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NGRB/..... 6610
Dt. :..... 11/12/18

INDRAPRASTHA GAS LIMITED
(A Joint Venture of GAIL (India) Ltd. BPCL & Govt. of NCT of Delhi)

09.12.2018

IGL/R&CA/PNGRB//09122018

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

SACRIS) V
11/12

Subject: Tariff Structure for HVJ-GREP-DVPL (HVJ) & DVPL/GREP Upgradation

Madam,

This has reference to the PNGRB Public Consultation Document (PCD) No. PNGRB/M(C)/65-Vol.II dated 29.11.2018 on the captioned subject seeking views from stakeholders on determination of tariff whether to consider to the HVJ & HVJ Upgradation as integrated pipeline or separately as determined earlier.

As per the PCD, present initial provisional unit natural gas pipeline levelised tariff approved by PNGRB for HVJ-GREP-DVPL is Rs.25.46/MMBtu and Rs.53.65/MMBtu, for DVPL/GREP Upgradation. However, the final tariff submitted by GAIL stands at Rs. 175.20/MMBtu (HVJ-GREP-DVPL) and Rs.88.09/MMBtu (DVPL/GREP Upgradation). It is seen that the final tariff is projected substantially high than the initial unit natural gas pipeline tariff for both HVJ-GREP-DVPL and DVPL/GREP Upgradation tariff.

Indraprastha Gas Limited (IGL) is serving vast number of consumers under CNG, PNG Domestic, Industrial and Commercial Segments in Delhi-NCR. In this regard, we are primarily paying the HVJ-GREP-DVPL and DVPL/GREP Upgradation tariff for all the locations we operate. Hence, in case the HVJ-GREP-DVPL and DVPL/GREP Upgradation tariff increases, as mentioned above, it would have the adverse financial implications for a vast number of customers. Since IGL's CGD operations are located farther from the gas source, the transmission tariff comprises a good share in the final landed natural gas cost to IGL. Moreover, it would be worth mentioning that such an increase in tariff might also affect the growth that has been envisaged in CGD sector after good response to the recent CGD bidding round conducted by PNGRB.

However, in case of any revision, PNGRB may moderate the transmission tariffs (on prospective basis only) by adopting a rational approach of considering HVJ-GREP-DVPL and DVPL/GREP Upgradation as HVJ integrated system.

Thanking you,

Yours Sincerely,

For Indraprastha Gas Limited

Amit Mathur
Additional General Manager
(Regulatory & Corporate Affairs/IA&RM)

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