

PNGRB/6559
Dt: 7/12/18



Reliance

Industries Limited
Petroleum E & P

Ref No: RIL/GAS/PNGRB/18-19/1

December 07th, 2018

To
Secretary,
Petroleum & Natural Gas Regulatory Board
1st Floor, World Trade Centre,
New Delhi – 400001

L-2021/JA(RKJ)
07/12/18
JA(RKJ)
Ref 7/12/18
Deputy
AACAS
7/12

Sub.: **Comments on Public Consultation Document (PCD) related to Tariff Structure for HVJ-GREP-DVPL and DVPL-GREP Upgradation networks**

Dear Madam,

This has reference to PCD no. PNGRB/M(C)/65-Vol-II dated 29-11-2018 on the subject matter. We would like to submit the following comments for your considerations;

1. PNGRB had vide its tariff order no. TO/02/2010 dated 19.04.2010, approved separate provisional tariffs for HVJ-DVPL-GREP and DVPL-GREP Upgradation pipelines of GAIL (India) Ltd.
2. As you are aware, HVJ-DVPL-GREP network tariff has been significantly lower compared with DVPL-GREP upgradation network tariff and the customers on HVJ-DVPL-GREP network have been paying much lower tariff than the customers of DVPL-GREP Upgradation network for many years.
3. The rationale given by PNGRB in its tariff order TO/02/2010 dated 19.04.2010 for separate provisional tariff for both networks, was that existing customers of HVJ-DVPL-GREP network cannot be unfairly burdened, with rolled-in costs and consequently higher tariffs since the upgradation was to primarily serve the new customer loads.
4. As evident from the PCD, the proposed tariff for integrated network is higher than that proposed for standalone DVPL-GREP Upgradation network. This would imply that customers on DVPL-GREP Upgradation Network would cross-subsidize the customers of HVJ-DVPL-GREP network, which as principle was earlier rejected by PNGRB while fixing the provisional tariffs. Hence, while determining the final tariffs, it is requested to ensure that the same principle is followed and the integration of pipeline networks should not result in a higher integrated network tariff in comparison with standalone tariff for DVPL-GREP Upgradation network.

It is requested to consider the above comments favorably while deciding on the tariff structure for the networks.

Thanking you,

Yours truly,
For Reliance Industries Limited


Amit Mehta

Head – Gases

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