



GUJARAT GAS

REG\PNGRB\GR 2\2016\026

June 13, 2016

To,

Shri Upamanyu Chatterjee, IAS

Secretary,

Petroleum and Natural Gas Regulatory Board ("**PNGRB/Board**")

1st Floor, World Trade Centre,

Babar Road, New Delhi – 110001

15/6/16

Recd on 15/6/16

Seqy/3550

15/6/16

AA(AK) 15/6/2016

Sub: Grant of Authorization to M/s Gujarat Gas Limited for development of City Gas Distribution Network in the Geographical Area of Dahej-Vagra Taluka

Ref: PNGRB Letter No. PNGRB/CGD/BID/6/2015/26/GA- Dahej-Vagra Taluka-Bid Evaluation dated June 06, 2016 received on June 13, 2016

Dear Sir,

ACSD(L)

At the outset Gujarat Gas Limited ("**GGL**") would like to thank the Honourable PNGRB for granting Authorization for the Geographical Area of Dahej-Vagra Taluka in the State of Gujarat with respect to the bid submitted by GGL during the PNGRB CGD Sixth Bid Round.

As requested, please find attached the duly signed and stamped acceptance of the Grant of Authorization ("**Schedule D**") for laying, building, operating or expanding City or Local Natural Gas Distribution in the GA of Dahej-Vagra Taluka.

We trust the attached Acceptance of Schedule-D meets the requirement of the Honourable Board.

Thanking you,

For Gujarat Gas Limited

Nitin Patil

Nitin Patil

I/C Chief Executive Officer

Encl: Signed and stamped Schedule- D for the GA of Dahej-Vagra Taluka

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पेट्रोलियम एवं प्राकृतिक गैस विनियामक बोर्ड

Petroleum and Natural Gas Regulatory Board

प्रथम-तल, वर्ल्ड ट्रेड सेंटर, बाबर रोड, नयी दिल्ली - 110001

1st Floor, World Trade Centre, Babar Road, New Delhi – 110001

6th June, 2016

To,
M/s Gujarat Gas Limited
[Kind Attn: Mr. PPG Sharma (Chief Executive Officer)],
2, Shantisadan Society,
Near Parimal Garden,
Ellisbridge, Ahmedabad - 380006,
Gujarat

Subject: Grant of Authorization to M/s Gujarat Gas Limited for development of City Gas Distribution Network in the Geographical Area of Dahej Vagra Taluka.


Sir,

With reference to your letter No. REG\PNGRB\GR 2\ 2016\ 019 dated 25th May 2016 submitting therewith the required Performance Bank Guarantee for Rs. 904 Crore, enclosed is the Authorization in Schedule D for the GA of Dahej Vagra Taluka in duplicate, as per the requirement under Regulation 10(1) of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008.

2. The tariff applicability is as per the Judgment of Hon'ble Supreme Court of India in the SLP No. 22273 of 2012.
3. You are requested to put your stamp & signature on each page of the document and return one copy, within 7 days of receipt of this communication, to the PNGRB for records.
4. The enclosed authorization issues with the approval of the Board.

Yours faithfully,

Encl: As above


(Arvind Kumar)
Additional Adviser





अरविन्द कुमार
ARVIND KUMAR
अपर सलाहकार
Additional Adviser
पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड
Petroleum & Natural Gas Regulatory Board
प्रथम तल, वर्ल्ड ट्रेड सेंटर
1st Floor, World Trade Centre
बाबर रोड, नयी दिल्ली-110001
Babar Road, New Delhi-110001

Schedule D

[see regulations 10 (1) and 18 (7)]

Grant of authorization for laying, building, operating or expanding CGD network

To,
M/s Gujarat Gas Limited
[Kind Attn: Mr. PPG Sharma (Chief Executive Officer)],
2, Shantisadan Society,
Near Parimal Garden,
Ellisbridge, Ahmedabad - 380006,
Gujarat

Subject: Grant of Authorization to M/s Gujarat Gas Limited for development of City Gas Distribution Network in the Geographical Area of Dahej Vagra Taluka.

Sir,

With reference to your application-cum-bid for grant of authorization for laying, building, operating or expanding the CGD network in **Dahej Vagra Taluka**, it has been decided to grant you the authorization subject to the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008 and the following terms and conditions:

1. The Authorized Area for laying, building, operating or expanding the proposed CGD Network shall cover an area of **909.09** square kilometers and as depicted in the enclosed drawing.
2. The activities of laying, building, operating or expansion of the CGD Network to commence within a period of **270** days from the date of this authorization.
3. The activities permitted above shall have to be completed as per the approved time schedule enclosed at Annexure 1. Any failure on the part of the entity in complying with the **milestones prescribed** in the time schedule shall lead to consequences as specified under regulation 16 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008.
4. The entity shall design and install an optimal size of the infrastructure in terms of pipelines of various types including steel belting of the authorized area, online compressors of adequate capacity for compressing of natural gas into CNG, allied equipments and facilities in the CGD network as identified in its DFR depending upon the potential demand for natural gas. The infrastructure in the CGD network should be adequate to maintain uninterrupted flow of natural gas in the pipelines and be also able to maintain supplies at adequate pressure to online CNG stations.

20/11/20



Gujarat Gas Limited
Signature

ARVIND KUMAR
Additional Adviser
Petroleum & Natural Gas Regulatory Board

5. The entity shall maintain an uninterrupted supply of natural gas to all categories of customers in the CGD network. In the event of any disruption in the supply of natural gas in the CGD Network, first priority shall be accorded to restoration of supplies to domestic PNG customers. In case of disruption of supply to domestic PNG customers for more than twelve hours, the entity shall compensate to the domestic customer on the following basis:-

- (a) the normative volume of natural gas consumption for the first domestic PNG connection for cooking requirements based on last three months weighted average consumption per day to be applied for each day's disruption and multiplied by ten;
 - (b) normative value of natural gas consumption shall be based on last three months weighted average billing price of natural gas for supplies to the first domestic PNG connection for cooking requirements; and
 - (c) the value of compensation shall be equal to normative volume of natural gas consumption as per clause (a) multiplied by normative value as per clause (b) and shall be adjusted by allowing a credit to the domestic PNG Customer in the next billing cycle or in the next pre-paid smart card in case of smart card metering.
 - (d) In case the disruption of supplies is attributed to any fault of the domestic PNG customer, no compensation shall be payable by the entity.
6. The entity is allowed an exclusivity period under the Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008, in respect of the following:
- (a) **300** months from the date of issue of this communication for laying, building and expansion of the CGD network; and
 - (b) **60** months from the date of issue of this communication in terms of an exemption from the purview of common carrier or contract carrier for the CGD network:

Provided that the entity meets the obligations in line with the Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008:

Provided further that the period of exclusivity allowed under sub-clause (a) or sub-clause (b) may be terminated before the expiry of the period mentioned above in line with the provisions under Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008.

For Gujarat Gas Limited



ARVIND KUMAR
Additional Adviser
Petroleum & Natural Gas Regulatory Board
1st Floor, World Trade Centre
Babar Road, New Delhi-110001

