GAIL/RA/GSPL/Tie-in/PLL-GSPL Bhadnun 2017/338753/1863

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

Subject: GSPL's proposal to lay a Tie-in Connectivity pipeline from Petronet LNG Terminal, Dahej to Dhadbhut Terminal on GSPL Pipeline Network

Respected Madam,

This has reference to the PNGRB, vide Public Notice No. Infra/NGPL/128/Tie-in/PLL-GSPL/08/17 dated 27.10.2017 in respect of GSPL’s Tie-in Connectivity proposal, soliciting public comments on the same.

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

Thanking you,

Your’s sincerely,

[Signature]

Executive Director (Mktg.-Gas)
E-mail: manojjain@gail.co.in

Encl: As above
GAIL’s Views: PNGRB Public Notice dated 27.10.2017 in respect of GSPL’s proposal to lay a Tie-in Connectivity pipeline from Petronet LNG (PLL) Terminal, Dahej, to Bhandhut Terminal on GSPL NG Pipeline Network

1. PLL, Dahej, is already connected to the GSPL’s Gujarat Grid through a 24” pipeline and as per GSPL, due to operational, technical and safety constraints in this pipeline, it has not been able to deliver quantity of RLNG required to meet entire demand of its customers in sectors including Power, Fertiliser, Petrochemical and CGD, and therefore it proposes to immediately construct another 36” X 39 kms (14.77 MMSCMD capacity) pipeline as a tie-in connectivity pipeline for transportation of RLNG from PLL’s planned expansion facility (i.e. from 15 MMTPA to 20 MMTPA, planned to be expanded by PLL by 2020).

2. In this regard, at this stage, no letter / agreement from PLL has been enclosed in support of the subject proposal.

3. In any case, PLL Dahej is also connected to GAIL’s HVJ pipeline system and DUPL-DPPL pipeline system. The total evacuation capacity of the combined GAIL’s pipeline system is adequate to evacuate the total regasification capacity of PLL, including a future scenario of 20 MMPTPA capacity.

4. It may be mentioned that various IPPs like GSEC, CLP are also connected directly with GAIL’s Gujarat regional pipeline network. Likewise, various Petrochemical plants like GACL, Baroda etc. are also connected directly with this GAIL’s pipeline. As is known, GAIL is currently upgrading/replacing pipelines in this network, after which, the operational issues of pressure requirement of such customers will be resolved. In this connection, it may be noted that the sub regulation 21 (1) (a) requires, inter-alia, demand-supply projections, and in this context the proposing entity may be required to provide the exact list of power customers (IPPs)/petrochemical plants etc for which the requirement for laying such additional 14.77 MMSCMD capacity line has arisen.

5. Besides, to cater to requirement of CGDs which are to be supplied APM gas through swapping at Dahej, considering capacity constraint of GSPL at Dahej, GAIL has instituted a mechanism wherein additional gas is supplied from Bhandhut through swapping mechanism.

6. In above said scenario, customers will have the flexibility to use the network of either GAIL or GSPL and hence, this proposed tie-in connectivity may be infructuous.

7. In view of the above, and in keeping with the provisions of the PNGRB Act for avoiding infructuous investment, the proposed 36” X 39 kms (14.77 MMSCMD capacity) pipeline may be avoided.

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To,
Ms Vandana Sharma,
Secretary,
Petroleum and Natural Gas Regulatory Board ("PNGRB/Board"),
1st Floor, World Trade Centre,
Babar Road,
New Delhi – 110001

Sub.: Comments on “GSPL’s proposal for Tie-in connectivity from Petronet LNG Terminal, Dahej to GSPL’s Bhadbhut Terminal u/r 21 (1) of the PNGRB (Authorizing entities to lay, build, operate or expand natural Gas pipelines) Regulations, 2008”


Dear Madam,

With reference to the Public Notice dated October 27, 2017 webhosted by the PNGRB with regards to the proposal submitted by M/s Gujarat State Petronet Limited (“GSPL”) to develop Tie-in connectivity by laying 36” x 39 kms pipeline from Petronet LNG Limited (“PLL”) Terminal at Dahej to Bhadbhut Terminal on GSPL’s High Pressure Gujarat Gas Grid under regulation 21 (1) of PNGRB (Authorizing entities to lay, build, operate or expand natural Gas pipelines) Regulations, 2008 ("NGPL Authorization Regulations"), Gujarat Gas Limited (“GGL”) would like to place the following views for the kind consideration of the Revered Board:

1. As per the proposal for Tie-in Connectivity placed by GSPL, Attakpardi, one of the entry points on GSPL’s Gas Grid, is no longer a source for Gas supply to GSPL’s customers due to stoppage of gas supply from KG-D6 field. This creates a circumstance of under-utilization of Natural Gas pipeline which is not intended in the spirit of PNGRB Regulations.

Also, GGL at various public consultations has been reiterating that the pipeline infrastructure in Gujarat region despite being smoothly operational and well-
connected has not been optimally utilized and the capacity utilization of these networks has merely been in the range of c.58-63%.

Therefore, GGL would like to apprise the Honourable Board that it would be suitable for the Natural Gas Midstream and Downstream industry to enhance the utilization of its existing infrastructure and this proposal prima facie intends to optimize the utilization of GSPL’s High pressure Gujarat Gas Grid. This is being substantiated by the fact, as placed by GSPL in its proposal that the Tie-in connectivity shall also allow GSPL to operate its existing 24” pipeline thereby not making the existing pipeline redundant.

2. GGL would also like to inform the Honourable Board that the proposal for Tie-in connectivity will prevent any duplicity of infrastructure in future for off-taking RLNG. GSPL has also mentioned in its proposal that various Independent Power Producers (“IPP”), Petrochemical Plants and Refineries have requested for booking of capacity in GSPL network for off-taking of RLNG.

3. GGL appreciates GSPL’s proposal on Tie-in connectivity to be developed as a common or contract carrier which will substantiate to be advantageous for the customers.

GGL, therefore, supports the proposal for the said Tie-in connectivity and believes that the proposal enables to nullify the bottleneck of under-utilization of the existing infrastructure and helps in formulation of a robust downstream industry across the nation.

We trust the Honourable Board finds our views useful for the overall development of natural gas sector in the country. We would be happy to provide any further clarifications should they be required by your revered office in this regards.

Thanking you,
For Gujarat Gas Limited

Maqsood Shaikh
Senior Vice President – Commercial & Marketing