



Petroleum and Natural Gas Regulatory Board
Tower E, 4th Floor (E-400), NBCC World Trade Centre, Nauroji
Nagar, New Delhi – 110029
Tel no: 23457700, Fax No: 2370951



8th May, 2025

Public Notice: PNGRB/Auth/3-PPPL(12)/2016 (E-5651)

Pipelines are the most cost-effective method for transporting liquid fuels, offering substantial savings compared to more expensive alternatives like road transport. However, the absence of a common carrier or contract carrier pipeline system in certain regions poses a significant barrier to establishing a fair and competitive market. Without such shared infrastructure, the benefits of an open fuel market remain underutilized, as smaller and emerging fuel marketers face difficulties in accessing such existing pipeline network. This limitation hinders market accessibility and restricts competition, ultimately affecting industry growth and consumer choice.

As per Regulations 4, 17 and 18 of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010, entities desirous of laying, building, operating or expanding a petroleum and petroleum products pipeline are required to approach the Board for its authorization.

PNGRB is empowered under Section 20 of the PNGRB Act, 2006 read with Regulation 10 of PNGRB (Guiding Principles for Declaring or Authorizing Petroleum and Petroleum Products Pipelines as Common Carrier or Contract Carrier) Regulations, 2012, to declare an existing pipeline as a common carrier or contract carrier.

The Indian Oil Corporation Limited (IOCL) stated that the Barauni-Kanpur Petroleum and Petroleum Products pipeline (BKPL) was commissioned in 1966, with an initial capacity of 1.512 MMTPA. In 1975, the capacity was increased to 1.8 MMTPA to meet the growing demand for petroleum products in newer locations across Bihar, Uttar Pradesh, and Nepal. Currently, the pipeline has a capacity of 5.5 MMTPA (Not yet determined as per PNGRB Petroleum and Natural Gas Regulatory Board (Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations, 2010. The pipeline starts from IOCL's Barauni Refinery, for a total length of 1,227 km, and terminates at IOCL's Kanpur depot/terminal. It serves various locations in Bihar and Uttar Pradesh, including Patna, Mughalsarai, Allahabad, Kanpur, Lucknow, Baitalpur, and Motihari. Additionally, the pipeline facilitates the transfer of petroleum products to Nepal.

The Board, in terms of Section 20 of the PNGRB Act, 2006 read with Regulation 10 of PNGRB (Guiding Principles for Declaring or Authorizing Petroleum and Petroleum Products Pipelines as

Common Carrier or Contract Carrier) Regulations, 2012, has formed the opinion that it is necessary to declare the BKPL as a common carrier or contract carrier pipeline. The said opinion has been formed by the Board due to various reasons, which are highlighted below:

Firstly, entities bringing product from far off locations to Eastern India will have the option to buy products directly from IOCL to cater the demand of its depot/terminals in the state of Bihar and Uttar Pradesh falling enroute to the Barauni-Kanpur pipeline such as Patna, Muzaffarpur, Deoria (Baitalpur), Chandauli (Mughalsarai). This shall restrict the primary coastal and rail movement of products from far away. This will lead to substantial savings in transportation costs for moving petroleum products from the most distant areas of the country to supply a specific region creating a consolidated logistical platform, allowing multiple entities to deliver their products to different distribution points along the pipeline, thereby streamlining the distribution process and reducing the need for multiple pipelines.

Secondly, by declaring BKPL as a common carrier, the transportation of petroleum products can be integrated with other pipelines or depots in the region. This will allow multiple entities to utilize the pipeline for the efficient conveyance of their products, ensuring a unified, cost-effective, and reliable transportation network across the northern region of the country.

Thirdly, declaring BKPL as a common carrier will eliminate redundant infrastructure and ensure the optimal utilization of the pipeline's capacity. This will help meet broader market demands, reduce logistical inefficiencies, lower operational costs, and streamline the transportation of petroleum products. It will also promote better resource allocation, ensuring compliance with the regulatory framework under the PNGRB Act and enhancing supply chain transparency and fairness.

Fourthly, the declaration of BKPL as a common carrier will enhance competitive dynamics within the market by allowing multiple entities to access the pipeline. This reduces monopolistic control over transportation services, promotes a more diverse and competitive market, and offers consumers greater choice, leading to more equitable access to petroleum products in the region.

Fifthly, by declaration of BKPL as a common carrier, reliance on road transportation will be reduced, which has a higher environmental impact due to increased carbon emissions. This shift will decrease the carbon footprint associated with the movement of petroleum products, aligning with more sustainable industry practices. Additionally, the pipeline's operations will remain subject to stringent oversight by PNGRB, including tariff structures and authorization standards, promoting transparency, fair pricing, and sustainable operations.

In view of the above, the Board, having formed the opinion that it is necessary to declare the Barauni-Kanpur Petroleum and Petroleum Products Pipeline (1227 Kms) as a common carrier or

contract carrier pipeline, hereby invites views, suggestions, and objections from any person or entity, under Section 20 of the PNGRB Act, 2006, read with Regulation 10 of the PNGRB (Guiding Principles for Declaring or Authorizing Petroleum and Petroleum Products Pipelines as Common Carrier or Contract Carrier) Regulations, 2012, on the said issue.

The objections and suggestions on the above proposal may be communicated to the Secretary, PNGRB either through e-mail at secretary@pngrb.gov.in or through post at aforesaid address within one month from the date of issue of this public notice.

Secretary