



PETROLEUM AND NATURAL GAS REGULATORY BOARD

1st Floor, World Trade Centre, Barakhamba Road, Babar Lane, New Delhi
Tel No: 011- 23457700/23457744/23457751

No. Infra/PL/Exis/17/MUM-REG/GAIL/01/11

Dated: 14th March, 2011

To
Chairman & Managing Director,
M/s GAIL (India) Limited,
16, Bhikaji Gama Place,
R. K. Puram, New Delhi - 110066

Subject: Final Terms and Conditions for Acceptance of Central Government Authorization for laying, building, operating or expanding Mumbai regional natural gas pipeline network as common carrier pipeline network 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.

References:

- (i) Your application dated 26.11.08 seeking acceptance of Central Government authorization for Mumbai regional pipeline network vide letter no. GAIL/ND/RC./PNGRB/17.
- (ii) Provisional T&C issued by PNGRB vide letter no. Infra/PL/Exis/17/Mum-REG/GAIL/01/09 dated 04.11.09.
- (iii) Your letter no. GAIL/ND/RC./PNGRB/208 dated 15.12.2010 submitting Performance Bond.

Sir,

This is in response to your applications dated 26th November 2008 referred to above for consideration of the Board for acceptance of Central Government Authorization for laying, building, operating or expanding the Mumbai natural gas pipeline network:

2. To substantiate your claim for authorization from the Central Government for the said pipeline projects, you had furnished documents like copy of 3(1) notification for acquiring ROU, copy of management approvals and copy of the GLC for gas allocation. The completion dates as mentioned by GAIL in the above referred applications are from year 1978 to year 1998 respectively. Considering your submissions, the Petroleum and Natural Gas Regulatory Board finally 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. Further on the basis of the submissions made, the following terms and conditions have been finalised by the Petroleum and Natural Gas Regulatory Board which shall be applicable during the operative phase of the said pipeline systems:

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रतन पी. वाटल/RATAN P. WATAL
सचिव/Secretary
पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड
Petroleum & Natural Gas Regulatory Board
प्रथम मंज, वर्ल्ड ट्रेड सेंटर
1st Floor, World Trade Centre,
बाबर रोड, नई दिल्ली-110001
Babar Road, New Delhi 110001

3. Natural Gas Pipeline System

Part-(A) Uran-Thal-Usar sub-network (Details as per Annex-1)

The capacity of Uran-Thal-Usar natural gas pipeline sub-network, length 115.43 kms, diameter ranging from 26 inches to 4 inches, is equal to 3.542 MMSCMD* as indicated by GAIL. The Board has decided to declare the Uran-Thal-Usar natural gas pipeline sub-network as common carrier with common carrier capacity of 0.89 MMSCMD* in terms of the PNGRB (Guiding Principles for Declaring or Authorizing Natural Gas Pipeline as Common Carrier or Contract Carrier) Regulations, 2009.

Note: (*- This capacity is accepted as provisional and the final capacity shall be determined as per the regulation on capacity determination for natural gas pipeline as notified by the Board).

Part-(B) Trombay sub-network (Details as per Annex-1)

The capacity of Trombay natural gas pipeline sub-network, length 13.25 kms, diameter ranging from 18 inches to 12 inches, is equal to 3.494 MMSCMD* as indicated by GAIL. The Board has decided to declare the Trombay natural gas pipeline sub-network as common carrier with common carrier capacity of 0.87 MMSCMD* in terms of the PNGRB (Guiding Principles for Declaring or Authorizing Natural Gas Pipeline as Common Carrier or Contract Carrier) Regulations, 2009.

Note: (*- This capacity is accepted as provisional and the final capacity shall be determined as per the regulation on capacity determination for natural gas pipeline as notified by the Board).

4. 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.

5. The entity shall publish on its website the approved tariffs and other details as required under various regulations for the natural gas pipeline.

6. 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.

7. 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;

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सचिव / Secretary
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Petroleum & Natural Gas Regulatory Board
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मावर रोड, नई दिल्ली - 110001
B-10, Connaught Place, New Delhi - 110001

- 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 Petroleum and Natural Gas Regulatory Board (Codes of Practices for Emergency Response and Disaster Management Plan) Regulations, 2010
- i. the PNGRB Act and any other regulations notified by the Board from time to time, as may be applicable.

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

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

Yours faithfully,

Date: 14/03/11

Copy to: Joint Secretary (M)
Ministry of Petroleum & Natural Gas
Shastri Bhavan, New Delhi-110001


 रतन प्र. वटाल / RATAN PR WATAL
 सचिव / Secretary
 पेट्रोलिएम और प्राकृतिक गैस विनियामक बोर्ड
 Petroleum & Natural Gas Regulatory Board
 प्रथम तल, वर्ल्ड ट्रेड सेंटर
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 Babar Road, New Delhi - 110001

Acceptance of Final Terms and Conditions

I / We hereby agree to the final terms and conditions issued by the Board vide letter ref. <_____> 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

GAIL'S MUMBAI REGIONAL GAS PIPELINE NETWORK

S/N	SUB-NETWORK	NAME OF P/L SECTION	LENGTH(KMS)	TOTAL LENGTH (KMS)	DIA(INCH)	SYSTEM CAPACITY* (MMSCMD)
1	URAN-THAL-USAR	URAN - RCF THAL	19.50	115.43	26"	3.542
2		THAL-USAR	20.00		26"	
3		USAR-THAL	20.00		20"	
4		THAL-KHANAV SV- SALAV	27.53		12"	
5		THAL - IIL	20.00		12"	
6		IIL-H.R. JOHNSON	6.00		4"	
7		USAR-KHANAV SV (1201)	1.20		12"	
8		USAR-KHANAV SV (1203)	1.20		12"	
9	TROMBAY	TROMBAY - RCF	5.50	13.25	18"	3.494
10		TROMBAY - MGL	7.70		18"	
11		TROMBAY - TPC	0.05		12"	
		TOTAL:	128.68			

* Note: [This capacity is accepted as provisional and the final capacity shall be determined as per the Petroleum and Natural Gas Regulatory Board (Determining capacity of Petroleum, Petroleum products and Natural Gas Pipeline) Regulations, 2010].

श्री. राजेंद्र/RAJAN P. WATAL
 सचिव / Secretary
 तेल और प्राकृतिक गैस विनियामक बोर्ड
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