

No. L-12011/1/2016-GP-I (pt.II)

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 31<sup>st</sup> October, 2019

To,

CMD, GAIL,  
New Delhi

Subject: Implementation of MoPNG letter dated 18.08.2017 – reg.

Sir,

Please refer to the enclosed copy of GAIL's letters no. GAIL/CO/GAS MKTG/2019/CGD/Case 4 dated 09.08.2019 and 29.08.2019 regarding subject matter inter-alia seeking in-principle approval on GAIL's proposal to arrange supply of domestic gas to CGD networks as categorized under Case-4 mentioned therein.

2. In this regard, I am directed to state that the proposal of GAIL for CGD networks falling under category of Case-4 is to be implemented in terms of prevailing policy guidelines on domestic gas supply to CNG (T) / PNG (D) segments and guidelines of swapping of natural gas 2012.

3. This arrangement will be initially for a period of one year or any pipeline connectivity with a domestic source for any concerned GA, whichever is earlier.

Encl: As above.

Yours faithfully,

  
31/10/2019

(Raj Kishore)  
Under Secretary (GP)

Tel: 23389464



गेल (इंडिया) लिमिटेड

(भारत सरकार का उपक्रम - महारत्न कंपनी)

GAIL (India) Limited

(A Government of India Undertaking - A Maharatna Company)

गेल भवन,  
15 भौकालजी कामा प्लेस  
नई दिल्ली-110066, इंडिया  
GAIL BHAWAN,  
15 BHRKAJI KAMA PLACE  
NEW DELHI-110066, INDIA  
फोन/PHONE: +91 11 26182955  
फैक्स/FAX: +91 11 26185941  
ई-मेल/E-mail: info@gail.co.in

GAIL/CO/GAS MKTG/2019/CGD/Case 4

Date: 29.08.2019

To,

Shri Raj Kishore,  
Under Secretary (GP) to Govt. of India,  
Ministry of Petroleum & Natural Gas,  
Shastri Bhawan,  
New Delhi - 110001

Sub. - Implementation of request from CGD entities having authorization from PNGRB for GA in a region near the NG/CBM/LNG supplies but away from any network connected to domestic gas source : CASE 4.

Dear Sir,

In respect of the subject matter regarding CASE 4 CGD GAs, pursuant to GAIL's letter ref no. : GAIL/CO/GAs MKTG/2019/CGD/Case4 dated 09.08.2019 (attached as Annexure-1) and based on the discussion held in MoPNG dated 22.08.2019 the following is submitted:

1. Total 24 GAs upto the 9<sup>th</sup> & the 10<sup>th</sup> round have been identified which can be served under CASE 4 (attached as Annexure-2).
2. For 21 GAs (of the total 24 GAs) GAIL is in position to supply RLNG / CBM gas from GAIL's portfolio by swapping within the available supplies as domestic gas. The supply source will be RLNG from Kochi terminal for GAs in southern states and for GAs in W. Bengal, Orissa, Bihar and Jharkhand it would be CBM gas from Durgapur. As such, an Intermediate Supplier would not be needed for these GAs. The additional tax implication or any other additional cost / charges for this arrangement is to be borne by the CGD entity.
3. For the remaining 03 GAs not covered under the above swapping mechanism, supply of gas may be done by M/s IOCL which will be acting as the Intermediate

Supplier due to their vicinity to the Ennore LNG import terminal. The modalities for the same were covered in GAIL's letter ref no. : GAIL/CO/GAS MKTG/2019/CGD/Case4 dated 09.08.2019 (attached as Annexure-1).

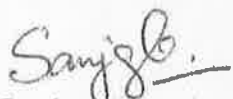
4. This arrangement of domestic gas supply to concerned CGD entities may be initially for a period of one year or any pipeline connectivity with a domestic source (based on which the contractual path for domestic gas can be defined) for any concerned GA, whichever is earlier.

The above is submitted for issue of suitable guidelines by MoPNG.

This letter has the approval of Competent Authority in GAIL.

Thanking you,

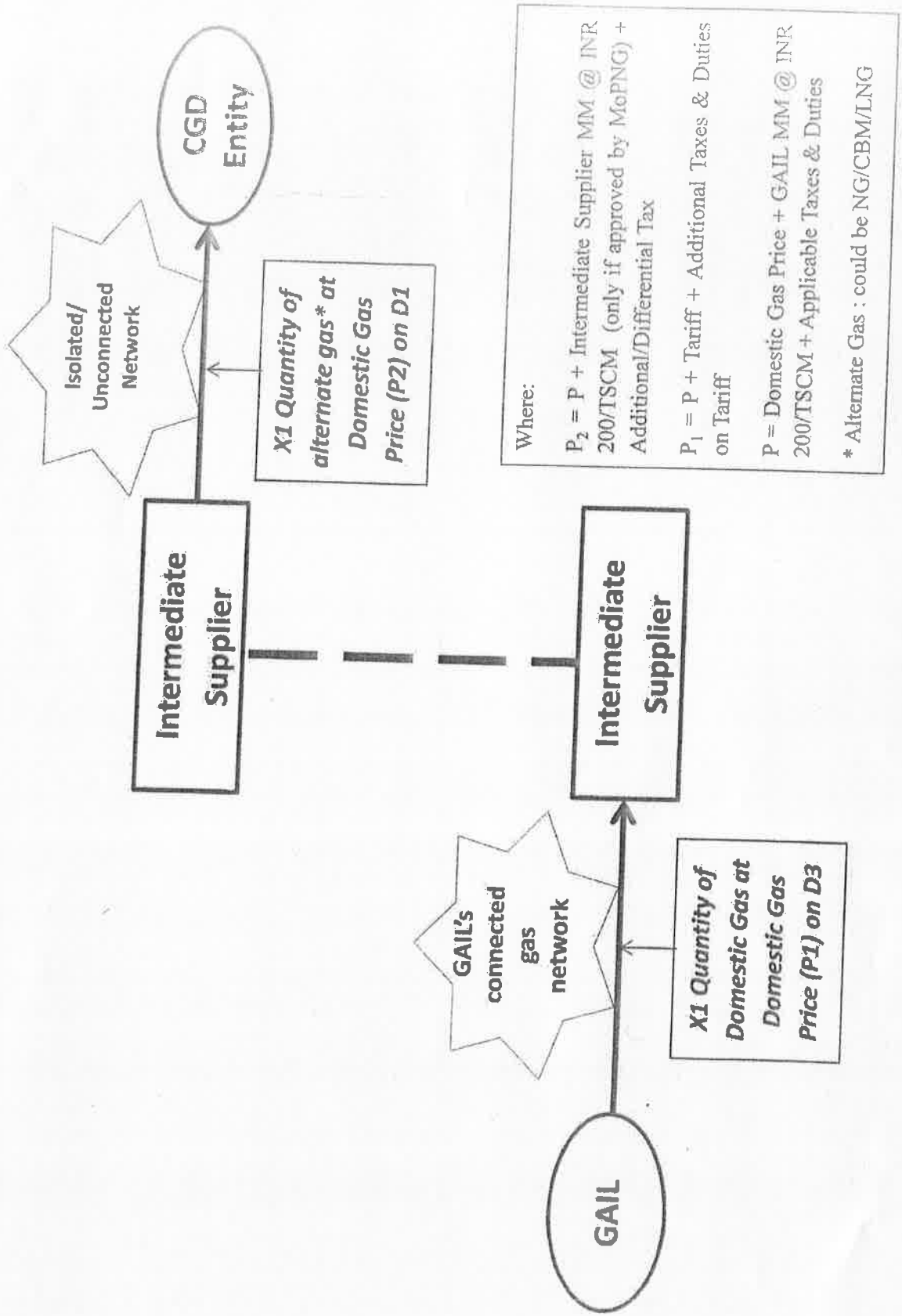
**Yours sincerely,**

  
**(Sanjay Kumar)**

**ED (Marketing-Gas)**

CC – Director (Mktg.) GAIL – for kind information

# Annexure 1: Case-4 Typical Operational Arrangement



# UPTO 9TH ROUND GAS LIKELY UNDER CASE 4

GA NO.	GEOGRAPHICAL AREA	STATE	NATURAL GAS PIPELINE NETWORK	PIPELINE COMPLETION SCHEDULE (Tentative)	PIPELINE ENTITY	AUTHORIZED CGD ENTITY	NEAREST TERMINAL/G AS SOURCE	PROPOSED INTERMEDIATE SUPPLIER
4.09	ERNAKULAM DISTRICT	Kerala	KOCHI KOOTANAD BANGALORE MANGALORE PIPELINE Ph-II		GAIL	IndianOil-Adani Gas Private Limited	Kochi	GAIL
9.22	BOKARO, HAZARIBAGH & RAMGARH DISTRICT	Jharkhand	JAGDISHPUR HALDIA PIPELINE	P/I completion by Dec 2020	GAIL	Indian Oil Corporation Limited	CBM Blocks	GAIL
9.30	KOZHIKODE & WAYANAD DISTRICTS	KERALA	KOCHI KOOTANAD BANGALORE MANGALORE PIPELINE Ph-II	P/I Completion by Dec 2019	GAIL	IndianOil-Adani Gas Private Limited	Kochi	GAIL
9.31	MALAPPURAM DISTRICTS	KERALA	KOCHI KOOTANAD BANGALORE MANGALORE PIPELINE Ph-II	P/I Completion by Dec 2019	GAIL	IndianOil-Adani Gas Private Limited	Kochi	GAIL
9.32	KANNUR, KASARAGOD & MAHE DISTRICTS	KERALA & PUDUCHERRY (UT)	KOCHI KOOTANAD BANGALORE MANGALORE PIPELINE Ph-II	P/I Completion by Dec 2019	GAIL	IndianOil-Adani Gas Private Limited	Kochi	GAIL
9.33	FALAKKAD & THRISSUR DISTRICTS	KERALA	KOCHI KOOTANAD BANGALORE MANGALORE PIPELINE Ph-II	P/I Completion by Dec 2020	GAIL	IndianOil-Adani Gas Private Limited	Kochi	GAIL
9.43	ANGUL & DHENKANAL DISTRICTS	ODISHA	JAGDISHPUR HALDIA PIPELINE	P/I completion by Dec 2020	GAIL	Bharat Gas Resources Limited	Dhamra	GAIL
9.45	BALASORE, BHADRAK & MAYURBHANI DISTRICTS	ODISHA	JAGDISHPUR HALDIA PIPELINE	P/I completion by Dec 2020	GAIL	Adani Gas Limited	Dhamra	GAIL
9.46	BARGARIL DEBAGARH & SAMBALPUR DISTRICTS	ODISHA	JAGDISHPUR HALDIA PIPELINE	P/I completion by Dec 2020	GAIL	Bharat Gas Resources Limited	Dhamra	GAIL
9.48	JAGATSINGPUR & KENDRAPARA DISTRICTS	ODISHA	JAGDISHPUR HALDIA PIPELINE	P/I completion by Dec 2020	GAIL	Bharat Gas Resources Limited	Dhamra	GAIL
9.49	JAIPUR & KENDUJHAR DISTRICTS	ODISHA	JAGDISHPUR HALDIA PIPELINE	P/I completion by Dec 2020	GAIL	Bharat Gas Resources Limited	Dhamra	GAIL
9.61	KANCHIPURAM DISTRICT	Tamil Nadu	ETBPNMTP/L	P/I completion by Feb 2021*	IOCL	AG&P LNG Marketing Pte Ltd.	Ennore	IOCL
9.62	CHENNAI & TIRUVALLUR DISTRICTS	Tamil Nadu	ETBPNMTP/L	P/I completion by Feb 2021*	IOCL	Torrent Gas Private Limited	Ennore	IOCL
9.63	COIMBATORE DISTRICT	TAMIL NADU	KOCHI KOOTANAD BANGALORE MANGALORE PIPELINE Ph-II	P/I completion by Feb 2022**	GAIL	Indian Oil Corporation Limited	Ennore	GAIL
9.86	BURDWAN DISTRICT	WEST BENGAL	JAGDISHPUR HALDIA PIPELINE	P/I completion by Dec 2020	GAIL	IndianOil-Adani Gas Private Limited	CBM Blocks	GAIL

\* As informed VERBALLY by IOCL representative

\*\* Subject to p/I ROU clearance

# 10TH ROUND GAS LIKELY UNDER CASE 4

GA NO.	GEOGRAPHICAL AREA	STATE	NATURAL GAS PIPELINE NETWORK	PIPELINE COMPLETION SCHEDULE (Tentative)	PIPELINE ENTITY	AUTHORIZED CGD ENTITY	NEAREST TERMINAL GAS SOURCE	PROPOSED INTERMEDIATE SUPPLIER
10.09	Nawada and Koderma Districts	Bihar and Jharkhand	JHBDPL	P/I completion by Dec 2020	GAIL	Indian Oil Corporation Limited	CBM Blocks	GAIL
10.10	Sheikhpura, Jamui and Deoghar Districts	Bihar and Jharkhand	JHBDPL	P/I completion by Dec 2020	GAIL	Indian Oil Corporation Limited	CBM Blocks	GAIL
10.13	Chatra and Palamu Districts	Jharkhand	JHBDPL	P/I completion by Dec 2020	GAIL	Bharat Gas Resources Ltd.	CBM Blocks	GAIL
10.14	Serikela-Kharsawan District	Jharkhand	JHBDPL	P/I completion by Dec 2020	GAIL	GAIL Gas Ltd.	CBM Blocks	GAIL
10.15	West Singhbhum District	Jharkhand	JHBDPL	P/I completion by Dec 2020	GAIL	GAIL Gas Ltd.	CBM Blocks	GAIL
10.47	Darjeeling, Jalpaiguri and Uttar Dinajpur Districts	West Bengal	JHBDPL	P/I completion by Dec 2020	GAIL	Hindustan Petroleum Corporation Ltd.	CBM Blocks	GAIL
10.48	Howrah (Except Area already authorized) District and Hooghly (Except Area already authorized) District	West Bengal	JHBDPL	P/I completion by Dec 2020	GAIL	Hindustan Petroleum Corporation Ltd.	CBM Blocks	GAIL
10.49	Nadia (Except Area already authorized) District and North 24 Parganas (Except Area already authorized) District	West Bengal	JHBDPL	P/I completion by Dec 2020	GAIL	Hindustan Petroleum Corporation Ltd.	CBM Blocks	GAIL
10.50	South 24 Parganas (Except Area already authorized) District	West Bengal	JHBDPL	P/I completion by Dec 2020	GAIL	Hindustan Petroleum Corporation Ltd.	CBM Blocks	GAIL



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पता/Address  
15 शास्त्री भवन, दिल्ली  
15 शास्त्री भवन, दिल्ली-110001  
GAIL BHAWAN,  
15 BHIKANI CANN PLACE  
NEW DELHI-110001 INDIA  
फोन/PHONE +911126183955  
फैक्स/FAK +911126183941  
ई-मेल/E-mail info@gail.co.in

GAIL/CO/GAS MKTG/2019/CGD/Case 4

Date: 09.08.2019

To,

Shri Raj Kishore,  
Under Secretary (GP) to Govt. of India,  
Ministry of Petroleum & Natural Gas,  
Shastri Bhawan,  
New Delhi - 110001

Sub. - Implementation of request from CGD entities having authorization from PNGRB for GA in a region near the NG/CBM/LNG supplies but away from any network connected to domestic gas source : CASE 4.

Dear Sir,

1. This has reference to the subject meeting at MoPNG dated 19.07.2019, also to MoPNG letter No. L-12011/1/2016-GP-I dated 18.08.2017 on the above subject and GAIL's letter dated 03.10.2017 regarding implementation of MoPNG directions vide this letter. In this regard, as submitted vide GAIL's above-mentioned letter, all requests received by GAIL from various CGD entities for allocation of domestic natural gas for CNG operations in PNGRB NOC cases and through cascades (where pipeline connectivity is yet to take place) till date were examined individually; and it was found that these requests could be classified into 5 different cases. In GAIL's letter dated 03.10.2017 to MoPNG, the contractual arrangement / action plan for supply of domestic gas to CGD entities for cases 1, 2 & 3 were proposed for implementation; and it was informed that action plans for cases 4 & 5, will be separately submitted to MoPNG.
2. Thereafter, GAIL had proposed mechanism for implementing case 4 and case 5 vide GAIL's letter GAIL/ND/CO/MKTG/ NG/CGD/NOC & Cascades/2018 dated 06.07.2018. In response vide MoPNG letter F.No. L-12011/1/2016-GP I dated 28.11.2018, proposal of GAIL for CGD networks falling under category case (5) was also accepted.
3. In this regard, it may be noted that approved modalities for cases 1, 2, 3 & 5 have been implemented and domestic gas supply for concerned GAs have commenced. It has also been informed by MoPNG vide letter no. F.No. L-12011/1/2016-GP I dated 28.11.2018 that GAIL's proposal under case (4) is under examination in MoPNG. In the meanwhile, we have received requests from some entities for their GAs (for domestic gas supply through swapping) which are mostly located in Southern or

entity, the quantity supplied by them to CGD entity on D1 as well as the quantity to be supplied by Seller (GAIL) to Intermediate Supplier on D3 shall be zero. The equivalent quantity of the domestic gas (in gross energy terms) shall be billed to the Intermediate Supplier at the relevant re-delivery point in GAIL's connected domestic gas network. Further, the same shall be kept at higher priority among all the contracts with seller (GAIL) at the re-delivery point of the Intermediate Supplier.

- vi. If the re-delivery point in GAIL's connected domestic network for the above is different from Hazira, the transportation tariff shall be charged as per the contractual path by GAIL. The arrangements for physical exit of gas from GAIL network through Intermediate Supplier (supplying gas at isolated / unconnected locations) via an existing / proposed re-delivery point shall also be finalized while finalizing the swapping arrangement.
- vii. In some cases, it may be possible that concerned CGD entity may be able to perform the role of Intermediate Supplier. This situation is proposed to be acceptable under these guidelines subject to general constraint that all Intermediate Suppliers should be capable of receiving required quantity of domestic gas from GAIL in GAIL's connected network.
- viii. In order to compensate Intermediate Supplier for their efforts in supplying required gas volumes to the concerned CGD entity (only when the Intermediate Supplier and the concerned CGD entity are different legal entities), MoPNG may like to consider allowing them to charge marketing margin of Rs. 200/TSCM of gas (same as marketing margin charged by GAIL on its domestic gas volume) from CGD entity. This marketing margin shall be in addition to the GAIL's marketing margin on the volume supplied to Intermediate Supplier.
- ix. The arrangement described above has been shown in the enclosed flow chart at Annexure - 1.
- x. The quantity supplied to these CGD entities for the purpose of CNG (T) and PNG (D) shall be limited by the extant guidelines of MoPNG. The quantity and allocation ratio of various types of domestic gas allocated to the concerned CGD entity shall be conveyed by GAIL based on MoPNG guidelines.
- xi. Being the beneficiary, CGD entity shall bear any additional financial implication on account of taxation or otherwise for implementing this arrangement for domestic gas supply to its authorized GA.
- xii. It would be the responsibility of the CGD entity to certify the consumption with respect to CNG & PNG segments for its authorized GA and furnish the information to PPAC (or such agency as directed) within 48 hours of the end of the month, as per MoPNG Guidelines dated 03.02.2014 for CGD sector.
- xiii. CGD entity will be responsible for all statutory, legal & regulatory compliances under this arrangement. GAIL shall not in any way be held responsible for any legal action / cases arising out of this arrangement.
- xiv. Further, a suitable Indemnity will also be taken from requesting CGD entity to bear/ reimburse any loss or additional liability / tax implication to GAIL now or in