No: GAILGas/Noida/HVJ-Int. PL Tariff/2018/1

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

Subject: Comments on PCD for Tariff Structure for HVJ-GREP-DVPL (HVJ) & DVPL/GREP Upgradation

Respected Madam,

This has reference to the PNGRB’s Public Consultation Document (PCD) No. PNGRB/M(C)/65-Vol.II dated 29.11.2018 on the subject mentioned above seeking views from stakeholders on determination of tariff whether to consider to the HVJ & HVJ Upgradation as integrated pipeline or separately as determined earlier.

It has been noted from the said PCD that as against the present provisional tariff for HVJ-GREP-DVPL (Rs.25.46/MMBTU) & DVPL/GREP Upgradation (Rs.53.65/MMBTU), the final levelized tariffs submitted by GAIL stands at Rs. 175.20/MMBTU and Rs.88.09/MMBTU respectively. The final HVJ-GREP-DVPL tariff is projected to be more than twice the estimated final DVPL/GREP Upgradation tariff as per submissions of GAIL (India) Limited. It is submitted that such tariff would be highly inequitable for the users of the HVJ-GREP-DVPL system vis-à-vis users of DVPL/GREP Upgradation system. Further, it is noted that GAIL has submitted final levelized tariff of Rs. 97.04/MMBTU for HVJ Integrated System, which is being considered by PNGRB.

We, GAIL Gas Limited, are serving vast number of PNG (Domestic) and CNG (Transport) consumers are primarily paying the HVJ-GREP-DVPL tariff and hence, in case the HVJ-GREP-DVPL tariff increases as mentioned above, then it would have adverse implications for such a vast pool of small consumers.

In this regard, it is seen from the PCD that in case of integrated HVJ tariff, the projected standalone final HVJ-GREP-DVPL tariff of Rs.175.20/MMBTU may substantially come down to a level of Rs.97.04/MMBTU. One the other hand, for the users of the DVPL/GREP Upgradation, the projected standalone tariff of Rs.88.09/MMBTU would undergo only marginal upward revision.
In view of the above, we would request PNGRB to consider adopting a rationalized tariff structure for the HVJ-GREP-DVPL and DVPL/GREP Upgradation pipeline systems by having an Integrated tariff for the entire pipeline system.

Thanking You,

Yours Sincerely,

(Ajay Sinha)
DGM (BD)

Cc To:
- CEO, GAIL Gas Limited