

TGPL/Comm/2020-21/009

June 01, 2020

To,  
The Secretary,  
Petroleum and Natural Gas Regulatory Board (“**PNGRB/ Board**”),  
1<sup>st</sup> Floor, World Trade Centre,  
Babar Road, New Delhi – 110001

**Sub.:** Comments on Draft PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations, 2008

**Ref.:** 1) PNGRB/COM/2-NGPL/Tariff (3)/2019 Vol-II dated 29.04.2020  
2) Draft PNGRB (Determination of Natural Gas Pipeline Tariff) Amendment Regulations, 2020.

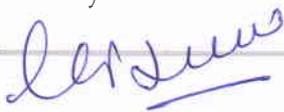
Dear Madam,

This is with reference to above mentioned Public Notice web-hosted by Honourable Board seeking views from stakeholders on the proposed in amendment in NGPL Tariff Regulations.

In this regard, we would like to submit the views of Torrent Gas Private Limited (TGPL) as under for the kind consideration of Hon’ble Board.

1. Regulation 2 (d) of Amendments Regulations propose lower pipeline utilisation levels spread over 10 years (i.e. 30/35/40/45/50/60/70/80/90/100 %) against existing utilisation levels spread over 5 years (i.e. 60/70/80/90/100 %) for computation of volume divisor for natural gas pipeline tariff computation.

We would like to humbly submit that the proposed lower natural gas pipeline utilisation levels coupled with longer spread over 10 years will lead to exorbitant rise in the natural gas pipeline tariff levels. This will be detrimental to the interests of shippers like CGD, Power, Fertilizer, Petrochemicals and Steel Industries. It is suggested to also look into the interests of the consumers long with the interests of the pipeline companies. Particularly CGD entities use multiple pipeline capacities for bringing gas to their Geographical Areas and such exorbitant pipeline tariff resulting from this amendment will affect the project viability.



**TORRENT GAS PRIVATE LIMITED**

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We would also like to submit that with the increase in the pipeline network being put by the CGD entities, the utilisation of the main trunk lines will definitely increase than the current levels. Hence, we request the Hon'ble Board to take a balanced view on this provision and may consider retaining existing provision with the utilisation levels within 5 years.

2. Regulation 2 (d) of Amendments Regulations proposes decreasing number of working days to 350 days from current 355 days for natural gas pipeline tariff working. This will lead to increase natural gas pipeline tariff affecting the shippers as elaborated above. The Hon'ble Board may kindly consider retaining 355 days as working days.
3. Regulation 2 (i) of Amendments Regulations proposes annual increase in levelized tariff. The Hon'ble Board may kindly consider deleting subject stipulation as this will lead to a substantial increase in the tariff. We submit that the current process of setting tariff every 5 years factors the inflationary impact on costs of pipeline companies and hence an annual increase on top of the inflationary increase granted every year will lead to a substantial increase in the tariff.
4. We also submit that the Hon'ble Board may kindly direct the NGPL Operators to implement the Model GTA. In the current context, NGPL operators have an upper-hand in most cases since there is only 1 NGPL Operator in most parts of the country and are therefore able to include many one-sided clauses in the GTA. It is therefore essential that a balanced Model GTA as issued by the Hon'ble Board, is adopted which takes care of the interests of both NGPL Operators and Customers.

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

Thanking you.

**For Torrent Gas Private Limited**

A handwritten signature in blue ink, appearing to read "Utkarsh Bhatt", with a horizontal line underneath.

Utkarsh Bhatt

Vice President (Commercial)