

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

No. Infra/PL/Exis/17/UTPL/DFPCL/01/14

21.10.2014

To
Managing Director,
M/s Deepak Fertilizers And Petrochemicals Corporation Limited,
Deepak Complex, Opposite Golf Course,
Shastri Nagar, Yerawada,
Pune-411006

Subject: Provisional Terms and Conditions for Acceptance of Central Government Authorization for laying, building, operating or expanding Uran-Taloja Natural Gas Pipeline as common carrier pipeline network under Regulation 17(1) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008.

Sir,

This has reference to your application dated 04.12.2012 for consideration of the Board for acceptance of Central Government Authorization for laying, building, operating or expanding Uran-Taloja natural gas pipeline and subsequent communications in this regard.

2. To substantiate your claim for authorization from the Central Government for the said pipeline network, you had furnished document like copies of Gazette notification under Section 3(1) of the Petroleum and Minerals Pipelines (Acquisition of Right of user in Land) Act, 1962 and copies of the relevant correspondences relating to the approvals/NOCs/clearances. Considering your submissions, the Petroleum and Natural Gas Regulatory Board provisionally accepts the information submitted by you under Regulation 17(1) of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas pipelines) Regulations, 2008 and

accordingly the following terms and conditions have been finalised which shall be applicable during the operative phase of the said pipeline network, which was commissioned in year 1983:

3. Technical Details of Uran-Taloja Natural Gas Pipeline:

The provisional system capacity of Uran-Taloja natural gas pipeline of length approx. 42 KM and 10" diameter is equal to 0.7 MMSCMD* as indicated by M/s Deepak Fertilizers And Petrochemicals Corporation Limited (DFPCL). The provisional common carrier capacity would thus be at least 0.175 MMSCMD* which is required to be made available to a third party on an open access and non-discriminatory basis.

*- This capacity is accepted as provisional and the final capacity shall be determined as per the PNGRB (Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations, 2010.

4. Uran-Taloja natural gas pipeline was commissioned in year 1983, the economic life of which has ended in year 2008. However, as submitted by DFPCL, based upon the recent Intelligent Pigging Report carried out, the pipeline is in good condition and can provide good service for several more years. Considering the submissions made by DFPCL, the economic life of Uran-Taloja natural gas pipeline has been extended by a block of ten years up to year 2018 subject to the submission of specific request by DFPCL under Regulation 2(1) (e) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 in this regard along with relevant supporting documents.

5. The authorized entity shall be required to take prior approval from the Board for creation of any lien or charge or hypothecation on the assets of the pipeline 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 on its website the approved tariffs and other details as required under various regulations for the natural gas pipeline.

7. In case the authorization of the entity is suspended or terminated, the Board may assign the rights and obligations to operate the pipeline 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 natural gas pipeline at the same level till another agency or entity appointed by the Board takes over the full control of the natural gas pipeline.

8. The entity shall furnish a performance bond of the amount as specified in Regulation 8(1) as a guarantee for meeting the quality of service obligations and requirements of PNGRB during operating phase of the project. The entity shall abide by the service obligations specified under relevant Regulations.

9. The entity shall comply with the provisions under-


- a. the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008;
- b. the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008;
- c. the Petroleum and Natural Gas Regulatory Board (Guiding Principles for Declaring or Authorizing Natural Gas Pipeline as Common Carrier or Contract Carrier) Regulations, 2009
- d. the Petroleum and Natural Gas Regulatory Board (Technical Standards and Specifications including Safety Standards for Natural Gas Pipelines), Regulations, 2009;
- e. the Petroleum and Natural Gas Regulatory Board (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008;
- f. the Petroleum and Natural Gas Regulatory Board (Affiliate Code of Conduct for Entities Engaged in Marketing of Natural Gas and Laying, Building, Operating or Expanding Natural Gas Pipeline) Regulations, 2008;
- g. the Petroleum and Natural Gas Regulatory Board (Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations, 2010
- h. the PNGRB Act, 2006 and any other Regulations notified or guidelines issued by the Board from time to time, as may be applicable.

10. The entity shall comply with any other term or condition which may be notified by the Board in public interest, from time to time.

11. You are requested to confirm your acceptance in the space provided below and return the same in original.

Yours faithfully,

Date: 21.10.2014


(K. Rajeswara Rao)
OSD (R)
Official Seal

Copy to:

Joint Secretary (IC & GP)
Ministry of Petroleum & Natural Gas
Shastri Bhavan, New Delhi-110001

Acceptance of Terms and Conditions

I / We hereby agree to the terms and conditions issued by the Board vide letter No. < _____ > dated < _____ > and agree to comply with the same subject to which I / We have been issued acceptance letter for laying, building, operating or expanding natural gas pipeline along the route from the originating station < _____ > in the State or the Union Territory of < _____ > to the terminating station < _____ > in the State or the Union Territory of < _____ >.

Date:

Place:

Signature of the Entity or Authorized Signatory
Name and Official Seal