Date: 10th May 2018

The Secretary,
Petroleum and Natural Gas Regulatory Board (PNGRB),
1st Floor, World Trade Centre,
Babar Road,
New Delhi – 110 001

Dear Madam,

Subject: Comments on PNGRB webhosted draft Regulation for “Registration for establishing & operating Liquefied Natural Gas (LNG) terminals”

Reference: PNGRB Public Notice dated 28th March 2018 and 25th April 2018

GMR Enterprises Private Limited (GEPL) is setting up 1.75 MMTPA small scale LNG terminal at Kakinada Deep Water Sea Port in East Godavari District, Andhra Pradesh to cater the demand of customers.

Please find below our point wise comments on webhosted draft Regulation for “Registration for establishing & operating Liquefied Natural Gas (LNG) terminals”:

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<th>Regulation No</th>
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| 3 (1) (a)     | • India will come up with many small scale LNG projects capacities varying from 0.5 to 2.0 MTPA. Uncommitted regasification for a capacity of 0.5 MTPA will retard the development of small scale projects envisaged to meet the customers demand.  
  • Hence, request PNGRB to restrict the uncommitted regasification capacity to 10% of the project capacity as payback for the projects can be achieved without extra overrun of the CAPEX. |
| 3 (1) (c)     | • As entities are only registering the LNG terminal with PNGRB and it is not an authorization which requires constant monitoring by PNGRB, therefore maintaining Bank Guarantee of 1% of the project cost should not be a prerequisite for registration of LNG terminal with PNGRB.  
  • Hence request PNGRB to review and delete the clause in the interest of customers at large as this will increase the commercial cost of the project which will be passed on to the consumers. |
| 5 (1)         | • Request PNGRB to review and delete the requirement of maintaining Bank Guarantee clause in the interest of customers at large. |
5 (2)  
- Extension at the block of 10 years should be based on notified PNGRB Regulations.
- Hence request to rephrase the sentence as follows:
  "..................... the Board may consider extension of it for a block of 10 years at a time on such terms and conditions, as notified in PNGRB Regulations. For this purpose............."

6 (1)  
- The change in ownership will be big exercise due to capital intensive project, hence at least 180 Days should be given to the entity for providing informing to the Board.

Schedule – I  
- Request to delete the Point 8 in line with our comments in Regulation 3 (1) (c) above.

Schedule-III  
- Request to modify Point 7 in line with our comments in Regulation 3 (1) (a) above.

We request PNGRB to consider our point wise comments as proposed and suitably amend the draft Regulations for “Registration for establishing & operating Liquefied Natural Gas (LNG) terminals”.

Yours sincerely,

For GMR Enterprises Private Limited (GEPL)

S. Ram Prasad  
Head- LNG Project
Dear Sir,
Hindustan LNG Limited (www.hindustanlng.com) is setting up a RLNG terminal at Challapalli village, East Godavari district in Andhra Pradesh (near RAVVA area). The initial capacity is 1.75 MMTPA, which will be expanded in phases depending on gas demand.

This is with reference to the Public notice dated 28th March 2018 seeking comments / views of stakeholders on the draft regulations for registration for establishing and operating Liquefied Natural Gas (LNG) terminals, please find below our comments / views on the draft regulations.

While we agree with payment of non-refundable fee as specified in the Petroleum and Natural Gas Regulatory Board (Levy of Fee and other charges) Regulations, 2007, we do not agree with the submission of bank guarantee as per 3 (1) (c) of the draft regulation to furnish a bank guarantee to the Board for an amount equal to 1 percent of the estimated project cost of the LNG terminal or Rs. 25 crore, whichever is less.

It is therefore requested to delete this clause.

We request you to please consider our above mentioned comment during the finalization of regulation for registration for establishing and operating Liquefied Natural Gas (LNG) terminals.

Regards
Rohit Kumar
General Manager

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