





**Format for submission of views on the Proposal for development of Ennore to Padur/Barshi Natural Gas Pipeline**

<b>Views in respect of the Proposal</b>		PNGRB/Auth/2-NGPL (14)/2020) dated 12th January 2023
<b>1</b>	Name of the entity/person	Pipeline Infrastructure Limited
<b>2</b>	Complete address	Pipeline Infrastructure Limited Seawoods Grand Central, Tower-1, 3rd Level, C Wing - 301 to 304, Sector - 40, Seawoods Railway Station, Navi Mumbai, Thane, Maharashtra – 400706
<b>3</b>	E-mail ID/ telephone / fax	-
<b>4</b>	Identification proof (in case of an individual person)	-
<b>5</b>	Views and suggestions related to:	Refer Annexure – 1
<b>a)</b>	Natural Gas pipeline proposed	
<b>b)</b>	Other aspects of the proposal	
<b>c)</b>	Any other issue	

**Date:** 10<sup>th</sup> February 2023

**Place:** New Delhi

*Neeraj Pasricha*

**Name and Signature of Entity/ Individual Person  
Official Seal**

**PIPELINE INFRASTRUCTURE LIMITED**

*(Formerly known as Pipeline Infrastructure Private Limited)*

**CIN:** U60300MH2018PLC308292; **Registered Office:** Seawoods Grand Central, Tower-1, 3<sup>rd</sup> Level, C Wing - 301 to 304,

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## Annexure 1

**Comments/Suggestions on proposed Ennore LNG Termination to PIL Pipeline**

Pipeline Infrastructure Limited (PIL) appreciates PNGRBs' initiative to propose the development of much awaited connectivity between the Ennore LNG Terminal with major demand centres located in western and northern part of the country.

To make the investment in gas infrastructure in new geographical areas, clarity on the utilization profile and the return on investment is very critical to attract investors. Keeping this in view, following are some of the suggestions for the techno-economic viable size and route of the pipeline:

**1. Demand and Route Assessment:**

- a. Since the proposed route is traversing through new geographical areas, it would be better if PNGRB can introduce a concept of "open season" similar to the practice in USA, wherein potential shippers are invited to provide expressions of interest, including how much capacity they would be willing to contract on the proposed pipeline. Based on the response from the potential customers, final route and capacity can be decided.
- b. Based on desktop assessment, it is seen that overall pipeline length can be considerably reduced by considering termination point on PIL pipeline, either at compressor station 3 at Suryapet (indicative length 530 km) or at tap off point 2 near Vijayawada (indicative length 500 km).
- c. These alternate options may be considered in view of lower length/investment required and can be finalized based on the other parameters including demand/anchor customers along the route.

**2. Road Shows:** Similar to the successful experience of stakeholder interaction by PNGRB in the case of CGDs bidding, roadshows can be arranged along the proposed pipeline route under the guidance of PNGRB to make potential shippers aware about the use of natural gas and the process to procure the gas and other aspects of the gas ecosystem. This may help potential anchor customers to understand gas business and encourage them to switch to cleaner fuel and commit capacity booking in the pipeline.

- 3. Incentives to Anchor (Primary) Shippers:** Shippers, who are ready to commit capacity upfront for long term along the route, can be allowed with some incentive measures including preferred and more flexible contractual terms, waiver of fee /levies for certain years, etc.
- 4.** Upfront capacity commitment will provide more clarity to investors about the project and help in financial closures at better terms.
- 5. Review of authorization terms:** Further, PNGRB is also requested to review some of the authorization terms to provide some visibility on the likely return on the investment and flexibility to investors.

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- a. **Bid Evaluation criteria:** PNGRB may review the bidding evaluation criteria as suggested below:
- i. Tariff may be kept outside the bidding evaluation criteria and the same can be as per the tariff determination regulations. Bid can be evaluated on parameters like capex, timelines, highest penalty provisions in case of delay in laying pipeline project, etc
  - ii. In case Viability Gap Funding is envisaged, the same can also be part of bid evaluation criteria.
  - iii. Capacity of the pipeline may be provided by PNGRB with predefined flexibility.
6. **Support for Statutory Clearances/RoU acquisition:** It may be appreciated that this is most complex exercise in laying the new pipeline infrastructure. It is requested that PNGRB may actively engage with concerned central/state/local authorities during the above suggested open season/road shows to get the support in expediting required clearances/approvals.
7. **Flexibility to Investors:**
- a. More flexibility to Investors to rope in new partner or transfer assets can be introduced.
  - b. Exit mechanism/conditions can be specified to provide flexibility to investor to exit by complying to the conditions or mechanism. This will save the time and legal process and entities can amicably exit from the project.

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