

MAHARASHTRA NATURAL GAS LIMITED

27.10.2020

MNGL VIEWS ON DRAFT “PNGRB (ACCESS CODE FOR CITY OR LOCAL NATURAL GAS DISTRIBUTION NETWORKS) REGULATIONS, 2020”

This has reference to the Public notice no. PNGRB/Auth/1-CGD(16)/2020 dated 06.10.2020 w.r.t. draft “Petroleum and Natural Gas Regulatory Board (Access Code for City or Local Natural Gas Distribution Networks) Regulations, 2020”.

In this regard, MNGL’s views are as under:

1. As per section 3(3) of the PNGRB Act 2006, the Board shall consist of a Chairperson, a Member (Legal) and three other members to be appointed by Central Govt. However, we have the knowledge that at present the above quorum is not complete. Hence, it is suggested that Board may differ the draft PNGRB (Access Code for City or Local Natural Gas Distribution Networks) Regulations, 2020 till the time all the members are on board.
2. We understand that the Regulations w.r.t. PNGRB (Exclusivity for City or Local Natural gas Distribution Network) Regulations, 2008 is under challenge in [W.P. (C) 9374/2015] before Delhi High Court and is sub judice. The Hon’ble Delhi High Court vide order dated 30th September 2015 has directed that any order passed by the Board (PNGRB) shall be subject to further order of the Hon’ble Court. In view of the above, it is essential to close the above issue first prior to discussion on the above draft PNGRB (Access Code for City or Local Natural Gas Distribution Networks) Regulations, 2020. Therefore, it is suggested that the Board should await the outcome of the pending petition before proceeding with the finalisation of the above Regulations.
3. The proposed definition of “access arrangement” under regulation 2.(1) (a) shall contain that the capacity webhosted shall be the available capacity.
4. Under proposed regulation 3.(b)(iii), Shipper may not be allowed to install the compressor in the existing CNG set-up. Shipper may do so in the new DBS set-up.
5. Under proposed regulation 4.(1), a time frame of 180 days may be allowed as per the existing regulation to ascertain the details of entry point capacity, the exit point capacity, the CNG exit point capacity.
6. Under proposed regulation 4.(2), the authorised entity shall be given a time frame of twelve months to restore the open access capacity due to availability of barely six months construction period in a year.

Also, the periodicity of at least fortnight or a month may please be defined to work out the quantity of gas flowed in the CGD network instead of one day and may be kept as

whichever is lower when compared with the open access capacity of the CGD network on cumulative basis at all entry points.

7. Under proposed regulation 4.(4), the consecutive period of ninety days may be revised to 30 days.
8. Under proposed regulation 5.(1), minimum 60 day's timeframe may be given instead of 21 days.
9. Under proposed regulation 5.(3), it is observed that the sum of the requested entry points MDQ has been proposed not be less than 500 MMBTU which is around 25% higher than the existing regulation and the off take at any exit point not be less than 50 MMBTU per day which is also very much higher than the existing regulation. It is proposed to keep the MDQs as per the existing regulation.
10. Under proposed regulation 16.(5), it is submitted that the structure of positive and negative imbalance charges may be kept as per the provisions of the existing regulation.
11. The clarity is required on the aspect of effect of total gas purchase in the network and gas transportation contract and cost bearing thereof in case of discrepancy.
12. Overall, it is observed that the maximum responsibility/scope has been vested with authorized entity compared to shipper in the proposed amendment.

PNGRB is requested to consider the above comments/suggestions/recommendations favorably.
