



गेल (इंडिया) लिमिटेड

(भारत सरकार का उपक्रम - महारत्न कंपनी)

GAIL (India) Limited

(A Government of India Undertaking - A Maharatna Company)

L-54/JAR(RKJ) A
10/10/17

(RKJ)

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AGLAD

Received on 10/10/2017
at 12:15 PM
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GAIL/RA/Gujarat Tariff/PCD/Comments/335152/2017/ 1811

Date: 06.10.2017

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

Recd. on 10-10-17
Secy 6203

Sub: Comments received from stakeholders on the PCD of Gujarat Regional Natural Gas Pipeline Network of GAIL

References:

- (i) PNGRB letter Ref: PNGRB/M(C)/108-Vol.II dated 14.09.2017
- (ii) PNGRB letter Ref: PNGRB/M(C)/202 dated 21.09.2017

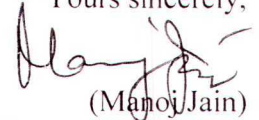
Madam,

This has reference to the PNGRB communications regarding the subject matter, requesting GAIL to give its response on the same.

In respect of the above, the response of GAIL is enclosed as **Annexure A**.

Submitted please.

Yours sincerely,


(Manoj Jain)

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

Encl: a/a

GAIL's views on comments provided by stakeholders on the PCD of GAIL's Gujarat Network Tariff**1. Points provided by M/s RGTIL and M/s Gujarat Gas**

The views expressed on Volume Divisor, Un-accounted gas, Inflation rate, Future CAPEX and number of working days etc. supports the position taken by GAIL on these parameters.

2. Issues raised by M/s RIL**(i) Baroda sub-network (South Gujarat Pipeline):**

Appellate Tribunal For Electricity (APTEL) vide order dated 02.12.2016 has specifically directed that PNGRB's Provisional Tariff Order dated 29.10.2014 shall continue to apply till such time the PNGRB finalizes its Final Tariff for this network. Accordingly, GAIL implemented the said PNGRB Tariff Order and issued the credit/ debit notes to the Customers/ Shippers.

The issue of "*Transmission /Services Charges with 3% annual escalation on domestic gas as well as RLNG supplies through local Gandhar Network as per contractual provisions*" is presently sub-judice in the Hon'ble High Court of Gujarat (Special Civil Application No.5246 of 2010).

(ii) Kalol- Ramol Network:

There is no transportation of gas through the Kalol-Ramol Sub network since July 2014 due to pipeline integrity issues. ONGC has conveyed that there will be no gas supply from ONGC Kalol GCS and gas supply can be done from ONGC's Ramol GCS. Accordingly, GAIL is in discussions with the customers (M/s RIL, M/s Shyam Industries & M/s Shrikrupa Food Industries) for resumption of gas supply on Ramol-Ranasan-Naroda Pipeline section of Kalol-Ramol sub network of Gujarat Pipeline network.

3. Issues raised by M/s GSPL

(i) M/s GSPL has raised a concern that there is no clarity on the total length of the network. It is clarified that the present length of GAIL's gas pipelines in Gujarat is about 623 km. Also the future capex pertains to replacement of certain segments of the existing network and for providing last mile connectivities to new customers as per regulatory requirement/obligation. However, there is no capacity expansion project in this regard.

(ii) As regards replacement of existing pipelines, the following is submitted:

Majority of the pipelines which were identified for replacement in Gujarat network were either those pipelines which had exceeded their normal design life or did not have pigging facility to carry out routine inspections or thickness of pipelines were less than extant PNGRB specified norms. Further these pipelines were not transporting dry gas in different sections.

Following were major reasons for replacement of pipelines in Gujarat network:

- a) Age > 25 Years; Wall thickness < 6.4 MM and Non-piggable
- b) Age < 25 Years; Wall thickness < 6.4 MM and Non-piggable
- c) Wall thickness < 6.4 MM and piggable

The decision for replacement is based on safety/pipeline integrity reasons which have been approved by GAIL Board.
