

पेट्रोलियम एवं प्राकृतिक गैस विनियामक बोर्ड
Petroleum and Natural Gas Regulatory Board
प्रथमतल-, वर्ल्ड ट्रेड सेंटर, बाबर रोड, नयी दिल्ली 110001
1st Floor, World Trade Centre, Babar Road, New Delhi – 110001

No.: Infra/PL/NGPL/BID/ENPL/01/2014

02.12.2014

To,
Shri Rohit Kumar,
Manager (Operations),
M/s KEI-RSOS Petroleum and Energy Pvt. Ltd.,
Aishwarya Enclave,
Walkers Road,
Venkateshwara Nagar,
Rajamundry-533001

Sub: Grant of Authorization for Ennore-Nellore Natural Gas Pipeline (Bid No. BID/NGPL/06/2013/2/ENPL)

Sir,

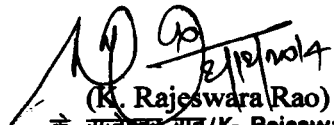
With reference to Bid No. BID/NGPL/06/2013/2/ENPL and the Performance Bond submitted by you vide letter No. KRPEL/PNGRB/ENPL/141114 dated 14.11.2014, please find enclosed the Grant of Authorization in Schedule-D of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 for the Ennore-Nellore natural gas pipeline.

2. It may be noted that the authorization shall be governed by the provisions of the relevant Regulations, various terms & conditions contained in the 'Application cum Bid document' and the clarifications issued by PNGRB w.r.t. Bid No. BID/NGPL/06/2013/2/ENPL.

3. Kindly acknowledge this letter and send us the acceptance within 15 days from the date of this letter.

Encl: As Above

Yours faithfully,


(K. Rajeswara Rao)
के. राजेश्वर राव / K. Rajeswara Rao
ओएसडी (आर) / OSD (R)
पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड
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Babar Road, New Delhi-110001

Schedule D

[see regulations 9 (1) and 18 (7)]

**Grant of authorization for laying, building, operating or expanding
Ennore-Nellore Natural Gas Pipeline**

To,

Shri Rohit Kumar,
Manager (Operations),
M/s KEI-RSOS Petroleum and Energy Pvt. Ltd.,
Aishwarya Enclave,
Walkers Road, Venkateshwara Nagar,
Rajamundry-533001

**Subject: Grant of authorization for laying, building, operating or
expanding natural gas pipeline along the route of Ennore-
Nellore under the Petroleum and Natural Gas Regulatory Board
(Authorizing Entities to Lay, Build, Operate or Expand Natural
Gas Pipelines) Regulations, 2008.**

Sir,

With reference to your application for grant of authorization for laying, building, operating or expansion of natural gas pipeline along the route of Ennore-Nellore it has been decided to grant authorization to M/s KEI-RSOS Petroleum and Energy Pvt. Ltd. Led Consortium, subject to the provisions under the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 on the following terms and conditions, namely:-

1. The route for laying, building, operating or expanding the natural gas pipeline shall be as depicted in the enclosed drawing [Ennore (Thiruvallur District, Tamilnadu) – Sulurpeta (Sri Potti Sri Ramulu Nellore District, Andhra Pradesh) – Renigunta (Chittoor District, Andhra Pradesh) – Krishnapatnam (Sri Potti Sri Ramulu Nellore

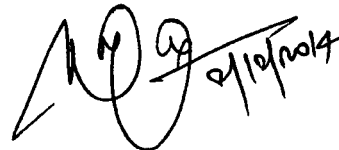
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District, Andhra Pradesh) - Nellore (Sri Potti Sri Ramulu Nellore District, Andhra Pradesh)].

2. The entity shall complete the activities of laying, building or expansion activities of natural gas pipeline and commission the natural gas pipeline project **as per the enclosed time schedule and targets**. The entity is allowed a maximum period of thirty six months from the date of issue of the authorization letter for commissioning of the natural gas pipeline project. Any failure on the part of the entity in complying with the targets 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 Natural Gas Pipelines) Regulations, 2008.
3. The capacity in the natural gas pipeline shall be equal to **36.0 Million standard cubic meter per day (MMSCMD)**.
4. The extra capacity in the natural gas pipeline shall be equal to **9.0 MMSCMD** as per the provisions specified in clause (j) of sub-regulation (6) of regulation 5 and shall be available for use on common carrier basis by any third party on open access and non-discriminatory basis.
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 natural gas 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.

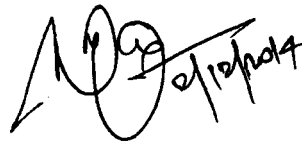
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6. The entity shall publish the approved tariff for single tariff zone of the natural gas pipeline.
7. The entity shall submit a detailed and clear financial closure report to the Board within a period of one hundred and eighty days from the date of authorization issued by the Board under regulation 9 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008.
8. The furnishing of performance bond of **Rs. 73 million** is a guarantee for timely commissioning of the project as per the prescribed targets submitted in the bid and for meeting the performance undertakings during operating phase of the project.
9. The entity shall abide by the service obligations specified under regulation 14 and quality of service standards under regulation 15 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008.
10. In case the authorization of the entity is terminated, the Board may assign the rights and obligations 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.
11. The entity shall comply with the provisions under-

(a) the Petroleum and Natural Gas Regulatory Board (Authorizing Entities

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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 service obligations specified in Schedule J to the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008;

(d) the relevant Regulations for-

(i) the technical standards and specifications, including safety standards;

(ii) the access code;

(iii) determination of capacity for natural gas pipeline;

(iv) affiliate code of conduct;

(v) declaring natural gas pipelines as common carrier or contract carrier;

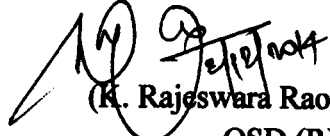
(e) any other Regulations as may be applicable and the provisions of the Act.

12. 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 in the space provided below and return the same in original.

Yours faithfully,

02.12.2014


(K. Rajeswara Rao)
OSD (R)

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Acceptance of Grant of Authorization

I / We hereby agree to the grant of authorization issued by the Board vide letter ref. <_____> dated <_> and agree to comply with all the terms and conditions subject to which I / We have been granted authorization for laying, building, operating or expanding natural gas pipeline along the route of <_> in the States of <_____>.

Date:

Place:

Signature of the Entity or Authorized Signatory
Name and Official Seal

**TIME SCHEDULE AND TARGETS FOR ENNORE-NELLORE NATURAL
GAS PIPELINE PROJECT**

CAPACITY BUILD-UP SCHEDULE:

	Year-1 to Year- 25
Capacity for the pipeline system required to be built up	36.0 MMSCMD*
Extra capacity in the pipeline system required to be built up as per Regulation 5 (6) (j) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008	9.0 MMSCMD*

Note:

* - As per the provisions of the PNGRB (Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations, 2010.



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