



Petroleum & Natural Gas  
Regulatory Board, India

## Public Consultation Document

(Ref: No. PNGRB/M(C)/209 dated .....

<b>Subject:</b>	Provisional unit natural gas pipeline tariff (“Provisional Tariff”) under the provisions of the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008. (“Tariff Regulations”)
<b>Name of Entity:</b>	GAIL (India) Limited
<b>Name of Pipeline:</b>	Jagdishpur Haldia Bokaro Dhamra (JHBDPL) Natural gas Pipeline
<b>Acceptance of Central Government Authorization:</b>	Infra/NGPL/124/GAIL/JHBDPL01/17 dated 29.12.2017 (“Provisional Authorization Letter”), Infra/NGPL/124/GAIL/JHBDPL01/18 dated 29.01.2018 (“Final Authorization Letter”), Infra/NGPL/124/GAIL/JHBDPL/01/18 dated 02.02.2018 (“Provisional Authorization Letter” Barauni Guwahati P/L)
<b>Maximum Achievable Capacity:</b>	16 MMSCMD (Provisional)
<b>Length:</b>	2619 Kms (Jagdishpur Haldia Bokaro Dhamra P/L) 672 Kms (Barauni Guwahati P/L) Total: 3291 Kms
<b>Economic Life</b>	01.01.2019 to 31.12.2043

## **1. Regulatory Framework**

In terms of Section 22 of the PNGRB Act, 2006, the Board is entrusted with the responsibility of determining the natural gas pipeline tariff to be charged by the entities laying, building, operating or expanding a natural gas pipeline before the appointed day.

## **2. PNGRB orders on final acceptance of authorization and capacity of JHBDPL**

PNGRB has issued the Final Authorization for acceptance to the Central Government authorization for the JHBDPL of GAIL (India) Limited under Regulation 17(1) of PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 (“Authorization Regulations”) vide letter no: Infra/NGPL/124/GAIL/JHBDPL/01/18 dated 29.01.2018 (Placed as annexure-I). This authorization mentioned provisional total system capacity of the JHBDPL as 16 MMSCMD determined under the provisions of PNGRB (Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations 2010 (“Capacity Regulations”) including capacity of 4 MMSCMD for use on common carrier, open access and non-discriminatory basis by any third party. Further, PNGRB has also issued Provisional Authorization for Barauni – Guwahati Natural Gas pipeline as an integral part of JHBDPL vide letter Infra/NGPL/124/GAIL/JHBDPL/01/18 dated 02.02.2018 (Placed as annexure-II).

## **3. Details of tariff filing submitted by GAIL**

GAIL, vide its communication dated 10.09.2018, has proposed provisional tariff for JHBDPL as Rs. 150.46 per MMBTU on GCV basis from 01.01.2019 till the end of economic life of pipeline i.e. up to 31.12.2043.

#### 4. Important aspects of tariff filing by GAIL

##### 4.1 Economic Life of pipeline

GAIL has considered 01.01.2019 as expected date of commissioning of JHBDPL and the economic life of the pipeline has been considered at 25 years from 01.01.2019 to 31.12.2043 as per the tariff filing model. GAIL has also considered pre-construction period from FY 2015-16 to FY 2018-19.

##### 4.2 Capital Expenditure (Capex)

GAIL in its tariff filing for determination of final tariff has submitted the Capex for JHBDPL (including Barauni – Guwahati P/L) excluding interest during construction (IDC) as Rs.14895.93 Crore (with inflation), same is reduced by viability gap funding of Rs 4995.41 Crore (net of IDC) to be received from MoP&NG. The detailed break up of Capex as submitted are as under:

Particulars	Amount (Rs. Crore)
Actual Capex (Including Pre-commissioning Cost) excluding IDC till 31.03.2018	2339.43
Future capex for laying of JHBDPL and Barauni- Guwahati P/L connectivity (excluding IDC and including inflation)	12556.51
Capital Grant in form of Viability Gap funding from MoP&NG (excluding IDC)	(4995.41)
<b>Total</b>	<b>9900.53</b>

\*Escalation @ 5.02%

Above Capex is expected under following three phases:

**Phase-I:** Jagdispur Haldia Pipeline- Section I (Expected date of Commissioning as 31.12.2018)

**Phase -II:** Dhamra-Angul, Dobhi-Durgapur, Bokaro- Angul, Durgapur- Haldia Pipeline (Expected date of Commissioning as 31.12.2020)

**Phase-III:** Barauni Guwahati Pipeline (Expected date of Commissioning as 30.11.2021)

