पेट्रोलियम एवं प्राकृतिक गैस विनियामक बोर्ड
Petroleum and Natural Gas Regulatory Board
प्रथम-तल, वर्ल्ड ट्रेड सेंटर, बाबर रोड, नयी दिल्ली - 110001
1st Floor, World Trade Centre, Babar Road, New Delhi – 110001

No.: Infra/PL/Bid/NGPL/KVNPL/2015/01 31 .12.2015

To
All Prospective Bidders

Sub: Addendum related to Kakinada-Vijayawada-Nellore Natural Gas Pipeline (Bid No.: BID/NGPL/08/2015/1/KVNPL)

Sir,

Further to the clarifications issued on 14.12.2015, as per the queries received from Synergy Global Steel Private Limited (SGSPL) vide letters dated 22.12.2015 (Annex-1), dated 23.12.2015 (Annex-2) and dated 26.12.2015 (Annex-3) and Sparsh Vidyut Private Limited (SVPL) vide letter dated 23.12.2015 (Annex-4) related to the bids invited for development of Kakinada-Vijayawada-Nellore natural gas pipeline, following additional clarifications are being issued:

S. No.	Query Raised	Clarification
(A)	As per the provisions of Section 21 (2) of the PNGRB Act, 2006, "*an entity other than an entity authorized to operate shall pay transportation rate for use of common carrier or contract carrier to the entity operating it as an authorized entity*". Does this confirm that the natural gas pipeline tariff (i.e. transportation rate) coming out from the bidding process for KVNPL is only applicable/payable for/by third parties using the common carrier KVNPL to the authorized entity and the authorized entity would not be subject to such tariff for transporting their own gas. PNGRB to clarify as	Please refer the provisions related to the same in the PNGRB Act, 2006 and Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008.

31/12/2015

	this information is very crucial having wide impact on tariff calculation so that the fair and justified proposal can be submitted by the bidders.	
(B)	There are number of pipelines traversing in East Godavari district with more customers having planned point of consumption therein. GAIL is having almost all pipelines drawing gas from the existing fields in KG Basin. RGTIL's EWPL originates from East Godavari district pumping out KG D6 gas but distributing very little quantity within Andhra Pradesh. The proposed KVNPL is again starting from Kakinada and covers the distribution aspect in Andhra Pradesh for customer's demand which is to get gas source from the proposed FSRU at Kakinada. KVNPL is the only intra-state pipeline with common carrier concept to cater catering customers within Andhra Pradesh. In view of the above, PNGRB to please clarify: (a) Which pipeline will be given first right of refusal for terminal connectivity in case of the upcoming LNG Terminal/FSRU terminal along the coastal venue from Kakinada to Nellore? (b) How the connectivity will be extended between KVNPL and the domestic gas fields (*e.g. KG D6, GSPC and ONGC fields*) for transportation of domestic gas	As regards Tie-in Connectivity with a natural gas source, the provisions of Regulation 21 (1) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 shall be applicable. Further, as per Clause 17.2.3 of Application cum Bid Document (ACBD), "*It is the bidder's responsibility to obtain all information related to the present gas supply position and existing and future customers, if any falling along the route of the proposed natural gas pipeline*".

	allocated to any customer in future?	
(C)	What is the present transportation tariff of EWPL in Zone-1? What is the percentage increase from Zone-1 to Zone-2? When is the transportation tariff due for revision, if any? What is the expected revised value to be?	All Transportation Tariff Orders issued by PNGRB are available on the website www.pngrb.gov.in In case of natural gas pipelines, Final Tariff Orders are yet to be issued. Provisions of revision in the Transportation Tariff are applicable only after issue of Final Tariff Order.
(D)	What is the present transportation tariff of different pipelines of present GAIL network in Zone-1? What is the percentage increase from Zone-1 to Zone-2? When is the transportation tariff due for revision, if any? What is the expected revised value to be?	
(E)	After KVNPL is authorized, will GAIL or RGTIL be allowed to increase in the authorized area by way of connecting new consumers or revamping existing pipeline or increasing capacity of existing pipeline or adding new compressors?	While the "Expansion of Capacity in natural gas pipeline" shall be governed as per the provisions of Regulation 12 of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008, "Extension of natural gas pipeline", "Tie-in Connectivity" and "Laying of spur-lines" shall be governed as per the provisions of Regulation 21 of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008. Further, revamping of an existing pipelines shall be governed as per the provisions of the PNGRB (Technical Standards and Specifications including Safety Standards for Natural Gas Pipelines) Regulations, 2009. Further, all approvals related to the authorization of a natural gas
(F)	PNGRB is requested to clarify whether after the proposed pipeline is authorized: (a) Can any other entity also be permitted to lay access infrastructure for evacuating gas from the on land LNG facility? (b) Could the existing operators also in future be allowed to expand their infrastructure? Further, PNGRB may confirm whether any existing operator in the area have been granted approval or in the process of granting approval for laying/interconnect/expand from	

	the new FSRU and whether such approvals are yet to be executed/being executed? PNGRB may also confirm whether post authorization of KVNPL any other entity will be given authorization for laying/interconnect/expand their pipeline network.	pipeline are available on the website www.pngrb.gov.in

2. The above clarifications shall constitute a part of the Application-Cum-Bid Document and shall be duly signed and submitted along with the bid document by the authorized signatory of the bidder.

Yours faithfully,

31/12/2015

(Arvind Kumar)
Additional Adviser

Encl: As above

Annex-I

SYNERGY GLOBAL STEEL PRIVATE LIMITED

A-2, MOHAN CO-OPERATIVE INDUSTRIAL ESTATE, MATHURA ROAD, NEW DELHI-110044
Tel: 32957555, 32997555 Fax: 011-41428521 • E-Mail : Synergysteels55@gmail.com

CIN: U27106DL2005PTC143027

22.12.2015

To,
The Secretary,
Petroleum & Natural Gas Regulatory Board
1st Floor, World Trade Centre,
Babar Road,
NEW DELHI -110001

Ref: Bid Doc. No: PNGRB BID/NGPL/08/2015/1/KVNPL

Sub: PNGRB Bidding for KVNPL Natural Gas Pipeline- Request for clarification on preference of connectivity / right of refusal (to KVNPL or EWPL or GAIL network) to any forthcoming LNG terminal / FSRU along the coastal shore between Kakinada & Nellore.

Dear Sir,

This has reference to the captioned subject and the above referred bid document. As you would kindly be aware that we are really keen on participating in bidding for the said pipeline and are currently in the process of preparing our bid for the same. However, there is one element of doubt lingering in our mind due to the following:

1. There are number of pipelines traversing in one district i.e., East Godawaridistrict and more customers have planned point of consumption within East Godawari District only.
2. Gail owns almost all the pipelines by virtue of its authorization to draw domestic gas production into market. Accordingly Gail enjoys most of the existing producing fields in KG basin.
3. East-West Pipeline owned by RIGTL originates from same district pumping out KGD6 basin gas and distributing very few quantum of gas within AP and taking more gas towards western part of India.
4. KVNPL pipeline which is presently under bidding, is again starting from Kakinada and covers the distribution aspect in AP for customer's demand which is to get gas source from the proposed FSRU coming up in Kakinada coast.

SYNERGY GLOBAL STEEL PRIVATE LIMITED

A-2, MOHAN CO-OPERATIVE INDUSTRIAL ESTATE, MATHURA ROAD, NEW DELHI-110044
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CIN: U27106DL2005PTC143027

Further KVNPL is the only natural gas pipeline with common carrier concept and which is intra-state pipeline envisaged to cater customers within AP.

As such any future coming up LNG terminal / FSRU along the coastal venue from Kakinada to Nellore, which pipeline in such scenario will be given first right of refusal for terminal connectivity?

Any customer in future, who has tied up with KVNPL pipeline for transportation of domestic gas allocated to him (produced in KGD6 / GSPC fields/ONGC fields), how the connectivity will be extended between KVNPL and these fields?

We are very keen in bidding for KVNPL, preparing for establishing the numbers and trying to complete before the deadline of 31st December 2015. However in order not to miss the deadline, we request you to extend the last date of submission of the application cum bid document for two more weeks.

An early clarification on the above would be highly appreciated.

Thanking You,

Yours Truly,

Anubhav Kathuria

(Authorised Signatory)

For Synergy Global Steel Private Limited

Annex-2

SYNERGY GLOBAL STEEL PRIVATE LIMITED

A-2, MOHAN CO-OPERATIVE INDUSTRIAL ESTATE, MATHURA ROAD, NEW DELHI-110044
Tel: 32957555, 32997555 Fax: 011-41428521 • E-Mail : Synergysteels55@gmail.com

23.12.2015

To,
The Secretary,
Petroleum & Natural Gas Regulatory Board
1st Floor, World Trade Centre,
Babar Road,
NEW DELHI -110001

Ref: Bid Doc. No: PNGRB BID/NGPL/08/2015/1/KVNPL

Sub: Request for clarification on transportation tariff (Natural Gas Pipeline Tariff) applicable to and payable by third parties using the common carrier KVPNL to the authorised entity

Dear Sir,

This has reference to the captioned subject and the above referred bid document. As you would kindly be aware that we are really keen on participating in bidding for the said pipeline and are currently in the process of preparing our bid for the same. In this regard, we seek urgent clarification on **provisions of Section 21 (2) of the PNGRB Act, 2006, *"an entity other than an entity authorized to operate shall pay transportation rate for use of common carrier or contract carrier to the entity operating it as an authorized entity"*.** Does this confirm that natural gas pipeline tariff (i.e. transportation rate) coming out from the bidding process for KVNPL is only applicable/payable for/by third parties using the common carrier KVNPL to the authorized entity and the authorized entity would not be subject to such tariff for transporting their own gas.

This information is very crucial as it has wide impact on tariff calculation and urgently required by us to submit the fair & justified proposal.

Since offices will remain closed starting tomorrow until Monday on account of winter holidays, it would be difficult to incorporate this information in the study and arrive at a logical conclusion. Hence we request you to kindly extend the bid submission deadline by 20 days.

Looking forward for you favorable response.

Thanking you in anticipation.

Yours sincerely,

Anubhav Kathuria

(Authorised Signatory)

For Synergy Global Steel Private Limited

Annex-3

SYNERGY GLOBAL STEEL PRIVATE LIMITED

A-2, MOHAN CO-OPERATIVE INDUSTRIAL ESTATE, MATHURA ROAD, NEW DELHI-110044
Tel: 32957555, 32997555 Fax: 011-41428521 • E-Mail : Synergysteels55@gmail.com

CIN: U27106DL2005PTC143027

Date: 26.12.2015

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

Sub: **Request for information/clarification/confirmation for Application cum Bid Document for Authorization of Kakinada (East Godavari dt.) –Rajahmundry (East Godavari dt)-Vajayawada (Krishna dt)- Guntur(Guntur dt)-Ongole (Prakasam dt,)-Nellore (Sri Potti Sriramulu Nellore dt) AP**

REF: BID NO.BID/ NGLPL/08/2015/1/KVNPL

Dear Sir,

This is in reference to the above mentioned subject matter and is further to our earlier submissions with regard to the same. As already stated earlier, we are actively into the process of preparation of our bid for the subject gas pipeline.

During the course of the above exercise, we have come across a few more issues with regards to which we would need some more information / clarification/confirmation from you. The information / clarity/ confirmation sought on these issues is very important from the bidder's perspective as these would have major bearing on the economics and the overall long term viability of the project.

The issues are in the context of the common catchment area near and around districts of East / West Godavari & Krishna districts that the proposed pipeline would be sharing with the existing gas pipeline systems already operational in the vicinity of the tariff corridor of the pipeline currently under bidding.

Though, not specifically stated in the bid document, it is understood that the primary source of gas for the present pipeline system would be the onshore facility of the LNG FSRU, slated to come

up near the coast of Kakinada in Andhra Pradesh and further that there are no other major /promising gas sources in the region. The clarifications sought by us pertain to the possible future access infrastructure for evacuation of gas from the said on land LNG facility, post-authorization of the present pipeline.

Our issues are as follows:-

1. After the present pipeline is authorized, can any other entity also be permitted to lay access infrastructure for evacuating gas from the onland LNG facility?
2. After the present pipeline is authorized, could the existing operators, already having operational gas pipeline systems in the area, also in future be allowed to expand their infrastructure?
3. Further, PNGRB may please confirm whether any existing operator in the area have been granted approval or in the process of granting approval for laying/interconnect/expand from the new FSRU and whether such approvals are yet to be executed/being executed?
4. Lastly, PNGRB may please confirm whether post authorization of KVNPL any other entity will be given authorization for laying/interconnect/expand their pipeline network.

In the event of answer to any of the above queries, being in the affirmative, it would severely and potentially seriously impinge on the profitability of the project, which could even be to the extent of the Kakinada – Vijayawada section of the present pipeline, ceasing to have any meaning commercially.

We would really appreciate to have your kind views on the above, confirming that the same would not be allowed. As only in such a case would the pipeline in its present configuration, be a reasonably attractive proposition from the investing entity's perspective.

Thanking You.

Yours sincerely,

For Synergy Global Steel Pvt. Ltd.

Director

Anubhav Kathuria

Director

Annex-4

SPARSH VIDYUT PRIVATE LIMITED

REGD. OFFICE : 165, FUNCTIONAL INDUSTRIAL ESTATE, PATPARGANJ, DELHI- 110092
CIN : U40106DL2014PTC271074, Email : sparshgroup@live.com

23.12.2015

To,
The Secretary,
Petroleum & Natural Gas Regulatory Board
1st Floor, World Trade Centre,
Babar Road,
NEW DELHI -110001

Ref: Bid Doc. No: PNGRB BID/NGPL/08/2015/1/KVNPL

Sub: Request for clarification on transportation tariff of present transmission / common carrier natural gas pipelines of EWPL and GAIL network.

Dear Sir,

This has reference to the captioned subject and the above referred bid document. As you would kindly be aware that we are really keen on participating in bidding for the said pipeline and are currently in the process of preparing our bid for the same. However, there are following queries that need urgent clarification:

1. What is the present transportation tariff of EWPL in zone-1? What is the percentage increase from zone 1 to zone 2? When is the transportation tariff due for revision, if any? What is the expected revised value to be?
2. What is the present transportation tariff of different pipelines of present Gail network in zone-1? What is the percentage increase from zone 1 to zone 2? When is the transportation tariff due for revision, if any? What is expected revised value to be?
3. After authorization of KVNPL, will Gail or RGTL be allowed to increase their network in the authorised area by way of connecting new consumers or revamping existing pipeline or increasing capacity of existing pipeline or adding new compressors?

The information sought above is absolutely imperative to be made available in the public domain to enable the potential bidders to give their network tariff bid with utmost clarity and transparency.

In the light of upcoming holidays starting tomorrow until Monday, it would be difficult to incorporate this information in the study and arrive at a logical conclusion.Hence for fairness towards us and all other bidders we request you to kindly extend the bid submission deadline by 2 weeks.

Looking forward for you favorable response.

Thanking you in anticipation.

Yours sincerely,

For *SPARSH VIDYUT PRIVATE LIMITED*

AUTHORISED SIGNATORY