



Petroleum & Natural Gas  
Regulatory Board, India

पेट्रोलियम एवं प्राकृतिक गैस विनियामक बोर्ड

**Petroleum and Natural Gas Regulatory Board**

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

1<sup>st</sup> Floor, World Trade Centre, Babar Road, New Delhi – 110001

Tel No: 011- 23457700/23457744/23457751

File No: S-Infra/II/1/2008-Vol.II/Khurja-GA

4<sup>th</sup> December, 2012

To  
Shri Rajeev Sharma  
Chief Executive officer  
Adani Gas Limited  
3rd Floor, SSR Corporate Park  
13/6, Sector-27 B, NH-2  
Delhi Mathura Road  
Faridabad, Haryana-121 002

**Subject:-Grant of Authorization for Khurja Geographical Areas City Gas Distribution Network development to M/s Adani Gas Limited (Formerly Adani Energy Limited).**

Sir,

With reference to the T&C letter dated 4<sup>th</sup> October, 2012 issued by Petroleum and Natural Gas Regulatory Board (PNGRB) and the Performance Bond submitted by M/s Adani Gas Limited vide letter dated 15<sup>th</sup> October, 2012, PNGRB is pleased to issue Grant of Authorization for CGD Network development under Regulation 18(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 for the Geographical area of Khurja in the enclosed Schedule-D format with the following project milestones to be achieved during the marketing exclusivity period of 5 years:

	Existing	Cumm (1 <sup>st</sup> Year)	Cumm (2 <sup>nd</sup> Year)	Cumm (3 <sup>rd</sup> Year)	Cumm (4 <sup>th</sup> Year)	Cumm (5 <sup>th</sup> Year)
PNG Dom. Connections (No.)	Nil	500	3,000	8,000	15,500	25,100
Steel Pipeline (Inch-KM)	220.8	240.0	260.00	-	-	-
Compression Capacity(in Kg/day)	Nil	-	12,000	24,000	-	-

Encl: As above

Yours faithfully,

*Ratan P Watal*

**(Ratan P Watal)**

Secretary, PNGRB

रतन पी. वाटल/RATAN P. WATAL  
सचिव/Secretary  
पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड  
Petroleum & Natural Gas Regulatory Board  
प्रथम तल, वर्ल्ड ट्रेड सेंटर  
1st Floor, World Trade Centre,  
बाबर रोड, नई 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  
Sh Rajeev Sharma  
Chief Executive officer  
Adani Gas Limited  
3<sup>rd</sup> Floor, SSR Corporate Park  
13/6, Sector-27 B, NH-2  
Delhi Mathura Road  
Faridabad, Haryana-121 002

Subject: Grant of authorization for laying, building, operating or expanding CGD network in the authorized area of **Khurja** Geographical area in the State of **Uttar Pradesh** under the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008

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Sir,

With reference to your application for grant of authorization for laying, building, operating or expanding the CGD network in **Khurja** in the State of **Uttar Pradesh**, 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 123 square kilometers and as depicted in the enclosed map.
2. 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.

रविशंकर प्रसाद  
सचिव/Secretary  
पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड  
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बाराक रोड, नई दिल्ली



3. 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:-
- 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;
  - 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
  - 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.

In case the disruption of supplies is attributed to any fault of the domestic PNG customer, no compensation shall be payable by the entity.

4. 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:

- 31.03.2030 from the date of issue of this communication for laying , building and expansion of the CGD network; and
- Upto 5 years 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:

रतन पी. वाटल/RATAN P. WATAL  
सचिव/Secretary  
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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.

5. The authorized entity shall be required to take prior approval from the Board for creation of any lien, charge or hypothecation of the CGD network to secure finances for the project and furnish details of utilization of funds. However, in case of raising funds from any financial institution or bank, the entity will be required to only inform the Board of the sanction of the funds within a period of seven days.
6. The entity shall publish the approved network tariff for transportation of natural gas as well as the compression charge for CNG in the CGD network in the authorized area.
7. The entity shall publish the applicable retail selling price of PNG for all categories of customers and also for the purpose of invoicing in Rs./ MMBTU.
8. The entity shall publish and display the retail selling price of CNG for the purpose of invoicing to CNG customers in Rs./ Kg at all CNG dispensing stations.
9. The furnishing of performance bond of Rs. 1.00 crores only (Rupees One Crore) is a guarantee for timely commissioning of the project as per the prescribed targets in the bid and for meeting the service obligations during the operating phase of the project.
10. The entity shall abide by-
  - (a) the service obligations as specified under regulation 14 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;
  - (b) the service obligations specified under the Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008;

- (c) the service obligations specified in Schedule-J 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;
- (d) the quality of service standards as specified under regulation 15 of Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008.
11. In case the authorization of the entity is terminated, the Board may assign the rights and obligations of the entity to any agency or another entity on such terms and conditions, as it may deem fit. Further, the entity may be required, as per the directions of the Board, to continue the operations of the CGD network at the same level till another agency or entity appointed by the Board takes over the full control of the CGD network.
12. The entity shall comply with the applicable provisions under the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008, Petroleum and Natural Gas Regulatory Board (Determination of Network Tariff for City or Local Natural Gas Distribution Networks and Compression Charge for CNG) Regulations, 2008, Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008, relevant regulations for technical standards and specifications, including safety standards, any other regulations as may be applicable and the provisions of the Act.
13. The entity shall comply with any other term or condition which may be notified by the Board in public interest from time to time.

You are requested to confirm your acceptance by filling-in the acceptance of the grant of authorization provided below and return the same in original.

Yours faithfully,

*Ratan P. Watal*

**Ratan. P. Watal**

**Secretary, PNGRB**  
रतन पी. वाटल  
सचिव/Secretary  
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Babar Road, New Delhi - 110001

Dated: 4<sup>th</sup> December, 2012

Acceptance of the Grant of Authorization

I / We hereby accept the grant of authorization issued by the PNGRB vide letter ref.<\_> dated <\_\_\_> and agree to comply with all the terms and conditions subject to which I/ We have been granted the authorization for laying, building, operating or expanding city or local natural gas distribution in the authorized area of \_in the State or the Union Territory of \_\_\_.

Date: Place:

Signature of the Entity or Authorized Signatory  
Name and Official Seal

