



पी एन जी आर बी / 8324
PNGRB/
दिनांक 21/05/19
Dt.....

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15/04/2019/96 say
Date: 30th April, 2019

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

Subject: Public Notice regarding amendment in Tariff Regulations.

Dear Madam,

This is in reference to Public Notice dated 16th April, 2019, issued by PNGRB, seeking views of the entities on the proposed amendment in Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008. In this regard following is submitted:

1. Tariff Review -

- As per regulations, under normal circumstances, the time gap between two tariff review is five years.
- This gap can be less than five years in the instances where either there is a delay in tariff fixation or the tariff review is carried out in the in-between period as provided in clause 9(9) of Schedule A of Tariff Regulations.
- While the administrative issues in fixing tariff frequently are understandable, there can be instances where the previous tariff fixation is delayed (as it happened while fixing final unit natural gas pipeline tariff in most cases) and also in cases where the previous tariff is fixed on some provisional parameter/s (e.g. in absence of declared capacities, the capacity as per acceptance letter is considered while determining final tariff for EWPL) and keeping such parameter/s unadjusted for longer period may result in higher differential between the previous tariff and that fixed after the next review. Such large adjustments will also be unfair to customers, especially the ones which are taking short term capacity in case of downward revision and to future customers, in case of upward revision. Further, large adjustments seem unfair to the affected parties and can leads to litigations. Therefore, large differential (positive or negative as the case may be) would not be in the interest of pipeline entity and/or its customers and should be avoided.
- Specifying a minimum period of three years will defeat the objective behind the clause 9(9) of schedule A which allow tariff review at any time in-between the five-year period, in cases where there are sudden/considerable changes in the underlying parameters including changes in tax rate.

Pipeline Infrastructure Limited

(Formerly known as Pipeline Infrastructure Private Limited)

CIN: U60300MH2018PLC308292

Registered Office: Maker Maxity, 4th North Avenue, 2nd Floor, Kala Nagar, BKC, Mumbai, Maharashtra - 400 051, India

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2. Prospective Adjustment of Tariff:

- a. The proposed change will help all stakeholders as it would lead to no confusion/disputes regarding retrospective charging. This will also help project the future cash flows for businesses and avoid uncertainty on tariff to be considered for projections.
- b. Further, prospective charging will help the consumer as well as transporter in avoiding huge financial outflow (owing to arrears on account of retrospective adjustment) in one go.
- c. However, a proper clarity on the how prospective tariff will be charged should also be covered in amended regulations (including effective date of zonal tariff applicability), to avoid the litigations/disputes from customers as happened in recent past.

We may explain our viewpoints in detail in the open house on the subject.

Thanking you

Yours faithfully,
For Pipeline Infrastructure Limited



Authorized Signatory

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