



Tariff for KG Basin Pipeline Network Slashed by 64%



NEW DELHI The downstream regulator has slashed the tariff for GAIL's KG Basin natural gas pipeline network by 64% to

₹16.14 per million British thermal units (mmBtu) while accepting the tariff proposed by the company on other two major pipeline networks of Hazira-Vijaipur-Jagdishpur and Jagdishpur-Haldia-Dhamra. The new tariffs are applicable from July 1 and will be revised after March 2022. —Our Bureau

PNGRB cuts tariff for KG Basin gas pipeline network

FE BUREAU
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IN A SET back for GAIL (India), the Petroleum and Natural Gas Regulatory Board (PNGRB) has slashed the tariff the company charged for its KG Basin Natural Gas Pipeline Network by 64% to ₹16.14 per mmBtu of gas on gross calorific value.

Till June 30, 2019, GAIL was charging customers ₹45.32 per mmBtu starting April 1, 2019 against GAIL's proposal of ₹47.20 per mmBtu. Instead, the tariff has been reduced effective July 1 and "has been worked out based on information provided by the entity and deliberations," PNGRB said in its order citing various letters written by GAIL and other stakeholders such as H-Energy Gas Marketing, GMR Energy and Gujarat State Petronet.

The next review of the applicable tariff will be done after March 31, 2022. The tariff has been reduced as the eco-



nomie life of the pipeline expired in February 2017 and the initial higher tariff was determined on the basis of an extension till February 2027,

which is still under consideration by PNGRB and was cited by the stakeholders.

However, in a respite of sorts for GAIL, the levelized

tariff for the Jagdishpur Haldia Bokaro Dhamra Pipeline effective July 1, 2019 has been fixed at ₹63.46 per mmBtu while that for the HVJ Natural Gas Pipeline at ₹41.11 per mmBtu. These are in line with GAIL's proposals. The stock price of GAIL on the National Stock Exchange on Monday gained a meagre 0.16% to close at ₹312.45 apiece, on a day when the benchmark Nifty 50 gained 0.65% to close at 11,865.50 points.