



Order

Subject: Petroleum and petroleum products pipeline transportation tariff under the provisions of the PNGRB (Determination of Petroleum and Petroleum Products Pipeline Transportation Tariff) Regulations, 2010 as amended by the PNGRB (Determination of Petroleum and Petroleum Products Pipeline Transportation Tariff) Amendment Regulations, 2012 and PNGRB (Determination of Petroleum and Petroleum Products Pipeline Transportation Tariff) Amendment Regulations, 2014 on account of revision in goods tariff table of railways on 01.04.2015.

Name of Entity: GAIL India Limited (GAIL)

Name of Pipeline: Jamnagar - Loni Pipeline (JLPL)

Ref. No. TO/06/2015

Date: 19.05.2015

1. Background

1.1. Under the provisions of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010 and PNGRB (Determination of

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Petroleum and Petroleum Products Pipeline Transportation Tariff) Regulations, 2010 as amended vide Amendment Regulations of 2012 and 2014 read with the statutory provisions, the Board is empowered to approve/determine the petroleum and petroleum products pipeline transportation tariff to be charged by the entity laying, building, operating or expanding petroleum and petroleum products pipeline.

1.2. The methodology and period for determination of the pipeline tariff has been specified in the relevant provisions (regulation 4 and 5) of the PNGRB (Determination of Petroleum and Petroleum Products Pipeline Transportation Tariff) Regulations, 2010. Under the provisions of these regulations, the Board is to determine the petroleum and petroleum products pipeline transportation tariff by benchmarking against alternate mode of transport i.e. rail at a level of 75% except LPG where it will be 100% on a train load basis for equivalent rail distance along the petroleum and petroleum product pipeline route. This tariff was initially applicable for a transition period of two years or less (regulation 4), as the Board may decide. Further vide the PNGRB (Determination of Petroleum and Petroleum Products Pipeline Transportation Tariff) Amendment Regulations, 2012 (which came into force w.e.f. 20.12.2012) and PNGRB (Determination of Petroleum and Petroleum Products Pipeline Tariff) Amendments Regulations, 2014 (which came into force w.e.f. 20.12.2014) further extending the transition period for applicability of transportation tariff for another two years or lesser period as the Board may decide and if the 'goods tariff table' of the railways is revised during this further extended period of transition, the Board may consider and decide the benchmarking of the petroleum and petroleum products pipeline transportation tariff against such revision.

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1.3. The transportation tariff for the Jamnagar - Loni Pipeline (JLPL) was accordingly determined for a period of two years w.e.f. 27.12.2010 to 19.12.2012 and subsequently for another two years for the period from 20.12.2012 to 19.12.2014 and again revised w.e.f. 20.12.2014 by benchmarking it against the 'goods tariff table' of the railways as applicable on 27.12.2010, 06.03.2012 and 20.05.2014 respectively. The transportation tariff determined for the extended transition period (w.e.f. 20.12.2014) was determined vide PNGRB's tariff order no. TO/02/2015 dated 03.03.2015.

1.4. The PNGRB (Determination of Petroleum and Petroleum Products Pipeline Transportation Tariff) Amendment Regulations, 2014 have since been notified and have come into force w.e.f. 20.12.2014. As per the provisions of the amendment regulations (third proviso to regulation 4), the transitional period may, after the completion of the extended transition period of two years, be further extended for another two year or lesser period as the Board may decide. Also, as per the provisions of the amendment regulations (second proviso to regulation 5) the petroleum and petroleum products pipeline tariff during this further extended transition period would be benchmarked against the 'goods tariff table' of the railways as applicable on the date of coming into force of these regulations (i.e. 20.12.2014). Further, if the 'goods tariff table' of the railways is revised during this further extended period of transition, the Board may consider and decide the benchmarking of the petroleum and petroleum products pipeline transportation tariff against such revision. The 'goods tariff table' of the railways has been revised w.e.f. 01.04.2015. As per the revised 'goods tariff table' LPG freight have been revised as well as reclassified from class-180 to class-165. Therefore, it has been

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decided to revise transportation tariff for GAIL's LPG product pipeline- JLPL in accordance with revised rail freight rate, w.e.f. 01.04.2015.

2. Proposal for revision in the transportation tariff

- 2.1 In accordance with the amended Regulations, it has been decided to extend the transition period for another two years w.e.f. 20.12.2014. It has also been decided that if the goods tariff table of the railways is revised during this further extended period of transition, the Board may consider and decide the benchmarking of the petroleum and petroleum products pipeline transportation tariff against such revision.
- 2.2 In accordance, with the amended Regulations, it has been decided to revise the current tariff i.e. as per the 'goods tariff table' dated 01.04.2015.
- 2.3 Accordingly, the tariff order dated 03.03.2015 of JLPL is revised w.e.f. 01.04.2015 in light of the amendment in goods tariff table dated 01.04.2015. The transportation tariff for the pipeline, as determined vide PNGRB's tariff order dated 03.03.2015, is benchmarked against the revised 'goods tariff table' of the railways as applicable from 01.04.2015.

3. Tariff Proposal

- 3.1. The tables provided below show the currently prevailing petroleum and petroleum products pipeline transportation tariff rates and the revision in the tariff rates based on the 'goods tariff table' as applicable w.e.f, 01.04.2015 onwards:

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i. Distance and transportation tariff of JLPL of GAIL (Ex-Jamnagar)

S. No.	Name of the Pipeline / TOP	Equivalent Rail Distance of the Pipeline (Km)	Pipeline Tariff (Rs/MT) as on rates effective from 20.12.2014 upto 31.03.2015	Pipeline Tariff (Rs/MT) applicable from 01.04.2015
1	JAMNAGAR-IOCL, AJMER	796	1234.3	1244.6
2	JAMNAGAR-BPCL, AJMER	811	1306.8	1317.7
3	JAMNAGAR-HPCL, AJMER	808.6	1306.8	1317.7
4	JAMNAGAR-IOCL, JAIPUR	942.6	1451	1463.1
5	JAMNAGAR- BPCL, Jaipur	956.1	1523	1535.7
6	JAMNAGAR- IOCL, Gurgaon	1245.62	1959.3	1975.7
7	JAMNAGAR-BPCL, Piyala	1274.43	1959.3	1975.7
8	JAMNAGAR-IOCL, Madampur Khadar	1247.27	1959.3	1975.7
9	JAMNAGAR-IOCL, Loni	1242.93	1959.3	1975.7
10	JAMNAGAR-BPCL, Loni	1246.53	1959.3	1975.7
11	JAMNAGAR-HPCL, Loni	1245.93	1959.3	1975.7

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ii. Distance and transportation tariff of JLPL of GAIL (Ex-EOL)

S. No.	Name of the Pipeline / TOP	Equivalent Rail Distance of the Pipeline (Km)	Pipeline Tariff (Rs/MT) as on rates effective from 20.12.2014 upto 31.03.2015	Pipeline Tariff (Rs/MT) applicable from 01.04.2015
1	EOL, Vadinar-IOCL, AJMER	816.42	1306.8	1317.7
2	EOL, Vadinar-BPCL, AJMER	832.02	1306.8	1317.7
3	EOL, Vadinar-HPCL, AJMER	829.02	1306.8	1317.7
4	EOL, Vadinar-IOCL, JAIPUR	963.02	1523	1535.7
5	EOL, Vadinar-BPCL, Jaipur	976.52	1523	1535.7
6	EOL, Vadinar-IOCL, Gurgaon	1266.04	1959.3	1975.7
7	EOL, Vadinar-BPCL, Piyala	1294.85	1959.3	1975.7
8	EOL, Vadinar-IOCL, Madanpur Khadar	1267.69	1959.3	1975.7
9	EOL, Vadinar-IOCL, Loni	1263.35	1959.3	1975.7
10	EOL, Vadinar-BPCL, Loni	1266.95	1959.3	1975.7
11	EOL, Vadinar-HPCL, Loni	1266.35	1959.3	1975.7

iii. Distance and transportation tariff of JLPL of GAIL (Ex-Kandla)

S. No.	Name of the Pipeline / TOP	Equivalent Rail Distance of the Pipeline (Km)	Pipeline Tariff (Rs/MT) as on rates effective from 20.12.2014 upto 31.03.2015	Pipeline Tariff (Rs/MT) applicable from 01.04.2015
1	Kandla-IOCL, AJMER	682.10	1,088.10	1,097.30
2	Kandla-BPCL, AJMER	697.70	1,088.10	1,097.30
3	Kandla-HPCL, AJMER	694.70	1,088.10	1,097.30
4	Kandla-IOCL, JAIPUR	828.71	1,306.80	1,317.70
5	Kandla- BPCL, Jaipur	842.21	1,306.80	1,317.70
6	Kandla- IOCL, Gurgaon	1,131.73	1,814.20	1,829.40
7	Kandla-BPCL, Piyala	1,160.54	1,814.20	1,829.40
8	Kandla-IOCL, Madanpur Khadar	1,133.38	1,814.20	1,829.40
9	Kandla-IOCL, Loni	1,129.04	1,814.20	1,829.40
10	Kandla-BPCL, Loni	1,132.64	1,814.20	1,829.40
11	Kandla-HPCL, Loni	1,132.04	1,814.20	1,829.40

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4. Decision

The pipeline tariff for the Jamnagar - Loni Pipeline (JLPL) tariff as given at para 3.1 w.e.f. 01.04.2015 to be applicable for JLPL during the further extended transition period of two years from 20.12.2014. Further, if the goods tariff table of the railways is revised during this further extended period of transition, the Board may consider and decide the benchmarking of the petroleum and petroleum products pipeline transportation tariff against such revision.

				
(S Krishnan) Chairperson	(P.K. Bishnoi) Member (PKB)	(K.K. Jha) Member (KKJ)	(Subhash Chandra) Member (Legal)	(Dr. B. Mohanty) Member (BM)