पेट्रोलियम एवं प्राकृतिक गैस विनियामक बोर्ड
Petroleum and Natural Gas Regulatory Board
ई-400, चतुर्थ तल, टॉवर ई, वर्ल्ड ट्रेड सेंटर, नौरोजी नगर, नई दिल्ली - 110029
E-400, Fourth Floor, Tower E, World Trade Centre, Nauroji Nagar, New Delhi – 110029

PNGRB/Com/13-Reg(1)/2023 (E-4676) **10.11.2026**

Public Notice

Petroleum and Natural Gas Regulatory Board, vide Public Notice dated 08.10.2026, sought views/comments from all stakeholders for seeking views/comments on the Draft PNGRB NGPL Tariff Amendment Regulations 2026.

2. PNGRB has received comments from 14 entities. The comments are attached as **Annexure-A**

3. In view of the above, PNGRB is conducting the "Open House" to discuss the comments of all the stakeholders on **17.11.2026 at 1500 Hrs** at PNGRB's office in Hybrid Mode. The participants who intend to attend the meeting in virtual mode may request the meeting link separately at comm-div@pngrb.gov.in with a copy to secretary@pngrb.gov.in.

All concerned stakeholders are invited to attend the subject Open House.

Secretary

Annexure-A

adani
Gas

24th Oct 2026

To
The Secretary,
Petroleum & Natural Gas Regulatory Board,
Tower E, Fourth Floor (E-400),
NBCC World Trade Centre, Nauroji Nagar,
New Delhi – 110029

Subject: Comments on Draft PNGRB NGPL Tariff Amendment Regulations, 2026

Dear Sir,

Adani Total Gas Limited (ATGL) ATGL supports the broader objective of an integrated national gas market and the benefits arising from access to multiple gas sources and interconnections and respectfully submits the following comments.

1. Tariff integration should be aligned with physical integration of the National Gas Grid

The proposal represents an important change in the underlying architecture of Unified Tariff. It seeks to move towards a **Nation Level Tariff** framework which is a slight deviation from first achieving a physically seamless **"One Nation, One Gas Grid."** ATGL recognises that physical integration involves technical considerations, including operating pressures, flow gradients and compatibility between pipeline systems. Economic integration should therefore not be treated as a substitute for physical integration.

2. Wider economic pooling requires assessment of costs and benefits

ATGL appreciates that inclusion of additional pipeline systems and volumes within Unified Tariff can enlarge the economic pool participating in the Unified Tariff and settlement mechanism. However, consumers located on a physically isolated pipeline may then participate in the economics of infrastructure from which they do not presently receive corresponding connectivity, transportation access, supply diversification or access to alternate sources. Accordingly, the Hon'ble Board may undertake pipeline-wise and consumer-category-wise impact assessment covering, inter alia, the following which would bring greater transparency and predictability to the proposed transition.

- impact on Unified Tariff and individual consumer tariffs;
- benefits available to consumers of the concerned pipeline;
- resultant surplus / deficit position and its treatment under settlement mechanism; and
- extent of cross-subsidisation, if any, between physically disconnected pipeline systems.

Further, it is suggested that the benefit of swapping should be extended for non-allocated gases too (in non-connected pipelines).

Adani Total Gas Limited
(Formerly Known as Adani Gas Ltd.)
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Ashram Road, Usmanpura,
Ahmedabad-380014 , Gujarat, India
CIN: U40100GJ2005PLC046553

Tel +91 79 2754 1988
Fax +91 79 2754 2988
info@adani.com
www.adanigas.com

Registered Office: "Adani Corporate House", Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad - 382421

adani
Gas

3. Partial commissioning should not create unintended incentives

Schedule C1 proposes that pipelines yet to be commissioned would become part of NGGS from the date of commissioning, **"fully or partly."** ATGL respectfully submits that this provision requires reconsideration. Where an authorised pipeline or its interconnections remain incomplete, allowing partial commissioning alone to trigger entry into the wider Unified Tariff and settlement framework could unintentionally weaken the economic incentive for timely completion of the balance pipeline and interconnections. Eligibility for inclusion should ordinarily be linked to **substantial completion of the authorised pipeline together with operationalisation of the relevant interconnections**, with any exception being specifically considered by the Board based on demonstrated consumer or system benefit.

The abovementioned approach would further the objective of a unified national gas market while protecting consumers, maintaining investment certainty and continuing to incentivise timely creation of a truly interconnected National Gas Grid.

Thanking you.

Yours sincerely,

For Adani Total Gas Limited

K.D.Rawal

(Authorized Signatory)

Adani Total Gas Limited

Adani Total Gas Limited
(Formerly Known as Adani Gas Ltd.)
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Association of CGD Entities

Ref. No.ACE/DDG/PNGRB/23(10)/2026
23rd October, 2026

The Secretary
Petroleum and Natural Gas Regulatory Board (PNGRB)
4th Floor, Tower E, World Trade Centre
Nauroji Nagar, New Delhi – 110029

Sub: ACE's comments/suggestions on Draft PNGRB (Determination of Natural Gas Pipeline Tariff) Amendment Regulations, 2026

Dear Sir,

The Association of CGD Entities (ACE) appreciates PNGRB's continued efforts to promote an integrated, efficient and affordable natural gas market through the Unified Tariff framework. ACE supports the objective of "One Nation, One Gas Grid" and humbly submits that tariff integration should be aligned with actual network integration, demonstrable system-wide benefits and the interests of downstream consumers. Our comments are as under:

1. **Inclusion of non-interconnected pipelines in "national gas grid system" for the purpose of applicability of Unified tariff**

   The proposed amendment would bring specified pipelines that are not interconnected with the existing National Gas Grid System (NGGS), or with one another, within the Unified Tariff framework. ACE submits that inclusion of a physically isolated/unconnected pipeline, without a common transportation pathway or meaningful operational benefit, may extend the cost-sharing consequences of tariff unification without delivering the connectivity, supply flexibility or market access that justify such pooling.

   It may be noted that Unified Tariff was intended to address cascading transportation tariffs and improve access to gas for consumers located away from supply sources. Where a pipeline remains physically disconnected, tariff treatment alone cannot provide alternate supply routes, enable seamless gas flows or resolve local constraints in gas availability and logistics. There is therefore a risk that CGD entities serving unconnected geographical areas—and ultimately price-sensitive CNG and PNG consumers—could bear additional pooled costs without commensurate benefits.

   ACE accordingly requests that Schedule C1 not be adopted in its present form. Any future inclusion of such pipelines should be considered only against transparent, objective criteria, supported by a pipeline-wise assessment of tariff impact, operational feasibility and demonstrable benefits to the wider NGGS, following meaningful stakeholder consultation.

2. **Partial commissioning and eligibility**

   The note to the proposed Schedule C1 provides for pipelines yet to be commissioned to enter the NGGS from the date of full or partial commissioning. ACE requests that partial commissioning of a section, by itself, may not be treated as completion of the authorised pipeline or as sufficient grounds for extending the full benefits and obligations of Unified Tariff treatment.

Contd...2/-

Eligibility should ordinarily be linked to completion of the relevant authorised facilities and the operational interconnections required to deliver the intended network benefit. Where a limited exception is considered necessary, it should be evidence-based, transparently recorded, subject to safeguards and linked to time-bound completion milestones. This would preserve incentives for timely completion and avoid transferring the consequences of delayed connectivity to CGD entities and consumers.

3. Transparency in pipeline connectivity and status

For informed planning by CGD entities and other shippers, PNGRB may consider requiring pipeline entities to regularly publish and update on their respective websites the status of authorised pipelines, including the authorised route and length, commissioned and pending sections, spur lines, existing and proposed interconnection points, and expected timelines for completion and commissioning. Availability of georeferenced route maps (such as KMZ files), subject to appropriate security safeguards, would enhance transparency, facilitate verification of connectivity status, and enable CGD entities to plan their gas sourcing and transportation arrangements more effectively.

4. Recovery of common Industry Committee expenses

ACE agrees in principle to recovery of genuine and necessary common expenses incurred for the Industry Committee's work, subject to robust safeguards. Such expenses should be actually incurred, reasonable, supported by records, transparently approved and independently audited. Entity-wise disclosure and appropriate controls for related-party engagements should be ensured. The proposed annual ceiling of INR 1 crore should be regarded as a cap and not as an automatic entitlement. PNGRB should retain the authority to examine prudence and disallow costs that are excessive, inadequately supported or unrelated to approved activities.

5. ACE's request

In view of the above, ACE requests the Board to:

a) Reconsider and defer the proposed inclusion of non-interconnected pipelines under Schedule C1 in its present form;
b) Undertake a pipeline-wise assessment of tariff, operational and consumer impact, with stakeholder consultation, before any such inclusion;
c) Link Unified Tariff eligibility to demonstrable physical interconnection and operational capability, and clearly distinguish partial commissioning from completion & commissioning of the authorized pipeline
d) Provide for transparent connectivity/commissioning disclosures and prudent, auditable recovery of common expenses.

ACE and its Members remain committed to constructive engagement with PNGRB in furtherance of an integrated gas market that combines regulatory certainty and efficient infrastructure development with equitable treatment of CGD entities and affordability for end consumers. We shall be pleased to provide any further information or clarification that the Board may require.

Yours sincerely,

(GSP Singh)
Dy. Director General

hod.comm < hod.comm@pngrb.gov.in >

Fwd: FW: PNGRB Public Notice dtd.8.10.2026-Public Notice for seeking views/comments on Draft PNGRB NGPL Tariff Amendment Regulations 2026

Secretary PNGRB < secretary@pngrb.gov.in >

Tue, 27 Oct 2026 3:55:18 PM +0530

To "HOD Commercial"<hod.comm@pngrb.gov.in>

========== Forwarded message ==========
From: Parmar Deepak R (परमार दीपक आर) <parmardr@bharatpetroleum.in>
To: "Secretary PNGRB"<secretary@pngrb.gov.in>
Cc: "Patney Maneesh (पटनी मनीष)"<patneym@bharatpetroleum.in>, "Patil Hemant (पाटील हेमंत)" <hemantpatil@bharatpetroleum.in>, "z_gas_pngrb(Z_GAS_PNGRB)" <z_gas_pngrb@bharatpetroleum.in>, "Parmar Deepak R (परमार दीपक आर)" <parmardr@bharatpetroleum.in>
Date: Tue, 27 Oct 2026 15:40:01 +0530
Subject: FW: PNGRB Public Notice dtd.8.10.2026-Public Notice for seeking views/comments on Draft PNGRB NGPL Tariff Amendment Regulations 2026
========== Forwarded message ==========

Dear Sirs,

Kindly find the BPCL inputs comments on the subject in the trailing mail as follows ;

With warm Regards

Deepak Parmar

From: Patney Maneesh (पटनी मनीष) <patneym@bharatpetroleum.in>
Sent: 23 October 2026 14:59
To: Parmar Deepak R (परमार दीपक आर) <parmardr@bharatpetroleum.in>
Cc: Rakesh Kumar Sinha (राकेश कुमार सिन्हा) <rakeshk4196@bharatpetroleum.in>; Paranjay Joshi (परंजय जोशी) <paranjayjoshi@bharatpetroleum.in>; Khan Rouf Mohd (खान रौफ मोहम्मद) <khanrouf@bharatpetroleum.in>
Subject: RE: PNGRB Public Notice dtd.8.10.2026-Public Notice for seeking views/comments on Draft PNGRB NGPL Tariff Amendment Regulations 2026

A. **Comments on the proposed amendments for inclusion of all natural gas pipelines in the Unified Tariff framework, are as under:**

a. **Clause 2(1)(ec)**

A. Proposed Amendments for Inclusion of all natural gas pipelines in the Unified Tariff framework:

Regulation	Existing Regulation	Proposed Regulation
2(1)(ec)	"national gas grid system" means network of all such natural gas pipelines within India which are fully interconnected with each other (including those which are partly commissioned and so interconnected) and as enlisted in Schedule C to these regulations and the Board may, by order, amend the said Schedule C from time to time;	"national gas grid system" for the purpose of applicability of Unified tariff means network of all such natural gas pipelines within India which are either— **(i)** fully interconnected with each other (including those which are partly commissioned and so interconnected) and as enlisted in Schedule C to these regulations; or **(ii)** not interconnected with the pipelines referred to in clause (i) above, and/ or with each other, but are specifically enlisted in Schedule C1 to these regulations (including those which are partly commissioned and so enlisted). The Board may, by order, amend the said Schedule C or Schedule C1 from time to time;

Comments: The above clause 2(1)(ec) is proposing inclusion of the pipelines enlisted in Schedule C1 in the "national gas grid system" for the purpose of applicability of Unified Tariff, even though they are not inter-connected with the Schedule C pipelines (i.e. NG pipelines part of national gas grid system) for example Kochi-Koottanad-Bangalore-Mangalore pipeline (KKBMPL). Consequently, tariff for using such pipelines (viz. KKBMPL for supplying NG from PLL Kochi to Kochi Refinery) will increase.

It is to be noted that the pipelines fully connected to national gas grid give flexibility to the Shippers for supplying to various customers across the nation which the non-interconnected pipelines do not give and there are resultant risks of incurring penalties due to the same. Due to this decreased flexibility and increased risk, non-interconnected pipelines should not be included in the "national gas grid system" for the purpose of applicability of Unified Tariff.

b. **Clause 2(1)(l)**

There is an insertion in Clause 2(1)(l) (yellow highlighted) as shown below in the proposed regulation:

"unified contractual path" means the route on the national gas grid system between the unified entry point and the unified exit point for the shipper(s); Provided that the Unified Contractual Path is to be confirmed by the shipper(s) at the time of capacity booking(s) and agreed by the transporter(s). Provided further that in case there are multiple shippers involved in transportation of gas on the Unified Contractual Path, details of all such shippers shall also be confirmed at the time of capacity booking and accepted by the transporter(s); Notwithstanding anything contained in these regulations, in case on a unified contractual path, the network of any pipeline is used more than once for transporting gas through NGGS, then for such cases, separate unified contractual path will need to be confirmed by the shipper for each usage of the same network. Accordingly, capacity booking shall be done, and applicable unified zonal tariff shall be applied for each case. Provided that only for government allocated natural gas being supplied through swapping mechanism, the unified contractual path may consist of pipelines that are not interconnected.

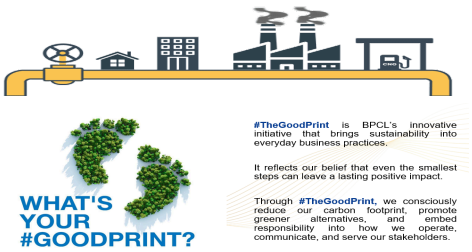
We seek clarification on the mentioned "swapping mechanism" for clear understanding of the proposed framework.

B. **Comments on the proposed amendments for inclusion of common expenses to Respective Entity's revenue Entitlement:**

We are ok with the proposed amendments as long as it does not lead to upward revision in UFT.

सादर | Regards,

मनीष पटनी | MANEESH PATNEY
महाप्रबंधक बल्क लॉजिस्टिक्स (गैस) एच क्यू | GM Bulk Logistics (Gas) HQ



From: Parmar Deepak R (परमार दीपक आर) <parmardr@bharatpetroleum.in>
Sent: 09 October 2026 11:56
To: Patney Maneesh (पटनी मनीष) <patneym@bharatpetroleum.in>; Paranjay Joshi (परंजय जोशी) <paranjayjoshi@bharatpetroleum.in>; Singh Ajit Kumar (सिंह अजीत कुमार) <singhaji@bharatpetroleum.in>
Cc: Rahul Tandon (राहुल टंडन) <rahult@bharatpetroleum.in>; Khan Rouf Mohd (खान रौफ मोहम्मद) <khanrouf@bharatpetroleum.in>; Rakesh Kumar Sinha (राकेश कुमार सिन्हा) <rakeshk4196@bharatpetroleum.in>; Bimalendu Mandal (बिमलेंदु मंडल)

<mondalbim@bharatpetroleum.in>; Gangwar Praveen (गंगवार प्रवीण) <gangwarp@bharatpetroleum.in>;

Chetan Kumar Mishra (चेतन कुमार मिश्रा) <chetankumarmish@bharatpetroleum.in>;

z_gas_pngrb(Z_GAS_PNGRB) <z_gas_pngrb@bharatpetroleum.in>; Parmar Deepak R (परमार दीपक आर) <parmardr@bharatpetroleum.in>

Subject: PNGRB Public Notice dtd.8.10.2026-Public Notice for seeking views/comments on Draft PNGRB NGPL Tariff Amendment Regulations 2026

Dear Sirs,

PNGRB Public Notice dtd.8.10.2026 on seeking views/comments on Draft PNGRB NGPL Tariff Amendment Regulations 2026, enclosed for kind information pls

With warm Regards

Deepak Parmar

**********अस्वीकृति/ Disclaimer**********

Bharat Petroleum Corporation Limited

यह संदेश भारत पेट्रोलियम कॉर्पोरेशन लिमिटेड (बीपीसीएल) - भारतवर्ष की मेलिंग संदेश प्रणाली से भेजा गया है। संदेश में जो विचार व्यक्त किये गये हैं वे प्रेषक के अपने हैं, जब तक कि इन्हे बीपीसीएल द्वारा स्पष्ट रूप से अधिकृत न किया गया हो। इस संदेश एवं किसी भी अनुलग्नक में दी गई जानकारी, प्राप्तकर्ता(ओं) के अनन्य उपयोग के लिए है और इसमें मालिकाना, गोपनीय या विशेषाधिकार की जानकारी हो सकती है। अनभिप्रेत प्राप्तकर्ता कृपया इसको हटा दें एवं प्रेषक को तुरंत सूचित करें। प्राप्तकर्ता(ओं) को सतर्क किया जाता है कि संदेश/ संलग्नक में किसी भी प्रकार का वायरस ना हो, इसकी जांच कर लें।

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hod.comm < hod.comm@pngrb.gov.in >

RE: Views/Comments on Draft PNGRB NGPL Tariff Amendment Regulations 2026

Corporate Regulatory Affairs group (निगमित वि नियामक मामला ग्रुप) < cragroup@gail.co.in >

Wed, 04 Nov 2026 6:29:05 PM +0530

To "'secretary@pngrb.gov.in'"<secretary@pngrb.gov.in>

Cc "Commercial Division PNGRB"<comm-div@pngrb.gov.in>,"HOD Commercial" <hod.comm@pngrb.gov.in>,"Sumit Kishore (सुमित किशोर)" <skishore@gail.co.in>,"Ashish Gupta (आशीष गुप्ता)" <ashish.gupta@GAIL.CO.IN>,"R Kannan (आर. कन्नन)" <r_kannan@gail.co.in>,"Rakesh Shahi (राकेश कुमार शाही)" <rakeshshahi@gail.co.in>

Dear Sir,

With reference to the trailing email, it is submitted that the date in the attached covering letter has inadvertently been mentioned as 03.10.2026. The same may kindly be read as 03.11.2026. Inconvenience caused, if any, is regretted.

With Thanks & Regards,

Ravindra Deshmukh
CM (Mktg-RA)
Regulatory Affairs Group
GAIL (India) Limited, New Delhi

From: Corporate Regulatory Affairs group (निगमित विनियामक मामला ग्रुप)
Sent: 04 November 2026 11:18
To: 'secretary@pngrb.gov.in' secretary@pngrb.gov.in
Cc: 'Commercial Division PNGRB' <comm-div@pngrb.gov.in>; 'HOD Commercial' <hod.comm@pngrb.gov.in>; Sumit Kishore (सुमित किशोर) <skishore@gail.co.in>; Ashish Gupta (आशीष गुप्ता) <ashish.gupta@GAIL.CO.IN>; R Kannan (आर. कन्नन) <r_kannan@gail.co.in>; Rakesh Shahi (राकेश कुमार शाही) <rakeshshahi@gail.co.in>
Subject: Views/Comments on Draft PNGRB NGPL Tariff Amendment Regulations 2026

Dear Sir,

With reference to PNGRB's Public Notice dated 08.10.2026 inviting views/comments on the Draft PNGRB (Determination of Natural Gas Pipeline Tariff) Amendment Regulations, 2026, please find attached GAIL's comments for kind consideration please.

गेल (इंडिया) लिमिटेड
(भारत सरकार का उपक्रम – महारत्न कंपनी)
GAIL (India) Limited
(A Government of India Undertaking - A Maharatna Company)

पंजीकृत कार्यालय:
गेल भवन
16 भीकाएजी कामा प्लेस, आर.के. पुरम
नई दिल्ली-110066, इंडिया

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GAIL/ND/RA/PN/TARIFF/2026/4301 **Date: 03.10.2026**

To,
The Secretary,
Petroleum and Natural Gas Regulatory Board,
E-400, 4th Floor, Tower-E, World Trade Centre,
Nauroji Nagar, New Delhi – 110029

Subject: Views/Comments on Draft PNGRB NGPL Tariff Amendment Regulations, 2026

Sir,

This has reference to the PNGRB Public Notice no.: PNGRB/Com/13-Reg(1)/2023 (E-4676) dated 08.10.2026, soliciting views/ comments on Draft PNGRB NGPL Tariff Amendment Regulations, 2026. In this regard, views / comments of GAIL are forwarded as **Annexure-I.**

This has the approval of Competent Authority in GAIL.

Yours sincerely,

(Ashish Anand Gupta)
CGM (Mktg.- RA & Trans.)

Encl.: As above

Annexure-I

Views / Comments of GAIL on Draft PNGRB NGPL Tariff Amendment Regulations 2026:

(Ref.: PNGRB/Com/13-Reg(1)/2023 (E-4676) dated 08.10.2026)

It is observed that the proposed draft amendments broadly cover two key aspects:

A. **Inclusion of Non-Interconnected Pipelines in the Unified Tariff Framework.**
B. **Inclusion of Common Industry Committee Expenses in Revenue Entitlement.**

In this regard, the pointwise views/comments of GAIL are submitted below.

A. **Inclusion of Non-Interconnected Pipelines in the Unified Tariff Framework:**

The proposed amendment seeks to include certain natural gas pipelines within the ambit of the Unified Tariff regime, notwithstanding the fact that such pipelines are not presently physically connected to the National Gas Grid System (NGGS). These pipelines have been proposed by PNGRB for inclusion under Schedule C1.

It is noted that the pipelines covered under the proposed Schedule C1 could broadly be categorized into three groups as below:

i) The first category comprises some cross country pipelines (operational or at the verge of completion) that are currently not part of NGGS but are expected to be physically connected to the NGGS in the future like Ennore-Tuticorin-Bengaluru (ETBPNMTPL), Kochi-Koottanad-Bengaluru-Mangaluru (KKBMPL), Gurdaspur-Jammu (GJPL), etc., upon which they may eventually migrate to Schedule C.
ii) The second category comprises pipelines that are inherently regional or isolated in nature with different domestic gas source and customer profile like Agartala, Cauvery Basin, etc.
iii) The third category comprises pipelines whose physical laying is yet to be started.

In respect of the second category of isolated/ regional pipelines, the following submissions are made for the kind consideration of the Board.

1) Need for Appropriate Treatment of Volume Risk and Capacity Determination:

While the objective of creating a unified and equitable tariff framework is appreciated, inclusion of structurally under-utilized regional/ isolated pipelines requires a calibrated approach considering their fundamentally different volume-risk profile. Many such pipelines were developed to promote gas market development in specific regions and continue to remain under-utilized for reasons beyond the control of the transporter. Under the present cost-plus methodology, tariff determination based on normative/design capacity does not permit adequate recovery of efficiently incurred costs.

A separate calibrated framework may be considered for regional/ isolated pipelines covering:

- Treatment of structural volume risk in persistently under-utilized pipelines.
- Appropriate capacity determination with due consideration to actual throughput.
- Reasonable recovery of efficiently incurred costs while protecting consumers from excessive tariff burden.
- Sustainable operation and maintenance of strategically important pipeline infrastructure.

It is suggested that actual throughput may be appropriately considered while determining capacity/ tariff for structurally under-utilized pipelines, subject to suitable regulatory safeguards and efficiency checks.

2) **Industry Committee Request in February 2025:**

Due to the above issue, Industry Committee in February 2025 had requested PNGRB to review the regulatory framework for such category of Isolated pipelines and requested a floor tariff (deliberated subsequently). However, the request of Industry Committee for the introduction of a floor tariff is still pending consideration by PNGRB. The implementation of a suitable floor tariff would help protect consumer interests while enabling the transportation service provider to recover costs on a reasonable basis.

In this regard, PNGRB is once again requested to review the regulatory framework for such isolated pipeline network many of which are even facing cash losses.

3) **Integration with NGGS / Alternative Floor Tariff Framework:**

Instead of just extending the existing Unified Tariff framework to isolated / regional pipelines, PNGRB may consider either of the following options for such pipelines to balance consumer interest and recovery of efficiently incurred costs of under-utilized pipelines:

Option I – Considering actual volume throughput:

For structurally under-utilized regional/isolated pipelines, actual volume throughput may be considered for tariff determination. This would facilitate reasonable recovery of efficiently incurred costs and provide adequate incentive to pipeline entities to continue operating and maintaining infrastructure important for long-term gas market development.

Option II – Floor Tariff Framework

PNGRB may consider earlier recommendations of the Industry Committee (February 2025) whereby tariff of an isolated network may continue to be determined under prevailing Tariff Regulations, subject to a Floor Tariff equivalent to the lower of:

- Levelized Unified Tariff; or

- Tariff determined considering 12% post-tax return on actual volume flow over the economic life of the pipeline.

4) Safeguards Against Migration to Dedicated Pipelines:

A significant concern arising from increased transportation costs is the possibility of customers establishing dedicated pipelines in place of using existing common carrier/contract carrier infrastructure. Such migration may create an adverse cycle as envisaged below:

Higher Unified Tariff → Migration of Anchor Load → Reduced Pipeline Utilization → Lower Cost Recovery → Increased Tariff Burden on Remaining Users or Increasing under recovery of transporter.

Accordingly, suitable regulatory safeguards may be introduced to discourage economically inefficient duplication of pipeline infrastructure where adequate authorized pipeline capacity is already available. Such safeguards would protect overall network utilization and tariff efficiency while preserving legitimate consumer choice.

As a possible measure, at LNG terminals where a Common Carrier pipeline is already in operation, parallel dedicated pipelines connected with such LNG terminals may be considered for declaration as Common Carriers and brought under the ambit of NGGS, subject to regulatory evaluation and approval by PNGRB.

5) Clarification on Gas Swapping Arrangements:

Under regulation 2(1)(l), addition of the following proviso has been proposed by PNGRB:

"Provided that only for government allocated natural gas being supplied through swapping mechanism, the unified contractual path may consist of pipelines that are not interconnected."

From this proviso, it is understood that only Unified Zone-1 Tariff shall be applicable for CASE-4 bundled swapping arrangements involving supply of government allocated natural gas from NGGS pipelines to CGD entities connected through non-NGGS pipelines. In this regard, PNGRB may like to confirm this understanding.

Further for better clarity, it is suggested that the proposed proviso under regulation 2(1)(l) may be modified as under:

"Provided that ***for the pipelines listed under Schedule-C1, unified contractual path shall be created in individual pipelines or interconnected pipelines within Schedule-C1. However,*** *only for government allocated natural gas being supplied through swapping mechanism, the unified contractual path may consist of pipelines that are not interconnected."*

6) Consumer Impact and Risk of Demand Loss:

Implementation of Unified Tariff in regional/ isolated networks may significantly increase the delivered cost of gas in certain regions vis-à-vis prevailing landed gas

prices. These networks are generally characterized by a limited number of price-sensitive customers. Consequently:

- Some consumers may reduce or discontinue gas offtake.
- There may be risk of stranded capacity since gas within isolated systems may not be readily diverted elsewhere.
- Lower offtake by consumers may also lead to operational issues such as MGO charges and gas flaring-related liabilities.

Therefore, PNGRB may consider undertaking a detailed consumer impact assessment before implementation.

B. **Inclusion of Common Industry Committee Expenses in Revenue Entitlement:**

1) Common Expenses Recoverable Through Revenue Entitlement

The proposal to include common expenses, such as auditor fees, portal development and maintenance expenses, consultant engagement charges for PNGRB approved studies, etc., within Revenue Entitlement of the respective entities is a welcome step, as it would facilitate efficient operation of NGGS and the Industry Committee.

However, the basis for imposing the annual cap of aggregate amount of Rs 1 crore (inclusive of taxes) in any financial year has not been explained. In this regard, considering future requirements pertaining to:

- Technology upgrades,
- Digital platform enhancements,
- Cybersecurity measures,
- Independent audits, and
- Specialized consultancy support,

the ceiling may be reviewed, and all common expenses may be allowed with a condition that any expenses exceeding Rs. 1 crore per year will require approval of PNGRB.

Further, considering the cumulative settlement deficit in the current financial year, inclusion of such expenses in Revenue Entitlement may also help reduce the administrative and operational financial burden on the NGGS framework.

2) Need for Prudence Check and Regulatory Oversight

While permitting inclusion of consultant fees, IT-related costs and other committee expenses in Revenue Entitlement, adequate regulatory oversight should continue through prudence checks and PNGRB approval to ensure transparency, reasonableness and protection of stakeholder interests.

*****

GSPL TRANSMISSION LIMITED
Regd. Office : GTL Bhavan, E-18,
GIDC Electronics Estate, Nr. K-7 Circle, Sector-26,
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Tel : +91-79-23268500/600
Website: www.gspltrans.com

GTL/COMM/2026
27 October, 2026

To,
Secretary,
Petroleum and Natural Gas Regulatory Board (PNGRB)
Tower E, 4th Floor,
NBCC World Trade Centre,
Nauroji Nagar, New Delhi – 110029

Sub: Views/Comments on Draft PNGRB NGPL Tariff Amendment Regulations 2026

Ref.: Public Notice : PNGRB/Com/13-Reg(1)/2023 (E-4676) dated 8th October 2026

Dear Sir,

At the outset, we are grateful to the Hon'ble Board for proposing the draft amendment to the Tariff Regulations since these amendments take the interest of customers and pipeline entities into consideration. It is expected that these regulations will strongly deter customers closer to the source / connected with common carrier from laying dedicated pipelines. With reference to the proposed amendment, please find attached herewith GTL's comments / views at **Annexure-I** for your kind perusal.

We request the Hon'ble Board to take our views in consideration while deciding on the amendment to these Regulations. We would also like to participate in the Open House Discussion to be convened by the Hon'ble Board on the aforesaid Public Notice.

Thanking You,

Yours Sincerely,

Devendra Agarwal
Executive Director (Commercial)

Comments on Amendment to Natural Gas Pipeline Tariff Regulations

1. Definition **of National Gas Grid System** – The proposal for inclusion of non interconnected pipelines also in the National Gas Grid system – whether fully or partially commissioned, is a welcome effort on the part of PNGRB to include additional pipelines within the Settlement Mechanism so as to have uniform tariff across most parts of the Country. The immediate implication would be inclusion of higher volumes for determination of UFT, which in turn will lead to lower UFT for all customers.

It is our submission that volumes flowing through the dedicated pipelines laid by customers who are / were connected to Common carrier natural gas pipelines should also be included in determination of UFT. The reason is that such customers have created duplicate / parallel infrastructure, made the investment in existing common carrier infrastructure infructuous. There is substantial volume outside the ambit of UFT which has resulted in increased UFT for other customers.

In Gujarat, certain anchor customers connected to common carrier are planning or are laying dedicated pipelines (example AMNS) to nearby LNG terminal where many common carriers are connected. Under Authorisation Regulation 19(2)(f), the Hon'ble Board is empowered to direct conversion of dedicated pipelines into common carrier. Under the proposed amendment, if such powers are exercised such common carrier volumes will get included in the determination of UFT. Thus, we believe that with the proposed amendment to the Tariff Regulations, new proposals for dedicated pipelines by customers who are close to common carrier or are already connected to common carrier will reduce significantly as once their volumes are included in the UFT determination, their dedicated pipelines may become unviable. Such additional volumes will substantially lower UFT and benefit the industry as a whole.

Such an action would discourage other anchor customers who are connected to common carrier or have a common carrier nearby from laying dedicated pipelines in future.

However, we also request the Hon'ble Board that pipelines which are not interconnected **should not be considered as a part of any main pipeline (integrated pipeline) for the purpose of tariff determination,** as this has the potential of increasing the tariff of such underutilised pipelines at the cost of customers.

2. 2(1)(1) – It is mentioned that for government allocated natural gas being supplied through swapping mechanism, the unified contractual path may consist of pipelines that are not interconnected – the purpose is not clear. We request the Hon'ble Board to elaborate with an example. Unless there is a compelling reason, we feel the contractual path should be considered from the location where the swapped gas is supplied and avoid inclusion of virtual pipeline / path as there is no physical transportation of gas. The place of physical supply should be the unified entry point / entry Point.

3. Regulation 5(A), Sub Regulation (3) – We thank the Hon'ble Board for proposing the draft amendment related to common expenses incurred by entity on behalf of Industry Committee for auditor fees, portal development, maintenance costs, consultant engagement. Hon'ble Board has been kind to accept that these costs are incurred by entity towards providing services under UFT mechanism and are additional costs for enhancing UFT experience. Bid out pipelines have no avenue to recover these costs. Since these costs will now be included in the revenue entitlement of the entity incurring these costs, each entity would be revenue neutral so far as these expenses are concerned.

Portal development and maintenance of the portal requires considerable expenditure. Likewise, hiring reputed consultants with exposure to global regulatory practices is also a costly matter. It is requested that the cap on aggregate of all such expenses in a Financial Year should be kept at least Rs. 4 Crores

so that the quality of work is not affected. Further, Industry Committee may consider to organise some seminar or workshops in the interest of the Industry. Expenses of such seminar / workshops should also be considered for inclusion in the revenue entitlement of the member concerned who has incurred. In fact all common expenses incurred by the Industry committee for the purpose of UFT and Settlement mechanism and in the interest of the consumers should be included in revenue entitlement. PNGRB approval should be made mandatory, only if consultant engagement charges exceeds Rs. 50 Lacs per assignment. Further, considering that bid out pipelines are not able to recover the expenses which are to be shared amongst all entities, it is proposed that bid out pipelines may be allowed to claim such expenses as part of their revenue entitlement.

4. Schedule D Note, Clause 3,2, 3.5, 3.12(c) – It is requested to delete the following provision from these clauses as it will result in unnecessary delays in completion of the work:
"and remaining amount, if any, be equally shared by all the members of an industry committee."

5. In addition to the above points, GTL would like to submit comments on few other points for kind consideration of the Board.

Increase in Number of Zones under UFT
Under the UFT framework, transportation costs are pooled across the National Gas Grid, resulting in consumers located near the source being burdened with significantly higher transportation charges. Unified Tariff (UFT) framework has created structural challenges for transporters and consumers located near the source of supply.

Further limiting the number of zones to only 2 creates an anomaly for the customers near the source who pay much higher tariff than paying as per 'cost of service' principle envisaged in the PNGRB Act. The delivered cost of natural gas increases on account of UFT for the industries near the source and reduces the competitiveness of natural gas vis-à-vis alternate fuels such as coal, pet coke, furnace oil, and liquid fuels.

The customers near the source had actually paid higher establishment cost at the time of setting up the industrial plant near the sources / coastal areas. By paying higher Zone 1 tariff, they are cross subsidizing the far off customers. The Act does not provide for any cross subsidisation to far off customers. In the gas industry, typically Subsidy, if any, in the form of VGF is only provided by MoPNG.

From a transporter's perspective, the principal concern is the impact on gas demand, volume growth, and long-term infrastructure utilization. Higher transportation costs can encourage fuel switching, impact industrial gas consumption, and weaken the economic advantage of natural gas in regions that are located near to supply sources. Over time, this may adversely affect pipeline utilization and the viability of future transmission investments.

In the process customers near the source lay dedicated pipelines to escape the higher Zone 1 UFT. This directly impacts the entity connected with such source/ customers as it results in reduction of pipeline utilisation and makes the investments made in common carrier infrastructure infructuous. Further, this leads to reduction in volume in National Gas grid and in turn increases the UFT. This affects all the customers across the country.

Recommendation : It is suggested that a more progressive approach for zoning as suggested below be adopted. Further, the first zone of 300 kms should be split into 2 equal zones of 150 kms each and the tariff for first the 150 kms in Zone 1 should be 50% of the UFT for Zone1 and the tariff for the distance between 151 to 300 kms should be UFT Zone 1 tariff in line with the 'cost of service' principle.

With the commissioning of Dhamra terminal, both RLNG and domestic gas are easily available in the Eastern Part of the Country. So there is no need to transport the gas from Dahej to far off locations in the Eastern India. Thus there is no need to keep the tariff for Zone 2 artificially low. Rather it should reflect the cost of service.

Proposed Zonal distribution and tariff

Distance	**Zone**	**Proposed Tariff**
0 to 300 kms	1	Rs. 25 to 28/MMBTU
>300 kms to 600kms	2	Rs. 50 to 54/MMBTU
>600 kms to 900kms	3	75% of Zone 4 tariff
>900 kms	4	As determined through UFT mechanism

OR

Proposed Zonal distribution and tariff

Distance	**Zone**	**Proposed Tariff**
0 to 600 kms	1	Rs. 30% of Zone 2 Tariff
>600 kms to 1200kms	2	Rs. 70% of Zone 3 tariff
>1200 kms	3	As determined through UFT mechanism

Alternatively, in case if the consensus is to retain 2 zones, it is suggested to freeze the tariff of Zone 1 at Rs. 30/MMBTU and increase the tariff of Z2 to meet the shortfall in Unified Tariff

This approach will keep gas price lower and competitive with alternate fuels and increase gas consumption over a period of time.

hod.comm < hod.comm@pngrb.gov.in >

Fwd: Views/ Comments on Draft PNGRB NGPL Tariff Amendment Regulations 2026

Secretary PNGRB < secretary@pngrb.gov.in >

Mon, 02 Nov 2026 4:09:03 PM +0530

To "HOD Commercial"<hod.comm@pngrb.gov.in>

========== Forwarded message ==========
From: Renuka Singh <renuka.singh@gujenergy.com>
To: <secretary@pngrb.gov.in>
Cc: "Devendra Agarwal"<devendra@gujenergy.com>, "Varun Kumar Singh" <varunkumar.singh@gujenergy.com>
Date: Fri, 30 Oct 2026 19:02:50 +0530
Subject: Views/ Comments on Draft PNGRB NGPL Tariff Amendment Regulations 2026
========== Forwarded message ==========

Respected Sir,

This is with reference to the PNGRB Public Notice pertaining to submission of views/ comments on the proposed draft PNGRB (Determination of Natural Gas Pipeline Tariff) Amendment Regulations, 2026.

In this regard, Gujarat Energy Limited (GEL) would like to share the following observations/ views for the kind consideration of the Honourable Board:

1. **Definition of "national gas grid system"-** As per the proposed draft amendment, the network of all such natural gas pipelines within India which are fully interconnected with each other (including those which are partly commissioned and so interconnected) and as enlisted in Schedule C to these regulations shall also include "non-interconnected pipelines" for the purpose of applicability of Unified tariff.

In this regard, GEL would like to seek clarity on the proposed Schedule C1 for GAIL (India) Limited's Gujarat Regional Network of Ex- Hazira (GGCL) pipeline network. As per our understanding this pipeline section is no longer in use and the same has been also abandoned.

Hence for better understanding GEL would like to request the Honourable Board to provide details of this pipeline section i.e. pipeline diameter, pipeline length, pipeline origin point and termination point, customer details and volume being flown presently etc.

2. **Proposal for inclusion of non-interconnected pipelines-** PNGRB shall appreciate the fact that the customers' existing near the source are getting exploited by paying higher

Zone 1 tariff as compared to the individual pipeline tariff applicable hence inclusion of such non- interconnected pipelines should not tantamount to additional tariff burden for such set of customers. Hence the proposal of inclusion of non- interconnected pipeline needs to be re-assessed.

3. **Common expense pertaining to auditor fees, portal development, consultant engagement charges for PNGRB approved studies and IT system-** All such expenses should be validated and should be backed by proper supporting documents and approval. It should also be ensured that the aggregated cost should not exceed the limit as being proposed.

We trust that the Honourable Board shall find our observation helpful in drafting robust natural gas regulations and we would be happy to provide any further clarification should they be required by your good office in this regard.

Regards,
Renuka

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2 Attachment(s)

20261008_Ngpl_PN.pdf
277.3 KB

20261027_PN_Ext.pdf
136.3 KB

इंडियन ऑयल कॉर्पोरेशन लिमिटेड
कॉर्पोरेट कार्यालय :
दसवां तल, एन.बी.सी.सी. कमर्शियल कॉम्पलैक्स,
ब्लॉक नं 2, ईस्ट किदवई नगर, नई दिल्ली–110 023
Indian Oil Corporation Limited
Corporate Office :
10th Floor, NBCC commercial Complex,
Block No. 2, East Kidwai Nagar, New Delhi - 110023
Phone : +91-11-2434 7600 Website : www.iocl.com

कॉर्पोरेट कार्यालय
Corporate Office

Ref: IOCL/BDGas/GasMktg

Date: 23 October 2026

To,

The Secretary,
Petroleum and Natural Gas Regulatory Board,
E-400, Fourth Floor, Tower E,
World Trade Centre, Nauroji Nagar, New Delhi - 110029
By email: secretary@pngrb.gov.in

Subject: Views/Comments on Draft PNGRB NGPL Tariff Amendment Regulations 2026 - Representation against inclusion of non-interconnected natural gas pipelines under Unified Tariff

Ref: Public Notice No. PNGRB/Com/13-Reg(1)/2023 (E-4676) dated 08.10.2026

Sir,

IndianOil submits this representation in response to the Public Notice cited above. The representation is confined to the proposal to bring non-interconnected natural gas pipelines into the National Gas Grid System, for the purpose of the Unified Tariff, through the new Schedule C1, and to the consequential amendments.

It is respectfully submitted that the proposal, if notified, would result in a steep increase in the transportation charge for the customers of these isolated pipelines, without any corresponding benefit to them. For example, the approved zonal tariff of the Ennore-Tuticorin pipeline begins at Rs 6.40 per MMBTU in Zone 1 and Rs 6.46 per MMBTU in Zone 2. The Unified Tariff for FY 2026-27, as per the Board's order dated 30.03.2026, is Rs 54.00 per MMBTU in Zone 1 and Rs 110.02 per MMBTU in Zone 2. For such customers, the charge would rise by Rs 47.60 per MMBTU in Zone 1, which is about 8.4 times, and by Rs 103.56 per MMBTU in Zone 2, which is about 17 times.

Compared to other gas pipelines in the country, Ennore – Tuticorin pipeline is a newly commissioned pipelines and has been operating only since 2022. Pipeline since commissioning has also been facing very low utilization due to consistent high LNG Prices on account of Russia – Ukraine war and now West – Asia and lack of inter connectivity with gas grid and domestic gas supply sources. A multi-fold rise in the transportation charge will reduce gas offtake by customers and, consequently, further reduce the utilisation of the pipeline.

Although IndianOil, as a transporter, remains revenue neutral under the unified tariff and settlement mechanism, the long-term viability of the pipeline depends on sustained utilisation. Lower utilisation would affect the viability of the investment already made and would discourage further investment in the region. Fertilizer plants are major consumers in Ennore – Tuticorin Pipeline consuming about 40% of the total volumes and would face additional burden of about Rs 200 Crore on account of increase in transportation tariff which will in turn increase the subsidy outgo to Govt. Power plants in the region have also tied up their gas supply on the basis of the present low transportation tariff. The proposed increase would affect them adversely and would make their existing arrangements unviable.

The Unified Tariff is meant for an interconnected grid, where a shipper pays one tariff and can source gas from any entry point. The customers of the isolated pipelines do not have this facility. They have a single supply route, a limited choice of source and no physical access to domestic gas. These customers would, therefore, pay the unified tariff without receiving the unified service.

In other zones, Zone 2 tariff is mostly applicable to interior land locked regions. In the south, Zone 2 Tariff would apply to even coastal industries eg. Tuticorin & Mangalore, due to distance from the Regas terminal. Liquid fuels eg. LPG reach such locations at low transportation cost, and a Zone 2 tariff of Rs 110.02 per MMBTU would make natural gas unviable against these fuels.

The tariff of this pipeline was kept low so that the gas market could be developed in a region which has no connectivity with the grid or access to domestic gas. The proposal would adversely affect the conversion of customers from liquid fuels and the growth of gas supply and would work against the national goal of raising the share of natural gas in the energy mix to 15%.

LNG prices are very high at present because of the ongoing war and the resulting supply disruption, and customers are already under severe cost pressure. A multi-fold increase in transportation charge at this time would force customers to move to alternative fuels, and many of them may not return even after LNG prices ease.

In the Schedule C1, Kochi-Koottanad-Bangalore – Mangalore Pipeline and Ennore – Tuticorin are the only major pipelines with high volumes. Completion of inter connectivity between Kochi-Koottanad-Bangalore Pipeline and Dabhol - Bangalore via high-pressure line will integrate Ennore – Tuticorin and upcoming Kochi-Kanyakumari-Thoothukudi with National Gas Grid. Thus, PNGRB may expedite completion of the above-mentioned inter-connectivity so that customers can realize both unified service and unified tariff, as well as the same would make gas more competitive and increase utilization of respective pipelines as well as Ennore & Kochi LNG Terminals.

In view of the above, IndianOil respectfully requests the Board to drop the proposal to include the non-interconnected pipelines in Schedule C1. Inclusion of any such pipeline in the Unified Tariff may be considered only after it is physically interconnected with the national gas grid.

In reference to clause no B of attached Annexure-A of Public notice for Proposed Amendments for Inclusion of Common Expenses to Respective Entity's revenue Entitlement, IndianOil requested that all common expenses incurred by the Industry Committee on behalf of PNGRB, should be fully reimbursable through the revenue entitlement mechanism in the settlement working, without any monetary cap. The proposed limit of ₹1 crore may apply only as the threshold for routine inclusion, while any expenditure beyond this limit should also be claimable by the concerned entity in settlement working upon obtaining PNGRB's approval, rather than being subjected to the cost-sharing arrangement among entities.

Yours faithfully,

S K Mishra

Suman Kumar Mishra
Chief General Manager (Gas)
Indian Oil Corporation Limited

सुमन कुमार मिश्रा / SUMAN KUMAR MISHRA
मुख्य महाप्रबंधक (गैस) बीडी / CGM (Gas) B.D.
इंडियन ऑयल कॉर्पोरेशन लिमिटेड
INDIAN OIL CORPORATION LTD
कॉर्पोरेट कार्यालय / Corporate Office
दसवां तल, एन.बी.सी.सी. व्यावसायिक परिसर, ब्लॉक नं. 2,
10th Floor, NBCC Commercial Complex, Block No. 2,
पूर्व किदवई नगर, नई दिल्ली-110023/ East Kidwai Nagar, New Delhi-110023

hod.comm < hod.comm@pngrb.gov.in >

Fwd: Determination of Natural Gas Pipeline Tariff) Amendment Regulations, 2026

Secretary PNGRB < secretary@pngrb.gov.in >

Fri, 30 Oct 2026 3:17:09 PM +0530

To "HOD Commercial"<hod.comm@pngrb.gov.in>

========== Forwarded message ==========
From: csm comm <csm.comm@mahanagargas.com>
To: "secretary@pngrb.gov.in"<secretary@pngrb.gov.in>
Cc: "Manas Das"<das.manas@mahanagargas.com>, "K Venugopal" <k.venugopal@mahanagargas.com>, "csm comm" <csm.comm@mahanagargas.com>, "Manish Upadhyay" <mupadhyay@mahanagargas.com>, "Megha Priyadarshini" <priyadarshini.megha@mahanagargas.com>
Date: Fri, 30 Oct 2026 11:50:33 +0530
Subject: Determination of Natural Gas Pipeline Tariff) Amendment Regulations, 2026
========== Forwarded message ==========

Sir,

Please find below MGL comment on subject matter.

Schedule D Clause 3.2 (e): Appointment of an independent auditor of repute which shall audit all the settlement amounts and its working on a quarterly basis. The scope of the auditor shall be jointly finalized by the Settlement committee in consultation with the Industry Committee. The payment to the auditor shall be released by the entity of the lead member and the expenses of auditors shall included in the revenue entitlement of respective entity and remaining amount, if any, be equally shared by all the members of an industry committee.

MGL Comment: PNGRB is requested to kindly consider " shall not exceed aggregate limit of Rs.1 (one) Crore (inclusive of taxes) in any financial year. Any amount in excess of such aggregate limit shall be shared among the entities in accordance with the existing practice of cost sharing."

Schedule D Clause 3.5: The UFT and UFT ratios applicable for the subsequent financial year shall be approved by the Board and hosted on its website by the first week of March of every year. For the UFT applicable w.e.f. from 1st April 2023, the UFT calculations shall be performed through suitable IT model/or any other mode as decided by Settlement Committee and subsequently based on the experience of Industry committee, an improved IT tool shall be developed and used for arriving at

the final UFT. The expenses on account of development/operations pertaining to IT system shall be included in the revenue entitlement of respective entity and remaining amount, if any, be equally shared by all the members of the industry committee.

MGL Comment: PNGRB is requested to kindly consider " shall not exceed aggregate limit of Rs.1 (one) Crore (inclusive of taxes) in any financial year. Any amount in excess of such aggregate limit shall be shared among the entities in accordance with the existing practice of cost sharing."

Regards
Team Commercial
Mahanagar Gas Limited

मंगलूर रिफाइनरी एण्ड पेट्रोकेमिकल्स लिमिटेड
MANGALORE REFINERY AND PETROCHEMICALS LIMITED
अनुसूची 'अ' के अंतर्गत भारत सरकार का उद्यम, SCHEDULE 'A' GOVT. OF INDIA ENTERPRISE.
(ऑयल एण्ड नेचुरल गैस कॉर्पोरेशन लिमिटेड की सहायक कंपनी, A SUBSIDIARY OF OIL AND NATURAL GAS CORPORATION LIMITED)
आई.एस.ओ. 9001, 14001 एवं 50001 प्रमाणित कंपनी, AN ISO 9001, 14001 AND 50001 CERTIFIED COMPANY.
सीआईएन/CIN : L19200KA1988GOI008959 / वेबसाइट Website : www.mrpl.co.in दूरभाष/ Telephone : 0824-2270400, E-mail : mrplmlr@mrpl.co.in

MRPL/PNGRB/GEN/394 Date: 23rd October 2026

To
The Secretary
PNGRB

Subject: Comments on Draft PNGRB (Determination of Natural Gas Pipeline Tariff) Amendment Regulations, 2026.

Ref: Public Notice dated 08.10.2026 bearing reference no. PNGRB/Com/13-Reg(1)/2023 (E-4676)

Above referred draft proposes inclusion of certain non-interconnected natural gas pipelines, including the Kochi-Koottanad-Bangalore-Mangalore (KKBM) pipeline, under the Unified Tariff framework through Schedule C1. Mangalore Refinery and Petrochemicals Limited (MRPL) is connected to the natural gas network through the KKBM pipeline operated by GAIL. Presently, the KKBM pipeline is not interconnected with the National Gas Grid and the sole source of RLNG supply to consumers connected to this pipeline is through the LNG import terminal at Kochi, Kerala. Considering above, we would like to provide following comments.

1. Unified Tariff should be applicable only to consumers connected to the interconnected National Gas Grid

As a consumer on connected to non-interconnected pipelines, MRPL cannot get privileges of larger national gas grid. Consumers connected to this pipeline have only limited suppliers, unlike multiple entry points and competing suppliers in national gas network. In the absence of such benefits, extending the Unified Tariff framework to non-interconnected pipelines would result in consumers bearing the tariff implications of a national pooling mechanism without receiving the corresponding advantages of network integration. This would be inequitable and contrary to the underlying principle of the Unified Tariff regime.

2. Inclusion of non-interconnected pipelines may increase the delivered cost of gas for consumers

Natural gas consumers connected to isolated pipeline systems are already constrained by limited sourcing options and relatively high delivered gas prices. Further, any increase in transmission tariff arising out of the proposed pooling of non-interconnected pipelines under the Unified Tariff framework would have additional burden without any benefits. An increase in transportation charges may make natural gas less competitive and could inadvertently encourage a shift towards alternate fuels, thereby defeating the policy objective of promoting cleaner energy consumption.

पंजीकृत कार्यालय : कुत्तेतूर पोस्ट, वाया काटिपल्ला मंगलूरु - 575 030 (भारत).
Regd. Office : Kuthethoor P.O. Via Katipalla, MANGALURU -575 030 (India).

3. National Grid benefits should precede Unified Tariff applicability

Unified Tariff should be extended only after physical interconnectivity with the National Gas Grid is established and consumers have access to multiple supply sources. Until such time, non-interconnected pipelines should continue to be governed under their existing tariff framework.

Applying Unified Tariff prior to achieving actual grid connectivity would impose additional costs on consumers without providing commensurate benefits, thereby resulting in a disadvantageous position for consumers located on stand-alone pipeline networks.

In view of the above, we respectfully submit that non-interconnected natural gas pipelines should not be brought under the Unified Tariff framework until they are physically connected to the National Gas Grid and consumers connected thereto are able to access the benefits of multiple gas supply sources and entry points.

Accordingly, it is requested that the proposed inclusion of non-interconnected natural gas pipelines under Schedule C1 for the purpose of Unified Tariff may be reconsidered.

Thanking you,

Yours truly,

23/10/26

Sudheer Pai Maroor
Group General Manager-Technical Service
Email: sudheerpai@mrpl.co.in
Office: 0824-2882900

Ref: PIL/PNGRB/Tariff Amendments Comments/26-27 Date: 28/10/2026

To
The Secretary
Petroleum and Natural Gas Regulatory Board (PNGRB)
E-400, 4th Floor, Tower E, World Trade Centre,
Nauroji Nagar, New Delhi- 110029

Subject: Submission of Views/Comments on PNGRB (Determination of Natural Gas Pipeline Tariff) Amendment Regulations, 2026

Respected Sir,

This refers to the Public Notice dated 08.10.2026 issued by the Board, inviting views and comments from stakeholders on the draft PNGRB (Determination of Natural Gas Pipeline Tariff) Amendment Regulations, 2026.

PIL appreciates the opportunity provided by the Board to comment on the draft Amendment Regulations. PIL is pleased to submit its views and suggestions, enclosed as annexure 1 for the Board's consideration.

It is therefore, respectfully submitted to kindly consider the suggestions while finalizing the said Regulations. PIL would also be pleased to participate in any stakeholder consultation/Open house convened in this regard.

Thanking you.

Yours faithfully,

For Pipeline Infrastructure Limited



Neeraj Pasricha
Authorized Signatory

Encl.: Annexure-1, suggestions on PNGRB (Determination of Natural Gas Pipeline Tariff) Amendment Regulations, 2026.

Annexure 1

PIL comments on Draft PNGRB (Determination of Natural Gas Pipeline Tariff) Amendment Regulations, 2026.

S.No.	Regulation / Clause	Reference to the PNGRB Existing/proposed Regulations	PIL's Views/Comments	Suggestions
1.	**Regulation 2**	Provision proposed in Reg. 5A Sub Regulation3, Schedule B Part A Clause 3, Part B Clause 1 and Clause **3**	• The same proviso on common expenses is referred in various places. • Schedule D Clauses 3.2(e), 3.5 and 3.12(c) use different wording, providing those expenses be included in revenue entitlement and the "remaining amount, if any, be equally shared by all the members", without any reference to the aggregate limit. • This repetition and inconsistency may lead to differing interpretations during settlement, and any future change to the scheme would require amendment at several places. • Accordingly, a definition of: "Common Expenses claim mechanism" is proposed. • Such definition can be referred under the required places. • The annual aggregate expense limit of Rs. 1 crore, inclusive of taxes, may be reviewed and withdrawn, as sharing common expenses among member entities increases costs, complicates operations, and places an additional financial burden on bid-out pipelines.	**'Common Expenses Claim Mechanism'** means the mechanism for recovery of expenses incurred by an entity listed in Annexure-1 [to Schedule D] (Members of the Industry Committee), as amended from time to time, on behalf of the Industry Committee, including auditor fees, expenses on development, maintenance and operation of the IT system or portal of Industry committee, consultant engagement charges for PNGRB approved studies, expenses pertaining to the working of the Settlement Committee or Industry Committee as per clause 3.12(c), etc. (hereinafter referred to as 'common expenses'), whereby— (i) common expenses incurred by a member entity shall, upon approval by the Industry Committee, be included in the revenue entitlement of such member entity for the financial year in which such approval is accorded.
2.	**Schedule D 3.7**	Post invoicing, the data pertaining to the respective entity pipeline forming part of NGGS shall be shared with the Settlement Committee on a fortnightly basis. Entities shall be required to submit the actual data on or before T+8 Working Days to the Settlement Committee. The data shall be shared as per the format provided in Annexure-3 or such other format as may be mutually agreed by the Settlement Committee.	In order to bring discipline among member entities to submit the data for fortnightly settlement as per prescribed timelines, a penalty provision may be introduced as a deterrent measure.	If an entity delays the submission of settlement data, penalty shall be charged to the defaulting entity for the period of delay. Such penalty shall be at the rate of Rs. One lakh per day of delay from the due date to the date data submitted by such defaulting entity. This penal amount recovered shall be distributed among non-defaulting deficit entities in proportion to their respective deficit amounts, if there is no deficit

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		Further, pipeline entities shall submit the 6 monthly data in two parts i.e. for the period from April-September and October-March for the pipelines forming part of NGGS at Schedule C or Schedule C1, within 45 days of the end of the respective six months period duly certified from the Chartered Accountant in the format as provided in Annexure-4 to the Settlement Committee with a copy to Board.		entity in such fortnight, in such case penal interest will be contributed to settlement pool account.
3.	**Reg. 5A Sub Regulation 3**	Revenue entitlement of the entities laying, building, operating or expanding natural gas pipelines which are part of the national gas grid system under unified tariff system, shall be the revenue with reference to approved tariff for such natural gas pipelines, that is to say that the entities shall remain revenue neutral and the procedure for determination of unified tariff shall be as specified in Part A of Schedule B of these regulations and the procedure for settlement amongst the pipeline entities shall be as specified in Part B of Schedule B. Provided that in case of any additional Goods and Service tax ("GST") implication on any entity due to implementation of unified tariff regulations (including settlement between entities), the same shall be included in the revenue entitlement of the respective entity for that year. **Provided further that any common expense incurred by an entity on behalf of the Industry Committee with respect to common expenses such as auditor fees, portal development and maintenance costs, consultant engagement charges for PNGRB approved studies, etc. shall be included in the revenue entitlement of the entity incurring such expense for that year, such that the aggregate amount to be included in the revenue entitlement across all entities and for all common expenses incurred on behalf of the Industry Committee, shall not exceed aggregate limit of Rs.1 (one)**	• Instead of proviso, proposed definition of "Common Expense Claim Mechanism" may be referred. • In the proviso regard GST claim words "for that year" in the end of the sentence may be deleted for drafting clarity. Entities are claiming GST wherever this is an extra cost in the revenue entitlement at the time of fortnight settlement.	Provided that in case of any additional Goods and Service tax ("GST") implication on any entity due to implementation of unified tariff regulations (including settlement between entities), the same shall be included in the revenue entitlement of the respective entity ~~for that year~~. "Provided further that the revenue entitlement of an entity shall include the common expenses admissible to it under the Common Expenses Claim Mechanism."

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		Crore (inclusive of taxes) in any financial year. Any amount in excess of such aggregate limit shall be shared among the entities in accordance with the existing practice of cost-sharing.		
4.	Schedule B Part A Clause 3	Unified tariff shall be the weighted average of approved zonal tariffs in respect of all the pipelines forming part of the national gas grid system, considering the summation of quantity of gas estimated to be transported and the quantity of ship or pay, if any for which the pipeline entity is contractually entitled to recover approved tariff for each such pipeline. Provided that the quantities of gas estimated to be transported through multiple pipelines shall be considered only once; Provided further that in case of any additional Goods and Service tax ("GST") implication on any entity due to implementation of unified tariff regulations (including settlement between entities), the same shall be included in the revenue entitlement of the respective entity for that year; Provided further that any common expense incurred by an entity on behalf of the Industry Committee with respect to common expenses such as auditor fees, portal development and maintenance costs, consultant engagement charges for PNGRB approved studies, etc. shall be included in the revenue entitlement of the entity incurring such expense for that year, such that the aggregate amount to be included in the revenue entitlement across all entities and for all common expenses incurred on behalf of the Industry Committee, shall not exceed aggregate limit of Rs.1 (one) Crore (inclusive of taxes) in any financial year. Any amount in excess of such aggregate limit shall be shared among the entities in accordance with the existing practice of cost-sharing.	• In the proviso regard GST claim "for that year" in the end of the sentence may deleted for drafting clarity as entities are claiming GST wherever this is an extra cost in the revenue entitlement at the time of fortnight settlement. • Provision may be incorporated referring to the definition of "Common Expense claim Mechanism" instead of full clause.	Provided further that in case of any additional Goods and Service tax ("GST") implication on any entity due to implementation of unified tariff regulations (including settlement between entities), the same shall be included in the revenue entitlement of the respective entity ~~for that year~~; "Provided further that the revenue entitlement of an entity shall include the common expenses admissible to it under the Common Expenses Claim Mechanism."

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5.	Schedule B Part B Clause 1	Revenue entitlement of natural gas pipelines that is to say the revenue entitlement for a natural gas pipeline entity in respect of a pipeline which forms part of national gas grid system shall be equal to the sum of pipeline-wise transportation charges calculated based on zone-wise actual quantity of gas transported including ship or pay quantities of each such pipeline, multiplied by the respective zone-wise approved tariff for that pipeline. Provided that in case of any additional Goods and Service tax ("GST") implication on any pipeline entity due to implementation of unified tariff regulations (including settlement between entities), the same shall be included in the revenue entitlement of the respective entity for that year. **Provided further that any common expense incurred by an entity on behalf of the Industry Committee with respect to common expenses such as auditor fees, portal development and maintenance costs, consultant engagement charges for PNGRB approved studies, etc. shall be included in the revenue entitlement of the entity incurring such expense for that year, such that the aggregate amount to be included in the revenue entitlement across all entities and for all common expenses incurred on behalf of the Industry Committee, shall not exceed aggregate limit of Rs.1 (one) Crore (inclusive of taxes) in any financial year. Any amount in excess of such aggregate limit shall be shared among the entities in accordance with the existing practice of cost-sharing.**	• In the proviso regard GST claim "for that year" in the end of the sentence may deleted for drafting clarity as entities are claiming GST wherever this is an extra cost in the revenue entitlement at the time of fortnight settlement. • Provision may be incorporated referring to the definition of "Common Expense claim Mechanism" instead of full clause.	Provided further that in case of any additional Goods and Service tax ("GST") implication on any entity due to implementation of unified tariff regulations (including settlement between entities), the same shall be included in the revenue entitlement of the respective entity ~~for that year~~; "Provided further that the revenue entitlement of an entity shall include the common expenses admissible to it under the Common Expenses Claim Mechanism."
6.	Schedule B Part B Clause 3 Note	**Notes:** The approved tariff for pipeline 1 to n, as referred to in above table, denotes the approved tariff considered for each tariff zone for pipeline 1 to n. Similarly, the actual quantities of natural gas transported and the quantity of ship or pay by pipeline 1 to n, as referred to in above table, denotes the	• In the proviso regard GST claim "for that year" in the end of the sentence may deleted for drafting clarity as entities are claiming GST wherever this is an extra cost in the revenue entitlement at the time of fortnight settlement.	**Notes:** The approved tariff for pipeline 1 to n, as referred to in above table, denotes the approved tariff considered for each tariff zone for pipeline 1 to n. Similarly, the actual quantities of natural gas transported and the quantity of ship or pay by

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		actual gas transported and the quantity of ship or pay in each of such zones. Further, any additional Goods and Service tax ("GST") implication on any pipeline entity due to implementation of unified tariff regulations, (including settlement between entities) the same shall be included in the revenue entitlement of the respective entity for that year. **Provided further that any common expense incurred by an entity on behalf of the Industry Committee with respect to common expenses such as auditor fees, portal development and maintenance costs, consultant engagement charges for PNGRB approved studies, etc. shall be included in the revenue entitlement of the entity incurring such expense for that year, such that the aggregate amount to be included in the revenue entitlement across all entities and for all common expenses incurred on behalf of the Industry Committee, shall not exceed aggregate limit of Rs.1 (one) Crore (inclusive of taxes) in any financial year. Any amount in excess of such aggregate limit shall be shared among the entities in accordance with the existing practice of cost-sharing.**	• Provision may be incorporated referring to the definition of "Common Expense claim Mechanism" instead of full clause.	pipeline 1 to n, as referred to in above table, denotes the actual gas transported and the quantity of ship or pay in each of such zones. Further, any additional Goods and Service tax ("GST") implication on any pipeline entity due to implementation of unified tariff regulations, (including settlement between entities) the same shall be included in the revenue entitlement of the respective entity ~~for that year~~. "Provided further that the revenue entitlement of an entity shall include the common expenses admissible to it under the Common Expenses Claim Mechanism."
7.	Schedule D Clause 3.2 (e)	Appointment of an independent auditor of repute which shall audit all the settlement amounts and its working on a quarterly basis. The scope of the auditor shall be jointly finalized by the Settlement committee in consultation with the Industry Committee. The payment to the auditor shall be released by the entity of the lead member and the expenses of auditors shall be equally shared by all the members of an industry committee.	Expense towards Audits is already proposed to be covered in the common expenses.	Appointment of an independent auditor of repute which shall audit all the settlement amounts and its working on a quarterly basis. The scope of the auditor shall be jointly finalized by the Settlement committee in consultation with the Industry Committee. The payment to the auditor shall be released by the entity of the lead member or as mutually agreed by the Industry Committee and the expenses towards ~~of~~ auditors fee shall be ~~equally shared by all the members of an industry committee~~ claimed as per Common Expense Claim Mechanism.
8.	Schedule D Clause 3.5	Settlement Committee based on the data submitted by all the entities as mentioned in paragraph 3.4, submit the detailed working to the Board by third week of January every		The UFT and UFT ratios applicable for the subsequent financial year shall be approved by the

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		year. The Settlement Committee shall calculate the UFT ratio and the likely Surplus Entity and Deficit Entity, for each of the natural gas pipelines forming part of NGGS, which shall be used for the purpose of determining share of UFT for invoicing of Common Volumes to the Shippers by respective entities. In case of Single Entity Volumes, the concerned entity will invoice at 100% of UFT. The Settlement Committee shall provide UFT ratios along with details of likely Surplus and Deficit entity to the Board by 15th February every year. The UFT and UFT ratios applicable for the subsequent financial year shall be approved by the Board and hosted on its website by the first week of March of every year. For the UFT applicable w.e.f. from 1st April 2023, the UFT calculations shall be performed through suitable IT model/or any other mode as decided by Settlement Committee and subsequently based on the experience of Industry committee, an improved IT tool shall be developed and used for arriving at the final UFT. The expenses on account of development/operations pertaining to IT system shall be **included in the revenue entitlement of respective entity and remaining amount, if any,** be equally shared by all the members of the industry committee.		Board and hosted on its website by the first week of March of every year. For the UFT applicable w.e.f. from 1st April 2023, the UFT calculations shall be performed through suitable IT model/or any other mode as decided by Settlement Committee and subsequently based on the experience of Industry committee, an improved IT tool shall be developed and used for arriving at the final UFT. The expenses on account of development/operations pertaining to IT system shall be claimed as per Common Expense Claim Mechanism ~~**included in the revenue entitlement of respective entity and remaining amount, if any,** be equally shared by all the members of the industry committee.~~
Additional Suggestions: **Self-Adjusting Unified Tariff Mechanism** In addition to the provisions in the draft, we propose a Self-Adjusting Unified Tariff Mechanism. It is a rule-based framework that adjusts the Unified Tariff within a controlled band of ±10% based on the net surplus or deficit in the unified tariff pool, so that a target buffer of Rs. 100 crore is maintained without frequent regulatory intervention.				
9.	Reg. 2(1) – new definitions (to be inserted after clause (l))	Not in draft.	Defines the measurable quantity on which the mechanism operates, so that every adjustment is rule-based and auditable.	(la) "Surplus/Deficit Balance" means the cumulative difference, as on the last day of a quarter, between (i) the aggregate transportation charges billed by all Industry Committee member entities to shippers at the Unified Tariff, and

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				(ii) the aggregate revenue entitlement of all Industry Committee member entities determined under Part B of Schedule B, for the quarter, as computed by the Settlement Committee. A positive value shall denote a surplus and a negative value a deficit. (lb) "Target Buffer" means a Unified Tariff Balance of Rs. 100 (one hundred) crore or such other amount as the Board may specify by order.
10.	Schedule B Part A – new Clause 3A: Self-Adjusting Unified Tariff Mechanism	Not in draft.	Self-Adjusting Unified Tariff Mechanism is proposed to • Monitor the net Surplus/Deficit balance in Unified Tariff pool fortnight to fortnight • Avoid accumulation of Surplus/Deficit with the entities beyond the predefined limits which otherwise creates a financial burden on Customers/Transporters • Automatically adjust the applicable Unified zonal tariff to be charged to customers if the net Surplus/Deficit exceeds the predetermined buffer. • Minimize the frequent Tariff approval process by undergoing full approval cycle of the Board.	**"3A. Self-Adjusting Unified Tariff Mechanism:** (1) The Settlement Committee shall compute the Surplus/Deficit Balance within thirty days of the end of each quarter and submit it to the Board. (2) Based on the Surplus/Deficit Balance so computed, the Unified Tariff shall stand adjusted as follows: (a) where the Surplus/Deficit Balance exceeds the Target Buffer i.e. Rs. 100 crore, the Unified Tariff shall be reduced by such percentage as is required to bring the Surplus/Deficit Balance to the Target Buffer over the next four quarters; (b) where the Surplus/Deficit Balance is between Rs. 50 crore and Rs. 100 crore (both inclusive), no adjustment shall be made, and the Settlement Committee shall continue to monitor the balance; (c) where the Surplus/Deficit Balance is below Rs. 50 crore, including a deficit, the Unified Tariff shall be increased by such percentage as is required to restore the Surplus/Deficit Balance to the Target Buffer over the next four quarters.

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				(3) The Unified Tariff in force shall not at any time be higher or lower than the Unified Tariff last approved by the Board for that financial year by more than Ten per cent (10%).
11.	Scheduled D, Clause 3.7	**Calculation of Settlement Amount** Based on the data shared by the entities as referred in paragraph 3.6 above, the Settlement Committee shall complete the reconciliation and convey to Industry Committee within 165[two] Working Day i.e. by T+166[10] Working Days, for settlement amount processing. Surplus Entities shall complete the payment within 167[four] Working Days from the date of receipt of settlement invoice from Deficit Entities. ……..	For bringing clarity	**Calculation of Settlement Amount** Based on the data shared by the entities as referred in paragraph 3.6 above, the Settlement Committee shall complete the reconciliation and convey to Industry Committee within [two] Working Day of final submission of data by all the entities to the Settlement Committee as per clause 3.7 ~~i.e. by T+[10] Working Days~~, for settlement amount processing. ……..

SGG/PNGRB/NGPL/01 20th October 2026

The Secretary,

Petroleum and Natural Gas Regulatory Board (PNGRB/Board),

4th Floor, Tower – E, World Trade Center,

Nauroji Nagar, New Delhi – 110029

PNGRB Reference: PNGRB/Con/13-Reg-(1)/2023 (E-4676), Dated: 08.10.2026

Sub: Opposition to the proposed PNGRB NGPL Tariff Amendment Regulations 2026 for increasing the Ennore Pipeline Tariff which is not having National Grid Connectivity required for competitive gas sourcing from different suppliers.

Dear Sir,

With reference to the above , we understand that your good office is proposing to increase the Ennore Terminal pipe line tariff to the unified tariff even before it is connected to National Grid.

PNGRB will agree that the basic objective of the Government of India through PNGRB Act 2006 is to promote competition in the Natural Gas sector for fair price to the end consumers and the promotion of fair competition in the sector for the market growth.

The above proposed amendments to implement the Unified NGPL Tariff even to the pipelines which are not connected to the National NG Pipeline Grid is not in line with the Government objective of fair competition & pricing to the end consumers. The Saint Gobain Glass is on the Ennore pipelines are not connected to the National Grid, therefore, the gas consumers on these pipelines are already suffering due to monopoly of Indian Oil for supply gas from Ennore LNG Terminal at the price which is determined by IndianOil without any competition which is not in line with the objective of the PNGRB Act 2006. At unconnected pipelines the consumers are having no option but to take gas from IndianOil, however, there is a big relief to the consumers that IOCL charge only Rs 6.24 /mmbtu as transmission charges. Now the above move of the PNGRB to implement Unified tariff to the unconnected line will increase the tariff by **around 9 time.**

Saint-Gobain India has 3 float glass lines at Chennai and now building the fourth line which will be commissioned in the year 2027. Our consumption of natural gas is highest at Chennai when compared to other cities. Saint Gobain India is already in affected due to low-cost gas available in Malaysia and other Asian countries, who have access to low cost gas and these countries are supplying huge volume of glass to India affecting our competitive ness and profitability. Saint Gobain strongly believe in Make in india and has announced investment worth USD 1 Billion in India within next 5 years and major part to be invested in Tamil Nadu. T

Apart from this due to the current Gulf crisis already our Gas cost has gone up by 30% in the year 2026. The proposed increase in the tariff will further increase our cost.. Therefore, the proposed increase in the tariff / amendment in tariff amendments may not be in the interest of Industries situated at Tamil Nadu and may affect further investment in the state.. This will force us to look for alternate fuel to

Natural Gas , which is against the vision of our Hon'ble Prime Minister to increase the share of gas in primary energy mix.

In view of the above, we request PNGRB to defer the proposed inclusion of Ennore unconnected Pipelines till it is connected to the Bangalore (National Grid) by IOCL (13 Km) and GAIL (52 Km) for the consumers to get Gas price through competitive bidding for fair & lower price.

We are confident that our request shall be favourably considred.

Yours sincerely,

For Saint-Gobain India Private Ltd,



A. Srinivasan

Head Purchase – India Region
Head Purchase & Logistics – Glass.

Tamilnadu Petroproducts Limited

21-10-2026

To:
The Secretary,
PNGRB
E-400, Fourth Floor, Tower E,
World Trade Centre, Nauroji Nagar,
New Delhi – 110 029

Subject: Views/Comments on Draft PNGRB NGPL Tariff Amendment Regulations 2026

Dear Sir,

This refers to Public Notice ref. PNGRB/Com/13-Reg(1)/2023 (E-4676) dated 08/10/2026, issued by PNGRB, seeking views from all stakeholders on "Draft Petroleum and Natural Gas Regulatory Board (Determination of National Gas Pipeline Tariff) Amendment Regulations, 2026.

We, Tamilnadu Petroproducts Ltd., are a Joint sector company, promoted by Tamilnadu Industrial Development Corporation & SPIC, operating in Petrochemical sector with manufacturing facilities located at Manali Industrial area in Chennai.

We are located close to IOCL's LNG terminal in Ennore, Chennai & have a long term contract with IOCL to draw our required Regasified LNG from the Ennore – Tuticorin pipeline network.

With reference to the proposed amendment for inclusion of all natural gas pipelines in the Unified Tariff framework, we would like to humbly present to you our concerns for not in favor of a Unified tariff, in the present circumstance.

- The pipeline network between Ennore & Tuticorin is not yet connected with other national network of pipelines and IOCL is the only supply source feeding to the network. Hence, the weighted average of approved zonal tariffs in respect of all the pipelines forming part of the national gas grid system is practically not possible to be applied.
- In the absence of a physical connection with the national network & when a unified tariff is applied, then consumer industries like us, who are located close to LNG terminals will be liable to bear / subsidize transportation costs for distant users. Hence, without actually getting any benefit, of an alternate source of supply at competitive prices, Consumers like us availing supply from single-pipeline networks can experience a net increase in transmission overhead.
- In view of the above stated reasons, for a single pipeline network, the proposed Unified tariff mechanism will remove the natural locational advantages for industries like us set up close to import terminals to minimize fuel delivery costs.

Tamilnadu Petroproducts Limited
Manali
Chennai
600 068

1984 - 2024 40 Years MOVING AHEAD

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- The Unified Tariff was originally envisaged for an interconnected grid, where a Shipper pays a single tariff and can draw gas from any entry point. However, Customers of isolated pipelines like us do not have any such benefit and are served through a single route with limited choice of supply source. Hence, we are liable to pay the unified tariff without receiving the benefits of a Unified service.
- Moreover, this proposal comes at a time, when LNG prices are very high due to the ongoing war & the consequent disruption in supplies, due to which Customers like us are already under heavy margin pressure. Therefore, a multi-fold rise in transportation charge in these conditions would force Customers to move to alternative fuels.

For example, the approved zonal tariff for our Ennore-Tuticorin pipeline begins at Rs 6.40 per MMBTU in Zone 1 and Rs 6.46 per MMBTU in Zone 2. Whereas, the Unified tariff for FY 2026-27, as per the Board's order dated 30/03/2026 is Rs 54.0 per MMBTU in Zone 1 and Rs 110.02 in Zone 2. Hence, for such customers, the charges would rise by Rs 47.60 per MMBTU in Zone 1, which is about 8.4 times and by Rs 103.56 per MMBTU in Zone 2, which is about 17 times.

Therefore, we respectfully submit that the proposal, if notified, would result in a steep increase in the transportation charge for the Customers of isolated pipelines like us, dependent on single supply source & without actually not availing any benefit of the intended Unified national network.

Such a proposal would also adversely deter the conversion of Customers from Liquid fuels to Gas and would work against the national goal of raising the share of natural gas in the energy mix to 15%.

Yours Sincerely,

D. Senthi Kumar
Managing Director

Tamilnadu Petroproducts Limited
Manali
Chennai
600 068

October 23, 2026
TG/RA/2026/047

The Secretary,
Petroleum and Natural Gas Regulatory Board (PNGRB/Board),
4th Floor, Tower – E, World Trade Center,
Nauroji Nagar, New Delhi – 110029

Kind Attention: Commercial Division

Sub: Views/Comments on Draft PNGRB NGPL Tariff Amendment Regulations 2026

Respected Sir,

THINK Gas supports PNGRB's objective of developing an efficient, transparent and integrated natural gas market. However, as an authorised City Gas Distribution ("CGD") entity serving price-sensitive CNG and PNG consumers, we respectfully request the Board to reconsider the proposed inclusion of non-interconnected pipelines in the Unified Tariff framework. In its present form, the proposal seeks to confer tariff integration without corresponding physical connectivity or operational benefit, while shifting costs and risks to CGD entities and end consumers. We have following comments to offer on the proposed amendment:

1. **Inclusion of non-interconnected pipelines in the Unified Tariff framework – Legal submissions**
    a. **The section 2(j) of the PNGRB Act read with NGPL Authorising Reg., clause 2(1)(f)** defines the common carrier/NGPL pipeline as authorised by the Board. The present draft amendment in the Tariff regulations would travel beyond this definition as there is **no concept of virtual or deemed or fictional pipeline** under the Act or the NGPL Regulations. The NGGS would mean the interconnectivity of the NGPL as defined in the Act/Regulations.

    b. Please refer following definition in the NGPL Tariff Regulations under Schedule D, clause 2.1 (f), ***"Interconnection Point"*** *means the point where two common carrier or contract carrier pipeline of two different pipeline entities interconnect and at which the gas is injected into the natural gas pipeline of one entity from a natural gas pipeline of other entity which is a part of NGGS.*

    As per the above definition, **the physical movement of gas molecule is imperative to establish interconnectivity of the pipelines.** Hence, this draft amendment which includes non-connected pipelines as part for NGGS for UFT is contrary to the definition concept of the interconnection point.

    c. **Violative of Article 14 of the Constitution**
    The proposed amendment would be violative of Article 14 of the Constitution of India, as it would subject two differently placed classes of shippers and

consumers to identical tariff treatment, without any intelligible differentia, rational nexus. Shippers and consumers connected to the grid would obtain access to RLNG and other gas sources at the Unified Tariff, whereas those served by non-connected pipelines would pay the same Unified Tariff without any corresponding access to RLNG. Imposing an identical tariff on consumers who receive materially different network benefits would therefore be arbitrary and discriminatory. **Accordingly, non-interconnected pipelines should not be brought within the Unified Tariff framework unless and until they are physically interconnected with the NGGS and are capable of providing their shippers and consumers with the same access to gas sources as the rest of the grid.**

2. **Inclusion of non-interconnected pipelines in the Unified Tariff framework**

Notwithstanding the above, the unified tariff is justified only where shippers obtain the benefits of an interconnected network. Pooling a physically isolated pipeline with the NGGS would require shippers and consumers to bear costs for infrastructure that provides no corresponding connectivity, source diversification or transportation benefit. Unlike cost sharing within an integrated grid, such inclusion would socialise the cost of an isolated asset without creating a common transportation pathway. For price-sensitive CNG and PNG consumers, any tariff increase without a commensurate network benefit would defeat the affordability objective underlying tariff unification.

PNGRB's 2017 Public Consultation Paper contemplated an interconnected cross-country network, primarily to eliminate cascading tariffs across multiple pipelines and provide affordable access to consumers located farther from gas sources. A non-interconnected pipeline neither forms part of a common transportation path nor creates the cascading-tariff issue that the Unified Tariff was designed to address. Sections 22(1), 22(2)(b) of the Act mandates that *the Board shall regulate the transportation tariff for common carrier taking into consideration among other factors safeguard of consumer interests and recovery of cost of transportation in a reasonable manner.* It is submitted that by including non-connected pipelines into the tariff, the very purpose of Sec. 22 would be defeated.

A tariff mechanism cannot create physical integration; and the latter is imperative. Inclusion in the NGGS should require both physical interconnection with the wider grid and the capability for seamless gas flow. Otherwise, tariff integration would be mistaken for network integration, imposing costs without corresponding transportation, supply-diversification or market-access benefits.

This approach would also be inconsistent with the objective of developing an integrated "One Nation, One Gas Grid". That objective is advanced through completion of authorised pipelines, creation of functional interconnections and seamless gas flows, not by extending common tariff treatment to infrastructure that remains physically disconnected. Unified tariff benefits should follow demonstrable network integration rather than operate as a substitute for it.

The long-pending absence of seamless, bidirectional gas flow among the DBPL, ETBPNMTPL and KKBMPL networks, coupled with their lack of connectivity to the National Gas Grid, demonstrates the practical consequences of physical isolation. GAIL's recent invocation of Force Majeure following a gas leakage on DBPL exposed a grave systemic vulnerability: southern GAs have no effective supply redundancy when a critical pipeline is disrupted. This risk is particularly acute during the ongoing LPG supply constraints. The incident emphasizes that **tariff inclusion cannot serve as an interim measure in place of physical interconnection, operational flexibility and access to alternate gas sources,** particularly when delays in completing authorised pipelines and interconnections have attracted only extensions of completion timelines, rather than any penalty on the responsible transporter.

3. **For unconnected GAs, where the cost of CGD operations is already materially higher, the proposal does not offer any practical benefit and leaves the underlying constraints unresolved, and additional charges still applicable:**
   - No seamless bi-directional access to all gas sources or alternate supplies;
   - High swapping cost;
   - Continued restricted availability and lower gas flows;
   - Continued high regasification charges (Rs. 73–104/MMBTU), parking and logistics/truck-loading costs (Rs. 81–120/MMBTU), each subject to annual escalation of 5%; together with unreasonably high Boil-off Gas charges despite no actual boil-off in continuous LNG operations; and
   - Potential exposure to additional socialised tariff costs.

   Additionally, a shipper on the connected grid cannot use non-connected pipelines and would get no supply diversification or alternate entry point, yet may bear their costs.

   The proposed integration would also bring all consumers under a single unified tariff regime without equalising the benefits available to them. Consumers in unconnected GAs would pay the Unified Tariff, which is, in many cases, much higher than the tariff currently applicable on the standalone pipeline serving them *(Ennore-Tuticorin Tariff Rs. 6.40/MMBTU vis a vis UFT Z1 Rs. 54/MMBTU).* The resulting surplus would then be pooled for recovery of germane costs and apportioned in the Unified Tariff computation. Unconnected GAs would thus effectively fund the wider system without receiving the full benefit of physical connectivity. Such an outcome would be **inequitable,** as the tariff burden borne by shippers and consumers should be commensurate with the physical network access and benefits actually available to them.

   The proposal therefore risks penalising unconnected GAs and their consumers for the consequences of delayed connectivity, while insulating the pipeline transporter responsible for prolonged delays in completing and commissioning authorised pipelines and interconnections.

4. **Long-term infrastructure investment depends on:**
   - policy certainty,
   - objective eligibility criteria and
   - predictable tariff treatment.

   Including non-interconnected assets without a clear statutory and regulatory basis, evidence of system-wide benefit and a proportionate impact assessment would unsettle legitimate commercial expectations, impose costs without commensurate benefit and risk being viewed as arbitrary and unreasonable.

   The 2017 consultation process also distinguished certain regional pipeline networks from the interconnected cross-country transmission system based on factors including absence of direct connectivity, lower operating pressure and lack of inter-system gas movement. Their proposed inclusion now represents a material departure from the original basis of the Unified Tariff framework and should not proceed without detailed impact assessment and stakeholder consultation.

5. **Additional clarification on commissioning and interconnection**

   Schedule C1 proposes that pipelines yet to be commissioned would enter the NGGS from the date of full or partial commissioning. Partial commissioning of a section must not be treated as full commissioning of the authorised pipeline. While an operating section may attract section-specific treatment, it should not trigger tariff or regulatory consequences intended for completion of the entire authorised route.

   This distinction is also consistent with the Board's approach in the recent bidding process for the Kochi-Thoothukudi Natural Gas Pipeline ("KTPL"). The bidding conditions expressly provide that the pipeline shall be considered operational when its trunk pipeline is fully commissioned, while separately recognising the position of a partially commissioned trunk pipeline for application of the first-year tariff. Thus, the Board's own recent bidding framework recognises a distinction between partial commissioning and full commissioning for tariff and operational purposes. **A similar distinction may appropriately be maintained under the proposed Unified Tariff framework, rather than treating partial commissioning, by itself, as equivalent to full commissioning of the authorised pipeline.**

6. **Premature Unified Tariff eligibility would create a perverse incentive.** A transporter could receive tariff benefits before completing its authorised route and interconnections, weakening the incentive to finish the remaining infrastructure while socialising the cost of delay. Eligibility should therefore arise only upon completion of the relevant authorised facilities and operational interconnections, except where PNGRB records a specific, evidence-based exception subject to clear safeguards and time-bound completion obligations.

   This distinction is important because an isolated completed section does not give CGD entities access to the National Gas Grid, alternate supply sources or competitive gas

availability. Where interconnection is part of the authorised scope, it should be completed before the entire pipeline is declared commissioned. The authorisation should clearly state the approved route and length, interconnection points, completion timelines and connectivity obligations so that commissioning, tariff milestones and any default can be assessed objectively. **Any delay in meeting these obligations should attract penalties on the responsible transporter, rather than repeated extensions of completion timelines, so that the cost of delay is not passed on to CGD entities and end consumers.**

7. **Transparency regarding connectivity and commissioning status**

   For better downstream planning, PNGRB may direct each authorised natural gas pipeline entity to provide affected CGD entities with an updated georeferenced route file in KMZ format. The file should show the authorised alignment, completed and pending sections, spur lines, existing and proposed interconnection points, and commissioning status, subject to appropriate security safeguards.

8. **Power to amend Schedule C and C1 "by order"**

   The draft allows the Board to amend Schedule C and C1 by order from time to time. Any changes/inclusion in the Schedule, affects the tariff that the other shippers/consumers pay. We, therefore, request that any addition be made only after publication of the proposal with pipeline-wise data and a reasonable comment period.

9. **Recovery of common Industry Committee expenses**

   THINK Gas has no objection in principle to recovery of genuine common expenses, subject to the following safeguards:

   - Expenses must be necessary, reasonable, actually incurred and independently audited;
   - Approval and entity-wise disclosure must be transparent;
   - Related-party engagements must carry appropriate safeguards; and
   - Shippers should bear costs only where a corresponding operational or market benefit is demonstrated.

   The annual ceiling must not become an automatic entitlement.

   Further, inclusion of an expense in revenue entitlement should not, by itself, establish its prudence or reasonableness, and PNGRB may retain the ability to scrutinise and disallow expenses that are excessive, unrelated or insufficiently supported.

For the foregoing reasons, THINK Gas respectfully requests PNGRB to withdraw Schedule C1 in its present form and reconsider the proposal only after transparent stakeholder consultation and a pipeline-wise regulatory, operational and tariff impact assessment.

Any revised framework should:

- Link eligibility to physical interconnection and operational gas flow;
- Distinguish partial commissioning from full commissioning;
- Place accountability for delayed completion on the responsible transporter;
- Require transparent connectivity and commissioning disclosures; and
- Permit recovery only of prudent, supported and demonstrably beneficial common costs.

Given the significant adverse impact of the proposed amendments on CGD entities, especially having multiple non-connected GAs, and end consumers, THINK Gas respectfully requests an extension of time to submit additional detailed comments after further assessment.

We also request that participation in the open house be facilitated through virtual mode.

We remain available to provide any further clarification required by the Board.

Yours sincerely,

Susheel Jad
President and General Counsel

P-60368/2026/lo/lo/Secy

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PNGRB/ I 6176
दिनांक 26/10/2026
Dt

TORRENT GAS

TGL/Comm/2026-27/088

October 22, 2026

To,
The Secretary,
Petroleum and Natural Gas Regulatory Board ("PNGRB"),
Tower E, Fourth Floor (E-400),
NBCC World Trade Centre, Nauroji Nagar,
New Delhi - 110029

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Subject: Views/Comments on draft Views/Comments on Draft PNGRB NGPL Tariff Amendment Regulations 2026

Ref: 1. Public Notice dated 08.10.2026 bearing reference number PNGRB/Com/13-Reg(1)/2023 (E-4676)

Respected Sir,

1. This has reference to the Public Notice dated 08.10.2026 bearing reference number PNGRB/Com/13-Reg(1)/2023 (E-4676), wherein comments have been invited from stakeholders on the proposed amendments to the Draft PNGRB NGPL Tariff Amendment Regulations 2026.

2. At the outset, we thank the Hon'ble Board for the opportunity to provide our comments through the stakeholder consultation process for developing a robust regulatory framework. In this regard, Torrent Gas Limited (TGL) respectfully submits the following comments for the kind consideration of the Hon'ble Board. Our key submission is that the Unified Tariff should not be made applicable to a non-interconnected pipeline until the entities, such pipeline serves, can actually draw their allocated gas and have access to cheaper gas sources available on the National Gas Grid System (NGGS).

3. **Background**

3.1. Torrent Gas is a PNGRB-authorised CGD entity operating in 17 Geographical Areas (GAs) across seven states, including the Chennai & Tiruvallur District GA in the State of Tamil Nadu.

3.2. The Draft Regulations propose to amend Regulation 2(1)(ec) so that the NGGS, for the purpose of the Unified Tariff, also covers pipelines that are not interconnected

with the grid but are listed in a new Schedule C1. IOCL's Ennore–Tuticorin pipeline is listed at S. No. 7 of Schedule C1.

3.3. The Draft Regulations also propose that common expenses incurred on behalf of the Industry Committee be included in the incurring entity's revenue entitlement, subject to an aggregate cap of Rs. 1 crore per financial year. TGL has no comments on this proposal.

4. Supply position of Southern State GAs

4.1. Many GAs in southern region, especially GAs in the State of Tamil Nadu, are not physically connected to the NGGS. Their only source of supply is IOCL's Ennore–Tuticorin pipeline, which draws gas from the Ennore LNG Terminal.

4.2. Transportation to the GA is therefore charged at the approved tariff of the Ennore–Tuticorin pipeline, at present about Rs. 7.2/MMBtu. The Unified Tariff is currently not applicable in the region as the pipeline is not connected to NGGS.

4.3. Initially, under Case 4, APM and NWG gas was supplied to the GAs through swapping of gas by GAIL and IOCL. The same is now supplied through Ramnad gas fields. However, the compression capacity available at Ramnad is inadequate, and IOCL is unable to supply to the fullest even the allocated quantities of NWG gas to the authorised entities including Torrent Gas.

5. Comments

5.1. The Unified Tariff rests on access to the whole grid

The implementation of the Unified Tariff framework was undertaken with the objective of rationalizing natural gas transportation charges and facilitating the increased penetration of natural gas across India. The concept was primarily intended to benefit consumers and CGD entities connected to the National Gas Grid System (NGGS) by minimizing regional variations in transportation tariffs. In furtherance of PNGRB's vision of "One Nation, One Grid, One Tariff", the framework seeks to ensure greater tariff uniformity, reduce geographical imbalances in delivered gas prices, and align natural gas transportation economics with those of competing fuels such as LPG and Motor Spirit. This is expected to enhance affordability, accessibility, and market competitiveness of natural gas throughout the country.

Torrent Gas Limited

The Unified Tariff pools transportation cost across all NGGS pipelines and hence, the Unified Tariff was applicable for gas through interconnected pipelines part of NGGS.

CGD entities transporting gas through Interconnected pipelines benefit as they can source gas from any entry point on the grid and choose the cheapest available source. The existing definition in Regulation 2(1)(ec) reflects this by tying the NGGS to physical interconnection.

However, the "One Nation One Tariff" can work when one interconnected physical infrastructure – the national Gas Grid exists throughout the country. Extending the Unified Tariff to a non-interconnected pipeline passes on the cost of the grid, without its benefits.

5.2. Entities served only by the Ennore–Tuticorin pipeline cannot access cheaper gas

a) **Allocated NWG cannot be fully drawn** - Allocation of domestic gas, including NWG, to CGD entities already falls short of their requirement. In addition, owing to limited compression capacity at Ramnad, currently IOCL is not able to supply the full NWG allocated quantities to Torrent Gas for its GA. The shortfall is being met thorugh costlier gas available at Ennore.

b) **HPHT gas cannot be bid for** - HPHT gas is generally cheaper than RLNG and is sold through e-auctions with delivery on the interconnected grid. An entity connected only to the Ennore–Tuticorin pipeline cannot take delivery of that gas and so cannot meaningfully participate in these auctions. Hence, there is no level playing fields for the GAs in Southern region.

c) **Cheaper RLNG on the grid cannot be reached** - RLNG and other gas available at Dabhol is significantly cheaper than the gas available from IOCL at Chennai. Interconnected entities can source it; whereas entities served only by the Ennore–Tuticorin pipeline cannot.

5.3. Impact on tariff and consumers

On notification, transportation on the Ennore–Tuticorin pipeline would be charged at the Unified Tariff, currently Rs. 54/MMBtu for Zone-1 (applicable to CGD PNG-D and CNG volumes), instead of about Rs. 7.2/MMBtu. This is an increase of about Rs. 47/MMBtu, or roughly Rs. 1.75/SCM. This would mean higher costs to consumers without corresponding benefit of access to cheaper gas.

Torrent Gas Limited

5.4. Inconsistency with regulatory objectives

The Board's mandate under Section 11 of the PNGRB Act, 2006 includes protecting consumer interest by fostering fair trade and competition. A higher tariff without access to competitive supply weakens the price position of PNG and CNG against alternative fuels in the GA. It would also slow down the gas adoption in a region where pipeline is yet to be connected to NGGS, which will be contrary to the national objective of raising the share of natural gas in the energy mix.

6. Submissions: Torrent Gas respectfully requests the Board to:

6.1. Defer the applicability of the Unified Tariff to all the non-connected pipelines including Ennore–Tuticorin pipeline until both of the following issues are addressed:

a) the compression capacity constraint at Ramnad, so that entities can be supplied their full allocated quantities of APM/NAPM/NWG; and

b) actual access for the entities served to the gas sources available to interconnected entities, including HPHT gas and RLNG at NGGS terminals such as Dabhol, through physical interconnection with the NGGS or through a swap mechanism covering all gas.

6.2. Until the conditions at above are met, continue to charge CGD volumes delivered to GAs served exclusively by a non-interconnected pipeline at that pipeline's approved tariff.

We would be pleased to participate in the proposed Open House discussions and remain available to provide any further information or clarification, as may be required by the Hon'ble Board.

Thanking you,
Yours faithfully,

For Torrent Gas Limited

Torrent Gas Limited

Utkarsh Bhatt
Executive Director

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GTL/COMM/2026
6th November, 2026

To,
Secretary,
Petroleum and Natural Gas Regulatory Board (PNGRB)
Tower E, 4th Floor,
NBCC World Trade Centre,
Nauroji Nagar, New Delhi – 110029

Sub: Views/Comments on Draft PNGRB NGPL Tariff Amendment Regulations 2026

Ref.: Public Notice : PNGRB/Com/13-Reg(1)/2023 (E-4676) dated 8th October 2026
Our comments submitted vide letter dated 27.10.2026

Dear Sir,

We refer to the comments submitted earlier vide letter dated 27.10.2026. We are updating our comment at Sl# 2 as under :

1. 2(1)(1) – It is mentioned that for government allocated natural gas being supplied through swapping mechanism, the unified contractual path may consist of pipelines that are not interconnected – the purpose is not clear. We request the Hon'ble Board to elaborate with an example. Unless there is a compelling reason, we feel the contractual path should be considered from the location where the swapped gas is supplied and avoid inclusion of virtual pipeline / path as there is no physical transportation of gas. The place of physical supply should be the unified entry point / entry Point. It is for information that domestic gas allocated by the Government to Gujarat CGD entities at Suvali is connected directly with GTL's network. Swapping arrangement as per MoPNG guideline is required when it is operationally not feasible to supply gas directly to customers. However, entity being marketer of domestic gas is supplying gas by means of swapping by virtually flow gas through its pipeline which is not required and creating revenue deficit in UFT system. PNGRB may accordingly direct the entity to allow CGD entity to transport gas through physical path and on their own and not insist the CGD entity to take bundled (gas sales and transportation) service.

In addition to the above and other comments submitted by GTL on proposed amendments to the Tariff Regulations, your kind attention is drawn to the income derived from Parking services (earlier referred to as Deferred Delivery Service) which was kept out of the purview of tariff determination.

The earlier provision of Imbalance Management Services regulations 2016, Regulation 4(5) is reproduced below for ease of reference.

"The amount received by the transporter from the imbalance management services referred to in subregulation (1) shall be allowed to be retained by it over and above the transportation tariff for the pipeline in accordance with the provisions of the relevant regulations of the Board."

The following amendment was introduced in Imbalance Management Services Regulations in November 2020.

"(5) Fifty per cent of the amounts accrued to the transporter from imbalance management services referred to in sub-regulation (1) shall be considered as miscellaneous income for determination of tariff under Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008….."

The above implied that instead of 100% revenue from Deferred Delivery Services that was being retained by the transporter, now only 50% was to be retained by the transporter and balance 50% would be considered as miscellaneous income which would be set off against Opex in tariff determination.

In November 2022, the tariff regulations (Schedule A, Regulation 5(8) -Adjustment of Miscellaneous Income against Operating Costs) were further amended and as per this amendment, the pipeline entity whose volume is equal to or higher than normative volume (meaning they earn 12% returns) would not be eligible for retaining even 50% of the revenue derived from providing Imbalance Management Services.

Thus Imbalance Management Services Regulations still provide for 50% retention of such revenue by pipeline entity, whereas Tariff Regulations consider the entire miscellaneous income to be adjusted against Opex. Thus there is apparent contradiction in two regulations.

With the withdrawal of entire exemption (as per Tariff Regulations) for the entity which transports more than normative volume, such entity has no incentive to offer Imbalance Management Services to its customers even if there is spare capacity in the pipeline. It is for information that besides providing them operational flexibility, Parking and Lending services provide huge support to shippers / customers during times of gas price volatility.

It is kindly requested to the Hon'ble Board to make suitable changes in the Tariff Regulations so that entity which provides the Imbalance Management Services in the interest of shippers/consumers is not put to any disadvantage. We request you to restore the original provision of Deferred delivery services which kept the entire income from such services outside tariff determination process.

Further, since Bid Out Pipelines are currently incurring losses, it is requested that the current requirement of depositing 50% of such income from Parking / Lending services in the Escrow Account be waived and bid out pipelines should be allowed to retain the entire 100% earnings from imbalance services (not imbalance charges). This is also required as so far all regulatory amendments have been done keeping only cost plus pipelines in consideration. The current proposal for retaining 100% of such revenue from imbalance services for bid out pipelines will be a small step towards sustainable operations in future.

Thanking You,

Yours Sincerely,

Devendra Agarwal
Executive Director (Commercial)