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By Post.



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भारत हेवी इलेक्ट्रिकल्स लिमिटेड
(भारत सरकार का उपक्रम)

Bharat Heavy Electricals Limited
(A Govt of India Undertaking)

फैब्रिकेशन, स्टैम्पिंग ऐन्ड इंसुलेटर प्लांट, औ०क्ष०, जगदीशपुर
Fabrication, Stamping & Insulator Plant (FSIP), Industrial Area, Jagdishpur
जिला-अमेठी/District : Amethi – 227817

To,
The Secretary
Petroleum and Natural Gas Regulatory Board (PNGRB)
New Delhi, 110001

Date: 20.10.2020

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AACU

Subject: Regarding change in structure of transportation tariff in near future

Dear Sir,

We are writing to present our views w.r.t the tariff regulation for determination of unified tariff.

1. Our unit is located at Jagdishpur (District- Amethi(U.P.)) and involved in porcelain Insulator business in which cost of natural gas constitutes 10% of total operating costs. Presently the notified transportation tariff is constant for couple of years however it has comes to our notice that this tariff has proposed for revision as unified tariff and unified tariff will result into frequent variation in transportation tariff. This will affect our working capital planning.
2. We are already struggling with the outcomes of Covid19 pandemic. As it is, gas prices are not fixed and keep on changing as per the international market price. There is no certainty in the gas price itself. With the variable tariff structure, it is going to add further uncertainty which will impact us heavily in financial terms.
3. With the implementation of unified tariff structure, there will be huge impact on the end customer. We would like to highlight on customer protection during these difficult times.
4. The variable structure of pipeline tariff which is going to change every fortnight will affect our economics and scale of business. This will hurt our day to day operation and may force us to stop usage of natural gas for carrying out operation and switch over to different mode of fuel to suite our purpose.

Thanking You,

With Warm Regards,

(S. Chandra Shekhar)

Addl. General Manager

BHEL FSIP JAGDISHPUR