhutani.p@pngrb.gov.in>

JA(i) - on leave

cmel/  
AA(c-I)

**From:** tech@faidelhi.org

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

**Cc:** "Ankur Jain" <ankur@pngrb.gov.in>, tech@faidelhi.org

**Sent:** Monday, November 2, 2020 11:01:13 AM

**Subject:** RE: Public Consultation Document: Amendment of the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008

Dear Madam,

As desired, please find attached the yearly gas supply data for fertilizer plants.

Kind regards,

Dr S. Nand  
Deputy Director General  
The Fertiliser Association of India  
FAI House, 10 Shaheed Jit Singh Marg,  
New Delhi-110 067  
Phone: +91-11-26567144 (5 Hunting lines)  
FAX +91-11-26960052, 46005213  
e-mail: [tech@faidelhi.org](mailto:tech@faidelhi.org)  
Website: [www.faidelhi.org](http://www.faidelhi.org)  
CIN U85300DL 1955NPL002999

**From:** FAI-TECHNICAL [mailto:tech@faidelhi.org]

**Sent:** 29 October 2020 13:21

**To:** 'Secretary-PNGRB' <secretary@pngrb.gov.in>

**Cc:** 'Ankur Jain' <ankur@pngrb.gov.in>; 'tech@faidelhi.org' <tech@faidelhi.org>

**Subject:** Public Consultation Document: Amendment of the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008

Dear Madam,

This is further to our letter no T/35.3 dated 27.10.2020. Supplementary information on gas supply to fertilizer plants is enclosed. Gas requirement of fertilizer plants has gone up during the year due to switch of feedstock from naphtha to natural gas by Madras Fertilizers Limited in July 2019.

Kind regards,

Dr S. Nand  
Deputy Director General  
The Fertiliser Association of India  
FAI House, 10 Shaheed Jit Singh Marg,  
New Delhi-110 067  
Phone: +91-11-26567144 (5 Hunting lines)  
FAX +91-11-26960052, 46005213  
e-mail: [tech@faidelhi.org](mailto:tech@faidelhi.org)  
Website: [www.faidelhi.org](http://www.faidelhi.org)  
CIN U85300DL 1955NPL002999

**Impact of Traiff Increase -Additional Information\_02112020.pdf**

144 KB

Annexure

Tenatative Impact of Proposed Unified Tariff Regime on Fertilizer Plants

Note: The tariff for Zone 2 taken as Rs. 56.84 per MMBTU

S. No	Plant	Supply	Supply Pipeline (s)	Existing Zone/Supply		Existing Tariff (Rs./MMBTU)	Yearly Volume		Proposed Unified Zone	Impact of increase in tariff per annum (INR Rs. Crore)
				Zone	Supply		MMSCM	MMBTU (GCV)		
1	NFL, Vijapur	Long Term RLING (Dahej, Gujarat)	integrated HVJ (GAIL)	Unified Zone 2		45.38	1399.69	51006398	zone 2	75 Note: Annual impact has been considered after taking impact of GST of 12% & CST 15% on incremental value.
2	CFCL, Gadsapur	Domestic Gas and Imported RLING	Integrated HVJ	Zone 3		45.38	2226.5	82119019.84	Zone 2	98.4 FAI Estimate
3	IFFCO, Aonia	APM Gas, Non APM Gas, RLING, EPMC	GAIL - Integrated HVJ	Zone 4		49.64	1515	57380173	Zone 2	41.3
4	IFFCO, Phulpur	RLNG, EPMC	GAIL - Integrated HVJ	Zone 4		49.64	1318	48753050	Zone 2	35.1
5	IFFCO, Kalol	Non APM Gas, RLING, EPMC	GAIL - Integrated HVJ Zone 1 + GSPL High Pressure-Zone 2	Zone 2		54.67	402	16800863	Zone 2	3.6
6	KFL-Shahjahanpur	NG/RLNG (GAIL/BPCL/GSPCL/IOCL)	Integrated HVJ	Zone 4		49.64	680.691	26687400	Zone 2	25.5
7	YFI-Babrala	APM/NAPM/RLNG (GAIL & IOCL)	Integrated HVJ	Zone 4		49.64	792	29511429 (@ 9390 KCal/sm3)	Zone 2	24.0
8	IGFL-Jagdishpur	NG/RLNG	Integrated HVJ	Zone 4		49.64	719.542	26250663 (@9194 Kcal/SMS3)	Zone 2	24.2
9	SFC-Kota	NAPM, LT-RLNG, E-Bid Pooled	Integrated HVJ	Zone 3		45.38	220.10 MMSCM for 355 days @2000 KCAL / SCM (NCV)	7837900	56.84	10.0 rates for transportation mentioned in the table are basic rate only, however since GST credit is not available, the incidence has been worked out accordingly.
10	KFCL, Kanpur	GAIL	HVJ	Zone 4		49.64	415.31	15149000	Zone 2	12.2
11	NFL, Nangal	Long Term RLING (Dahej, Gujarat)	Integrated HVJ (GAIL) + DBNPL (GAIL)	GAIL: zone 4 - 49.64 Rs./MMBTU + GAIL zone 2 - 14.06 Rs./MMBTU		49.64 + 14.06	308.90	11413386	Zone 2	-9 Note: Annual impact has been considered after taking impact of GST of 12% & VAT 3.3% on incremental value.
12	NFL, Bathinda	Long Term RLING (Dahej, Gujarat)	Integrated HVJ (GAIL) + DBNPL (GAIL)	GAIL: zone 4 - 49.64 Rs./MMBTU + GAIL zone 2 - 14.06 Rs./MMBTU		49.64+14.06	316.22	11689976	Zone 2	-9 Note: Annual impact has been considered after taking impact of GST of 12% & VAT 3.3% on incremental value.
13	NFL, Panipat	Long Term RLING (Dahej, Gujarat)	Integrated HVJ (GAIL) + DPPL (IOCL)	GAIL: zone 4 - 49.64 Rs./MMBTU + IOCL zone 1 - 15.45 Rs./MMBTU		49.64+16.46	309.55	11428852	Zone 2	-14 Note: Annual impact has been considered after taking impact of GST of 12% & CST 14.5% on incremental value.
14	NFCL, Katineda	RIL KGD& GSPC DDW RLING	Zone 1, EWPL Zone 5, EWPL Zone 2, DUPL-DPPL			65.5	502.14	18520208.68		Estimate not available Information not available

S. No	Plant	Supply	Supply Pipeline (s)	Existing Zone/Supply	Existing Tariff (Rs./MMBTU)	Yearly Volume	Proposed Unified Zone	Impact of increase in tariff per annum (INR Rs. Crore)	
17	GSFC, Vadodara *	GAIL HP APM GAIL LP APM GAIL WoS GAIL LTRUNG	HVJ South Gujarat Network HVJ HVJ	Zone 1	19.83 27.59 19.83 19.83	1922268 459048 4214376 3897084	Zone 1	7.1 1.3 15.6 14.4	
18	RCF, Trombay		DUPL-DPPL DUPL-DPPL	Zone 1 (if supply from Dabhol) Zone II (if supply is from Daheji)	29.55 39.85	111.7237495	Zone 1 Zone II	Impact will depend upon Zone 1 Tariff 7.5	
19	RCF, Thal	GAIL	DUPL-DPPL	Zone 2	39.85	799.0543783	Zone 2	53.2	
20	ZACL, Goa	Data not available	DUPL	-	-	423.4	-	-	
Total								FAI Estimate	417.0

\*Remark: 1. \*\*For calculating the impact of Tariff : 56.84 INR/MMBTU is Considered (Zone 2). However post declaration of tariff for zone 1 the amount of annual impact shall change accordingly  
2. For calculation of Annual Quantity (Urea); Average for the period of May'20 to Sept'20 is considered

T/35.3  
27<sup>th</sup> October, 2020

Ms. Vandana Sharma  
Secretary  
Petroleum & Natural Gas Regulatory Board  
1<sup>st</sup> Floor, World Trade Centre,  
Babar Road,  
New Delhi – 110001

Dear Madam,

**Subject : Public Consultation Document: Amendment of the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008 (NGPL Tariff Regulations)**

We are indeed thankful to the Board for giving us opportunity for hearing in Open House on 23.10.2020. As desired, we are enclosing plant wise estimated impact of proposed tariff regime to the extent information available (Annexure). It can be seen that impact would be in excess of Rs. 400 crore per annum. The impact has been calculated by individual units taking tariff of Rs. 56.84/million BTU for Zone-2 in unified tariff regime.

2. We may make following additional points:

- (i) Under urea pricing policy the prices of entire quantity of gas including transportation and taxes supplied to all urea units are pooled and pooled price is calculated on monthly basis by pool operator. A unit either pays to the pool or get reimbursed from the pool depending whether its average gas cost is higher or lower than pooled price, respectively. Thus, every urea units get the gas at same delivered cost which is taken into account for calculation of cost of production for reimbursement under pricing and subsidy policy. Therefore, any increase in cost of gas will affect all urea units irrespective of location.
- (ii) Part of urea production is treated under a different formula where cost of production is reimbursed subject to import parity price. Any increase in gas cost may render this part of production uncompetitive vis-à-vis imports. India imported 9.1 million tonnes of urea in 2019-20 to meet total requirement of 33.7 million tonnes. This year import is likely to be much higher due to higher demand in turn due to good monsoon rains and higher crop area coverage. Therefore, any loss in urea production will increase the import further and make the country vulnerable to vagaries of international market for this essential commodity.
- (iii) As made out by other stakeholders, we are also not in favour of fortnightly change in pipeline tariff.

3. Thank you once again and we hope that the Board will give due consideration to our points, our sector being the largest consumer of gas.

Thanking you,

Yours faithfully,



(Satish Chander)

Encl.: As above