



Circular No.: IGX/MO/59/2022

May 12, 2022

Amendments in Gas Exchange Regulations

Dear Members,

Members are requested to take note of amendments issued vide “Petroleum and Natural Gas Regulatory Board (Gas Exchange) Amendment Regulations, 2022” dated 6th May 2022. The definition of Gas Hub has been revised and new definition of Delivery Point is added.

As per amended regulations the definition of Gas Hub and Delivery Point is mentioned below:

“Gas Hub” means a group of Delivery Points which are in regional proximity as may be decided by the Board.

“Delivery Point” means the location for delivery of gas against the traded contracts as may be decided by the Board.

Based on the above definitions, we will now have six regional Gas Hubs (hereinafter referred as Hub), and the Delivery Points are identified based on the state and respective regional boundary. Following are the details of Gas Hubs, corresponding States, current and approved Delivery Points:

	Regional Hubs	States within hubs	Delivery Points within hubs¹
1	Western Hub	Gujarat, Maharashtra, Daman and Diu, Dadar and Nagar Haveli and Goa	Dahej, Hazira, Ankot, Bhadbhut, Jaigarh, Mhaskal, Dabhol, Suvali
2	Southern Hub	AP, Karnataka, Tamil Nadu, Telangana & Kerala, Puducherry	KG Basin, Mallavaram, Gadimoga
3	Eastern Hub	Jharkhand, West Bengal, Odisha, Sikkim and Bihar	Bokaro
4	Central Hub	MP, Chhattisgarh	Shahdol

¹ Launch for trading at Delivery Points namely Ankot, Bhadbhut, Mhaskal, Shadol, Suvali, Mallavaram, Gadimoga, Bokaro and Barmer will be informed through separate circulars.



	Regional Hubs	States within hubs	Delivery Points within hubs ¹
5	Northern Hub	Rajasthan, Punjab, Delhi, UP, Uttaranchal, Haryana & other Northern States	Barmer
6	North Eastern Hub	All States in NE Region	--

Accordingly, the present hubs viz., Dahej, Hazira, KG Basin, Jaigarh and Dabhol will now be termed as 'Delivery Points'. All trading related activities like bidding, price discovery, delivery, settlement etc. will now be done at the level of Delivery Point.

The exact changes made in Market Rules is attached at Annexure - I. The amended copy of PNGRB approved Market Rules is available at IGX website.

Members are requested to kindly make a note of all above changes and act accordingly.

This Circular will come into effect from trade date 16th May 2022.

**For and on behalf of
Indian Gas Exchange Limited**

(Sd/-)

**Prasanna Rao
Head - Market Operations**

Exact changes made in Market Rules

1. Changes in 'Chapter 2. Definitions and Interpretation'

Page No. in Market Rules	Definition No.	Current Clause	Revised Clause
7	29	Delivery Point, means Entry point and has been interchangeably used;	29. Delivery point means the location for delivery of gas against the traded contracts as may be decided by the Board. Delivery point, means Entry point and has been interchangeably used;
8	38	Gas Hub or Trading Hub means the location for delivery of gas against the traded contracts as defined in these Market Rules;	Gas hub means a group of Delivery Points which are in such regional proximity, as may be decided by the Board.
12	86	Trade Price means the final price discovered for that particular contract in INR/MMBTU on GCV basis and exclusive of fees, charges and taxes at the Trading hub;	Trade Price means the final price discovered for that particular contract in INR/MMBTU on GCV basis and exclusive of fees, charges and taxes at the Delivery point;

2. Changes under Chapter 6, Chapter 9 and Contract Specifications

Page No. in Market Rules.	Clause No.	Current Clause	Revised Clause
23	6.1 Placing of Bids on Exchange	Bids transmitted on the Exchange shall include the following: ..g. Trading Hub; and ...	Bids transmitted on the Exchange shall include the following: ..g. Gas Hub & the Delivery point; and
23	6.1.2	The bid price and trade price shall be the price of Natural Gas in INR/MMBTU on GCV basis at the Trading Hub exclusive of Transportation	The bid price and trade price shall be the price of Natural Gas in INR/MMBTU on GCV basis at the Delivery point exclusive of Transportation tariff & related

Page No. in Market Rules.	Clause No.	Current Clause	Revised Clause
		tariff & related charges, Taxes (like VAT/CST) and Exchange Transaction Fees.	charges, Taxes (like VAT/CST) and Exchange Transaction Fees.
31	9.5 Establishment of Benchmark price	Exchange may also publish a benchmark price using a formula considering prices discovered across all specified hubs.	Exchange may also publish a benchmark price using a formula considering prices discovered across all specified hubs and its Delivery points.
53 to 80 Contract Specifications for Intra-Day to Monthly Contracts (Annexure A-1 to A-6)	Contract Code	1. "DA-Hub-dd/mm/yy-DAY" where DA: Day-Ahead Hub: Delivery Areas as specified in Sr. No. 6	1. "DA-Delp-dd/mm/yy-DAY" where DA: Day-Ahead Delp: Delivery point as informed through Exchange Circular <Similar changes in other contracts>
	Delivery Point	Hub wise contracts one each for each defined hub will be available for trading i.e. i. DH: Dahej Hub- PLL Dahej Delivery Point (Petronet LNG Terminal) ii. HZ: Hazira Hub- Mora Delivery Point (Hazira LNG Terminal) iii. KG: KG Basin - Any Tie-in point in the GAIL's KG basin Natural Gas pipeline iv. DB: Dabhol Hub - Exit point of Dabhol LNG Terminal connecting with DUDPL and DBPL pipeline located in Dabhol v. JG: Jaigarh Hub - Interconnection point of the Tie-in connectivity Jaigarh Dabhol pipeline to Dahej-Uran-Dabhol Panvel Pipeline located at Dabhol. Exchange may introduce same contracts in future on other hubs with prior intimation to the Board.	Delivery point wise contracts will be available for trading. Exchange will intimate the delivery point through Exchange Circular in advance.

Page No. in Market Rules.	Clause No.	Current Clause	Revised Clause
	Bidding Process	Seller will submit bid for the contract of that hub to which he commits to deliver. Whereas a buyer can buy contract of only that hub to which he is physically connected through pipelines. Netting off (square off) of positions will not be allowed.	Seller will submit bid for the contract of that hub and associated delivery point to which he commits to deliver. Whereas a buyer can buy contract of only that hub and associated delivery point to which he is physically connected through pipelines. Netting off (square off) of positions will not be allowed.
	Price unit	INR/MMBTU on GCV basis (excluding all fees, transport related charges, taxes etc.) at the trading hub	INR/MMBTU on GCV basis (excluding all fees, transport related charges, taxes etc.) at the Delivery point.
	Delivery	Seller shall be responsible to make the delivery of gas at the specified Hub(s) while buyer shall make necessary arrangement for transportation of gas from the specified hub to off-take the gas at the redelivery point.	Seller shall be responsible to make the delivery of gas at the specified delivery point while buyer shall make necessary arrangement for transportation of gas from the specified delivery point to off-take the gas at the redelivery point.

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