

अजीत कुमार ठाकुर
Ajit Kumar Thakur
मुख्य कार्यकारी अधिकारी
Chief Executive Officer



इन्द्रधनुष गैस ग्रिड लिमिटेड
(आई ओ सी एल, ओ एन जी सी एल, गेल, ओ आई एल तथा एन आर एल का एक संयुक्त उद्यम)
७ वीं मंजिल, एन-आरएल केंद्र, १२२ए, जीएस रोड, क्रिश्चियन बस्ती, गुवाहाटी, असम ७८१००५

Indradhanush Gas Grid Limited

(A JV of IOCL, ONGCL, GAIL, OIL & NRL)
7th Floor, NRL Centre, 122A, G.S. Road, Christian Basti, Guwahati, Assam 781005
Tel.: +91 9971744599, +91 9531101227, E-mail: ajit.thakur@iggl.co.in
Website: https://www.iggl.co.in

Ref. No. IGGL/GHY/CEO/2023/108

Date: 07.08.2023

To
The Secretary,
Petroleum and Natural Gas Regulatory Board (PNGRB)
1st Floor, World Trade Centre,
Babar Road, Barakhamba,
New Delhi- 110001

Sub: **Indradhanush Gas Grid Limited (IGGL) Comments/Views on the Expression of Interest (EOI) from Duliajan Numaligarh Pipeline Limited (DNPL) to lay, build, operate, or expand Natural Gas pipeline from Duliajan to Chandrapur near Guwahati via Jorhat, Golaghat, Karbi Anglong, and Nagaon.**

Ref: **PNGRB Public Notice reference PNGRB/Auth/2-NGPL (02)/2023 dated 18.07.2023**

Respected Madam,

This is about the PNGRB Public notice reference no: PNGRB/Auth/2-NGPL (02)/2023 dated 18.07.2023 seeking comments/views regarding the Expression of Interest (EOI) from DNPL to lay, build, operate, or expand the Natural Gas pipeline from Duliajan to Chandrapur near Guwahati via Jorhat, Golaghat, Karbi Anglong and Nagaon.

PNGRB granted final authorization to Indradhanush Gas Grid Limited (IGGL) on 17.11.2020 to lay, build, operate, or expand the North East Gas Grid under Section 16, read with the Policy Directives issued by the Central Government under Section 42 of the PNGRB Act, 2006. The Cabinet Committee on Economic Affairs (CCEA), while according approval for Capital grant/VGF to North East Gas Grid, has mandated to prohibit the creation of duplicated/dedicated pipeline infrastructure in the North-East Region along the pipeline grid (Refer Letter no. F. No. L-12019/3/2018-GP-II(Vol-I) dated 22.1.2020, Para v(b) attached) till the situation so demands as assessed by MoP&NG. Currently, there is no Gas Supply & Transmission Agreement for the transportation of Natural Gas in the North East Gas Grid, indicating the gross under-utilization of the North East Gas Grid at least for the next few years.

The proposed subject pipeline is a duplicate pipeline to North East Gas Grid. It shall impact the utilization of the North East Gas Grid severely. Our detailed comments/views for the same are enclosed as **Annexure-I** for consideration of the Board.

Given the above, it is requested not to authorize the proposed pipeline, considering its impact on the viability and sustainability of the North East Gas Grid and the corresponding directive by CCEA.

Thanking you,

Yours Sincerely,

अजीत कुमार ठाकुर
Ajit Kumar Thakur
मुख्य कार्यकारी अधिकारी
Chief Executive Officer
Indradhanush Gas Grid Limited
Guwahati-781005
Dr. Ajit Kumar Thakur

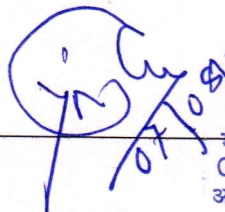
Encl: As stated above.

ANNEXURE-I

INDRADHANUSH GAS GRID LIMITED

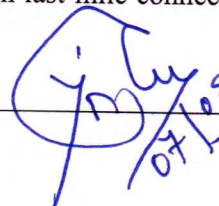
Comments/Views on the Expression of Interest (EOI) from Duliajan Numaligarh Pipeline Limited (DNPL) to lay, build, operate, or expand Natural Gas pipeline from Duliajan to Chandrapur near Guwahati via Jorhat, Golaghat, Karbi Anglong, and Nagaon.

Views in respect of the Expression of Interest	Concerning DNPL EOI Ref dated COR/PNGRB/DNPL/2018/171/Pt-II/38 13.03.2023
1	Name of the entity/person Indradhanush Gas Grid Limited (IGGL)
2	Complete address 122A, NRL Centre, Christian Basti, GS Road, Guwahati-781005, Assam, India
3	E-mail ID/telephone/fax ceo.cell@iggl.co.in; info@iggl.co.in 9531101226/ 9531101227
4	Identification proof (in the case of an individual person) Not applicable
5	Views and suggestions related to:
a	<p>Natural Gas Pipeline proposed by the entity for laying, building, operating, or expanding Natural Gas Pipeline</p> <p>The Cabinet Committee on Economic Affairs (CCEA) in its approval (Refer Letter no. F. No. L-12019/3/2018-GP-II(Vol-I) dated 22.1.2020, vide para v(b)) for a Capital grant/VGF has directed to take action on a priority basis for the prohibition of the creation of duplicated/dedicated pipeline infrastructure in the North-East region along the pipeline grid till the situation so demands as assessed by MoP&NG.</p> <p>As per present conditions, no Gas Supply and Transmission Agreement (GSTA) is available for Gas transportation in the North East Gas Grid. Accordingly, the North East Gas Grid shall remain underutilized for many years.</p> <p>The proposed pipeline by an entity (DNPL) attempts to create duplicate pipeline infrastructure, which shall further result in underutilization of the North East Gas Grid, in direct contravention to the spirit and intent of CCEA directives.</p> <p>Hence, the proposed pipeline by an entity (DNPL) from Duliajan to Chandrapur near Guwahati via Jorhat, Golaghat, Karbi Anglong, and Nagaon shall be prohibited and discarded until NEGG achieves utilization near 100% capacity.</p> <p>More details are attached as Annexure-A.</p>


 07/10/2023

जयन्त नारायण दास
 Jayanta Narayan Das
 महाप्रबंधक (बिपणन, अर ए और बीई)
 General Manager (Mktg, RA & BE)
 आई जि जि एल / IGGL, Guwahati-5

b	Other aspects of the proposal	<p>Implementing multiple gas pipelines in the same region can have several financial implications. Firstly, DNPL and IGGL may face a potential investment overlap, resulting in unnecessary duplication of infrastructure and increased costs for both projects. This could lead to inefficiencies and reduced returns on investments, impacting the overall financial viability of both ventures.</p> <p>Moreover, operating two parallel pipelines in close proximity poses significant operational challenges. Maintenance and safety issues may arise, requiring complex coordination between the two projects. Such challenges can affect the region's overall reliability and continuity of gas supply, leading to service disruptions and increased operational expenses.</p> <p>Additionally, constructing two pipelines necessitates additional land acquisition and environmental considerations. Multiple projects vying for the same land and resources can lead to regulatory hurdles and ecological concerns. This may result in delays and increased expenses associated with obtaining necessary permits and mitigating environmental impacts.</p> <p>Furthermore, having two pipelines serving similar purposes may lead to underutilizing one or both pipelines. This redundancy could lead to inefficiencies in resource allocation and reduced economic efficiency for DNPL and IGGL. As a consequence, the projects shall fail to leverage their potential, which could result in suboptimal use of resources and increased operational costs.</p> <p>The presence of two gas pipelines in the same area can also result in an unsustainable situation, with adverse effects on the financial stability of both companies.</p> <p>Considering these factors, it becomes evident that the proposed pipeline by DNPL poses a significant risk of undermining the integrity and sustainability of the Nationally important NEGG project.</p> <p>All viable domestic gas sources of the North East Region must be hooked up to North East Gas Grid. Surplus stranded gases in NE Region can also flow to National Grid through NEGG.</p> <p>Any demand for Natural Gas (covering CGD entities, Industrial consumers, or any other demand center) in North East Region shall be catered by NEGG through last-mile connectivity as and when required.</p>
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 07/08/2023

जयंत नारायण दास
 Jayanta Narayan Das
 महाप्रबंधक (विपणन, अर ए और बीई)
 General Manager (Mktg, RA & BE)
 आइ जि एल / IGGL, Guwahati-5

c	Any other issue	<p>The implementation of NEGG is receiving significant support from the Government of India through a VGF or capital grant, which covers 60% of the total project cost. However, it is crucial to avoid any duplication of pipelines that could potentially undermine NEGG's viability and sustainability. Such redundancy would not only risk wasting public funds but also jeopardize the overall success of this critical initiative. Therefore, it is imperative to ensure that all resources are utilized efficiently and that any public money investment is optimized to support NEGG's long-term objectives effectively.</p> <p>Long-term objectives of the Centre and State for achieving Gas Based economic development of the Region can be well served by NEGG.</p> <p>The proposed pipeline by an entity (DNPL) is a duplicate pipeline in direct contravention of the CCEA directive.</p> <p>Considering the above, Board is requested not to authorize the proposed pipeline.</p>
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Date: 07/08/2023
Place: Guwahati


 जयंत नारायण दास
 Jayanta Narayan Das
 महाप्रबंधक (विपणन, अर ए और बीई)
 General Manager (Mktg, RA & BE)
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 Sh. Jayanta Narayan Das
 GM (Marketing, RA & BE)
 Indradhanush Gas Grid Limited

ANNEXURE-A

Indradhanush Gas Grid Limited (IGGL) is currently implementing the North East Gas Grid (NEGG), a project of National importance, involving the implementation of a 1656 Km long Bi-directional natural gas pipeline network connecting the National Gas Grid to the eight North Eastern states and also the viable and sustainable regional gas sources. PNGRB, vide its Letter dated 17.11.2020, has granted Final authorization to IGGL to lay, build, operate, or expand the North East natural gas pipeline grid in the eight Northeastern states under Section 16 read with the Policy Directives issued by the Central Government under Section 42 of the PNGRB Act, 2006 in addition to declaring it as a Common carrier.

The NEGG project has achieved a Physical progress of 75.77% out of the scheduled progress of 77.60%. The Guwahati-Numaligarh section of the NEGG is under implementation to connect the National Gas Grid at Baihata near Guwahati to the Numaligarh refinery at Numaligarh and Dergaon-Dimapur section is under implementation to connect Dergaon, Assam to Dimapur, Nagaland. The Guwahati-Shillong-Silchar section is under implementation to join the National Gas Grid at Panikhaiti near Guwahati to Shillong, Meghalaya, and Silchar, which is further extended to connect Tripura & Mizoram, Assam. These pipelines will cater to the region's CGD operators and other bulk consumers/industries, including Bokajan, Diphu, Lumding, Hojai, Lanka, Nagaon, Morigaon, and Guwahati.


The Cabinet Committee on Economic Affairs (CCEA), vide its approval for Capital grant/VGF in its meeting held on 08.01.2020, has directed to take action on a priority basis for the prohibition of the creation of duplicated/dedicated pipeline infrastructure in the North-East region along the pipeline grid till the situation so demands as assessed by MoP&NG. Accordingly, IGGL vide Letter dated 04.02.2020 sought the support of the PNGRB for taking appropriate actions for adhering to the directive of the CCEA prohibiting the creation of duplicate/dedicated pipeline infrastructure to ensure the financial viability and sustainability of the NEGG.

Further, CCEA has also accorded flexibility to IGGL for changing pipeline configuration (route, length & size) to deal with local conditions or changing demand dynamics within the recommended project cost, provided the scope of work for the project is not compromised while using this flexibility.

By the CCEA approval, the NEGG shall connect all the regional gas sources facilitating early monetization of natural resources and boosting Exploration & Production activities in the region and the demand centers, including CGD operators of the Northeast region.

Given the above, authorizing any duplicate/dedicated pipeline in the Northeast region by any entity for connecting the regional gas sources and the consumers, including CGD networks near the NEGG pipeline, will directly contradict the CCEA directives. Considering the ever-changing gas dynamics, declaring any dedicated pipeline near the NEGG as a common carrier will also directly impact the NEGG. Such actions could severely jeopardize the viability and sustainability of the NEGG project. Therefore, it is imperative to avoid any measures that may undermine the integrity and sustainability of the Nationally important NEGG project, as mandated by the CCEA.

Because of the above, IGGL strongly opposes DNPL's EOI of laying a pipeline from Duliajan to Chandrapur near Guwahati via Jorhat, Golaghat, Karbi Anglong, and Nagaon.


07/08/2023

जयंत नारायण दास
Jayanta Narayan Das
महाप्रबंधक (विपणन, अर ए और बीई)
General Manager (Mktg, RA & BE)
आइ जि जि एल / IGGL, Guwahati-5

F.No.L-12019/3/2018-GP-II(vol.I)

भारत सरकार/Government of India

पेट्रोलियम और प्राकृतिक गैस मंत्रालय/Ministry of Petroleum and Natural Gas

शास्त्री भवन, नई दिल्ली/

Shastri Bhawan, New Delhi

Dated: 23rd January, 2020

To,

Dr. Deben Buragohain,
Chief Executive Officer,
Indra Dhanush Gas Limited,
Oil India Limited, PO- Udayan Vihar,
Narangi, Guwahati, Assam-781171

Subject: Capital Grant required as Viability Gap Funding (VGF) to Indradhanush Gas Grid Limited (IGGL) for setting up the North East Natural Gas Pipeline Grid (NEGG).

Sir,

I am directed to refer to above subject and to inform that Cabinet Committee on Economic Affairs in its meeting held on 8.1.2020 has inter-alia approved the following proposal on above subject:-

- i. The North East Gas Grid project of Indradhanush Gas Grid Limited with Viability Gap Funding (VGF) /Capital Grant at 60% of the estimated cost of Rs 9,265 crore (Including interest during construction). Quantum of Viability Gap Funding would be capped at 60% of estimated project cost of Rs 9,265 crore and would not be linked with upward capital cost variation.
- ii. To ensure smooth flow of resources, year-wise budget provision for capital grant to IGGL for NEGG project may be as tabulated below:

Year	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total
Capital grant in Rs. Crore	278	834	1,946	1,946	555	5,559

- iii. MoPNG shall identify milestones for major activities for this project and link the same for releases of capital grant of the project.
- iv. For effective monitoring of the project implementation, a Committee comprising of officials from Ministry of Petroleum & Natural Gas, Department of Expenditure, Ministry of Development of North East Region, Ministry of Environment, Forest & Climate Change, and Department of Fertilizers, may be formed, which would

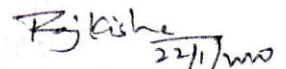
periodically review the progress in implementation of the project and take steps to smoothen out any issues in execution.

v. To take following actions on priority basis to ensure that the project is financially viable and sustainable:

- (a) Signing of firm Gas Supply and Transmission Agreements (GSTA) with IGGL by the identified Government anchor customers within one year of the approval of CCEA.
- (b) Prohibition of creation of duplicate/dedicated pipeline infrastructure in North-East region along the pipeline grid till the situation so demands as assessed by MoPNG.
- (c) Giving flexibility to IGGL for changing pipeline configuration (route, length & size) to deal with local conditions or changing demand dynamics within the recommended project cost. However, the scope of work for the project should not be compromised while using this flexibility.
- (d) Capital grant amount, in absolute terms, would be restricted to the original cost estimate recommended above, and will be met through Budgetary Grant from Government of India.

2. An statement on major milestone and target dates as mentioned in the CCEA Note is attached.

Yours faithfully,


22/1/2020

(Raj Kishore)

Under Secretary to the Govt. of India

Tel:23389464

STATEMENT ON MAJOR MILESTONES AND TARGET DATES

Subject: Capital Grant required as Viability Gap Funding (VGF) to Indradhanush Gas Grid Limited (IGGL) for setting up the North East Natural Gas Pipeline Grid (NEGG)

Entire North-East Gas Grid may be planned to be implemented in 3 phases based on requirement of statutory clearance, route terrain, linkage with Highway corridor widening works, difficulty in work execution etc. Phasing of various sections of North-East gas grid is proposed as under:

S. No.	Major milestones	Time Frame for completion/ Target date
1	Completion of Phase-I Sections with plain agricultural terrain and no requirement of Environmental Clearance i.e. (a) Guwahati- Numaligarh Pipeline section with spur line to Itanagar and Numaligarh; and (b) Numaligarh/Dergaon (Jorhat) - Dimapur Pipeline section and 5 feeder lines from ONGC gas fields	By the end of September, 2022
2	Completion of Phase-II Sections in hilly terrain and having requirement of Environmental Clearance i.e. (a) Guwahati- Shillong - Silchar – Panisagar Pipeline section and Banaskandi gas source feeder line; (b) Panisagar- Agartala Pipeline section and spur line to NEEPCO power plant; and (c) Panisagar - Aizawl spurline	By the end of September, 2022
3	Completion of Phase-III Sections in hilly terrain, requirement of Environmental Clearance and feasibility of laying of pipeline linked to highway width widening i.e. (a) Dimapur - Kohima Pipeline Section; (b) Kohima - Imphal Pipeline Section; and (c) Siliguri - Gangtok Pipeline Section	By the end of November, 2023