No. S-Infra/II/1/2008-Vol.II/Kolkata CGD  
2nd February 2016

To
Greater Calcutta Gas Supply Corporation Limited,
(Kind Attn: General Manager)
12 A Park Street,
Kolkata- 700071.

Subject: Acceptance of Central Government authorization of M/s Greater Calcutta Gas Supply Corporation Limited (GCGSCL) for Kolkata Municipal Corporation and parts of adjoining districts of North 24 Parganas, South 24 Parganas, Howrah, Hooghly and Nadia for development of City Gas Distribution network (i.e Kolkata CGD Network) in the State of West Bengal.

1. This has reference to our letter No. S-Infra/II/1/2008-Vol.II Dated 26th February, 2013 and all other correspondences on this subject including your letter No. 615/Admin/36/GC/2015 Dated 31.12.2015. PNGRB is pleased to issue acceptance of Central Government authorization to M/s GCGSCL for Kolkata CGD network subject to the terms and conditions mentioned below.

i. GCGSCL shall abide by the provisions of the PNGRB Act, 2006 and relevant regulations including amendments thereof and regulations, if any, framed from time to time.

ii. GCGSCL shall abide by the Technical Standards and specifications including Safety Standards (T4S) for, City and/or Local Natural Gas Distribution Networks Regulations 2008 including the Emergency Response & Disaster Management Plan (ERDMP).

iii. GCGSCL shall abide to Quality of Service standards as per regulations framed under PNGRB Act, 2006.

(Petroleum and Natural Gas Regulatory Board)
1st Floor, World Trade Centre, Babar Road, New Delhi – 110001
iv. The Geographical Area and the Charge Areas shall be as per the attached maps duly signed and stamped by the Board, PNGRB.

v. GCGSCL shall energize or commission the network/sections of the network that meets the provisions of the Petroleum and Natural Gas Regulatory Board (Technical Standards and Specifications including Safety Standards for City or Local natural gas Distribution Networks) Regulations, 2008 only with duly isolating the sections that do not meet the provisions of these Regulations.

vi. The Exclusivity:

a. PNGRB grants Infrastructure Exclusivity for laying building or expansion of the CGD Network during the economic life of the project i.e. 25 years from the date of issue of acceptance of Central Government authorization

and

b. Grant of Exclusivity from the purview of the contract carrier or common carrier shall be for a period of 5 years from the date of issue of acceptance of Central Government authorization.

vii. The Project milestones during the period of marketing exclusivity will be as under:

<table>
<thead>
<tr>
<th></th>
<th>Cumm (1st Year)</th>
<th>Cumm (2nd Year)</th>
<th>Cumm (3rd Year)</th>
<th>Cumm (4th Year)</th>
<th>Cumm (5th Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PNG Dom. Connections (No.)</td>
<td>1,00,000</td>
<td>3,00,000</td>
<td>6,00,000</td>
<td>10,00,000</td>
<td>14,17,959</td>
</tr>
<tr>
<td>Steel Pipeline (Inch-KM)</td>
<td>500</td>
<td>1,500</td>
<td>3,000</td>
<td>5,000</td>
<td>7,296</td>
</tr>
<tr>
<td>Compression Capacity (Kg/day)</td>
<td>50,000</td>
<td>1,50,000</td>
<td>3,00,000</td>
<td>5,00,000</td>
<td>7,90,200</td>
</tr>
</tbody>
</table>

viii. The Geographical Area accepted for CGD Network Authorization for Kolkata CGD Network GA is as per submitted map enclosed.

[Signature]

[Date]
ix. The Performance Bank Guarantee submitted shall remain in full force during the project period and shall have to be renewed in a block of three years.

2. Violation of any condition/conditions mentioned in clause 1 shall be treated as default and shall be dealt with as per the provisions of the PNGRB Act, 2006.

3. The tariff applicability will be as per Section 21 (2) of the PNGRB Act, 2006 and the Judgment of Hon’ble Supreme Court of India in the SLP No. 22273 of 2012 i.e. Civil Appeal No. 4910 of 2015.

The receipt of this letter may please be acknowledged.

Yours faithfully,

Encl: As Above

(Upamanyu Chatterjee)
Secretary