



GUJARAT GAS

AA(A\*)/L-3434  
27/2/19 AA(AK) ✓  
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GGL/C&M/2018-19/045

February 23, 2019

To,  
**Ms. Vandana Sharma,**  
Secretary,  
Petroleum and Natural Gas Regulatory Board ("PNGRB"/ "Board"),  
1st Floor, World Trade Centre,  
Babar Road,  
New Delhi – 110001

25/2/19  
DDLKM

**Sub:** Application for laying, building and operating a dedicated natural gas pipeline from ONGC GGS Jambusar, Gujarat to Auraglass Pvt. Ltd. (AGPL), Uchchhad, Gujarat under regulation 19(2) of PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008.

**Ref:** 1) PNGRB Public Notice dated Feb 08, 2019 on the subject matter.

Dear Madam,

This is with reference to the Public Notice dated Feb 08, 2019 webhosted by the PNGRB seeking views on the application made by AGPL for the proposed dedicated natural gas pipeline. Gujarat Gas Limited would like to submit the following views/comments for the kind consideration of the Honourable Board.

1. The Proposed Pipeline notified in the above-mentioned Public Notice dated 08.02.2019 cannot be permitted as it shall be in violation of Regulation 3 of the PNGRB CGD Authorisation Regulations that mandates all CGD customers having a demand of upto 50,000 SCMD to be supplied gas only through the CGD network of the authorised entity. Gujarat Gas Limited ("GGL") is the authorised CGD entity in the relevant geographical area.
2. Regulation 3 PNGRB CGD Authorisation Regulation was amended in April 2018 whereby a proviso has been added to the same, which makes the intent and purport of the said Regulation clear that a customer having requirement of less than 50,000 SCM per day of gas can avail supply from an alternate source only until the customer is not connected to a CGD Network and once the customer is connected to a CGD Network, it is a must for the customer to cease supply from the alternate source.

**GUJARAT GAS LIMITED** (A Group Company of GSPC – Government of Gujarat Undertaking) (Formerly known as GSPC Distribution Networks Limited)

**Corporate Office:** 2, Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad - 380 006, Gujarat, India.  
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**Registered Office:** Gujarat Gas CNG Station, Sector-5/C, Gandhinagar - 382 006, Gujarat, India. **Tel.:** +91-79-23264222, 23264333  
**Website:** www.gujaratgas.com, www.gspcgroup.com **CIN:** L40200GJ2012SGC069118

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**GUJARAT GAS**

The proviso reads as follows:

*"Provided that until CGD Network is ready to supply natural gas to a customer (other than domestic PNG and CNG), such customers shall have right to get the supply of natural gas from any other alternate source or supplier, with prior permission of the Board, and if, once CGD Network is ready to supply natural gas to such customer, then, such customer shall cease to get supply of natural gas from such alternate source or supplier after 30 days of receipt of notice of readiness from the CGD network."*

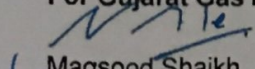
3. The proposal in the said Public Notice does not fall within the framework of Regulation 19(2) of PNGRB (Authorising Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations 2008 ("NGP Authorisation Regulations") as the applicant Auraglass Private Limited is not an "entity" under the PNGRB Act, 2006 but is an end consumer of the gas. Under Regulation 19(2) of the NGP Authorisation Regulations, only proposals from an "entity" can be validly considered. Since Auraglass Private Limited is not an "entity" under the provisions of the PNGRB Act, its proposal is ultra vires the framework of Regulation 19(2) NGP Authorisation Regulations and cannot be validly considered.
4. GGL, being the authorised CGD entity in the relevant geographical area can develop CGD network for the supply of Natural Gas to Auraglass Private Limited or supply equivalent gas to Auraglass as part of its CGD supply through swap arrangement or other means as may be found viable.
5. It should be further noted that the ability of consumers to bid for gas directly from ONGC in respect of marginal fields does not result in any negation of the rights vested with the authorised CGD entities and neither does it amount to any exception to the applicable framework under the PNGRB Act and its regulations.

In light of the above, we hope the proposal for laying the pipeline as provided in the said Public Notice would be rejected.

We trust that the Honourable Board shall find our views/comments useful and shall consider the same while reviewing the aforesaid application of AGPL. We shall be happy to provide any further clarifications in this regards, should they be required by the Honourable Board.

Thanking you,

**For Gujarat Gas Limited**

  
Maqsood Shaikh

**Senior Vice President- Commercial & Marketing**

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