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Received on 5/01/2016 at
1:53 pm
New Delhi

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On leave.

The Secretary,
Petroleum and Natural Gas Regulatory Board,
1st Floor, World Trade Centre, Babar Road,
New Delhi- 110 001

January 4, 2016
Received 5/1/16
AA (AK)
20/1/16
Sevy/2639
5/1/16

Sub: Expression of Interest (EOI) to Lay, Build & Operate Petroleum and Petroleum Products (LPG) Pipeline from Mundra Port to Mithi Rohar, Kandla

Sir,

New year Greetings from Adani Gas Ltd !

Adani Group is constructing 1.60 MMT capacity LPG Import terminal at its Mundra Port in Gujarat to support the availability of LPG in the country. For evacuation of LPG from the terminal, it is proposed to lay a 90 Kms LPG pipeline to connect the upcoming LPG terminal at Mundra with the GAIL's existing Jamnagar – Loni LPG Pipeline (JLPL) at Mithi Rohar near Kandla.

GAIL has already been informed about the proposed LPG import terminal at Mundra Port. The proposal to connect the Mundra LPG terminal to JLPL has been finalized keeping in mind the proposed expansion plans of GAIL for its JLPL pipeline from its existing capacity of 2.5 MMT to 4.5 MMT. GAIL has also been requested to synchronise the expansion of JLPL with the commissioning of the Mundra LPG terminal by June 2017. Simultaneously Oil Marketing Companies viz. IOCL, BPCL & HPCL have also been apprised of the proposed LPG terminal and are being updated on the construction activities and the associated timelines.

As required under the Regulations 4(1) of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010, we enclose our application in form of Schedule A for Expression of Interest (EOI) to Lay, Build and Operate LPG Pipeline from Mundra Port to Mithi Rohar, Kandla alongwith the required fees.

We request you to kindly consider our EOI and initiate the process for selection of entity for authorisation as per the regulations. We would be pleased to submit any further information which you may desire.

We look forward to your positive response on the matter.

Sincerely yours,

For Adani Gas Ltd

Bhashit Dholakia
Authorized Signatory

Encl:

1. Demand Draft of Rs. 10000/- in favour of PNGRB
2. Schedule A

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Schedule A
[see regulations 4 (1) and 5 (6)]

Application form for submitting expression of interest by an entity desirous of laying, building, operating or expanding a petroleum and petroleum products pipeline

- A.** Only an entity which complies with the minimum eligibility criteria as per regulation 5 (6) of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010 is eligible to submit its application for submission of expression of interest to the Board.
- B.** Entities must enclose documentary proof in support of its meeting the minimum eligibility criteria.

Statement of Minimum Eligibility Criteria as per Regulation 5(6)

Sl. No.	Sub-Regulation Ref	Criteria Condition	Remarks
1	5(6) (a)	Application Fee	Application fee of Rs. 10,000 attached vide Demand Draft No: 501041 drawn on ICICI Bank
2	5(6) (b)	<p>Technically capable of laying and building petroleum and petroleum products pipeline as per the following qualifying criteria, namely:-</p> <p>(i) Entity has on its own, either departmentally or through contractors hired by it, in the past, laid and built either a hydrocarbon pipeline of a length not less than 300 Kms on a cumulative basis or a city or local natural gas distribution network;</p> <p>(ii) Entity has a JV with another entity (with at least 11% equity holding by that entity) which in the past has the above experience</p> <p>(iii) Lump sum turnkey or PMC basis through one or more technically competent firms, which in the past have laid and built a hydrocarbon pipeline of a length not less than 300 Kms or a city or local natural gas distribution network</p> <p>(iv) Entity has an adequate number of technically qualified personnel with experience in construction and pre-commissioning of hydrocarbon pipelines to independently undertake and execute the petroleum and petroleum products pipeline project on a standalone basis</p>	<p>Adani Gas Ltd (wholly owned subsidiary of Adani Enterprises Limited) is in the business of developing and operating CGD networks across various cities in the country. It has been authorized by PNGRB for cities of Ahmedabad & Khurja.</p> <p>AGL is currently operating CGD networks in Vadodara & Ahmedabad since 2003-4 and in Faridabad since 2009. AGL has constructed more than 400 Kms of Steel Pipelines and 5350 Kms of MDPE pipelines across various cities.</p> <p>AGL in 50:50 Joint Venture with IOCL has also been authorized by PNGRB to develop and operate CGD networks at Allahabad, Chandigarh, Panipat, Daman, Ernakulum, Udham Singh Nagar and Dharwad/Hubli.</p> <p>AGL has a pool of about 200 qualified professionals with focused experience in various aspects of CGD business including RoU, pipeline construction, Operations, Maintenance, Emergency Handling, Pricing, Billing and Customer Service.</p> <p>Brief CV of key professionals attached as Annexure 1.</p>

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Sl. No.	Sub-Regulation Ref	Criteria Condition	Remarks
3	5(6) (c)	<p>Technical Capability- Operation & Maintenance of Petroleum and Petroleum Products Pipeline under any of:</p> <p>(i) Entity on its own has an experience of at least 1 year in O&M of a petroleum and petroleum products pipeline of a length not less than 300 Kms on a cumulative basis</p> <p>(ii) Entity has a JV with another entity (with at least 11% holding of that entity) which has the above experience</p> <p>(iii) Entity intends to operate and maintain the proposed petroleum, petroleum products pipeline through an appropriate firms' technical assistance agreement for a period of at least 1 year with another party having experience of at least 1 year in O&M of a petroleum and petroleum products pipeline;</p> <p>(iv) Entity has an adequate number of technically qualified personnel with experience in commissioning and operation and maintenance (O&M) of petroleum, petroleum products pipeline and also has a plan to independently undertake the O&M activities of a petroleum, petroleum products pipeline on a standalone basis</p>	<p>AGL has strength of about 200 qualified professionals with focused experience in various aspects of CGD business including RoU, pipeline construction, Operations, Maintenance, Emergency Handling, Pricing, Billing and Customer Service.</p> <p>AGL is currently operating a network of over 400 Kms of Steel Pipeline, 5350 Kms of MDPE pipelines and 65 CNG stations. It is servicing a customer base of over 350,000 every day.</p> <p>AGL has in its team a set of professionals with specific experience in building, operating and maintaining LPG pipelines. With experience and systems of managing natural gas distribution network of approx. 5850 Kms, AGL is confident of building, operating and maintaining the proposed LPG pipeline on its own.</p> <p>AGL proposes to set up a dedicated team of professionals for construction, operations and maintenance of the proposed LPG pipeline. Wherever required, external professional support shall also be taken.</p> <p>Brief CV of key professionals having LPG experience attached as Annexure 1.</p>
4	5(6) (d)	Entity has adequate financial strength to execute proposed Petroleum and Petroleum Product Pipeline and to carry out O&M of the same and shall meet the financial criterion of minimum Net worth as per Regulations	<p>AGL has a Networth of over Rs. 656 Crores (as on November 2015) which is more than the minimum required for the proposed pipeline of 90 Kms.</p> <p>Annual Report for FY 2013-14 and FY 2014-15 attached as Annexure 3 & 4</p>
5	5(6) (e)	Entity, if not a company registered under Companies Act, 1956 undertakes to convert to a company registered under Company's Act, 1956	AGL is a company registered under Companies Act, 1956.

Handwritten signature and circular stamp of Adani Gas Limited.

C. The entity submitting the expression of interest must submit the following information:

General Details	Adani Gas Limited, is a wholly owned subsidiary of Adani Enterprises Limited, carries on the activity of City Gas Distribution and distributes and transports Natural Gas to Domestic, Commercial, Industrial and Vehicle users. Company is presently operating In Ahmedabad. Vadodara, Faridabad and Khurja.
Name of the Entity	Adani Gas Limited
Type of firm – Public Limited Company / Private Limited Company / Partnership firm / Proprietorship firm / Others (please specify)	Public Limited Company
Date of incorporation	05/08/2005
Date of commencement of business	24/08/2005
Address of the Registered office	Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India
Name, addresses, telephone numbers, e-mails of all directors / partners / proprietor.	(i) Shri Rajesh S. Adani Shanti Sagar Bungalow, Near Kantam Party Plot Cross Road, Bodakdev, Ahmedabad – 380 059, Gujarat, India (ii) Mr. Pranav V. Adani Param Shanti Bungalow, Survey No., 100/1, Nr. Shaswat Bungalow, B/H Rajpath Club, Ahmedabad – 380 059, Gujarat, India (iii) Mr. Shridhar Tambraparni C-2-93, Goyal InterCity, Bodakdev, Ahmedabad 380054, Gujarat, India (iv) Mr. Anup Shah: Suite 8, Jal Kiran, Cuffe Parade, Mumbai, 400005, Maharashtra, India (v) Ms. Nayanaben Gadhvi H-1, New Sattadhar Row House, Ghatlodia, Ahmedabad, 380061, Gujarat, India
Primary Technical Data	Adani Group is setting up a LPG import terminal at Mundra with a capacity of 1.60 MMT to cater to LPG requirement in India. The terminal will have state of the art infrastructure to handle large VLGC vessels and will also have a provision of expanding the capacity in future based on the import requirements. The import terminal is expected to be commissioned by mid- 2017.
Point of origin and the end point of the proposed petroleum and petroleum products pipeline	Point of Origin: Mundra Port LPG Terminal Endpoint: Mithi Rohar, Kandla
Indicative route of the proposed petroleum and petroleum products pipeline indicating the likely petroleum products injection points and likely delivery points depicted on a physical map	The indicative pipeline route from Mundra Port LPG terminal to Mithi Rohar will cover the following locations: Mundra Port LPG Terminal, Goersama, Luni, Vadala, Bhadreswar, Hatdi, Valadiya Bita East, Khumbariya, Vidi, Nangalpar Nani, Anjar, Varshamedi, Adipur, Mithi Rohar The length of the pipeline from Mundra to MithiRohar will be

ADANI GAS LIMITED
Mumbai, India


	<p>around 90 kms. Pipeline Route Map attached as Annexure 2.</p>
<p>Petroleum products availability position</p>	<p>Mundra is one of the most well equipped, strategically located operating ports on the western coast of India for importing hydrocarbon for the country especially the Northern, Central and Western States.</p> <p>Globally, the trend in LPG transportation is shifting towards Very Large Gas Carriers (VLGCs) in view of freight economics as well as load port preference for VLGCs. VLGCs can only be handled at selective ports having marine infrastructure capable of handling VLGCs with efficient and safe operations.</p> <p>Given the cost advantage and future trends, any LPG terminal planned must be capable of handling VLGCs, if it has to be competitive in the long term. In selecting the location for the LPG import terminal, the availability of draft and infrastructure for handling VLGCs is thus a major consideration.</p> <p>Mundra has emerged as the preferred location for setting up the LPG import terminal given that the port has existing ready infrastructure and can address and accommodate the future business requirements in a seamless manner including handling of VLGCs.</p> <p>IOCL, BPCL and HPCL have been pioneers of importing LPG into the country. Majority of LPG imports into India is from Middle East locations namely Saudi Arabia, Qatar, UAE, Kuwait, Bahrain and Oman. Considering the proximity to these Middle East locations and availability of deep draft facility required for larger vessels at Mundra, we believe it would be logical to set up LPG import facilities (through VLGC) at Mundra.</p> <p>For any import facility to be successful it requires a strong evacuation route to the hinterland. LPG is mainly evacuated by three modes namely: road, rail and pipelines. Transmission of LPG via pipeline is the most efficient, safe, convenient, reliable and environment friendly mode of transport.</p> <p>The Jamnagar-Loni pipeline (JLPL) with a capacity of 2.50 MMTPA is very strategically located to serve the western and northern parts of the country. The proposed pipeline will connect existing Jamnagar – Loni trunk pipeline at Mithi Rohar and will be the most cost effective solution for transportation of LPG.</p>
<p>Potential demand of petroleum products enroute the petroleum and petroleum product pipeline</p>	<p>Indian LPG Scenario: India consumed 18.02MMT of LPG in FY 2015 which grew at a CAGR of 7% since 2009. For the corresponding period the indigenous production has been almost stagnant at around 10.0M MT. This has led to India importing over 8.30MMT of LPG in FY 2015 growing at a rate of over 22% since FY 2009.</p> <p>Domestic distribution, Industry and Transport sector consumes over 99% of total LPG consumption in the country. North, West and the South regions has a share of 86% of total LPG consumption in India</p> <p>Going forward, LPG consumption is expected to reach over 25MMT in FY 2020 of which imports are expected to be around 16MMT.</p> <p>Mundra Hinterland: Mundra has the advantage of serving the huge North, West and Central India hinterland which consumes around 8.60 MMTPA (FY 2014). Growth in LPG consumption in Mundra</p>



	<p>hinterland is mainly driven by sharp increase in consumption in UP, NCR, Rajasthan and Gujarat region.</p> <p>LPG Consumption: Indian LPG consumption is growing at a CAGR of 7% since FY 2009. Domestic distribution, Industry and Transport are the major consumers of LPG having a share of over 99% of total consumption.</p> <p>LPG consumption in the Mundra hinterland region in FY 2014 was around 8.60 MMTPA. This is expected to increase substantially in future based on various initiatives by Government of India. Similarly industrial segment is also expected to witness a growing demand.</p> <p>LPG Supply in the Hinterland: There are three modes of LPG supply in India – Refinery production & exploration, LPG from Fractionation plants and via imports terminals.</p> <p>The regional domestic supply of LPG in the Mundra region from refinery and fractionators was 6.72 MMTPA in FY 2014.</p> <p>Balance LPG demand is fulfilled by LPG imports by various terminals in Gujarat and Maharashtra region. LPG in India is primarily imported into India by the three main public sector oil marketing companies (OMCs)—IOCL, HPCL and BPCL.</p> <p>LPG Potential: The LPG demand in the West, Central and Northern India is expected to increase substantially in the next 5-10 years. The existing LPG demand supply gap in Mundra's hinterland is likely to increase significantly due to rising LPG consumption in large markets like UP, NCR, Haryana and Rajasthan. The LPG demand in the West, Central and Northern India is expected to increase substantially in the next 5-10 years.</p>
<p>Assessment of total volume for transportation in the proposed petroleum and petroleum products pipeline</p>	<p>The <u>LPG Terminal</u> at Mundra is scheduled to be commissioned by mid-2017. The terminal will have a state of the art infrastructure to handle large VLGC vessels with an option of capacity expansion possibility in future based on the business requirements.</p> <p>The initial phase of the LPG terminal will have a capacity of 1.60 MMT to cater to this import requirement. The terminal will have state of the art infrastructure to handle large VLGC vessels and will also have a provision of expanding the capacity to 4.8 MMT in future based on the demand requirements.</p> <p>Transmission of LPG via pipeline is the most efficient, safe, convenient, reliable and environment friendly mode of transport. The other modes of evacuation via road and rail are suboptimal as far as the cost is concerned keeping in view the present infrastructure in the country. Hence we expect that majority of LPG will be evacuated by pipeline.</p> <p>If we consider that 80% of the LPG evacuation is by via pipeline; it will involve a volume of 1.28MMT in the first phase and going up to over 3.00 MMT in the subsequent phase.</p>
<p>Any other issue considered as relevant by the entity</p>	<p>JLPL Pipeline: GAIL's Jamnagar Loni pipeline (JLPL) has a capacity of 2.50 MMTPA is very strategically located to serve the western and northern parts of the country. GAIL has plans to increase the capacity of the existing Jamnagar Loni pipeline from 2.50 MMTPA to 3.25 MMTPA and subsequently to over 4.00 MMTPA in future.</p> <p>Presently the JLPL pipeline serves the various bottling plants of</p>

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	<p>IOCL, HPCL and BPCL at Ajmer, Jaipur, Gurgaon, Piyala, Madanpur Khadar and Loni .</p> <p>Possibility to connect to the JLPL pipeline at Mithi Rohar could give Mundra port the opportunity to service to the huge hinterland demand in Western and North India.</p> <p>The LPG terminal at Mundra is expected to be commissioned by Mid-2017. Therefore the pipeline construction is also proposed to be completed along with the commissioning of Mundra terminal.</p>
<p>Application fee of Rs. _____ paid vide demand draft/ pay order number <__> and dated <__> drawn on <name of bank and branch>.</p>	<p>Demand Draft No: 501041 of Rs. 10000/- drawn on ICICI Bank attached</p>


Bhashit Dholakia
 Authorised Signatory
 ADANI GAS LIMITED

Date: January 4, 2016

Place: Faridabad



Annexure 1

Brief Profile of Qualified Professionals in Adani Gas Ltd

Following personnel who are on our permanent roll have adequate experience as required under regulations of Petroleum and Natural Gas Regulatory Board:

Sr. No.	Name	Designation	Qualification	No. of years of relevant experience	Remarks
1	Rajeev Sharma	CEO	BE (Civil)	33 years	He has been involved with Construction and Operations of GAIL's LPG Recovery Plants Phase 1 & 2 at Vijaipur and Petrochemical complex at Pata. He was also involved with the planning of Jamnagar - Loni LPG pipeline.
1.	S. Tambraparni	Joint President	B. Tech (Mech)	30 years	Was responsible for setting of LPG import terminal at Okha and LPG distribution business for Gujarat Gas Co. Ltd. He has also worked for setting up Auto LPG stations.
3.	Peeyush Tripathi	VP	BE (Mech)	27 years	Has worked as a key member of Project team responsible for construction of GAIL's Vizag - Secunderabad LPG Pipeline and Jamnagar - Lino Pipeline.
4.	Y.S. Navathe	AVP	BE (Civil)	23 years	Was involved with the construction of LPG import terminal at Okha. He has experience of design and engineering of pipelines.
5.	R. B. Singh	AVP	BSc. Engg. (Mech)	22 years	Has experience of construction and O&M of pipelines, Quality procedures & certifications.
6.	Rakesh Singh	DGM	BE (Civil)	17 years	Has experience of Pipeline construction and RoU acquisition for transmission pipelines.



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March 2, 2016

To,

Secretary
Petroleum and Natural Gas Regulatory Board
1st Floor, World Trade Center, Babar Road
New Delhi 110001

DD(NK)

✓ Kind Attention: Mr. Arvind Kumar

Arvind
10/3/2016

Sub: Expression of Interest (EOI) to lay, build, operate or expand LPG pipeline from Mundra Port LPG terminal to Mithi Rohar, Kandla

Ref: PNGRB letter ref. Infra/PL/New/4(1)/MKPL/AGL/01/16 dated February 18, 2016

Dear Sir,

This is with reference to your letter ref. Infra/PL/New/4(1)/MKPL/AGL/01/16 dated February 18, 2016 seeking clarification on the EOI we had submitted to lay, build, operate or expand LPG pipeline from Mundra Port LPG terminal to Mithi Rohar, Kandla on January 4, 2016.

Following are our clarifications to the queries raised by you.

(i) Phase wise plans of development for the proposed LPG import terminal

The LPG terminal at Mundra will have an initial capacity of 1.60 MMTPA to cater to the import requirement of Northern and Western India. The terminal will have state of the art infrastructure to handle large VLGC vessels and will also have a provision of expanding the capacity in future to 3.20 MMTPA and 5.75 MMTPA based on the import requirements.

(ii) Status on requisite approvals for the proposed terminal

MOEF Clearance	APSEZ has obtained approval for water front development project (WFDP) considering generic approval for POL and Petroleum Gas. Risk assessment study is under consideration at Ministry of Environment, Forest and Climate Change (MoEF&CC).
Petroleum Explosives And Safety Organization (PESO) formerly CCOE	Application will be lodged after MOEF&CC approval is obtained and all plot plans signed and agreed
Other statutory approvals	Other approvals to be taken as and when required

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(iii) Current status on the construction of the terminal vis-à-vis schedule

Activity	Status
Market study	Completed
Land identification	Completed
Discussion with stake holders	Completed
Company formation	Completed
Layout	Conceptual layout with firm tank location has been developed
Studies	QRA study for tank location on layout is completed
Appointment of Basic engineering consultants	Completed

Please refer annexure A for the detailed scheduling of the project.

(iv) Expected time for commencement of the operations of the proposed terminal

The expected time for commencement of operations of the proposed terminal is expected to be around January 2018.

(v) Evacuation plan of LPG from the terminal through the proposed pipeline when Jamnagar-Loni LPG pipeline is already running at full utilisation

For any import facility to be successful it requires a strong evacuation route to the hinterland. Mundra LPG terminal is being designed and developed to have multiple evacuation modes – Road tanker loading, Cross country pipelines and bottling plants. The road tanker loading and bottling plant evacuation route can cater to the locations which are at a distance of around 500 km from the terminal. For transporting LPG to longer distances in the hinterland, cross country pipeline is the most efficient, safe, convenient, reliable and environment friendly mode of transport.

GAIL's Jamnagar Loni pipeline (JLPL) has a capacity of 2.50 MMTPA is very strategically located to serve the western and northern parts of the country. Possibility to connect to the JLPL pipeline at Mithi Rohar could give Mundra terminal the opportunity to cater to the huge LPG consuming hinterland of Western and North India.

We understand from secondary resources that GAIL has plans to increase the capacity of the existing Jamnagar Loni pipeline from 2.50 MMTPA to 3.25 MMTPA and subsequently to over 4.50 MMTPA in future.

The limitations in the availability of LPG ex-Jamnagar to meet increase demand on the enhanced pipeline capacity will also give us the opportunity to evacuate the product through the proposed pipeline. So considering the above scenarios, we believe that Mundra LPG terminal can get capacity allocation in the JLPL pipeline.

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Also the LPG transported via Mundra- Mithi Rohar pipeline can be taken to nearby locations via road tankers for serving the industrial clusters of Rajkot, Surendranagar, Morbi etc. and by bottling plants to the various other regions of Gujarat and Madhya Pradesh.

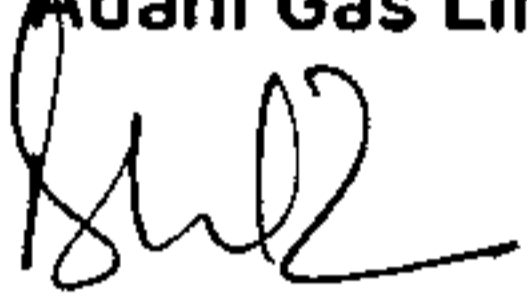
(vi) Delivery point/ custody transfer point for the proposed pipeline

The present plan for the Mundra LPG pipeline is to have two metering stations ie. ex-Mundra LPG terminal and ex-Mithi Rohar. The delivery point / custody transfer point for the proposed pipeline will be at the either of these locations based on the business / client requirements.

We hope that above will meet your requirements.

Yours faithfully,

For Adani Gas Limited,



**Bhashit Dholakia
Sr. Vice President**

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