No.: GAIL/ND/RA/PN-DKPL/2018/354791/2064

Date: 21.06.2018

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

Subject: Laying of Natural Gas Pipeline for captive purpose by IOCL – Comments of GAIL on PNGRB Public Notice No.: Infra/NGPL/140/IOCL/DKPL/18 dated 07.06.2018.

Madam,

This has reference to the Public Notice (Ref. No.: Infra/NGPL/140/IOCL/DKPL/18 dated 07.06.2018) regarding subject matter, soliciting public comments from stakeholders.

2. In this regard, the comments of GAIL (India) Limited are enclosed herewith as Annexure-A.

Submitted Please.

Yours Sincerely,

S. Kumar.
(Kumar Shanker)
Chief General Manager (Mktg-RA)
E-mail: kumarsanker@gail.co.in
ANNEXURE-A

Laying of a Natural Gas Pipeline for Captive Purpose by M/s IOCL – Views of GAIL (India) Limited w.r.t. Public Notice No. Infra/NGPL/140/IOCL/DKPL/18 dated 07.06.2018

1. M/s IOCL, vide their letter dated 02.12.2017, have submitted certain details to PNGRB in respect of their Board’s approval for laying of a 106 km long ‘Natural Gas Pipeline for Captive Purpose’, which will be originating from PLL, Dahej LNG terminal and terminating at their Koyali Refinery. The letter states that the said details have been submitted by IOCL for PNGRB’s information and records.

2. It appears from the above letter that the said information is not a submission made under sub-regulation 19(2) of the PNGRB NGPL Authorization Regulation, 2008. As per the said sub-regulation, the entity is required to submit, inter-alia, details including Capacity, DFR of the project to PNGRB at least 30 days before the commencement of laying of a ‘Dedicated Pipeline’.

3. IOCL’s letter has not mentioned their proposed pipeline as a ‘Dedicated Pipeline’, but as a ‘Natural Gas Pipeline for Captive Purpose’. Per se, there is no category of pipeline called “Natural Gas Pipeline for Captive Purpose” under the extant PNGRB Regulatory framework. A pipeline for transportation of natural gas can fall either under the category of a ‘Natural Gas Pipeline’ or a ‘Dedicated Pipeline’ (i.e. a pipeline laid to transport natural gas to a specific customer to meet his requirement and not for resale), and in the latter case, the entity is required to submit details to PNGRB under the said sub-regulation 19(2).

4. As such the Capacity of the proposed pipeline is also not available in the IOCL letter.

5. It is important to mention here that, at present IOCL’s Koyali Refinery is already connected with the Dahej-GIPCL section of GAIL’s existing HVJ-GREP-DVPL pipeline system. As per PNGRB’s capacity declaration letter no.: MI/NGPL/GGG/Capacity/GAIL dated 14.11.2012, the Dahej-GIPCL section has total capacity of 21.43 mmcmd, and as against this capacity, the overall gas flow through this section is only about 3.5 to 4.0 mmcmd, including gas drawl by Koyali Refinery at an average flow of 0.1 mmcmd. Therefore, this natural gas pipeline section which is available to all third parties, including IOCL, is already having sufficient surplus capacity and can very well cater to the total gas needs of the Koyali Refinery even after its capacity augmentation up to 18 MMTPA.

6. Furthermore, in addition to the said GAIL’s existing pipeline connecting to Koyali Refinery, it is understood that this Refinery is also connected to M/s GSPL’s Gujarat Gas Grid network. Thus the Koyali Refinery is already connected from PLL, Dahej, through two natural gas pipelines (with sufficient surplus capacities) of two entities i.e. GAIL and GSPL. In this situation there is no necessity or expediency for developing another natural gas pipeline infrastructure all the way from Dahej up to Koyali, involving laying of a 106 km pipeline at potential additional investment of more than Rs. 300 Crore.

(1 / 2)
7. In general, if relatively large volume consumers start bypassing the main pipeline grid by developing their own dedicated pipelines on the premise that it would help them saving some transportation tariff, then it may jeopardize the sustenance of the grid concept itself. Such an issue may come up even in the case of CGD networks because, there also, for consumers located nearer to an NG pipeline, dedicated pipelines bypassing CGD network can help them save the additional CGD network tariffs.

8. Therefore, the larger issue of promoting new Dedicated Pipelines, which may bypass the Natural Gas Pipeline Grid, needs a careful review because such duplicate dedicated pipelines would adversely impact the capacity utilization potential and viability of the existing pipeline Grid.

9. In the instant case also, given that the Koyal Refinery is already connected to existing Natural Gas Pipelines of two different entities i.e. GAIL and GSPL, and the fact that there is sufficient surplus capacity still available in the same, the Board may like to advise the concerned entity to restrain from laying the proposed 106 km Natural Gas Pipeline for Captive Purpose.

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

Ref: Public Notice dated 07.06.2018 of Application of M/s Indian Oil Corporation Limited (IOCL) to lay natural gas pipeline for captive purpose

Dear Madam,

At the onset we would like to submit for the kind consideration of the Hon'ble Board that the proposal submitted by IOCL is ultra vires the Regulatory framework as provided under the PNRGRB Act read with PNRGRB (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 ("PNRGRB NGP Authorizing Regulations") and the said proposal cannot be considered for implementation by the Hon'ble Board under applicable law. In this regard it is submitted more specifically as follows:

1. IOCL's proposal is for development of Natural Gas Pipeline for captive purpose viz-a-viz dedicated pipeline mentioned in the aforesaid PNRGRB's public notice
   1.1 IOCL in its proposal dated 02.12.2017 to PNRGRB has informed to develop Dahej-Koyali Refinery Captive Natural Gas Pipeline.
   1.2 In this regard, it may be noted that definition of "Natural Gas Pipeline" u/r 2(1)(i) of PNRGRB Authorizing Regulations excludes dedicated pipeline laid to transport natural gas to a specific customer.
   1.3 Hence, PNRGRB public notice dated 07.06.2018 considering said proposal of IOCL to develop natural gas pipeline as a dedicated pipeline contravene aforesaid proviso of PNRGRB Authorizing Regulations.
   1.4 Accordingly, IOCL’s aforesaid proposal for development of natural gas pipeline cannot be considered u/r 19(2) of PNRGRB Authorizing Regulations.

2. Regulation 19 (2)(b) requires development of dedicated pipeline to a specific consumer not having connectivity with pipeline
   2.1 The aforesaid PNRGRB public notice is seeking comments to ascertain whether, instead of dedicated pipeline, public interest would be better served if natural gas pipeline is laid, build, operated or expanded from PLL, Dahej to Koyali Refinery, Vadodara. However, as you may be aware, Koyali Refinery is already having connectivity from PLL Dahej through GSPL's common carrier natural gas pipeline. In fact, you may also kindly note that apart from GSPL’s network, even M/s GAIL (India) Limited has developed a pipeline, which connects IOCL’s Koyali Refinery to M/s GAIL’s network and the said pipeline is also used by IOCL, Koyali for transmission of gas.
   2.2 The aforesaid proviso of PNRGRB regulation requires PNRGRB to ascertain the need for laying a dedicated pipeline viz-a-viz a common carrier natural gas pipeline to a consumer and clearly indicates that such deliberation needs to be done for a customer
which does not have gas pipeline connectivity either in form of a dedicated pipeline or in form of a natural gas pipeline for transportation natural gas.

2.3 Hence, the present proposal to develop a natural gas pipeline already having a common or contract carrier natural gas pipeline connectivity from PLL Dahej to its Koyali Refinery is not a valid proposal u/r 19(2)(b) of PNGRB Authorisation Regulation.

3. PNGRB aforesaid public notice considering IOCL proposal as a dedicated pipeline is in conflict of Reg. 19(2) of “Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008”

3.1 As per clause (c) of Reg. 19(2) of the said Regulation, in case, based on the examination, if Board is of the opinion that instead of a dedicated pipeline, a natural gas pipeline (common carrier) pipeline would better serve the public purpose, it may advice the entity on similar lines.

3.2 It can be unambiguously interpreted that Reg. 19(2) deals with the proposals where customer is not connected with any pipeline and then an entity wishes to lay a dedicated pipeline to a specific customer. However in present case, IOCL’s Koyali Refinery is already connected with GSPL’s HP Gujarat Gas Grid which is a common carrier network.

3.3 The said Reg. deals not deal into allowing any entity to lay a dedicated pipeline to a consumer which is already connected with a common carrier.

3.4 Further, under sub-clause (d) of the said Reg., even against the Board’s advice if any entity wants to lay a dedicated pipeline to a consumer without having any pipeline connectivity, then Board in discouragement of dedicated pipeline, can on suo-moto basis issue an expression of interest for development of a common carrier pipeline.

3.5 In fact, Sub-Clause (d) further strengthens the argument that the said Reg. deals only with regards to the customer not having any pipeline connectivity since there is no logical explanation that Board may invite EOI for the development of a common carrier to a customer which is already connected with an existing common carrier network.

4. The Proposal of IOCL to develop natural gas pipeline violates s. 20(5) PNGRB Act and has to be rejected.

4.1 GSPL’s High Pressure Gujarat Gas Grid already connects IOCL’s Koyali Refinery and is transporting natural gas from PLL Dahej and also has the capacity / capability to transport gas to Koyali Refinery from any other source on GSPL’s network. The present proposal by IOCL is a clear duplication of GSPL’s existing common or contract carrier pipeline. Also, there is sufficient capacity in GSPL’s existing pipeline to cater the IOCL’s Koyali refinery existing and future expansion requirement.

4.2 Hence, the application is a violation of the specific guidelines stipulated by PNGRB u/s 20(5) PNGRB Act which stipulates that the Board shall be guided by the objectives of inter alia avoiding infructuous investments. The proposal being submitted by IOCL will result in GSPL’s investment made in laying, operating and maintaining the pipeline connectivity to Koyali Refinery infructuous.

4.3 The IOCL Proposal will lead to duplication of gas pipeline infrastructure in the region and such duplication is against the spirit of development of common carrier pipelines, which is a key factor for development of gas grid infrastructure in the country. We also would like to draw to your kind attention to the fact that there exists several pipelines
4.5 If IOCL's Proposal is considered then all customers that are located in proximity to a source of natural gas would want to develop their own pipeline to connect to source/third party pipeline and this would result in a common carrier transporter having to connect only such customers that are located at a considerable distance, thereby defeating the underlying principle of development of common carrier pipelines and would jeopardize development of common infrastructure for far-reaching areas (away from the source).

4.6 In such circumstances, the only way a transmission company can then sustain its common carrier network business model, is by charging higher tariffs for markets located further away from the source which would then adversely affect other customers on the Transporter's network, like Power Plants, CGD companies and industrial customers.

4.7 Furthermore, GSPL natural gas pipeline to IOCL's Koyali Refinery has been duly authorized by the Hon'ble Board under Regulation 18 of PNGRB NGP Authorisation Regulations vide Letter Ref No. Infra/PL/Exis/18/(1)/GSPL/Guj-Gas-Grid-HP/01/12 dated 27th July 2012 and the laying of the proposed pipeline by IOCL will cause willful loss of revenue to GSPL and wrongfully interfere with the rights of GSPL as an authorised pipeline entity in the region, that is already providing services to the IOCL Koyali Refinery.

4.8 Without prejudice to the above, in the event the Hon'ble Board still considers to process the present application of IOCL, it cannot be processed as an application for laying a dedicated pipeline under Regulation 19(2) PNGRB NGP Authorising Regulations, but instead will have to be treated as an application for laying a "natural gas pipeline" and the process for awarding authorisation for laying a natural gas pipeline under the PNRGB NGP Authorising Regulations will have to be followed.

4.9 The proposal from IOCL is effectively duplicating the existing natural gas pipeline capacity without any justification for an actual requirement for the same. It is humbly submitted that the Hon'ble Board should not permit the due process of its regulations to be misused for defeating existing transmission arrangements between GSPL and IOCL Koyali Refinery.

5. Complete details as required u/r 19(2)(a) of PNGRB Authorisation Regulations has not been provided

5.1 Notwithstanding anything stated above, it may also be noted that Regulation 19(2)(a) of PNGRB Authorisation Regulations requires details, as mentioned therein, to be submitted along with the proposal of dedicated pipeline. However, the present proposal of IOCL to develop natural gas pipeline and being considered as dedicated pipeline by PNGRB, does not provide the details of (i) route of proposed pipeline (ii) pipeline capacity and (ii) Detail Feasibility Report of the project.
5.2 In this regard, it be noted that DFR is the critical document to ascertain the feasibility of any infrastructure project and its capacity to transport natural gas.

5.3 In view of the complete details as required under the Regulations is not provided, PNGRB aforesaid public notice considering IOCL proposal should be rejected.

6. Development of new Natural Gas Pipeline is to be considered u/r 4 of PNGRB Authorising Regulations and provision mentioned there in

6.1 The present proposal from IOCL to develop natural gas pipeline does not fall within the framework of a ‘dedicated pipeline’ as provided for in the PNGRB NGP Authorizing Regulations and will in fact necessarily have to be considered a “natural gas pipeline” under Regulations 2(f) PNGRB NGP Authorizing Regulations.

6.2 Therefore, even in the event that PNGRB intends to proceed with considering the proposal by IOCL, it would need to follow the process of either the Expression of Interest Route as provided in Regulation 5 of PNGRB NGP Authorizing Regulations and treat the proposal of IOCL as a EOI and apply the criteria of Regulation 5 thereto or invite competitive bids under Regulation 6 for the proposed pipeline.

6.3 Since the proposal from IOCL is to develop a “natural gas pipeline” and will not be excluded from the scope of the definition of “natural gas pipeline” under PNGRB NGP Authorizing Regulations; it would need to be evaluated in terms of Regulation 5 of the PNGRB NGP Authorizing Regulations.

6.4 Under Regulation 5 of PNGRB NGP Authorizing Regulations, the Hon'ble Board is mandated to following a public consultation process and has to mandatorily, under Regulation 5(4)(b) PNGRB NGP Authorizing Regulations, not allow the proposed natural gas pipeline if the projected potential demand could be better met in a cost effective manner by expansion of an existing pipeline.

6.5 In this regard, the Hon'ble Board, will have to duly consider the fact that GSPL has already established a natural gas pipeline to Koyali Refinery and the said natural gas pipeline has adequate capacity to transport all the IOCL existing and future expansion requirement. Moreover, IOCL already has an existing Gas Transportation Agreement (GTA) with GSPL for transportation of natural gas to its Koyali Refinery from PLL, Dahej and GSPL has also offered a long term GTA to IOCL Koyali for reservation of capacity.

6.6 Under Regulation 5 PNGRB NGP Authorizing Regulations, the Hon'ble Board is mandated to be guided by the objectives specified in the second Proviso thereto which include, in sub-clause (ii) thereof “avoiding infructuous investments” and sub-clause (v) thereof “incentivizing rapid development of natural gas pipeline infrastructure”. If the Hon'ble Board permits IOCL to itself lay an additional pipeline to its Koyali Refinery, even when it already has a natural gas pipeline to the same premises, it would render the investment made by GSPL to develop, operate and maintain the natural gas pipeline infructuous and will be a disincentive to entities undertaking development of natural gas pipeline infrastructure.

7. Existing Regulatory framework deter consumers near gas sources to transport natural gas through common or contract carrier viz-a-viz dedicated pipeline

7.1 The present Regulatory Framework to fix uniform transportation Tariff for 300 kms has been discouraging customers near the gas sources to having transportation service from a common or contract carrier viz-a-viz dedicated pipeline.
Accordingly, GSPL reiterates its request made vide aforesaid letter dated 22nd January, 2018 to allow transporter to charge absolute distance based tariff i.e. Transportation Tariff shall be recovered from customers per km distance basis from Entry point to Exit point.

We would therefore submit to the Hon’ble Board, that the proposal submitted by IOCL for a Dahej-Koyali Refinery Captive Natural Gas Pipeline cannot be considered as it is not a valid proposal under the existing regulatory framework of PNGRB Act read with the PNGRB NGP Authorization Regulations and any grant of authorization based thereon would not be a valid authorization under the present regulatory framework. The said proposal, in respect of which the above referenced Public Notice has been issued, should be rejected.

Considering the proposal shall have impact on the business of GSPL, we also humbly request PNGRB to provide an opportunity to GSPL to make a brief presentation on the above mentioned critical issue for consideration of Hon’ble Board

With Best Regards,

Yours sincerely,

Ravindra Agrawal
Group ED (Gas Business)
The Secretary  
Petrochemical and Natural Gas Regulatory Board  
1st Floor, World Trade Centre  
Babar Road  
New Delhi - 110001

Sub: Review of Transportation Tariff recovery model for common or contract carrier 
natural gas pipeline in view of proposal from customers for dedicated natural gas 
pipelines considered by the PNGRB

Ref.: 

i. GSPL submission to PNGRB vide letter dated 9th November, 2017 on OPAL’s 
   proposal for dedicated pipeline

ii. GSPL presentation to PNGRB dated 12th July, 2017 on impact of PNGRB Regulation 
in the development of natural gas pipelines

iii. GSPL submission to PNGRB vide letter dated 1st February, 2017 on TPL’s proposal 
    for Sugen dedicated pipeline

iv. GSPL submission to PNGRB vide letter dated 8th November, 2011 on Torrent Power 
   Ltd.’s (TPL’s) proposal for DGEN dedicated pipeline

Respected Madam,

GSPL has been operating its Gujarat Gas Grid pipeline network authorized by the PNGRB in 
the State of Gujarat on Common or Contract carrier basis for transportation of natural gas by the Shippers / Customers from natural gas sources to customer exit points.

As obligated under Clause g of Schedule J of PNGRB (Authorizing Entities to Lay, Build, 
Operate or Expand Natural Gas Pipelines) Regulations, 2008 (Authorization Regulations) to 
provide connectivity to the consumer within a tariff zone in a natural gas pipeline, GSPL has 
provided connectivity to such customers by laying new gas pipeline from authorized common 
or contract carrier to various customers, including ONGC Petro Additions Limited (OPAL), 
Torrent (DGEN), Torrent (Sugen) etc. within the Tariff Zone.

However, customers i.e. OPAL, Torrent (DGEN) and Torrent (Sugen) whose plants are 
located nearer to natural gas sources i.e. PLL, Dahej and are already having connectivity 
with GSPL’s Gujarat Gas Grid have proposed & some have developed dedicated natural gas 
pipelines connecting natural gas sources directly to their plant in order to avoid payment of 
Zonal Transportation Tariff approved by the PNGRB for GSPL’s network.
This shall provide competitive tariff on non-discriminatory basis for availing transportation service through common or contract carrier to customers located nearer to the gas sources viz-a-viz cost of availing transportation service through dedicated natural gas pipeline owned by customer.

Submitted for your kind consideration please.

We shall be grateful to provide any other details as required by the PNGRB in this regard.

With best regards,

Yours sincerely

(Dr. T. Natarajan)
Ref: HEPL/BD/PNGRB/2018/005

14th June 2018

To,
Smt. Vandana Sharma,
Secretary,
Petroleum and Natural Gas Regulatory Board
1st Floor, World Trade Centre
Babar Lane, Connaught Place
New Delhi – 110001

Sub: IOCL’s Natural Gas Pipeline Originating from Petronet LNG Limited’s Terminal at Dahej to Koyali Refinery, Vadodara, Gujarat under Regulation 19(2)

Dear Ma’am,

With reference to PNGRB’s Public Notice No. Infra/NGPL/140/IOCL/DKPL/18 dated 07th June 2018 we wish to submit our views on IOCL’s proposed “Captive” Natural Gas Pipeline originating from Petronet LNG Limited’s Terminal at Dahej to Koyali Refinery, Vadodara, Gujarat. Our views, enclosed as Annexure – I may kindly be placed on record.

Thanking you

Yours sincerely

Abhirup Bhattacharya
Vice President, Business Development

Enclosed:

Annexure – I: H-Energy’s views on IOCL’s Natural Gas Pipeline Originating from Petronet LNG Limited’s Terminal at Dahej to Koyali Refinery, Vadodara in Gujarat under Regulation 19(2)
**Submission of H-Energy's views on IOCL’s Natural Gas Pipeline Originating from Petronet LNG Limited's Terminal at Dahej to Koyali Refinery, Vadodara in Gujarat under Regulation 19(2)**

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<td><strong>Name of Entity</strong></td>
<td>H-Energy Private Limited</td>
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<td>2</td>
<td><strong>Complete Address</strong></td>
<td>12th Floor, Knowledge Park, Hiranandani Business Park, Powai,</td>
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<td></td>
<td>Mumbai – 400076</td>
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<td>3</td>
<td><strong>Email ID / Telephone / Fax</strong></td>
<td><a href="mailto:abhattacharya@in.henergy.com">abhattacharya@in.henergy.com</a></td>
<td>+91-22-25715100</td>
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<td><strong>SUBMISSION BY IOCL TO PNGRB</strong></td>
<td><strong>COMMENTS OF H-ENERGY PVT. LTD.</strong></td>
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<td>5.1</td>
<td>To meet the captive natural gas requirement of Koyali refinery,</td>
<td>a) The PNGRB Act, 2006 does not recognise “Captive Pipelines”.</td>
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<td>IOCL Board has recently accorded investment approval for laying</td>
<td>Also, the PNGRB (Authorizing Entities to Lay, Build, Operate or</td>
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<td>of Dahej - Koyali Refinery Captive Natural Gas Pipeline.</td>
<td>Expand Natural Gas Pipelines) Regulations, 2008 also does not</td>
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<td>specify “Captive Pipelines”. On the contrary, it clearly defines</td>
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<td>Natural Gas Pipelines as either Common Carrier (Contract Carrier)</td>
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<td>Pipelines or as Dedicated Pipelines.</td>
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<td>19(2) of the Authorizing Regulations, 2008 the proposal submitted</td>
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<td>by IOCL for laying a “Captive” pipeline should have been rejected</td>
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<td>In our view, as per the extant Regulation, the Board is not</td>
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<td>required to convert a proposal for a “Captive” Natural Gas</td>
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<td>Pipeline to an application for a Dedicated Natural Gas Pipeline</td>
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<td>b) Regulation 2(1)(f)(i) of the PNGRB Authorizing Regulations, 2008</td>
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<td>clearly defines a dedicated pipeline “laid to transport Natural</td>
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<td>resale”.</td>
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<td>There must therefore be a sale</td>
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transaction either at the point of origin or at the point of termination of the Natural Gas Pipeline which ensures that the ownership of the commodity from the seller to the buyer. In this case, if IOCL is the customer, then the name of the seller should have been shared in their proposal. The Board may obtain the details of the sale transaction and webhost the same for comments.

Going by past precedence, the Board may seek a copy of the Gas Sale Agreement between the seller of Natural Gas and IOCL, the buyer.

| 5.2 | ~106 km “Captive” Natural Gas Pipeline proposed by M/s IOCL | Regulation 19(2) of the PNGRB Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines Regulations, 2008 w.r.t dedicated pipelines requires entities proposing to lay, build, operate or expand a dedicated pipeline to a specific customer to submit before the Board details of:

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<tr>
<td>a)</td>
<td>Proposed pipeline length</td>
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<td>b)</td>
<td>Route of proposed Pipeline</td>
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<td>Capacity of proposed Pipeline</td>
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<td>d)</td>
<td>Customers intended to be served</td>
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<td>e)</td>
<td>Detailed Feasibility Report</td>
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IOCL has provided incomplete information in their proposal vis-à-vis the requirement u/r 19(2) of PNGRB Authorization Regulations, 2008. Hence it is not possible for us to evaluate and comment on the proposal of a dedicated pipeline as webhosted by the PNGRB. Therefore, the Board may seek from IOCL the information at b), c), d), and e) above and webhost the same for comments.

| 5.3 | 98 km length of this pipeline would be laid in existing Ro W of IOCL and balance about 8 km stretch between PLL Dahej and IOCL’s RoW would be laid in GIDC corridor. | Going by past precedence, the Board may seek the following information from IOCL and webhost the same for comments:

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<tr>
<td>a)</td>
<td>Project Implementation Status</td>
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<td>b)</td>
<td>Financial Closure</td>
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<td>c)</td>
<td>NOC / Agreement with GIDC for the use of ~8km RoU Corridor</td>
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<td>d)</td>
<td>Statutory / Environment Clearance Status for IOCL’s existing RoW including CRZ Clearance.</td>
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<td>e)</td>
<td>Statutory / Environment Clearance Status for GIDC’s existing RoW</td>
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Koyal refinery would also increase on account of capacity expansion for usage in captive power plant and various processing units.

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<tr>
<th>5.5</th>
<th>To meet the captive natural gas requirement of Koyal refinery, IOCL Board has recently accorded investment approval for laying of Dahej - Koyal Refinery Captive Natural Gas Pipeline.</th>
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The Board may ascertain if, while according the investment approval for laying the Dahej - Koyal Refinery "Captive" Natural Gas Pipeline, the IOCL Board took cognizance of the extant Common Carrier Natural Gas Pipelines which originate at Dahej and have connectivity to Vadodara such as:

- a) The 54 mmscmd, Dahej – Vijaipur Natural Gas Pipeline of GAIL
- b) The 31 mmscmd, 31 mmscmd High Pressure Gujarat Gas Grid Network of Gujarat State Petronet Limited

It is our considered view that the proposal of IOCL for a "Captive" pipeline would be an *infructuous expenditure* of Public money. The Board may advise the IOCL Board to review the investment approval accorded and consider connecting either of the above mentioned High Pressure Common Carrier Natural Gas Pipelines of other PSUs (GAIL and GSPL) to Koyal Refinery to meet the post expansion Natural Gas requirement of Koyal Refinery. This would ensure optimal utilisation of existing pipelines at a national level.
Ref: HEPL/BD/PNGRB/2018/006

15th June 2018

To,
Smt. Vandana Sharma,
Secretary,
Petroleum and Natural Gas Regulatory Board
1st Floor, World Trade Centre
Babar Lane, Connaught Place
New Delhi – 110001

Sub: IOCL’s Natural Gas Pipeline Originating from Petronet LNG Limited’s Terminal at Dahej to Koyali Refinery, Vadodara, Gujarat under Regulation 19(2)

Dear Ma’am,

With reference to PNGRB’s Public Notice No. Infra/NGPL/140/IOCL/DKPL/18 dated 07th June 2018 we had submitted our views on IOCL’s proposed “Captive” Natural Gas Pipeline originating from Petronet LNG Limited’s Terminal at Dahej to Koyali Refinery, Vadodara, Gujarat vide our Letter No.HEPL/BD/PNGRB/2018/005 dated June 14th 2018.

Further to this letter, we wish to submit additional comments on this matter. It is therefore requested that our additional views may also be taken note of and place on record.

Thanking you

Yours sincerely

Abhirup Bhattacharya
Vice President, Business Development

Enclosed:

1. Annexure – I: H-Energy’s Additional views on IOCL’s Natural Gas Pipeline Originating from Petronet LNG Limited’s Terminal at Dahej to Koyali Refinery, Vadodara in Gujarat under Regulation 19(2)
3. Petrowatch Article Vol. 21, PW 12 (22 March 2018) Midstream and Downstream
We are IndianOil's plans to lay its own evacuation pipelines from the IOC pipeline from Dabhol to Koyali on its capacity.

A total of $50 million worth of Rigs/Platforms (60.69 GWh) will be under its rate.

The Central Person stands different criteria for three different zones in the line. "We will save transmission charges." To illustrate the

more comprehensive setting up their own "CGS and Turner Power."

"It happens naturally will be the third.

"If possible gas supply deal with CSP."

through Rachanderi. Also under regular evacuation pipeline to Dabhol possible gas supply deal with CSP."

"CGS will send gas to the Dabhol but our gas requirement at Dabhol is 3.7 mcm/43 mcm/day from Dabhol but our gas requirement at

Dabhol hopes to do by January is our gas pipeline in Gujrat. A

"can it is always an attractive option in business."
IOC's plan to lay dedicated R-LNG pipeline...
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<td>SUBMISSION BY IOCL TO PNGRB</td>
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<td>COMMENTS OF H-ENERGY PVT. LTD.</td>
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<td>To meet the captive natural gas requirement of Koyali refinery, IOCL Board has recently accorded investment approval for laying of Dahej - Koyali Refinery Captive Natural Gas Pipeline.</td>
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<td>It may be noted that the current Natural Gas requirements of IOCL's Koyali Refinery are met by the existing 54 mmmscmd, Dahej - Vijaipur Common Carrier Natural Gas Pipeline of GAIL.</td>
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<td>From what has been reported by the media on this issue, it is apparent that the intention of IOCL's proposal for a &quot;Captive&quot; Pipeline is primarily to avoid the payment of additional transmission tariff to GAIL / GSPL. Two media articles reporting IOCL's views have also been enclosed with this letter.</td>
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<td>It may also be noted that acceptance to IOCL's proposal would contravene Section 11(a) of the PNGRB Act, 2006 which clearly states as the primary function of the Board is to: &quot;Protect the interest of consumers by fostering fair trade and competition amongst the entities&quot;.</td>
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<td>Furthermore, Regulation 4(2) of the PNGRB Authorizing Regulations, 2008 clearly state that &quot;The Board may suo-moto initiate a proposal inviting entities to participate in the process of selection of an entity for laying, building, operating or expanding natural gas pipeline along any route&quot;.</td>
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<td>It is therefore averred that public interest would be served best if the Dahej - Vijaipur Common Carrier Pipeline of GAIL or the High Pressure Gas Grid Network of Gujarat State Petronet Limited (both of which are PSUs) is expanded such that the post-expansion demand of IOCL Koyali Refinery is met. In light of the above, in our considered view, the proposed &quot;Captive&quot; pipeline of IOCL must not be accepted by the Board.</td>
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