



S.No. 7579

Hazira LNG Private Ltd.

Via Surat
Hazira - 394 270
India
Tel +91 261 4151005
Fax +91 261 4151360

Ref: SEI/MC/2019/PNGRB/PCD/01
01 March 2019

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

Subject: Comments on the proposed dedicated natural gas pipeline from ONGC GGS Jambusar, Gujarat to Auraglass Pvt. Ltd. (AGPL), Uchchhad, Gujarat

Respected Madam,

This has reference to the public notice on 'Application for laying, building and operating a dedicated natural gas pipeline from ONGC GGS Jambusar, Gujarat to Auraglass Pvt. Ltd. (AGPL), Uchchhad, Gujarat under regulation 19(2) of PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008. Please find below our views on the subject matter.

We support laying of the proposed pipeline by M/s Auraglass Pvt. Ltd. as the dedicated pipelines, esp. in the proximity to the gas source and / or trunk pipeline for the following reasons:

1. A dedicated pipeline will ensure reliable availability of natural gas without any restriction to choose the gas supply source and the associated mismatch of commercial terms (e.g. Ship or Pay and Take or Pay) between the capacity and commodity contracts.
2. A dedicated pipeline will reduce the operating costs for the end users thereby making them competitive and help the "Make in India" campaign of the Government of India and contribute in controlling air pollution by displacing polluting liquid fuels.
3. This also augurs well with the twin objectives of protecting the interest of consumers by fostering fair trade and competition amongst the entities (gas suppliers) and enabling growth of natural gas markets in the country.

It may be worth highlighting that many dedicated pipelines will be required to monetise the small discovered fields licensed as part of the Government's efforts to promote domestic production.

As the overall benefits of the dedicated pipelines clearly outweigh the potential downside to the transporters, we advise the Board to approve laying of the dedicated pipelines by the gas users at their own cost and risk. The honourable board may consider necessary amendments to the existing regulation, section 19.2, for "Authorizing Entities for NG Pipeline 2008" to further simplify



Handwritten notes and signatures:
✓
5/3
AA(AE)/1-3480
05/03/2019
AA(AE)
2019
5/3
DDC (M)

Handwritten mark: 19



the laying of dedicated pipelines for the captive use of the gas customers. Additionally, the Board may also consider revising the existing tariff methodology appropriately including shortening the current review cycle from five years to one/two years to minimize the adverse financial impact on the transporters. We will be happy to provide any further information if required. Thanking you and hope our comments are helpful in shaping up the thinking in the PNGRB.

Your Sincerely,
For Hazira LNG Private Limited

Ashwani Dudeja
Chief Commercial Officer



1/8