



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/PP/Exis/17/HPCL/MPSPL/01/11

Dated: 19.04.2011

To
Chairman & Managing Director,
M/s Hindustan Petroleum Corporation Limited
17, Jamshedji Tata Road,
Mumbai-400020

Subject: Terms and Conditions for Acceptance of Central Government Authorization for laying, building, operating or expanding Mumbai-Pune-Solapur multi-product pipeline under regulation 17(1) of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010.

Reference:

- (i) Your application dated 02.12.2010 seeking acceptance of Central Government authorization for Mumbai-Pune-Solapur multi-product pipeline.

Sir,

This is in response to your application dated 2nd December, 2010 referred to above for consideration of the Board for acceptance of Central Government Authorization for laying, building, operating or expanding Mumbai-Pune-Solapur multi-product pipeline (MPSPL).

2. To substantiate your claim for authorization from the Central Government for the said pipeline project, you had furnished documents like copy of approval by Department of Atomic Energy through Directorate of Estate Management (under Government of India) vide letter No. 2/4/81(L)/5543 dated 06.03.1982 for Bombay-Pune pipeline, copy of approval by MoE&F vide letter no. 6-MHB077-BHO/2336 dated 25.11.05 for Pune-Solapur section, copies of 3(1) notification by the Central Government for acquiring ROU and copies of statutory clearances from CCOE and Maharashtra Pollution Control Board etc. The completion date of the pipeline project as mentioned by HPCL in the above referred application is December-1985 for Mumbai-Pune section and November-2006 for Pune-Solapur section. Considering your submissions, the Petroleum and Natural Gas Regulatory Board accepts provisionally 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 Petroleum and Petroleum Products Pipelines) Regulations, 2010. This shall be confirmed whenever the Performance Bank Guarantee as detailed in this letter is furnished by HPCL. 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 system.

3. **Petroleum and Petroleum Product Pipeline System:**

a) **Technical Details of Mumbai-Pune-Solapur multi-product pipeline:**

- (i) **Petroleum Products Transported:** MS/HSD/SKO

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19/4/11

- (i) **Design Pressure:**
 - I. 32 Kg/cm² for Trombay-Vashi section
 - II. 60 Kg/cm² for Vashi-Loni (Pune)
 - III. 93 Kg/cm² for Loni (Pune) to Pakni (Solapur) section
- (ii) **System Capacity:** 4.295 MMTPA after de-rating of Trombay-Vashi section
- (iii) **Length: Total -508 Kms**
 - I. Mumbai-Loni (Pune) section: 162.17 Kms (14" OD)
 - II. Loni-Hazarwadi section: 183 Kms (14" OD)
 - III. Hazarwadi-Pakni (Sholapur) section: 162 Kms (12.75" OD)
- (iv) **Diameter:** 14"/12.75"
- (v) **Total Line fill Quantity:** 44130 KL
- (i) **Mainline Pumping Unit:** Trombay, Vashi, Khopali, Talegaon and Loni.
- (ii) **Intermediate Delivery Stations:** At Vashi, Loni and Hazarwadi

b) The capacity of Mumbai-Pune-Solapur multi-product pipeline, length 508 Kms and 14"/12.75" inch diameter is equal to **4.295 MMTPA*** as indicated by HPCL. The Board has decided to declare the Mumbai-Pune-Solapur multi-product pipeline network as common carrier with common carrier capacity of **0.86 MMTPA*** to be made available to a third party on an open access and non-discriminatory basis.

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

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 petroleum and petroleum products pipeline.

6. The entity shall furnish a performance bank guarantee of 1 percent of the project capitalized cost rounded off the nearest lakh rupees or Rs. 20 crores, whichever is less, 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.

7. 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.

8. The entity shall comply with the provisions under-

- a. the Petroleum and Natural Gas Regulatory Board ((Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010;
 - b. the Petroleum and Natural Gas Regulatory Board (Determination of Petroleum and Petroleum Products Pipelines Transportation Tariff) Regulations, 2010;
 - c. the Petroleum and Natural Gas Regulatory Board (Determining capacity of Petroleum, Petroleum products and Natural Gas Pipeline) Regulations, 2010
 - d. the Petroleum and Natural Gas Regulatory Board (Codes of Practices for Emergency Response and Disaster Management Plan) Regulations, 2010
 - e. the PNGRB Act and any other regulations notified by the Board from time to time , as may be applicable.
9. The entity shall comply with any other term or condition which may be notified by the Board in public interest, from time to time.
10. You are requested to confirm your acceptance in the space provided below and return the same in original. The formal letter of acceptance to authorisation by the Central Government shall be issued after receipt of Performance Bank Guarantee as indicated above.

Yours Faithfully,

Dated:

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


(K. Rajeswara Rao)
OSD (R), PNGRB
Official Seal
पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड
Petroleum & Natural Gas Regulatory Board
प्रथम तल, वर्ल्ड ट्रेड सेंटर
1st Floor, World Trade Centre
बाबर रोड, नई दिल्ली-110001
Babar Road, New Delhi-110001

Acceptance of Terms and Conditions

I / We hereby agree to the 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 Petroleum and Petroleum Products Pipelines 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