

Proposed Amendment in Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations

S.No.	Regulation/ Clause No	Existing	Amendment Proposed
1	To be inserted: Regulation 2 (1) (bb) “applicable unified zonal tariff”	Nil	<i>“applicable unified zonal tariff” means the tariff applicable to respective tariff zones for unified tariff. Provided that for the "CNG and PNG-Domestic" applicable unified zonal tariff shall the tariff for first zone of unified tariff.</i>
2	Regulation 2 (1) (eab)	Nil	<i>“isolated natural gas pipeline” means natural gas pipeline as defined under the Petroleum and Natural Gas Regulatory Board (Authorizing Entities for Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 which is neither part of ‘national gas grid system’ nor connected to any ‘liquefied natural gas terminal’ as defined in Petroleum and Natural Gas Regulatory Board Act and provided in the Schedule E.</i>
3	Regulation 2 (1) (j) (ii)	second tariff zone for unified tariff of a length of more than three hundred kilometers and upto twelve hundred kilometers on either side of the first tariff zone of national gas grid system, or	second tariff zone for unified tariff being the remaining length of the national gas grid system of a length of more than three hundred kilometers and upto twelve hundred kilometers on either side of the first tariff zone of national gas grid system, or
4	Regulation 2 (1) (j) (iii)	third tariff zone for unified tariff being the remaining length of the national gas grid system on either side of second tariff zone for unified tariff	To be Omitted.

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5	Regulation 2 (1) (l)	<p>“unified contractual path” means the route on the national gas grid system between the unified entry point and the unified exit point for the shipper(s); Provided that the Unified Contractual Path is to be confirmed by the shipper(s) at the time of capacity booking(s) and agreed by the transporter(s). Provided further that in case there are multiple shippers involved in transportation of gas on the Unified Contractual Path, details of all such shippers shall also be confirmed at the time of capacity booking and accepted by the transporter(s).</p> <p>Notwithstanding anything contained in these regulations, in case on a unified contractual path, the network of any pipeline is used more than once for transporting gas through NGGS, then for such cases, separate unified contractual path will need to be confirmed by the shipper for each usage of the same network. Accordingly, capacity booking shall be done, and applicable zonal unified tariff shall be applied for each case.</p>	<p>“unified contractual path” means the route on the national gas grid system between the unified entry point and the unified exit point for the shipper(s); Provided that the Unified Contractual Path is to be confirmed by the shipper(s) at the time of capacity booking(s) and agreed by the transporter(s). Provided further that in case there are multiple shippers involved in transportation of gas on the Unified Contractual Path, details of all such shippers shall also be confirmed at the time of capacity booking and accepted by the transporter(s).</p> <p>Notwithstanding anything contained in these regulations, in case on a unified contractual path, the network of any pipeline is used more than once for transporting gas through NGGS, then for such cases, separate unified contractual path will need to be confirmed by the shipper for each usage of the same network. Accordingly, capacity booking shall be done, and applicable <i>unified zonal unified</i> tariff shall be applied for each case.</p>
6	Regulation 2 (1) (o)	<p>“Unified Tariff Path” means the path along the NGGS starting from Unified Entry Point and ending in the Unified Tariff Zone where in Unified Exit points falls for the underlying Unified Contractual Path for which capacity is booked. Unified Tariff Path identifies the following:</p>	<p>“Unified Tariff Path” means the path along the NGGS starting from Unified Entry Point and ending in the Unified Tariff Zone where in Unified Exit points falls for the underlying Unified Contractual Path for which capacity is booked. Unified Tariff Path identifies the following:</p>

S.No.	Regulation/ Clause No	Existing	Amendment Proposed
		i) pipeline networks which falls on the respective Unified Tariff Path; ii) the applicable tariff for tariff zones for unified tariff; and share of each transporter on such Unified Tariff Path.	i) pipeline networks which falls on the respective Unified Tariff Path; ii) the applicable <i>unified zonal</i> tariff for tariff zones for unified tariff, and share of each transporter on such Unified Tariff Path.
7	Regulation 4A	Nil	<p><i>4A. Determination of tariff for isolated natural gas pipeline listed under Schedule E of Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008.</i></p> <p><i>The tariff for the isolated natural gas pipeline authorised under regulation 17 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 listed under Schedule E of Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008 shall be Tariff determined in line with Regulation 4 of Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008 subject to a floor tariff based on minimum of the following:</i></p> <p><i>i. Tariff for first zone for Unified Tariff notified immediately after notification of this amendment; or</i></p>

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			<p><i>ii. Tariff determined in line with Regulation 4 of Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008 considering replacing Volume Divisor as per Clause 6 of Schedule A of Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008 with actual volume flow for the period commencing from 20.11.2008.</i></p> <p><i>Provided that, in case the isolated natural gas pipeline becomes part of the National Gas Grid system, the tariff for the remaining life shall be determined based on the Regulation 4 of the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008 by considering its net fixed assets effective from the date one year after the date of it becoming part of National Gas Grid system.</i></p>
8	Regulation 5A (1)	Notwithstanding anything contained in these regulations, Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 and any other regulation made under the Act and for the time being in force, invoicing entity	Notwithstanding anything contained in these regulations, Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 and any other regulation made under the Act and for the time being in force, invoicing entity

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		<p>shall raise invoice towards and collect the unified tariff for unified contractual path instead of the approved tariff from the shipper and the shipper shall be liable to pay such unified tariff to such invoicing entity.</p> <p>Provided that if such unified contractual path consists of pipelines of different entities, then all such entities shall raise invoice towards applicable unified zonal tariff at a pre-defined ratio determined in accordance with the Settlement Mechanism and the shipper(s) shall be liable to pay such unified zonal tariff to such invoicing entities as per their respective invoices.</p> <p>Provided further that the sum total of such unified tariff for a unified contractual path, charged by such invoicing entities on such shipper(s), shall be equal to the unified zonal tariff applicable for such unified contractual path.</p> <p>Provided further that the applicable unified zonal tariff after multiplication with approved ratio shall be rounded to two (02) places of decimal.</p> <p>Clarification: This is to clarify that the shipper(s) will be charged tariff based on the applicable tariff zones for the unified contractual path.</p>	<p>shall raise invoice towards and collect the unified tariff for unified contractual path instead of the approved tariff from the shipper and the shipper shall be liable to pay such unified tariff to such invoicing entity.</p> <p>Provided that if such unified contractual path consists of pipelines of different entities, then all such entities shall raise invoice towards applicable unified zonal tariff at a pre-defined ratio determined in accordance with the Settlement Mechanism and the shipper(s) shall be liable to pay such applicable unified zonal tariff to such invoicing entities as per their respective invoices.</p> <p>Provided further that the sum total of such unified tariff for a unified contractual path, charged by such invoicing entities on such shipper(s), shall be equal to the applicable unified zonal tariff applicable for such unified contractual path.</p> <p>Provided further that the applicable unified zonal tariff after multiplication with approved ratio shall be rounded to two (02) places of decimal.</p> <p>Clarification: This is to clarify that the shipper(s) will be charged tariff based on the applicable unified zonal tariff zones for the unified contractual path.</p>

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9	Schedule A Clause 4 (2)	The total capital employed shall be equal to the gross fixed assets in the project less accumulated depreciation plus normative working capital (equal to thirty days of operating costs excluding depreciation and eighteen days natural gas pipeline tariff receivables).	<p>The total capital employed shall be equal to the gross fixed assets in the project less accumulated depreciation plus normative working capital (equal to thirty days of operating costs excluding depreciation and eighteen days natural gas pipeline tariff receivables).</p> <p><i>Any interest free security deposit obtained by an natural gas pipeline entity for providing services, facilities, infrastructure, etc. to the shipper with respect to the pipeline the tariff of which is being determined in terms of the regulatory framework, shall be deducted from the Capital Expenditure claimed for the relevant services, facilities, infrastructure, etc. during the relevant year(s) for the purpose of tariff determination, until the said interest free security deposit has been refunded by it to the Shipper.</i></p> <p><i>Provided that interest earned by the transporting entity on such deposits received will not be considered as other/miscellaneous income of the entity.</i></p>
10	Schedule A Clause 5 (2) (b)	fuel (including the cost of natural gas and the natural gas pipeline tariff thereon, corresponding to the volumes of natural gas considered as divisor for tariff determination subject to maximum of 2% of the volumes of natural gas considered as divisor for tariff determination of the natural gas pipeline);	fuel (including the cost of natural gas and the natural gas pipeline tariff thereon, corresponding to the volumes of natural gas considered as divisor for tariff determination subject to maximum of 2% of the volumes of natural gas considered as divisor for tariff determination of the natural gas pipeline);

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		Explanation: Actual fuel cost for the respective years shall be multiplied by the volumes considered as divisor for determining tariff and divided by actual volumes flow.	Explanation: Actual fuel cost for the respective years shall be multiplied by the volumes considered as divisor for determining tariff and divided by actual volumes flow. <i>Entities to procure their gas volume for fuel requirements under the long-term contract(s) on least cost basis either domestically or internationally for a period of at least 5 years from the end of the period for which SUG volumes are already contracted or within three months after the notification of this amendment, whichever is later. However, if the entity has surplus gas available in their portfolio which can be allocated to SUG at a price lower than the above, then such cheaper gas price will be allocated for SUG. The entity shall provide the details of the gas procured to PNGRB on immediate basis after the procurement or allocation, as the case may be.</i>
11	Schedule A Clause 11	Nil	To be inserted as below
12	Schedule B Part A 6 Notes (ii)	the formula provided in the above table shall determine the levelised unified tariff. Unified tariff for the three unified tariff zones shall be determined by the Board in a manner that the tariff for first tariff zone for unified tariff shall be 52.5% and tariff for the second tariff zone shall be 75% of the tariff for third tariff zone, for unified tariff;	the formula provided in the above table shall determine the levelized unified tariff. Unified tariff for the three two unified tariff zones shall be determined by the Board in a manner that the tariff for first tariff zone for unified tariff shall be 66.17% and of the tariff for the second tariff zone; shall be

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		Notwithstanding anything contained in this clause, the Board may decide any other percentage or basis other than percentage as mentioned above.	75% of the tariff for third tariff zone”, for unified tariff; Notwithstanding anything contained in this clause, the Board may decide any other percentage or basis other than percentage as mentioned above. <i>Provided that the Unified tariff for the two unified tariff zones shall be determined by the Board considering the applicable unified zonal tariff and for "CNG and PNG-Domestic" tariff for first zone of unified tariff shall be applicable.</i>
13	Schedule B Part B Settlement (2)	Amount charged by invoicing entity that is to say the amount charged by the invoicing entity in respect of natural gas pipelines which are part of national gas grid system shall be equal to the sum of amounts invoiced to the shippers, for natural gas transported including ship or pay quantities in respective unified tariff zones of each such pipeline, multiplied by the respective approved unified zonal tariff for the period.	Amount charged by invoicing entity that is to say the amount charged by the invoicing entity in respect of natural gas pipelines which are part of national gas grid system shall be equal to the sum of amounts invoiced to the shippers, for natural gas transported including ship or pay quantities in respective unified tariff zones of each such pipeline, multiplied by the respective approved <i>applicable</i> unified zonal tariff for the period.
14	Schedule B Part C: Sectoral Reporting to PNGRB	Nil	<i>The Industry Committee shall submit data as per format mentioned in Attachment 3 to Schedule B for the month “T” on or before end of month T+1.</i> <i>Explanation: The data as per Attachment 3 to Schedule B is to be submitted by last day of January 2024 for the month of December 2023. Similarly, the data for the month of January 2024</i>

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			<i>is to be submitted by the last day of February 2024 and so on.</i>
15	Schedule D Settlement Mechanism Clause (3.2) (a)	Co-ordinate the Settlement Committee meetings.	Co-ordinate the Settlement Committee meetings <i>in line with the procedure prescribed for conducting Settlement Committee meetings at Annexure 5.</i>
16	Schedule D Settlement Mechanism Clause (3.6) (b)	b) Tariff – The Shipper(s) in total shall only be charged a Zonal UFT as applicable. The individual entities shall generate an invoice at the applicable Zonal UFT for Single Volume. For Common Volume the shippers shall be charged applicable Zonal UFT as per the ratios finalized by the Settlement Committee and approved by the Board provided that sum total of tariff charged as per the pre-determined ratio shall be equal to applicable Zonal unified tariff.	b) Tariff – The Shipper(s) in total shall only be charged a Zonal UFT as applicable. The individual entities shall generate an invoice at the applicable Zonal UFT for Single Volume. For Common Volume the shippers shall be charged applicable Zonal UFT as per the ratios finalized by the Settlement Committee and approved by the Board provided that sum total of tariff charged as per the pre-determined ratio shall be equal to applicable <i>unified</i> Zonal <i>unified</i> tariff.
17	Schedule D Settlement Mechanism Clause (3.7)	Post invoicing, the data pertaining to the respective entity pipeline forming part of NGGS shall be shared with the Settlement Committee on a fortnightly basis. Entities shall be required to submit the actual data on or before T+8 Working Days to the Settlement Committee. The data shall be shared as per the format provided in Annexure-3 or such other format as may be mutually agreed by the Settlement Committee.	Post invoicing, the data pertaining to the respective entity pipeline forming part of NGGS shall be shared with the Settlement Committee on a fortnightly basis. Entities shall be required to submit the actual data on or before T+8 Working Days to the Settlement Committee. The data shall be shared as per the format provided in Annexure-3 or such other format as may be mutually agreed by the Settlement Committee. <i>Further, pipeline entities shall submit the 6 monthly data in two parts i.e. for the period from</i>

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			<i>April-September and October-December for the pipelines forming part of NGGS at Schedule C, within 45 days of the end of the respective six months period duly certified from the Chartered Accountant in the format as provided in Annexure-4 to the Settlement Committee with a copy to Board.</i>
18	Schedule D Annexure-4	Nil	To be inserted as below
19	Schedule D Annexure-5	Nil	To be inserted as below
20	Attachment 3 to Schedule B - Monthly Data to be Submitted w.r.t Unified Tariff Charged during previous month	Nil	To be inserted as below
21	Schedule E	Nil	To be inserted as below

Attachment 3 to Schedule B

The Industry Committee must submit data as per below formats with regards to the State wise, sector wise data on gas flow volumes. If required, the Industry Committee may add some more columns / headers to the following tables.

1. **Data to be submitted in Format 1:** Unified Tariff path wise, sector wise, state wise data along with revenue entitlement and invoiced tariff.

Entity	Unified Tariff Path	Unified Zone	Sector	State of Gas Delivery	Qty in MMBTU	RE Zone	RE Tariff (Rs./MMBTU)	Invoice Tariff (Rs./MMBTU)	Invoiced Amount (Rs.)

Annexure -4 of Schedule D

Format for providing CA certified data for past 6 months to the Settlement Committee by pipeline entity(s) of the Industry Committee

Entity Name

Actual data for the Period to

Path No	Quantity MMBtu	Revenue Entitlement Zone	Revenue Entitlement (Rs./Lakh)	Unified Invoice Amount (Rs./Lakh)

Annexure 5 to Schedule D
Procedure for conducting Settlement Committee Meetings

- 1. Convening of Settlement Committee meetings–**
 - a. Meetings of the Settlement Committee shall be convened by the Lead Member.
 - b. Any two Settlement Committee Members may require the Lead Member to convene a meeting of the settlement committee at any time with prior notice of 2 days and the Lead Member shall convene the meeting of the Settlement Committee accordingly.
- 2. Presiding over Settlement Committee meetings.** – The representative or alternate representative of Lead Member shall preside over the meetings.
- 3. Place and time of Settlement Committee meetings.** – Meetings of the Settlement Committee shall be held in virtual mode or physical mode.
- 4. Quorum required and voting–**
 - a. Three Members of the Settlement committee with at least two Permanent Members including presiding Member, shall constitute the quorum for transaction of business at a meeting of the Settlement Committee:
 - b. All agenda points which come before any meeting of the Settlement Committee shall be decided by a majority vote of the Members present. Members in minority in any particular matter / agenda may be allowed to record their dissent in such case(s).
- 5. Minutes of the meeting–**
 - a. The Settlement Committee shall cause the minutes of all the meetings to be maintained and stored in an appropriate manner.
 - b. The minutes shall be signed by all the Settlement Committee Members present in the meeting and taken on record thereafter.
- 6. Custody of the minutes-** Lead Member of the Settlement Committee shall keep custody of minutes and other documents/records, etc. pertaining to the settlement committee meetings of the Settlement Committee.

Schedule E

List of natural gas pipelines which are considered as Isolated Natural Gas Pipeline Network for calculation of tariff in line with Regulation 4A.

S. No.	Entity	Name of the Pipeline
1	GAIL (India) Limited	Cauvery Basin Network a. Narimanam-Kuthalam sub-network b. Ramnad Sub-network
2	GAIL (India) Limited	Gujarat Regional Network a. Motwan sub-network b. Ex-Hazira (GGCL) c. Kalol-Ramol sub-network d. Kadi-Kalol sub-network e. Paliyad sub-network f. Mehsana sub-network
3.	GAIL (India) Limited	Agartala Regional Gas Pipeline Network
4.	Assam Gas Company Limited	Assam Natural Gas Pipeline Network

”

Schedule A Clause 11

“(11) In case where the actual volume exceeds normative volume, after the adjustment(s) provided as per clause 10 of Schedule A, in any of the financial year(s), the 50% of such excess volumes shall be shared in the tariff by the pipeline entity. Further, the revenue (net of tax) earned by the pipeline entity on such balance of excess 50% volumes above shall be kept in a separate Natural Gas Pipeline Development Reserve by the entity including the interest earned on the same (net of income tax calculated at the applicable income tax rate, if any), which shall be utilized for laying, building or expanding a natural gas pipeline infrastructure of the entity.

This is to further clarify that the amount kept in Natural Gas Pipeline Development Reserve shall not be used for any other purpose like, payment of dividends, other expenses, etc. In this regard, annual statement shall be provided by the transporter duly certified by an Independent Chartered Accountant by 30th June of the following financial year.

An illustration follows-

Name of Pipeline: ABC; Authorized capacity:10 MMSCMD

1. If sum of actual volumes < Normative volumes

(MMSCMD)

Period	Normative Volume	Actual Volume	Excess	Short fall	Balance Available for setoff	Volume After Adjustment	Volume sharing 50-50 for which reserve will be created	Divisor after sharing
Year 1	7.50	7.00	-	-	-	7.50	-	7.50
Year 2	7.50	6.90	-	-	-	7.50	-	7.50
Year 3	7.50	6.80	-	-	-	7.50	-	7.50
Year 4	7.50	6.25	-	-	-	7.50	-	7.50
Year 5	7.50	6.20	-	-	-	7.50	-	7.50
Year 6	7.50	6.10	-	-	-	7.50	-	7.50
Year 7	7.50	6.00	-	-	-	7.50	-	7.50
Year 8	7.50	6.00	-	-	-	7.50	-	7.50
Year 9	7.50	6.00	-	-	-	7.50	-	7.50
Year 10	7.50	6.00	-	-	-	7.50	-	7.50
Year 11	7.50	6.10	-	-	-	7.50	-	7.50
Year 12	7.50	6.20	-	-	-	7.50	-	7.50
Year 13	7.50	6.00	-	-	-	7.50	-	7.50
Year 14	7.50	6.30	-	-	-	7.50	-	7.50
Year 15	7.50	6.50	-	-	-	7.50	-	7.50
TOTAL	112.5	94.35	0	0	0	112.5	0	112.5

2. If sum of actual volumes > Normative volumes and surplus is available for setoff

(MMSCMD)

Period	Normative Volume	Actual Volume	Excess	Short fall	Balance Available for setoff	Volume After Adjustment	Volume sharing 50-50 for which reserve will be created	Divisor after sharing
Year 1	7.50	8.70	1.20	-	1.20	8.70	0.60	8.10
Year 2	7.50	8.60	1.10	-	2.30	8.60	0.55	8.05
Year 3	7.50	8.50	1.00	-	3.30	8.50	0.50	8.00
Year 4	7.50	8.20	0.70	-	4.00	8.20	0.35	7.85
Year 5	7.50	8.30	0.80	-	4.80	8.30	0.40	7.90
Year 6	7.50	8.00	0.50	-	5.30	8.00	0.25	7.75
Year 7	7.50	7.90	0.40	-	5.70	7.90	0.20	7.70
Year 8	7.50	7.85	0.35	-	6.05	7.85	0.17	7.67
Year 9	7.50	7.70	0.20	-	6.25	7.70	0.10	7.60
Year 10	7.50	7.60	0.10	-	6.35	7.60	0.05	7.55
Year 11	7.50	7.50	0	-	6.35	7.50	0	7.50
Year 12	7.50	7.40	-	-0.10	6.25	7.40	-	7.40
Year 13	7.50	7.20	-	-0.30	5.95	7.20	-	7.20
Year 14	7.50	7.00	-	-0.50	5.45	7.00	-	7.00
Year 15	7.50	6.90	-	-0.60	4.85	6.90	-	6.90
TOTAL	112.50	117.35	6.35	-1.50		117.35	3.17	114.17

3. If sum of actual volumes > Normative volumes and surplus is not available for setoff (MMSCMD)

Period	Normative Volume	Actual Volume	Excess	Short fall	Balance Available for setoff	Volume After Adjustment	Volume sharing 50-50 for which reserve will be created	Divisor after sharing
Year 1	7.50	7.70	0.20		0.20	7.7	-	7.70

Period	Normative Volume	Actual Volume	Excess	Short fall	Balance Available for setoff	Volume After Adjustment	Volume sharing 50-50 for which reserve will be created	Divisor after sharing
Year 2	7.50	7.75	0.25		0.45	7.75	-	7.75
Year 3	7.50	7.72	0.22		0.67	7.72	-	7.72
Year 4	7.50	7.65	0.15		0.82	7.65	-	7.65
Year 5	7.50	7.50	0		0.82	7.50	-	7.50
Year 6	7.50	7.20	-	-0.30	0.52	7.20	-	7.20
Year 7	7.50	7.10	-	-0.40	0.12	7.10	-	7.10
Year 8	7.50	7.00	-	-0.50	0	7.38*	-	7.38
Year 9	7.50	7.10	-	-0.40	-	7.50	-	7.50
Year 10	7.50	7.20	-	-0.30	-	7.50	-	7.50
Year 11	7.50	7.00	-	-0.50	-	7.50	-	7.50
Year 12	7.50	6.90	-	-0.60	-	7.50	-	7.50
Year 13	7.50	6.70	-	-0.80	-	7.50	-	7.50
Year 14	7.50	6.50	-	-1.00	-	7.50	-	7.50
Year 15	7.50	6.20	-	-1.30	-	7.50	-	7.50
TOTAL	112.50	107.22	0.82	-6.10		112.5	-	112.50

* Restricted to 0.12

4. If sum of actual volumes > Normative volumes and surplus is not available for setoff
(MMSCMD)

Period	Normative Volume	Actual Volume	Excess	Short fall	Balance Available for setoff	Volume After Adjustment	Volume sharing 50-50 for which reserve will be created	Divisor after sharing
Year 1	7.50	5.00	-	-2.50	1.42*	6.08	-	6.08

Period	Normative Volume	Actual Volume	Excess	Short fall	Balance Available for setoff	Volume After Adjustment	Volume sharing 50-50 for which reserve will be created	Divisor after sharing
Year 2	7.50	5.25	-	-2.25	-	7.50	-	7.50
Year 3	7.50	5.75	-	-1.75	-	7.50	-	7.50
Year 4	7.50	6.00	-	-1.50	-	7.50	-	7.50
Year 5	7.50	6.30	-	-1.20	-	7.50	-	7.50
Year 6	7.50	6.50	-	-1.00	-	7.50	-	7.50
Year 7	7.50	6.70	-	-0.80	-	7.50	-	7.50
Year 8	7.50	7.00	-	-0.50	-	7.50	-	7.50
Year 9	7.50	7.10	-	-0.40	-	7.50	-	7.50
Year 10	7.50	7.20	-	-0.30	-	7.50	-	7.50
Year 11	7.50	7.50	-	0	-	7.50	-	7.50
Year 12	7.50	7.80	0.30	-	-	7.80	-	7.80
Year 13	7.50	7.90	0.40	-	-	7.90	-	7.90
Year 14	7.50	7.92	0.42	-	-	7.92	-	7.92
Year 15	7.50	7.80	0.30	-	-	7.80	-	7.80
TOTAL	112.5	101.72	1.42	-12.2		112.5	-	112.50

*Restricted to 1.42

Note: Natural Gas Pipeline Development Reserve creation and utilization

- Any surplus amount collected on the part of volume(s) not shared by the entity with the customers shall be transferred to a separate bank account for the “*Natural Gas Pipeline Development Reserve*” established for the purpose of addressing future shortfalls in revenue. Such surplus in the fund shall be periodically reviewed by the entity.
- The *Natural Gas Pipeline Development Reserve* including the interest earned (net of Income tax deductions) shall be utilized for the following purposes only–
 - for the purposes of expansion of network by the entity/ laying building of new spurlines/ connectivities, etc

- b) Adjusted only in case of a verified shortfall/deficit in revenue.
- 3. Any withdrawal from the *Natural Gas Pipeline Development Reserve* must be documented and approved by entity's competent authority.
- 4. Annual Statement(s) duly certified from an independent Chartered Accountant on the status of the *Natural Gas Pipeline Development Reserve* providing details of Opening balances (As on 1st April of the financial year), contribution to the fund and withdrawal from the *Natural Gas Pipeline Development Reserve* during the financial year, and Closing balance (as on 31st March of the financial year), shall be presented to PNGRB by 30th June of the following financial year

