



गेल (इंडिया) लिमिटेड

(भारत सरकार का उपक्रम - महारत्न कंपनी)

GAIL (India) Limited

(A Government of India Undertaking - A Maharatna Company)

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GAIL/RA/PNGRB/NGPL Tariff Amendment /2019/384720/2463

26.08.2019

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

Subject: Proposed Amendment to the PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations

Respected Madam,

This has reference to the PNGRB Public Notice dated 02.08.2019 proposing a draft amendment to the PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations and soliciting views on the proposed draft amendment.

In this regard, the views of GAIL are enclosed as **Annexure A** for consideration please.

Thanking You,

Yours sincerely,

S. Kumar

(Kumar Shanker)

Chief General Manager (Mktg.-RA)

E-mail: kumarshanker@gail.co.in

Encl: As above

ANNEXURE-A

GAIL's Views: Proposed Amendment Regulations for Determination of transportation tariff on a combined basis for two or more inter-connected Natural Gas Pipelines

1. It is seen that PNGRB has proposed certain enabling regulatory provisions for determination of transportation tariff on a combined basis for two or more inter-connected Natural Gas Pipelines.
2. In our submission, framing of such enabling regulatory provisions is a welcome step because, under these enabling provisions, individual cases may be processed on a case to case basis in a transparent manner by PNGRB, based on the merits of each case.
3. In the current methodology of determination of transportation tariff, certain cases lead to additive pipeline tariffs, which are becoming very high and unaffordable to customers in new and far-off areas, and therefore, it has become important for framing necessary enabling regulatory provisions in this regard.
4. Recently, many CGDs, covering dispersed geographical area (GA)s, have been awarded by PNGRB in the 9th and 10th CGD Bidding rounds. Many of these GAs are located in the hinterland, attracting cascaded tariffs. A rationalized tariff structure would not only benefit these GAs, but also benefit their customers.
5. Major pipeline infrastructure is being developed to connect the eastern and north-eastern parts of the country with the existing gas pipeline infrastructure under the "*Pradhan Mantri Urja Ganga Project*". A rationalized tariff structure shall help to develop the gas market in these regions.
6. In our submission, the proposed enabling provisions is a welcome first step, and going forward, when the time is considered to be ripe by PNGRB, further necessary amendments may also be desired by the Board with an objective to take the sector to a more mature tariff system.
