



PETROLEUM AND NATURAL GAS REGULATORY BOARD

1st Floor, World trade Centre, Babar Road,, New Delhi-1

Tel No: 011- 23457700/23457744/23457751

Ref: Infra/PL/BID/MBBVPL/01/2011

Date: 07/07/11

To,
Mr. Ravinder Aggarwal
General Manager-Commercial,
M/s Gujarat State Petronet Limited
3rd Floor, GSPC Bhavan,
Sector-11, Gandhinagar-382011

Sub: Grant of Authorization for the Mallavaram-Bhopal-Bhilwara-Vijaipur Natural Gas Pipeline against. Bid No. BID/ NGPL/ 02/ 2009/ 1/ MBBVPL

Sir,

Kindly refer your bid submitted for the Mallavaram-Bhopal-Bhilwara-Vijaipur Natural Gas Pipeline against. Bid No. BID/ NGPL/ 02/ 2009/ 1/ MBBVPL and Letter of Intent (LOI) issued by PNGRB vide letter no. Infra/PL/BID/MBBVPL/01/2011 dated 18.05.2011 to M/s GSPL.

2. With the submission of Performance Bond by you as per the provisions of the Regulations, 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 Mallavaram-Bhopal-Bhilwara-Vijaipur natural gas pipeline.

3. 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 clarifications issued by PNGRB on time to time basis w.r.t. Bid No. Bid No. BID/ NGPL/ 02/ 2009/ 1/ MBBVPL.

Kindly acknowledge this letter and send the acceptance within 15 days from the issue of this letter.

Secretary, PNGRB

Schedule D

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

Grant of authorization for laying, building, operating or expanding Mallavaram-Bhopal-Bhilwara-Vijaipur Natural Gas Pipeline

To,
Mr. Ravinder Aggarwal
General Manager-Commercial,
M/s Gujarat State Petronet Limited
3rd Floor, GSPC Bhavan,
Sector-11,
Gandhinagar-382011

Subject: Grant of authorization for laying, building, operating or expanding natural gas pipeline along the route of Mallavaram (Andhra Pradesh)-Bhopal (Madhya Pradesh)-Bhilwara (Rajasthan)-Vijaipur (Madhya Pradesh) 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 Mallavaram (Andhra Pradesh)-Bhopal (Madhya Pradesh)-Bhilwara (Rajasthan)-Vijaipur (Madhya Pradesh) it has been decided to grant authorization to you, 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 [Mallavaram to Bhilwara via Godavari, Waranag], Karimnagar, Adilabad, Nagpur, Bhopal, Sehore, Indore and Chittorgarh and to Vijaipur via Bhopal**].
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 **76.25** Million standard cubic meter per day (MMSCMD).
4. The extra capacity in the natural gas pipeline shall be equal to **19.06** 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.
6. The entity shall publish the approved tariffs for each of the 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. 200 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 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,

Sd/-

Dated:

Name & Designation of Officer
On behalf of the PNGRB
Official Seal

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 State or the Union Territory of <_____>.

Date:

Place:

Signature of the Entity or Authorized Signatory
Name and Official Seal

TIME SCHEDULE AND TARGETS

CAPACITY BUILD-UP SCHEDULE:

	Year-1	Year-10	Year-13	Year-15	Year-17	Year-20	Year-23	Year-24
Pipeline capacity (MMSCMD)	52.86	52.86	56.99	60.07	63.43	69.16	72.48	76.25
Common Carrier Capacity (MMSCMD)	13.21	13.21	14.24	15.01	15.85	17.29	18.12	19.06