

Unified tariff for pipe gas from April 1

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Decision Will Boost Access In Far-Flung Areas

TIMES NEWS NETWORK

New Delhi: The Petroleum and Natural Gas Regulatory Board on Wednesday approved unified tariff for natural gas pipelines, a move that will help expand access to the clean burning fuel at competitive rates in far flung areas.

The regulator notified a tariff of Rs 73.93 per mmBtu (million metric British thermal unit) and three tariff zones based on the distance from the source of gas. These are 300 km, 300-1,200 km and beyond 1,200 km. The zonal tariffs will come into force from April 1. Each pipeline operator interconnected through the national gas grid will get the tariff based on their entitlement, and consumers will pay the unified tariff. The difference will be settled between the pipeline entities through a notified mechanism.

The new regime will



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help expand the national grid under the umbrella of a unified tariff. It will help expand the gas market and give a boost to entities engaged in setting up city gas networks in 400 districts. Consumers will no longer have to pay the additive cost for being located far from the gas source. Gas service providers will be encouraged to expand their network. While GAIL is the largest pipeline operator and custodian of the trunk lines, other companies such as IndianOil, ONGC, Reliance Industries, Adani group's Gujarat Gas, GSPC and GSPL India Gasnet Ltd and GSPL India Transco Ltd operate pipelines interconnected into the national grid.

Unified gas pipeline tariff to boost access in far-flung areas

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national gas grid will get the tariff according to its entitlement, while consumers will pay the unified tariff. The difference will be settled between the pipeline entities through a notified mechanism.

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unified tariff. Consumers will no longer have to pay the additive cost for being located far from the source of gas. Gas service providers will also be encouraged to expand their network.

While GAIL is the largest pipeline operator and custodian of the trunk lines, other companies such as IndianOil, ONGC, Reliance Industries, Adani group's Gujarat Gas, GSPC and GSPL India Gasnet Ltd and GSPL India Transco Ltd operate their gas pipelines interconnected into the national grid.

The new regime will help expand the gas market and boost the prospect for entities engaged in setting up city gas networks in 400 districts.

Unified Tariff for Natgas Pipelines

At ₹73.93 per mmbtu, move aims to cut transport costs for far-off consumers

Our Bureau

New Delhi: The Petroleum and Natural Gas Regulatory Board (PNGRB) has introduced a unified tariff for natural gas pipelines in a major reform that aims to cut transport costs for consumers located far away from supply centres and to help boost overall domestic consumption.

PNGRB has declared a levelised unified tariff of ₹73.93 per mmbtu. It has created three tariff zones for unified tariff, with the first zone lasting 300 km from the gas source, the second between 300 km and 1,200 km and the third extending beyond 1,200 km. The unified tariffs will apply from April 1.

The companies operating the pipelines will get the tariff as per their entitlement while customers would pay



the unified tariff, the regulator said in a statement. The difference between the two will be settled between the pipeline entities for which a settlement mechanism has been notified, it added. "The reform will especially benefit the consumers located in the far-flung areas where currently the additive tariff is applicable and facilitate

the development of gas markets and vision of the government to increase the gas utilisation in the country," the regulator said.

At present, industries in states away from import terminals or gas fields have to pay much more for transport than those located closer to the gas source, making the use of fuel uneconomical for the former.

"With the commissioning of newer interconnected pipelines, the national gas grid will keep expanding for a unified tariff," the regulator said. The national gas grid covers all the interconnected pipeline networks owned and operated by Indian Oil Corp, Oil and Natural Gas Corporation, GAIL, Pipeline Infrastructure Ltd, Gujarat State Petronet, Gujarat Gas, Reliance Gas Pipelines Ltd, GSPL India Gasnet and GSPL India Transco.

PNGRB notifies unified tariffs at ₹73.93/mBtu, effective April 1

Our Bureau
New Delhi

The Petroleum and Natural Gas Regulatory Board (PNGRB) on Wednesday notified the levelised unified tariff of ₹73.93 per million British thermal units (mBtu), which will come into effect from April 1.

“PNGRB has amended the PNGRB Regulations to incorporate the regulations pertaining to unified tariff for natural gas pipelines with a mission of ‘One Nation, One Grid and One tariff’,” the regulator said.

The board has also created three tariff zones for unified tariff, where the first zone is up to a distance of 300 km from the gas

source. The second zone is 300–1,200 km and the third is beyond 1,200 km. The unified tariff will be ₹73.93 per mBtu, including additional GST implication of ₹0.19 per mBtu, on a gross calorific value (GCV) basis.

Accordingly, the unified tariffs across the three zones will be Zone 1 (₹39.45 per mBtu), Zone 2 (₹74.97) and Zone 3 (₹99.90). This includes additional GST of ₹0.19 per mBtu on settlement amount between pipeline entities, the order said.

REDUCING TARIFFS

Analysts said that unified tariff will help reduce the tariffs for upcoming pipelines thereby facilitating more capex in pipelines. The national gas grid

covers all the interconnected pipeline networks owned and operated by entities such as Indian Oil Corporation, Oil and Natural Gas Corporation, GAIL (India), Pipeline Infrastructure, Gujarat State Petronet, Gujarat Gas, Reliance Gas Pipelines, GSPL India, Gasnet and GSPL India Transco.

With newer interconnected pipelines, the national gas grid will keep expanding for unified tariff, PNGRB said adding, these entities will get the tariff as per their entitlement while customers would pay unified tariff. The difference between the same will be settled between the pipeline entities for which a settlement mechanism has been notified.

UNIFIED TARIFF FOR NATURAL GAS PIPELINES

PNGRB amends Pipeline Tariff rules

NEW DELHI: The Petroleum and Natural Gas Regulatory Board (PNGRB) has amended PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations to incorporate the regulations pertaining to Unified Tariff for natural gas pipelines with a mission of "One Nation, One Grid and One tariff".

Based on the regulations, PNGRB has notified a levelized Unified Tariff of Rs.73.93/MMBTU and created three tariff zones for Unified Tariff, where the first zone is up to a distance of 300 kms from gas source, second zone is 300 – 1200 kms and third zone is beyond 1200 kms.

The Zonal unified tariffs will be effective from 1st April



2023 and details of the same are webhosted on the PNGRB's website(www.pngrb.gov.in).

The national gas grid covers all the interconnected pipeline networks owned and operated by entities viz. Indian Oil Corporation Limited, Oil and Natural Gas Corporation Limited, GAIL (India) Limited, Pipeline Infrastructure Limited, Gujarat State Petronet Limited, Gujarat Gas Limited, Reliance Gas Pipelines Limited, GSPL India Gasnet Limited and GSPL India

Transco Limited.

With commissioning of newer interconnected pipelines, the national gas grid will keep expanding for Unified tariff. These entities will get the tariff as per their entitlement while customers would pay Unified tariff.

The difference between the same will be settled between the Pipeline entities for which a settlement mechanism has been notified. The reform will specially benefit the consumers located in the far-flung areas where currently the additive tariff is applicable and facilitate development of gas markets and vision of government to increase the gas utilisation in the country. **MPOST**

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