PETROLEUM AND NATURAL GAS REGULATORY BOARD

NOTIFICATION

New Delhi, the 6th May, 2008

G.S.R. 340(E):-In exercise of the powers conferred by Section 61 of the Petroleum and Natural Gas Regulatory Act, 2006 (19 of 2006), the Petroleum and Natural Gas Regulatory Board hereby makes the following regulations, namely:-

1. Short title and commencement.

(1) These regulations may be called the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.

(1) In these regulations, unless the context otherwise requires,-

(a) "Act" means the Petroleum and Natural Gas Regulatory Board Act, 2006;

(b) "appointed day" means the date of October 1, 2007 when the Central Government notified the establishment of the Petroleum and Natural Gas Regulatory Board;

[1][(ba) "authorized capacity" means the initial design capacity of the natural gas pipeline as provided in the Letter for grant of authorization or letter of acceptance for Central Government authorization.";

Provided that the Board may issue amendment in the Letter for grant of authorization or letter of acceptance for Central Government authorization in case there is any revised capacity approved by the Board in terms of clause (g) of sub regulation (5) of regulation 5 of Petroleum and Natural Gas Regulatory Board (Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations, 2010, and such revised capacity approved by the Board shall be considered as the amended authorized capacity of the pipeline.]

(c) "Board" means the Petroleum and Natural Gas Regulatory Board established under sub-section (1) of section 3 of the Act;

(d) "Capital Expenditure (CAPEX) bidding", for the purpose of this regulation, means the bidding based on aggregate capital expenditure determined to be

[1] Ins. by Cl. (i) of Sub. Reg. (1) of Reg. 2, the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Amendment Regulations, 2022 (w.e.f. 18.11.2022).

incurred by an entity for the development of natural gas pipeline, as per the bids invited by the Board.

(e) "development of natural gas pipeline" means laying, building, operating or expanding a natural gas pipeline;

(f) "economic life" of natural gas pipeline shall be a period of forty years commencing from-

(i) the date of grant of authorization to the entity by the Board in case an entity proposes to lay, build or expand a natural gas pipeline on or after the appointed day;

(ii) the start-up date of the commencement of physical activities of laying, building or expanding the natural gas pipeline in case an entity started up laying, building or expanding a natural gas pipeline before the appointed day and the entity has either an authorization from the Central Government before the appointed day or an authorization from the Board under Regulation 18 of these regulations:

Provided that at the end of the aforesaid period of forty years extension of the period of economic life may be considered by the Board upto ten years at a time depending on the satisfactory compliance of the service obligations under these regulations and on such terms and conditions, as it may deem fit at that point in time.

Provided further that the entity shall apply for such extension at least 6 months before the expiry of the economic life.

(g) "natural gas pipeline" means any pipeline including spur lines for transport of natural gas and includes all connected equipments and facilities, such as, compressors, storage facilities, metering units, etc. but excludes-

(i) dedicated pipeline laid to transport natural gas to a specific consumer to meet its requirement and not for resale;

(ii) pipelines in a city or local natural gas distribution network which are regulated by the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008.

(h) "natural gas pipeline tariff" means the unit rate of tariff for a natural gas pipeline (excluding statutory taxes and levies) in rupees per million British Thermal Units (Rs./ MMBTU) for transport of natural gas;

[1][(i) "tariff zone" means the zone-

(i) of a length of three hundred kilometers each along the route of the natural gas pipeline from each point of [2][injection] till the end point:

Provided that the last zone of the natural gas pipeline may be of a length of three hundred kilometers or less;

Provided further that any natural gas pipeline of a length less than three hundred kilometers shall be counted as zone-1; and

(ii) a corridor along the natural gas pipeline with a width of up to ten percent of the total length of the natural gas pipeline without including the length of the spur lines or fifty kilometers measured from the nearest point on the surface of the natural gas pipeline on both sides, and [3][includes] the point of origin and the end point of the natural gas pipeline, whichever is less, and-

(a) the first tariff zone shall be counted with reference to any zone in which the point of injection of natural gas into the natural gas pipeline falls; and

(b) the subsequent tariff zone or tariff zones, as the case may be, shall be counted separately on either side along the contractual path for delivery of natural gas in the natural gas pipeline:

Provided that the natural gas pipeline tariff for transport of natural gas from the same source shall be uniform for all the customers located within the zone:

Provided further that the entity shall supply natural gas to any customer located in the zone subject to the techno-commercial feasibility of laying, building, operation or expanding a new spur line from the natural gas pipeline.

Explanation.-

For the purposes of this clause, [4][the entity shall submit to the Board, information regarding various tariff zones and their sequential numbering in the natural gas pipeline from each point of injection, the

[1] Subs. by Reg. 2, the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Amendment Regulations, 2008, for sub-reg. (h) of reg. 2 (w.e.f. 19.11.2008).
[2] Subs. by Cl. (ii) of Sub. Reg. (1) of Reg. 2, the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Amendment Regulations, 2022 (w.e.f. 18.11.2022).
[3] Subs. by Cl. (iii) of Sub. Reg. (1) of Reg. 2, the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Amendment Regulations, 2022 (w.e.f. 18.11.2022).
[4] Subs. by Cl. (iv) of Sub. Reg. (1) of Reg. 2, *ibid*. (w.e.f. 18.11.2022)

techno-commercial reasons of not supplying natural gas to any customer in the zone, if any]]

[1][(j) "tie-in connectivity" means the natural gas pipeline connectivity for transport of natural gas between a common carrier or contract carrier natural gas pipeline and any one of the following, namely:-

(a) a natural gas source; or

(b) a new injection point from another common carrier or contract carrier natural gas pipeline.]

[2][(k.) The Performance Bond, as the case may be, shall include Demand Draft or Pay Order or Bank Guarantee from any scheduled bank of India or Insurance Surety Bond from Insurance Companies Licensed / authorized by Insurance Regulatory and Development Authority of India (IRDAI) for the amount as specified in the regulation.]

[(l.) CBG shall mean the Purified, compressed biogas produced from biomass and organic waste sources, which meets the prescribed quality standards for its use as a fuel and is comparable to Compressed Natural Gas (CNG) in its composition and energy potential.

(2) Words and expressions used and not defined in these regulations, but defined in the Act or in the rules or regulations made thereunder, shall have the meanings respectively assigned to them in the Act or in the rules or regulations, as the case may be.

3. Applicability.

These regulations shall apply to an entity-

(a) which is laying, building, operating or expanding or which proposes to lay, build, operate or expand a natural gas pipeline; or

(b) which proposes or is being considered or is directed by the Board to convert a dedicated pipeline for supply of natural gas to a specific consumer into a natural gas pipeline.

4. Initiation of proposal through expression of interest route or *suo-motu* by Board.

(1) An entity desirous of laying, building, operating or expanding a natural gas pipeline shall submit an expression of interest to the Board in the form of an application at Schedule A along with an application fee as specified under the Petroleum and Natural Gas Regulatory Board (Levy of Fee and Other Charges)

[1] Ins. by Cl (A) of Reg. 2, the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Amendment Regulations, 2014 (w.e.f. 08.08.2014).
[2] Ins. by Cl (A) of Reg 2, the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) amendment Regulations, 2025 (w.e.f. 15.09.2025).

Regulations, 2007.

(2) The Board may *suo-motu* initiate a proposal inviting entities to participate in the process of selection of an entity for laying, building, operating or expanding natural gas pipeline along any route.

5. Criteria for selection of entity for expression of interest route.

(1) In case the expression of interest fulfills the criteria and the requirements stated at Schedule A, the Board shall issue an open advertisement in at least one national and one vernacular daily newspaper (including webhosting) publishing receipt of an expression of interest and commencement of public consultation period of thirty days.

(2) During the period of public consultation process any other entity which may be interested in laying, building, operating or expanding a natural gas pipeline referred to in sub-regulation *(1)* may submit in writing to the Board its views, if any, on the expression of interest.

(3) The Board shall web-host all comments received to facilitate possible contracts for capacity booking by different entities with the entities that may be interested in the development of natural gas pipeline so as to facilitate coming up of an optimum sized natural gas pipeline through the bidding process as stated in regulation 7.

(4) The Board shall, based on the views received, within a period of fortyfive days after the last day of the public consultation period decide-

(a) to reject the expression of interest on grounds of non-availability of natural gas;

(b) not to allow the proposed natural gas pipeline if it is convinced that, instead of laying, building or expanding the proposed natural gas pipeline, the projected potential demand could be better met in cost- effective manner by expansion of an existing pipeline; or

(c) to go ahead with the proposal with or without modification:

Provided that, if required, the Board may also hold an open house discussion with the entities who have offered their views to arrive at a decision:

Provided further that the Board in deciding so shall be guided by one or more of the following objectives, namely:-

(i) promoting competition among entities;

(ii) avoiding infructuous investment;

(iii) maintaining or increasing supplies or for securing equitable distribution or ensure adequate availability of natural gas throughout the country;

(iv) protection of customers' interest in terms of availability of natural gas at reasonable natural gas pipeline tariff;

(v) incentivizing rapid development of natural gas pipeline infrastructure.

(5) The Board may, within the period specified in sub-regulation *(4)*, publish through an open advertisement in at least one national and one vernacular daily newspaper (including webhosting)/ Central Procurement Portal (CPP) Portal, the proposal for the development of natural gas pipeline and invite bids for the same.

(6) The Board shall scrutinize the bids received in response to the advertisement in respect of only those entities which fulfill the following minimum eligibility criteria, namely:-

(a) entity has paid the application fee alongwith the application-cum-bid as specified for trunk lines as specified under regulation 3 of the Petroleum and Natural Gas Regulatory Board (Levy of Fee and Other Charges) Regulations, 2007:

Provided that the entity submitting the bid, which has already paid the application fee at the time of submission of the expression of interest, shall not pay the application fee at this stage;

(b) entity is technically capable of laying and building natural gas pipeline as per the following qualifying criteria, namely:-

(i) entity has on its own in the past laid and built either a hydrocarbon pipeline of a length not less than three hundred kilometers on a cumulative basis or a city or local natural gas distribution network;

(ii) entity has a joint venture with another entity (with at least eleven percent equity holding by that entity) which in the past has either laid and built a hydrocarbon pipeline of a length not less than three hundred kilometers on a cumulative basis or a city or local natural gas distribution network;

(iii) entity intends to lay and build proposed natural gas pipeline on lump sum turnkey or project management consultancy basis through one or more technically competent firms, which in the past have laid and built a hydrocarbon pipeline of a length not less than three hundred kilometers or a city or local natural gas distribution network and the entity shall also enclose a list of such firms along with aforesaid proof of their technical competence:

Provided that the entity shall have the freedom to choose from amongst such firms at the time of execution of the project and the Board reserves the right to cross verify the credential of the firms included in the list and seek clarifications; or

(iv) entity has an adequate number of technically qualified personnel with

experience in construction, pre-commissioning and commissioning of hydrocarbon pipelines and also has a credible plan to independently undertake and execute the natural gas pipeline project on a standalone basis.

Explanation.- The entity shall have at least three technically qualified personnel on its permanent rolls having experience of not less than one year in the following areas, namely:-

(a) right of way acquisition or clearance securing;

(b) design and execution of a hydrocarbon pipeline project;

(c) pre-commissioning including hydro-testing and restoration; and

(d) safety of hydrocarbon pipeline and installations;

(c) entity is technically capable of operating and maintaining natural gas pipeline as per the following qualifying criteria, namely:-

(i) entity on its own has an experience of at least one year in operations and maintenance of a natural gas pipeline of a length not less than three hundred kilometers on a cumulative basis or a city or local natural gas distribution network;

(ii) entity has a joint venture with another entity (with at least eleven percent holding of that entity) which has an experience of at least one year in operations and maintenance of a natural gas pipeline or a city or local natural gas distribution network;

(iii) entity intends to operate and maintain the proposed natural gas pipeline through an appropriate firm technical assistance agreement for a period of at least one year with another party having experience of at least one year in operations and maintenance of a natural gas pipeline or a city or local natural gas distribution network; or

(iv) entity has an adequate number of technically qualified personnel with experience in commissioning and operation and maintenance (O&M) of natural gas pipeline and also has a credible plan to independently undertake the O&M activities of a natural gas pipeline on a standalone basis.

Explanation.-

1. In relation to sub-clause *(iii)*, –

(a) The entity shall submit in its application-cum-bid an exhaustive list of proposed firms with whom it desires to have a technical assistance agreement alongwith the proof of relevant and credible experience of such firms and the entity may choose a firm or more from amongst the firms in this list for operation and maintenance

of the proposed natural gas pipeline and the Board reserves the right to cross verify the credential of the firm or firms included in this list and seek any clarifications;

(b) the entity shall also submit a credible plan along with the bid to develop an in-house O&M team for the proposed natural gas pipeline.

2. In relation to sub-clause *(iv)*, the entity shall have at least three technically qualified personnel on its permanent rolls having experience of not less than one year in the following areas, namely:-

(a) commissioning of a hydrocarbon pipeline;

(b) operation and maintenance of natural gas pipelines and natural gas installations including gas compressors;

(c) commercial issues including gas pricing, gas measurement, accounting, billing and collection; and

(d) safety of natural gas infrastructure;

(d) the entity has agreed to abide by the relevant regulations for technical standards and specifications including safety standards;

(e) the entity has adequate financial strength to execute the proposed natural gas pipeline project and operate and maintain the same and shall meet the following financial criterion to qualify for bidding for a single natural gas pipeline, namely:-

Range of estimated pipeline length including spur lines (in kilometers) (#)	Minimum combined net worth (*) of the entity along with its promoters available for investments in a single natural gas pipeline duly supported by letter of comfort from promoters (in million of rupees per kilometer of estimated pipeline length)
1,751 and above	7.50
1,001 -1,750	7.00
251-1,000	6.00
Up to 250	5.00

(*) combined net worth (equity share capital plus free reserves, but excluding revaluation reserves) to be adequately represented by cash funds, which shall be available as bridge finance and as promoters equity contribution in the project as certified by a Chartered Accountant based on the latest

financial position of the entity and its promoters. The promoters undertaking, in the form of letter of comfort, stating that promoters financial contribution in the project shall be converted in to equity share capital within three months of the date of grant of authorization must accompany the application.

(#) a fraction of the length in two decimals place and equal to 0.50 kilometer or more shall be rounded off to next 1 kilometer;

(f) the entity, on being declared as a successful bidder and not being a company registered under the Companies Act, 1956/2013, shall convert itself into a company registered under the Companies Act, 1956/2013;

(g) the entity shall have a credible plan for utilization of the capacity in the proposed natural gas pipeline;

(h) the entity shall furnish a bid bond alongwith the submission of the application-cum-bid under sub-regulation *(7)* of an amount determined as per the length of the proposed natural gas pipeline as per the applicable category indicated below:-

Pipeline Length including spur lines (in kilometers) (#)	Amount of bid bond (in million of rupees)
equal to 2,501 or more	250
between 1,751 and 2,500	200
between 1,001 and 1,750	150
between 251 and 1,000	80
less than or equal to 250	20

(#) a fraction of the length in two decimals place and equal to 0.50 kilometer or more shall be rounded off to next 1 kilometer.

[1][(i) entity submitting the bid shall not have been imposed any penalty under section 28 or no *prima-facie* case punishable under Chapter IX of the Act has been made out during the period of preceding one year from the last date for submission of the bid.]

(j) the entity agrees to build extra capacity in the natural gas pipeline as per the following basis, namely:-

(i) the capacity of natural gas pipeline shall be an aggregate of the following, namely:-

[1] Subs. by Cl (B) of Reg. 2, *ibid*. (w.e.f. 08.08.2014).

(A) capacity requirements of the entity;

(B) firmed-up contracted capacity with other entities; and

(C) at least thirty three percent of the sum of (A) and (B) as an extra capacity:

Provided that where a natural gas pipeline is authorized based on capital expenditure bidding, the extra capacity mentioned under sub-clause (C), shall be read as "hundred percent of the sum of (A) and (B)".

(D) In case, if the bidded capacity is found to be unrealistic or abnormally high the Board reserves the right to reject such bid/ cancel the bidding process without assigning any reason thereof.

Explanation.-

The capacity shall be approved by the Board as per the basis specified in the relevant regulations for determining the capacity of natural gas pipeline.

(ii) the capacity mentioned at item (C) of sub-clause *(i)* shall be available for use as common carrier by any third party on open access and non-discriminatory basis;

(k) in case the entity submitting the bid does not fulfill the requirements of any criteria under clauses *(a)* to *(j)*, the bid submitted by it shall be summarily rejected and a communication in this regard shall be sent to it and the financial bid shall not be opened for that entity;

(l) the bid bond shall be –

(i) encashed if an entity submitting the bid walks out;

(ii) released in respect of the unsuccessful entity submitting the bid;

*(iii)*retained till the specified performance bond is furnished at the time of authorization by the successful bidder.

(7) The application-cum-bid shall be submitted in two parts in the form as specified in Schedule B in separate properly earmarked and sealed envelopes, namely:-

(a) Part I (Technical bid) covering general particulars of the applicant and technical details of the project (including minimum eligibility criteria) under sub-regulation (6);

(b) Part II (Financial bid) covering the details under regulation 10.

(8) A time period of [1][ninety days] shall be allowed for submission of the application-cum-bid for grant of authorization for laying, building, operating or expanding the natural gas pipeline and any application-cum-bid received after the notified date shall not be considered.

[2][Provided that the Board may extend the date for submission of bid as deemed fit for the reasons to be recorded in writing and the decision in this regard shall be webhosted.]

(9) The Board may extend the date of submission of bids upto a period of one month through an advertisement in the same manner as specified under sub-regulation *(5)*, including in a situation where only a single application- cum-bid is received in response to the original advertisement.

6. Invitation by Board for laying, building, operating or expansion of natural gas pipeline.

The Board may suo-motu form a view regarding the development of a natural gas pipeline in a specific area, region or route, and in such a case, the procedure and eligibility as specified in regulation 5 (except aspects relating to the expression of interest shall be replaced by project details as prepared by the Board) shall apply

7. Bidding Criteria.

(1) The Board may, either based on expression of interest submitted under Regulation 5 or suo-motu under Regulation 6, after forming a view regarding the development of a natural gas pipeline in a specified area, region, or route and, in such cases, the following procedure shall apply, namely-

(a) Where an expression of interest is received under Regulation 5 and Regulation 6, or where the Board deems fit, it may proceed with preparation of Detailed Feasibility Report (DFR) and demand assessment through a third party.

(b) The DFR shall be prepared by an independent third-party consultant to ensure objective assessment of technical specifications, project scope, demand assessment and capital expenditure etc.

(c) Two separate specialized agencies will be engaged for the assessment of:

(i) Demand assessment

(ii) For preparation-of the DFR and all other associated technical assessments

(d) Where more than one technically feasible option exists for transportation of natural gas between two identified points, the PNGRB may, based on demand assessment and techno-commercial viability, invite bids for development of the requisite pipeline infrastructure. The PNGRB shall have the right to determine and finalize the route and/or alignment of the pipeline prior to the

[1] Subs. by Cl. (a) of Reg. 2, the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Amendment Regulations, 2010, for 'sixty days' (w.e.f. 09.07.2010).
[2] Ins. by Cl (B) of Reg. 2, *ibid*. (w.e.f. 08.08.2014).

commencement of the bidding process

(e) The Board shall webhost the proposal, along with the DFR and demand assessment prepared under clause (a), for public consultation, seeking comments from stakeholders;

(f) Any entity interested in laying, building, operating, or expanding a natural gas pipeline may submit its views, in writing to the Board, within such period as may be specified in the public consultation document.

(g) The Board shall webhost all the comments received under clause (f), to ensure transparency, and may conduct an open house discussion, if required.

(h) Upon completion of the public consultation process and the open house discussion, if any, the Board may make such modifications to the proposal or the Detailed Feasibility Report (DFR) and demand assessment, as it may deem necessary:
Provided that the design capacity of the natural gas pipeline shall be as specified in the final DFR/ACBD.

(i) Based on the proposal finalized under clause (a) or clause (h), the Board shall web-host the Application-cum-Bid Document (ACBD) based on capital expenditure, on applicable e-bidding portal, PNGRB's website and publish an advertisement inviting bids in one national daily newspaper and one vernacular daily newspaper/CPP Portal

(2) The bid submitted by a technically eligible entity under sub-regulation (1), shall be reasonable and subject to the parameters, DFR and demand assessment and applicable Application-cum-bid Document

(3) Notwithstanding anything contained in the foregoing provisions, the Board shall have the right to reject or cancel the bid where such bid is tecno-commercially unfeasible while assigning the reasons to be recorded in writing. (The said provision is applicable only when position of abnormally high/abnormally low is not considered.
Provided that the financial bids shall be evaluated, compared, and ranked solely on the basis of the lowest capital expenditure, against the cost determined by the Board by DFR.
Provided further that the Board may either reject bid of any entity, where the technical bid is unreasonably high or low of the natural gas pipeline or for the reasons in recording as the Board may deem fit.
Provided also further that in consideration of public interest, the Board may relax the limits, based on reasons to be recorded in writing.

(4) The transportation tariff for the natural gas pipeline shall be determined by the Board in accordance with the provisions of the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations,

[1][8 Performance bond.

[1] Subs. by Reg.2, the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Amendment Regulations, 2009, for 'Reg. 8' (w.e.f. 20.10.2009).

(1) Acceptance to the grant of authorization given by the Central Government referred to in proviso to sub-section (1) of Section 17 grant of authorization by the Board under Section 19, natural gas pipelines declared under Section 20 of the Act shall be issued to the entity after it furnishes a performance bond of an amount equal to 1% of the estimated project cost for the project under execution or 1% of the project capitalized cost for the completed projects rounded off the nearest lakh rupees or Rs. 20 crores, whichever is less and it shall be applicable to all pipelines authorized under regulation 4, 17, 18 or 19:

Provided that in case the pipeline capacity is expand for more than fifty per cent of its authorized capacity, the performance bond shall be increased in proportion to the Capex increase and shall be rounded off the nearest lakh rupees subject to a total ceiling of Rs. thirty crores.

Explanation- The amount of the performance bond shall be revised by applying the above basis in case the estimated project cost under-goes a change on completion of the financial closure as per regulation 10 and subsequently based on the project capitalized cost. Whenever there is expansion or extension of the pipeline system the modified project capitalized cost shall be taken into account. The performance bond shall be initially valid for a period of three to five years and shall be renewed by the entity for the next block of three to five years, at least one month before the due date, up to the economic life of the project.
[1][The performance Bond by way of Insurance Surety Bonds will be accepted to the extent of maximum upto 50% of the amount as specified in the regulation and balance 50% will be accepted by way of any of other instruments as mentioned in the definition of Performance Bond at regulation 2 (1) (j)". However, Entity is free to provide the performance security by way of Bank Guarantee/DD/Pay Order to the extent of 100% of the value as stipulated in the respective regulation.]

(2)The performance bond has been prescribed for guaranteeing the timely commissioning of the proposed natural gas pipeline as per the targets laid down in sub-regulation (3) and also for meeting the service obligations by the entity during the operating phase of the project as the case may be. The performance bond shall be enchased by the Board for all pipelines on the similar manner as prescribed under regulation 14(1) under the bidding process.
The entity shall be allowed a maximum period of thirty six months from the date of grant of authorization for commissioning of the natural gas pipeline projects as the case may be. However, if the Board is of the opinion that the reasons for delay are beyond the control of the entity implementing the project, the Board may take an appropriate view in a fair and transparent manner, and may also allow certain extension period which it may deem fit for the commissioning of the project]

9. Grant of authorization.

(1) The authorization shall be granted to the selected entity in the format at Schedule D within a period of thirty days of the last date of submitting the

[1] Ins. by Reg 3, the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) amendment Regulations, 2025 (w.e.f. 15.09.2025).

bid.

(2) The grant of authorization is subject to the entity achieving a firm natural gas tie-up and a financial closure as per regulation 10.

(3) The grant of authorization to the entity shall not be renunciated by way of sale, assignment, transfer or surrender to any person or entity during the period of three years from the date of its issue.

[1][Provided that the entity may induct eligible new partner as long as it remains a lead partner without impacting the eligibility criteria as provided in the regulations:

Provided further that, for the purpose of remaining to be a lead partner, the entity shall have equity of more than fifty per cent. after inducting the new partner.]

(4) The entity intending to renunciate the authorization in favour of another entity after the end of the three years period shall submit a proposal to the Board (including an undertaking by the entity in whose favour the renunciation is proposed to happen, that effective from the renunciation, it shall be solely responsible for any and all costs, claims, losses, damages and expenses (for acts and omissions either before or after such renunciation) which may be incurred or suffered by any third party arising from laying, building, operating or expanding the natural gas pipeline) at least thirty days in advance and shall provide all information as may be called for by the Board. The Board may also call such entity for a meeting with the Board.

(5) The Board after satisfying itself that the proposal will not adversely affect the existing or proposed activities of laying, building, operating or expansion of the natural gas pipeline shall either accept the proposal in full or with such modifications as it may deem fit and in a case where another entity is permitted by the Board to take over the activities of laying, building, operating or expanding the natural gas pipeline such entity shall abide by the existing or modified terms and conditions of the authorization including compliance with the service obligations and any pre-conditions imposed by the Board:

Provided that such renunciation in favour of the new entity shall only be effective when all the pre-conditions laid by the Board, including submission of new bank guarantee(s), are fulfilled by such entity

Provided further that the Board reserves the right to reject the proposal in public interest and in such a case the Board shall provide in writing the reasons for such rejection.

10. Capacity booking, natural gas tie-up and financial closure.

(1) The authorized entity shall achieve agreement for transport of natural gas with any entity equal to at least twenty-five percent of the natural gas pipeline volume as specified in DFR.

[1] Ins. by Cl. (D) of Reg. 2, *ibid*. (w.e.f. 08.08.2014).

(2) The agreement specified under sub-regulation *(1)* shall be entered into a transparent manner and be based on the principle of *at an arm's length*:

Provided that up to ten percent of the throughput in the natural gas pipeline specified under sub-regulation *(1)* may be booked on firm and mutually agreed terms without insisting on physical delivery of natural gas.

[1][(3) the entity shall submit Heads of Agreement or Memorandum of Understanding or both specified under sub-regulation (1) to the Board within a period of one hundred and eighty days of the date of issue of the authorization.

(4) The authorized entity shall obtain the financial closure of the project from a bank or financial institution within a period of one hundred and twenty days from the date of the authorization.

(5) In case of an internally financed project, the entity shall submit the approval of its Board of Directors' for the detailed feasibility report submitted by the entity (hereinafter referred as EDFR) of the project alongwith its financial plan within [2][one hundred and eighty days] of the authorization:

Provided that the Board may ask the entity to submit any further details or clarifications on the financial closure.

(6) In case the entity fails to meet the requirements at sub-regulations *(1)* to *(5)*, the authorization of the entity for laying, building, operating or expanding natural gas pipeline shall be cancelled and the performance bond shall be encashed and the Board reserves the right to re-award the authorization in a transparent manner and the entity shall have no right whatsoever against the Board for seeking any compensation or remedy on this account.

11. Fixation and recovery of natural gas pipeline tariff.

(1) The natural gas pipeline tariff shall be fixed on a zonal postalized basis, as per the bid by the entity namely under criteria *(a)* to *(c)* of sub-regulation *(1)* of regulation 7.

(2) The natural gas pipeline tariff determined for different tariff zones on the basis specified in sub-regulation *(1)* shall be accordingly recovered by the entity from the customers located in different tariff zones.

(3) The applicable natural gas pipeline tariff shall be recovered through an invoice on a non-discriminatory basis, that is, without any premium or discount, from all customers.

(4) The authorized entity is expected to maintain the operating pressure in the natural gas pipeline at all times as per the DFR of bid document without impairing the deliverable pressure requirements as specified in the contracts

[1] Subs. by Cl. (b) of Reg. 2, the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Amendment Regulations, 2010, (w.e.f. 09.07.2010).
[2] Subs. by Cl. (c) of Reg. 2, *ibid*. for 'one hundred and twenty days' (w.e.f. 09.07.2010).

with the existing customers and also in line with the relevant regulations for technical standards, specifications including safety standards:

[1][(5) The authorized entity will, in addition to transportation tariff, be allowed to charge shippers for additional compression charges mentioned in sub-regulation 4 and Imbalance Management Services as allowed under the relevant regulations of the Board.]

12. Expansion of capacity in natural gas pipeline.

(1) [2][****]

(2) [3][In case it is proposed to expand the capacity of the natural gas pipeline, the entity shall submit a proposal for consideration of the Board and the Board may allow for expansion of the capacity in the natural gas pipeline]

[4][(3) [5][The provisions regarding expansion of capacity in natural gas pipeline under the above sub-regulation shall be applicable to all natural gas pipelines either authorized by the Board under regulation 4, 18, 19 or accepted under regulation 17 as authorized by the Central Government:

Provided that the Board may alternatively invite bids in place of such proposed expansion, if it is opined by the Board that invitation of bids shall serve one or more of the following objectives, namely:-

(i) promoting competition among entities;

(ii) avoiding infructuous investment;

(iii) maintaining or increasing supplies or for securing equitable distribution or ensure adequate availability of natural gas throughout the country;

(iv) protection of customers‟ interest in terms of availability of natural gas at reasonable natural gas pipeline tariff;

(v) incentivizing rapid development of natural gas pipeline infrastructure.]]

13. Post-authorization monitoring of activities (pre-commissioning).

[6][(1) an authorized entity shall provide, post grant of authorization by the Board, on a monthly and quarterly basis, a progress report detailing the clearances

[1] Ins. by Reg. 2, the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Amendment Regulations, 2014 (w.e.f. 17.02.2014).
[2] The words and expressions mentions are omitted by Cl. (i) of Sub. Reg. (2) of Reg. 2, the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Amendment Regulations, 2022 (w.e.f. 18.11.2022).
[3] Subs. by Cl. (ii) of Sub. Reg. (2) of Reg. 2, *ibid*. (w.e.f. 18.11.2022)
[4] Ins. by Cl. (E) of Reg. 2, *ibid*. (w.e.f. 08.08.2014).
[5] Subs. by Cl. (iii) of Sub. Reg. (2) of Reg. 2, the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Amendment Regulations, 2022.
[6] Subs by Cl. (i) of sub-reg. (a) of reg. 2, the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Amendment Regulations, 2016 (w.e.f. 29.03.2016).

obtained, targets achieved, expenditure incurred, works-in- progress and other relevant information in the forms at Schedule E as per formats E-1A-NGPL, E-1B-NGPL for quarterly reports and E-2-NGPL for monthly report.]

[1A. The entity shall also be required to provide information, in advance, to the Board in case of any proposed deviation from the feasibility report. The entity shall not proceed with any such deviation, without prior approval from the Board.

(2) The Board shall seek compliance by the entity to the relevant regulations for technical standards and specifications including safety standards through conduct of technical and safety audits during the pre-commissioning phase, as well as on an on-going basis thereafter, for ensuring safe commissioning and operation of the natural gas pipeline.

(3) The Board may allow re-routing of the natural gas pipeline provided that such re-routing does not result in increase in natural gas pipeline length by more than ten percent of the authorized length of the natural gas pipeline:

Provided further that the natural gas pipeline tariff remains the same as per the authorization.

(4) The Board shall monitor the progress of the entity in achieving various targets with respect to the natural gas pipeline project, and, in case of any deviations or shortfall, may advise remedial action to the entity.

[1][(5) An authorized entity shall designate an official of the entity for submitting data /information to the Board and intimate the same to the Board. Any change in the designated official shall be communicated to the Board by the authorized entity within 7 working days.]

14. Service obligations of authorized entity (post commissioning).

(1) The entity shall meet the annual target of transporting natural gas equal to the volume of natural gas quoted in the bid and the Board shall monitor the actual progress in this regard on a quarterly basis:.

Provided further the provisions of clause (1) shall not be applicable to capital expenditure based bidding.

Provided that non-fulfillment of the annual target by the entity shall result in default and encashment of the performance bond on the following basis, namely:

[2][(a) for the first default:

(i) ten per cent of the amount of the performance bond for the default up to ten per cent of annual target of transporting natural gas;

[1] Subs by Cl. (ii) of sub-reg. (a) of reg. 2, *ibid*. (w.e.f. 29.03.2016).
[2] Subs. by Cl. (d) of Reg. 2, *ibid*. (w.e.f. 09.07.2010).

(ii) twenty per cent of the amount of the performance bond for the default up to fifty per cent above ten per cent of annual target of transporting natural gas;

(iii) twenty five per cent of the amount of the performance bond for the default above fifty per cent of annual target of transporting natural gas;

(b) for the second default:

(i) twenty per cent of the amount of the performance bond for the default up to ten per cent of annual target of transporting natural gas;

(ii) forty per cent of the amount of the performance bond for the default up to fifty per cent above ten per cent of annual target of transporting natural gas;

(iii) fifty per cent of the amount of the performance bond for the default above fifty per cent of annual target of transporting natural gas;

(c) for the third default:

One hundred per cent of the amount of the performance bond]

Provided further that the entity shall make good the encashed performance bond in each of the cases at clause *(a)* to *(c)* within a week of encashment and in case of not meeting this requirement, the authorization shall be liable for termination.

(2) The authorized entity shall not cause the activities of transport of natural gas in the natural gas pipeline and its delivery to any customer be made conditional to sourcing of the natural gas from the entity or any other entity.

(3) The authorized entity shall give wide publicity of the capacity available in the natural gas pipeline for use on common carrier or contract carrier basis to encourage maximum utilization of the pipeline capacity and shall maintain information in this regard, on its official website, as specified in the relevant regulations on the access code.

(4) The capacity available in natural gas pipeline for use as common carrier shall be allocated on the basis specified in the relevant regulations on the access code and declaring natural gas pipelines as contract carrier or common carrier.

(5) The authorized entity shall strictly adhere to the provisions under the relevant regulations for affiliate code of conduct right from the stage of submission of the application-cum-bid and onwards including the operative phase of the natural gas pipeline.

(6) The authorized entity shall adhere to the requirements of unbundling of the activity of transportation in the natural gas pipeline from the activities of distribution or marketing of natural gas transported in the natural gas pipeline as and when so decided by the Board.

(7) The authorized entity shall be responsible for getting the technical and safety audits carried out by independent technical experts at intervals specified or directed by the Board during the pre-commissioning phase as well as on an on-going basis thereafter to ensure compliance with the relevant regulations for the technical standards and specifications including safety standards and the audit report along with the findings shall be submitted to the Board for its review and advise of remedial action, if any, to the entity.

(8) The third party technical and safety audits shall be carried out by independent technical experts or accredited agencies out of the panel approved by or registered with the Board.

[1][(9) an authorized entity shall continue to submit post commissioning information / data in the forms at Schedule E as per formats E-1A-NGPL, E-1B-NGPL for quarterly reports and E-2-NGPL for monthly report]

15. Quality of service standards.

(1) The entity laying, building, operating or expanding a natural gas pipeline must comply with the quality of service standards as specified in Schedule F.

(2) The performance of the entity in complying with the quality of service standards shall be periodically assessed by the Board and compared against the minimum prescribed benchmarks and a performance consistently below the minimum prescribed benchmark may lead to the consequences specified under regulation 16.

16. Consequences of default and termination of authorization procedure.

(1) An authorized entity shall abide by all the terms and conditions specified in these regulations, authorization granted under these regulations and any failure in doing so, except for the default of the service obligation under sub-regulation *(1)* of regulation 14 and *force majeure*, shall be dealt with as per the following procedure, namely:-

(a) the Board shall issue a notice to the entity , specifying time period to rectify the default under these regulations;

(b) no further action shall be taken in case remedial action is taken by the entity within the specified period to the satisfaction of the Board;

(c) in case of failure to take remedial action within the specified period, the Board may encash the performance bond of the entity on the following basis, namely:-

(i) twenty five percent of the amount of the performance bond for the first default;

(ii) fifty percent of the amount of the performance bond for the second

[1] Ins. by sub-reg. (b) of reg. 2, *ibid*. (w.e.f. 29.03.2016).

default:

Provided that the entity shall make good the encashed performance bond in each of the cases at sub-clause (*i)* and (*ii)* within a week of encashment failing which the remaining amount of the performance bond shall also be encashed and authorization of the entity terminated;

(iii) one hundred percent of the amount of performance bond for the third default and simultaneous termination of authorization of the entity; Notwithstanding anything contained in sub-clause (i) to (iii) of clause (c), where the Board is satisfied that non-performance or default of an authorized entity is prejudicial to public interest and results in non-fulfilment of the objectives of the Act along with terms and conditions of Authorization, the Board may after affording the authorized entity a reasonable opportunity of being heard, record reasons in writing and terminate the authorization of such entity while imposing the penalty applicable for the first or second default, as the case may be.

(d) the procedure for implementing the termination of an authorization and inviting fresh bids for the same, shall be as provided in Schedule G.

(e) without prejudice to as provided in clauses *(a)* to *(d)*, the Board may also levy civil penalty as per section 28 of the Act in addition to taking action as prescribed for offences and punishment under Chapter IX of the Act.

17. Entities authorized by the Central Government for laying, building, operating or expanding natural gas pipeline before the appointed day.

(1) The entity shall submit relevant information along with supporting documents in the form as per Schedule H.

(2) The entity shall abide by the technical standards, specifications including safety standards as specified under the relevant regulations.

(3) The Board shall monitor the actual progress made by the entity in the activities of laying, building or expanding the natural gas pipeline on a quarterly basiswith reference to the period of commissioning, the targets specified in the DFR of the project, and the terms and conditions of the authorization with a view to avoiding any time or cost over-runs which may adversely affect the natural gas pipeline tariff:

Provided that in case of any delay in the commissioning of the natural gas pipeline or meeting any target beyond that specified in the authorization, the Board reserves the right to-

(a) not consider the additional costs attributable to the time over-run while fixing the natural gas pipeline tariff as specified under clause *(5)*;

or

(b) advise the Central Government for cancellation of the authorization and encashment of the performance bond [1][], if any.

[2][Provided that in case of encashment of performance Bond, firstly Bank Guarantee will be encashed followed by Insurance Surety Bond and other instruments, as the case may be.]

(4) The Board shall approve the natural gas pipeline tariff to be charged by the entity based on the methodology as specified under the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariffs) Regulations, 2008.

(5) In case any natural gas pipeline has been authorized by the Central Government without prescribing the usage of the same as common carrier or contract carrier basis, the Board may intervene and declare the same as common carrier or contract carrier under the relevant regulations.

*(6) T*he activities of the entity may be subject to such other regulations as may be applicable as per the provisions of the Act.

18. Entity not authorized by the Central Government for laying, building, operating or expanding natural gas pipeline before the appointed day.

(1) An entity laying, building, operating or expanding natural gas pipeline at any time before the appointed day but not duly authorized to do so by the Central Government shall apply immediately for obtaining an authorization in the form as per Schedule I.

(2) The Board may consider the following criteria while considering the application for grant of authorization, namely:-

(a) the entity meets the minimum eligibility criteria as specified in clauses *(a)* to *(e)* and *(i)* of sub-regulation *(6)* of regulation 5 before the appointed date and is possessing all necessary statutory clearances, permissions, no objection certificates from the Central and State Governments and other statutory authorities;

(b) an entity which is not registered under the Companies Act, 1956 at the time of submitting the application for grant of authorization shall undertake to become a company registered under the Companies Act, 1956:

Provided that the Board may exempt an entity to register under the Companies Act, 1956 on such conditions as it may deem appropriate;

[1] Omitted by Reg 4, the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) amendment Regulations, 2025 (w.e.f. 15.09.2025).
[2] Ins. by Reg 5, the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) amendment Regulations, 2025 (w.e.f. 15.09.2025).

(c) a satisfactory assessment of the actual physical progress made and the financial commitment thereof till immediately before the appointed day in comparison with the entity's DFR appraised by the financial institution funding the project. In case the project has not been funded by any financial institution, the Board may appraise the DFR. The DFR of the entity should clearly indicate the specified length, route and capacity of the proposed natural gas pipeline;

(d) in respect of the actual physical progress made and the financial commitment thereof referred to in clause *(c)*, a physical progress of at least twenty five percent and a financial commitment of at least twenty five percent of the capital expenditure identified for the natural gas pipeline project as per the DFR immediately before the appointed day may be considered as adequate;

(e) the Board reserves the right to get the actual physical progress and the financial commitment certified and depending upon the progress achieved, the Board may consider authorizing the entity for laying, building, operating or expanding the natural gas pipeline-

i) as per the route and length as specified in its DFR;

ii) as per the route or length actually covered under implementation till the appointed day; or

iii) the route or length as specified by the Board;

(f) in relation to laying, building, operating or expanding the natural gas pipeline, it is for the entity to satisfy the Board on the adequacy of its ability to meet the applicable technical standards, specifications and safety standards as specified in the relevant regulations for technical standards and specifications including safety standards;

(g) assessment of the financial position of the entity in timely and adequately meeting the financial commitments in developing the natural gas pipeline project as appraised by a financial institution and an examination of the audited books of accounts of the entity;

(h) the booking of the capacity in the natural gas pipeline should be equal to at least fifty percent of the sum of the own capacity requirements of the entity and firmed-up contracted capacity and the agreements in this regard should have been entered in a transparent manner and based on the principle of *at an arm's length*;

(i) the entity shall submit copies of the agreements for transportation or supplying of natural gas by the natural gas pipeline for the firmed-up contracted capacity specified under clause *(h)* to the Board; and

(j) any other criteria considered as relevant by the Board based on the examination of the application.

(3) The evaluation of the application in terms of the clauses *(a)* to *(j)* of sub-regulation *(2)* shall be done in totality considering the composite nature and the inter-linkages of the criteria.

(4) The Board, after examining the application in terms of the criteria under sub-regulation *(3)* and also taking into account the requirements in other regulations, may form a *prima-facie* view as to whether the case should be considered for authorization.

(5) In case of *prima-facie* consideration, the Board shall issue a public notice in one national and one vernacular daily newspaper (including webhosting) giving brief details of the project and seek comments and objections, if any, within thirty days from any person on the proposal.

(6) The Board, after examining the comments and objections, if any, under sub-regulation *(5)*, may either consider or reject the case for grant of authorization for the natural gas pipeline.

(7) In case it is decided to grant authorization, the same shall be in the form at Schedule D;

(8) In case of rejection of the application, the Board shall pass a speaking order after giving a reasonable opportunity to the concerned party to explain its case and proceed to select an appropriate entity for the project in terms of regulation 6.

(9) In case the entity is selected for grant of authorization for laying, building, operating or expanding natural gas pipeline,-

(a) the natural gas pipeline tariff shall be determined under the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff for Natural Gas Pipelines) Regulations, 2008;

(b) the entity shall abide by the technical standards, specifications including safety standards as specified under relevant regulations for technical standards and specifications including safety standards;

(c) the Board shall monitor the actual progress made by the entity in the activities of laying, building or expanding the natural gas pipeline on a quarterly basiswith reference to the period of commissioning, the targets specified in the DFR of the project and the terms and conditions of the authorization with a view to avoiding any time or cost over-runs which may adversely affect the natural gas pipeline tariff:

Provided that in case of any delay in the commissioning of the natural gas pipeline or meeting any target beyond that specified in the authorization, the Board reserves the right to not consider the additional costs attributable to the time over-run while fixing the natural gas pipeline tariff as specified under sub-regulation *(a)*;

(d) the entity shall abide by the provisions under the relevant regulations on access code and declaring natural gas pipelines as common carrier or contract carrier;

(e) the provisions under regulations 8, 9, 13, 14, 15 and 16 shall apply to the entity.

19. Provisions relating to dedicated pipelines for transport of natural gas.

(1) In respect of dedicated pipelines existing before the appointed day, the following provisions shall apply, namely:-

(a) entity having dedicated pipeline to transport natural gas to a specific customer before the appointed day shall submit details of the pipeline length, route, capacity and customers served along with the DFR of the project to the Board within thirty days of notification of these regulations;

(b) Board may web-host details of dedicated pipeline seeking comments of general public with a view to ascertain whether such pipeline needs to be converted into natural gas pipeline in public interest;

(c) The Board may, based on the examination of the comments received, direct the entity to convert such pipeline into natural gas pipeline in overall public interest:

Provided that the entity shall be given an opportunity to present its case;

(d) The entity may also submit its proposal to convert its dedicated pipeline into natural gas pipeline to the Board alongwith complete details and justifications and the Board may web-host details of dedicated pipeline seeking comments of general public with a view to ascertain whether such pipeline needs to be converted into natural gas pipeline in public interest and the Board may, based on the examination of the comments received and in overall public interest, issue grant of authorization to the entity for conversion into a natural gas pipeline.

(2) In respect of dedicated pipelines proposed to be laid, built, operated or expanded after the appointed day, following provisions shall apply, namely:-

(a) the entity proposing to lay, build, operate or expand a dedicated pipeline to transport natural gas to a specific customer after the appointed day shall submit details on pipeline length, route, capacity and details of the customers served along with the requisite fee and DFR of the project to the Board at least thirty days before the proposed commencement of laying and building of the dedicated pipeline;

(b) Board may web-host details of the proposed dedicated pipeline seeking comments of general public with a view to ascertain whether,

instead of a dedicated pipeline, the public interest would be better served if a natural gas pipeline is laid, built, operated or expanded;

(c) in case, based on the examination of the comments received, the Board is of the view that instead of a dedicated pipeline, natural gas pipeline would better serve the public purpose it may advise the entity appropriately within thirty days of the receipt of the information from the entity;

*(d)*in case, despite receiving the advice from the Board under clause *(c)*, the entity still wishes to lay, build, operate or expand a dedicated pipeline, it may do so:

Provided that simultaneous to the entity building a dedicated pipeline, the Board may, on *suo-motu* basis, decide to issue an expression of interest for laying, building, operating or expanding a natural gas pipeline:

Provided further that the entity shall not be allowed to apply to the Board for conversion of its dedicated pipeline into a natural gas pipeline for a period of five years from the date of the commissioning of its dedicated pipeline;

*(e)*any entity laying, building, operating or expanding a dedicated pipeline for which no advice has been issued by Board under clause *(c)* may apply to the Board at any time for converting it into natural gas pipeline and the Board may decide to authorize the entity for such conversion in line with the procedure under clause *(d)* of sub-regulation *(1)* and the moratorium period restriction of five years specified under clause *(d)* shall not be applicable in such case;

(f) the Board may, in respect of a dedicated pipeline laid, built, operated or expanded after the appointed day, direct the entity to convert dedicated pipeline into common carrier or contract carrier natural gas pipeline as per the following procedure, namely:-

(i) the Board may web-host details of dedicated pipeline seeking comments of general public with a view to ascertain whether such pipeline needs to be converted into natural gas pipeline in public interest;

(ii) the Board may, based on the examination of the comments received, direct the entity to convert such pipeline into natural gas pipeline in overall public interest:

Provided that the entity shall be given an opportunity to present its case.

(3) In case a dedicated pipeline is converted into a natural gas pipeline under sub-regulations *(1)* or *(2)*, the provisions under the sub-regulation *(9)* of

regulation 18 shall apply to such pipeline.

20. **Access and inter-connectivity to natural gas pipeline.**

The entity shall follow the access code and allow inter-connectivity to another natural gas pipeline as per the provisions of the relevant regulations for access code.

[1][**21. Provisions regarding tie-in connectivity or extension of natural gas pipeline or laying of spur-lines.**

(1) <u>Tie-in Connectivity:</u>

(a) In case of the upstream connectivity requirement near a common carrier or contract carrier natural gas pipeline, a detailed proposal for the connectivity shall be submitted by the concerned entity to the Board indicating the details of the gas sources or injection points facilities, existing natural gas pipeline infrastructure in vicinity and demand-supply projections along with the length and capacity of the proposed tie-in connectivity.

(b) The Board shall webhost the proposal for a period of thirty days for initiating the public consultation process seeking views and comments from the stakeholders.

(c) Based upon the views and comments received during the public consultation process, the Board may conduct an open house discussion with the stakeholders who have provided their views.

(d) The Board may authorize such tie-in connectivity as per the following methodology, on a technical-commercial basis namely:-

(i) tie-in connectivity shall be preferably constructed by the entity owning the common carrier or contract carrier natural gas pipeline existing near the gas source or injection point provided that the length of such tie-in connectivity is twenty per cent. of the authorized length of the common carrier or contract carrier natural gas pipeline subject to a maximum of 200 kilometer:

Provided that in case of more than one natural gas pipeline existing near the gas source or injection point, the entity owning and operating the common carrier or contract carrier natural gas pipeline nearest to the natural gas source shall have first right of refusal for laying tie-in connectivity subsequently in the order of physical proximity:

Provided further that in case the entities owning and operating the common carrier or contract carrier natural gas pipeline refuse to lay the said tie-in connectivity, the Board may authorize the interested entity who initiated the proposal with the terms and

[1] Ins. by Cl (F) of Reg. 2, ibid. (w.e.f. 08.08.2014).

conditions to lay the said tie-in connectivity and in such a case, the interested entity shall be considered as "shipper" in terms of the Petroleum and Natural Gas Regulatory Board (Access Code of Conduct for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008.

(ii) in case the tie- in connectivity is resulting in to expansion of natural gas pipeline, the applicable tariff methodology shall be as provided in regulation 12.

(iii) the Board may also consider inviting bids for the subject tie-in connectivity as per the provisions of sub-regulation (5) of regulation 5.

(iv) any proposal to construct tie-in pipeline connectivity exceeding the length as provided in sub-clause (i) shall be dealt in line with the relevant provisions of the regulations for competitive bidding route;

(2) Extension of a natural gas pipeline:

(i) The entity may extend the authorized length of the natural gas pipeline up to ten per cent. or 50 kilometer whichever is lower from the point of origin or the end point in the demand centres outside the existing tariff zone and shall submit to the Board the full particulars, map of all facilities including justification for the proposal and seek prior authorization from the Board:

Provided that in case of any technical constraints, the allowed variation in the originating point of such extension of the natural gas pipeline from the point of origin or the end point shall not exceed beyond the nearest sectionalizing valve (SV) station. However, the entity shall be required to provide the detailed justifications for the technical constraints.

(ii) The Board after public consultation shall give a decision to the entity within sixty days of the receipt of the request. In case, no communication is sent by the Board in the aforesaid sixty days, the above request shall be deemed to have been approved.

(iii) There shall be no change in the natural gas pipeline tariff post-extension.

(iv) Any proposal to extend the authorized length of natural gas pipeline beyond ten per cent. or 50 kilometer whichever is lower shall be submitted to the Board for authorization in line with the provisions of the Act as well as regulations.

(3) Laying of spur-lines:

No separate authorization is required for laying spur-lines originating

from the authorized natural gas pipelines within its tariff zone as per clause (h) of sub-regulation (1) of regulation (2) and during its economic life, so long as the usage or purpose of the pipeline already authorized is not changed subject to the spur-lines meeting all requirements provided in clause (o) of regulation 2 of the Petroleum and Natural Gas Regulatory Board (Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations, 2010, defining spur-line:

Provided that if a spur-line is proposed beyond the limits of tariff zone, the admissible tariff shall be the applicable tariff of the tariff zone from which the tap-off for the spur-line is taken:

Provided further that in such instances beyond tariff corridor, the entity initiating the request shall inform the Board of its intentions along with the full details on the spur-line length, route, capacity and details of the customers to be served and the Board after public consultation shall give its decision to the entity within sixty days of the receipt of the request. In case, no communication is sent by the Board in the aforesaid sixty days, the above request shall be deemed to be approved for authorization.]

<< Should be on Techno-commercial basis>>

(4) **Connectivity from CBG Source:**

Tie-in connectivity from CBG source or Decompressing unit (DCU) to a common carrier or contract carrier natural gas pipeline, in the vicinity shall be undertaken in accordance with the provisions relating to tie-in connectivity under the NGPL Authorization Regulations. The concerned entity shall submit a detailed proposal to the Board, along with the requisite fee, including particulars of the gas source from individual CBG plant or cluster based multiple plants injection point, nearby natural gas pipeline infrastructure, demand-supply assessment and the length and capacity of the proposed connectivity. Such tie-in connectivity shall, as far as practicable, be executed by the entity owning and operating the nearest common carrier or contract carrier natural gas pipeline, subject to the applicable conditions on length and authorization prescribed under the Regulations.

When the CBG will co-mingled with the natural gas, it will be treated as Natural Gas solely for computation of transportation tariff.

(5) Replacement of Pipeline or Pipeline Segments

(i) During initial economic life of a pipeline, any replacement of the pipeline, in excess of five per cent of the length of the pipeline including spur-lines and tie-in lines, before the completion of the aforesaid economic life, shall not be considered for tariff determination

if approval of the Board has not been obtained by the entity for such replacement

(ii) During extended economic life of a pipeline, any replacement of the pipeline, in excess of ten per cent of the length of the pipeline including spur-lines and tie-in lines, shall not be considered for tariff determination if approval of the Board has not been obtained by the entity for such replacement

Clarification: The limits mentioned in clause (i) and (ii) above are independent to each other and shall not be carried forward or clubbed or added, during any time period.

(iii) Replacement of pipeline length beyond the afore-mentioned 5% or 10%, as the case may be, of the authorized length of the pipeline network including spur-lines and tie-in lines, on cumulative basis, may be allowed with the approval of the Board. In this regard, the pipeline entity shall submit a proposal to PNGRB along with details and documents such as (a) Integrity Assessment Report or Direct Assessment Report as available (b) Replacement pipeline diameter details along with provisional impact on pipeline capacity, if any, etc. PNGRB may ask for additional documents required for approval of such proposals.

(iv) Replacement of pipeline/pipeline segments with any change in existing diameter shall require prior approval from the Board and such length will not be counted within the afore-mentioned 5% or 10% limit, as the case may be.

[1][22. **Miscellaneous.**

If any question arises as to the interpretation of these regulations, the same shall be decided by the Board.]

[1] Subs. by Reg. 2, the the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Amendment Regulations, 2014, (w.e.f. 01.01.2015).

Schedule A

[see regulations 4 (1) and 5 (6)]

Application form for submitting expression of interest by an entity desirous of laying, building, operating or expanding a natural gas pipeline.

A. Only an entity which complies with the minimum eligibility criteria as per regulation 5 (6) of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 is eligible to submit its application for submission of expression of interest to the Board.

B. Entities must enclose documentary proof in support of its meeting the minimum eligibility criteria.

C. The entity submitting the expression of interest must submit the following information:

1	General Details
A	Name of the Entity
B	Type of firm – Public Limited Company / Private Limited Company / Partnership firm / Proprietorship firm / Others (please specify)
C	Date of incorporation and date of commencement of business
D	Address of the Registered office
2	Basic Data
A	Point of origin and the end point of the proposed natural gas pipeline
B	Indicative route of the proposed natural gas pipeline indicating the likely natural gas injection points and likely delivery points depicted on a physical map
C	Natural gas availability position
D	Potential demand of natural gas enroute the national gas pipeline
E	Assessment of total gas volume for transportation in the proposed natural gs pipeline
F	Any other issue considered as relevant by the entity
3	Application fee of Rs. paid vide demand draft/ pay order number <__> and dated <_ > drawn on <name of bank and branch>.

Date:

Place:

Name and signature of entity or authorized signatory

Official Seal

Schedule B

[see regulation 5 (7)]

Application-cum-bid for grant of authorization for natural gas pipeline.

To,
The Secretary,
Petroleum and Natural Gas Regulatory Board, Ist
Floor, World Trade Centre
Babar Lane, Connaught Place,
New Delhi – 110 001.

Sub: Application-cum-bid for grant of authorization for laying, building, operating or expanding natural gas pipeline <name indicating the proposed route from the starting point till the end-point> under the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008.

(Attach separate sheets for providing information wherever necessary)

Part-I –General details of the entity and technical details of the project (to be submitted in a properly earmarked, sealed and separate envelope)		
1	Details of the entity	
A	Name of the entity	
B	Type of firm – Public Limited Company / Private Limited Company/ Partnership firm/ Proprietorship firm/ others (please specify and attach copy of Articles of Association or Partnership deed, etc., as applicable).	
C	Date of incorporation and date of commencement of business.	
D	Address of registered office.	
E	Name, addresses, telephone numbers, e-mail ID of all directors/ partners / proprietor (please provide full details with STD Code and Pin Code).	
2	Financial details	
A	Share capital or proprietor's own funds as applicable.	
B	Loans – amount, tenure, moratorium period, rate of interest, taken from and asset mortgaged or hypothecated for securing the same, if any	
C	Reserves, if any	
D	Fixed Assets	
E	Current Assets	
F	Current Liabilities	
G	Sales Turnover	
H	Profit After Tax	
	(Attach copies of audited Profit and Loss Account and Balance Sheet for last three financial years) – In case	

	entity is a subsidiary company, copies of audited Profit and Loss Account and Balance Sheet for last three financial years of the parent company to be attached.	
3	Business activities of the entity	
A	Details of all existing natural gas pipelines, if any, and including design specifications, installed capacity, capital cost, year-wise details of operating cost, date of commissioning, gas volumes transported alongwith details of customer profile, map and drawings showing details of existing facilities and future plan, natural gas sources, unit natural gas pipeline tariff being charged, etc.	
B	Details of existing tie-up or collaboration with any entity for transport of natural gas for existing natural gas pipelines.	
C	Details of other business, if any, being carried out by the promoters for the last five years.	
4	Ownership and affiliate details	
A	Details of promoters	
B	Details of all affiliates of the entity mentioning the business relationship between the entity and the affiliates ("affiliate" means as defined in the relevant regulations for affiliate code of conduct).	
C	The entity undertakes to produce all relevant records or documents of itself and its related entities on demand by the Board	Yes / No
D	Is the entity a company registered under Companies Act, 1956?	Yes / No
E	Is the entity promoted by a company registered under Companies Act, 1956?	Yes / No
F	The entity undertakes to become a company, in case it is not a company at the time of submission of this application-cum-bid, under the Companies Act, 1956 on being selected for grant of authorization.	Yes / No
G	Promoters undertaking in the form of letter of comfort stating that their financial contribution in the project shall be converted in to equity share capital within three months of the date of grant of authorization. Enclose the letter of comfort from the promoters.	Yes / No
5	Technical details of the proposed natural gas pipeline project	
A	Name of the proposed natural gas pipeline project.	
B	Detailed map indicating the route of the proposed natural gas pipeline with following details: (a) tariff zones marked along the proposed route (b) depiction of district, city, town, taluka or any other area falling in each tariff zone either fully or partially (c) entry and exit points (d) spur line	

	(e) inter-connection point (f) depiction of the proposed major facilities, such as compressors, tap-off points, etc	
C	Technical specifications of the project attaching the copy of the DFR and covering full details of pipeline design, pressure, length of network, pipeline diameter, pipeline thickness, route, corrosion protection arrangements, natural gas injection points, tap-off points main block valves, isolation valves, emergency shutdown valves, metering arrangements, HSE measures, etc	
D	Development plan envisaged for the proposed natural gas pipeline project- design and installed capacity along with details of phased-out capital expenditure plans including the projected dates of commencement of operations phase-wise and the details of the activities or targets associated with the completion of the project to be enclosed.	
E	Proposed plan for: (i) sourcing of natural gas for injection in the natural gas pipeline; (ii) phase-wise capacity tie-up in the proposed natural gas pipeline.	
F	Are all applicable technical standards, specifications including safety standards, as specified under the relevant regulations for technical standards and specifications, including safety standards have been considered and complied with in designing the proposed natural gas pipeline? Provide full details	
G	Attach copy of the Disaster Management Plan.	
H	Is the project entitled to any subsidy, exemption, deferment or waiver of any statutory levy (including income tax) from the Central or the State Governments? If yes, give complete details indicating the year-wise utilization plan of the entity	Yes / No
I	Non-refundable Application fee under the regulation 5 (6).	Rs. <__>
	Demand draft or pay order	
	Demand draft or pay order number and date	
	Name of issuing bank and branch	

Part-II: Financial bid (to be submitted in a separate earmarked sealed envelope) to be opened for those entities qualifying the minimum eligibility criteria under regulation 5 *(7)*

A	Total Project Capital Expenditure (CAPEX) bid for execution of the natural gas pipeline as per the final DFR	Rs.<_>(in millions)

Note:
Please enclose a copy of the approved DFR of the proposed natural gas pipeline project for the purpose of sub-regulation (3) of regulation 7.

DECLARATION

1. Certified that the above information is true to the best of my / our knowledge and belief and the information and data given in the annexure, attachments, enclosures and calculation sheets accompanying this application-cum-bid are correct, complete and truly stated, and if any statement made herein is found to be incorrect, the application-cum-bid shall be rejected, the application fee and the Bid Bond shall be forfeited and I / We shall be liable to be proceeded against and for punishment under the provisions of the Act.

2. I / We certify that the above application-cum-bid is the only application-cum- bid submitted and no other application-cum-bid has been or is being submitted separately for this natural gas pipeline by me / us.

Date:

Place:

Name and Signature of Entity/ Authorized Signatory

Official Seal

InstructionsforfillingtheApplication-cum-bid:

1. All entries in the form and annexed documents should be legible with no cuttings.
2. Details requiring separate statement may be enclosed giving clear reference of the point against which the same is being attached.
3. All pages of the application-cum-bid and the attachments and statements need to be serially numbered and initialed by the person or official authorized by the entity through a notarized power of attorney.
4. Any information filled in the application-cum-bid needs to be substantiated by attaching relevant proof of the same.
5. The entity is required to submit three true copies (two hard copies and one soft copy) of the application-cum-bid with all the enclosures in addition to the original.
6. Incomplete application-cum-bid is liable to be summarily rejected.

Schedule C- Omitted

Schedule D

[see regulations 9 *(1)* and 18 (7)]

Grant of authorization for laying, building, operating or expanding natural gas pipeline.

To,
<Name of the successful entity>
<address>

Subject: Grant of authorization for laying, building, operating or expanding natural gas pipeline along the route of < name of starting point, name of states or union territories passing through and the name of the end point> under the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008.

Sir / Madam,

With reference to your application for grant of authorization for laying, building, operating or expansion of natural gas pipeline along the route of < name of starting point, name of states or union territories passing through and the name of the end point>, it has been decided to grant authorization to you, subject to the provisions under the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 on the following terms and conditions, namely:

1. The route for laying, building, operating or expanding the natural gas pipeline shall be as depicted in the enclosed drawing [<name of the originating point>, <intermediate tap-off and interconnection points>, <name of spur line> and <name of the last delivery point> of the natural gas pipeline to be depicted].

2. The entity shall complete the activities of laying, building or expansion activities of natural gas pipeline and commission the natural gas pipeline project as per the enclosed time schedule and targets. The entity is allowed a maximum period of thirty six months from the date of issue of the authorization letter for commissioning of the natural gas pipeline project. Any failure on the part of the entity in complying with the targets prescribed in the time schedule shall lead to consequences as specified under regulation 16 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008.

3. The capacity in the natural gas pipeline shall be equal to <_> Million standard cubic meter per day (MMSCMD).

4. The extra capacity in the natural gas pipeline shall be equal to <_> MMSCMD as per the provisions specified in clause *(j)* of sub-regulation *(6)* of regulation 5 and shall be available for use on common carrier basis by any third party on open access and non-discriminatory basis.

5. The authorized entity shall be required to take prior approval from the Board for creation of any lien or charge or hypothecation on the assets of the natural gas pipeline

to secure finances for the project and furnish details of utilization of funds. However, in case of raising funds from any financial institution or bank, the entity will be required to only inform the Board of the sanction of the funds, within a period of seven days.

6. The entity shall publish the approved tariffs for each of the tariff zone of the natural gas pipeline.

7. The entity shall submit a detailed and clear financial closure report to the Board within a period of one hundred and twenty days from the date of authorization issued by the Board under regulation 9 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008.

8. The furnishing of performance bond of Rs. <__> million is a guarantee for timely commissioning of the project as per the prescribed targets submitted in the bid and for meeting the performance undertakings during operating phase of the project.

9. The entity shall abide by the service obligations specified under regulation 14 and quality of service standards under regulation 15 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008.

10. In case the authorization of the entity is terminated, the Board may assign the rights and obligations to any agency or another entity on such terms and conditions, as it may deem fit. Further, the entity may be required, as per the directions of the Board, to continue the operations of the natural gas pipeline at the same level till another agency or entity appointed by the Board takes over the full control of the natural gas pipeline.

11. The entity shall comply with the provisions under-

    (a) the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008;

    (b) the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008;

    (c) the service obligations specified in Schedule J to the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008;

    (d) the relevant regulations for-

        (i) the technical standards and specifications, including safety standards;

        (ii) the access code;

        (iii) determination of capacity for natural gas pipeline;

        (iv) affiliate code of conduct;

        (v) declaring natural gas pipelines as common carrier or contract carrier;

(e) any other regulations as may be applicable and the provisions of the Act.

12. The entity shall comply with any other term or condition and regulations, which may be notified or amended by the Board in public interest, from time to time.

You are requested to confirm your acceptance in the space provided below and return the same in original.

Yours Faithfully,
Sd/-

Dated:

Name & Designation of Officer On behalf of the PNGRB
Official Seal

Acceptance of Grant of Authorization

I / We hereby agree to the grant of authorization issued by the Board vide letter ref. <__> dated <_> and agree to comply with all the terms and conditions subject to which I / We have been granted authorization for laying, building, operating or expanding natural gas pipeline along the route f <_> in the State or the Union Territory of <_>.

Date:
Place:

Signature of the Entity or Authorized Signatory

Name and Official Seal

[1][Schedule E

[see regulation 13 (1) and regulation 14 (9)]

A: Quarterly submission of data by authorized entity in the following formats appended here below:-

(i) Format E-1A-NGPL for Quarterly Progress Report on CGD: Physical Parameters
(ii) Format E-1B-NGPL for Quarterly Progress Report on CGD: Financial Parameters

B: Monthly submission of data by authorized entity in the following format appended here below:-

(i) Format E-2-NGPL for Monthly Report on Supply of Natural Gas by Sector

C: The data and information required to be submitted by the entity in the above formats shall be analyzed by the Board by comparing the –

(i) actual progress made by the entity including commissioning of the project versus the physical and financial targets, identified in its DFR; and

(ii) actual volume of natural gas transported in the natural gas pipeline versus the volume committed in the bid.

D. Monitoring of the progress shall be taken up by the Board on a quarterly basis and the notice of deviations and shortfalls, if any, shall be sent to the entity on an annual basis for a prompt resolution. In case of any delay in meeting the yearly commitments within the notice period or in case of repeated violations, the entity may face the consequences specified under regulation 16 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Pipelines) Regulations, 2008.

E: Entity shall comply with the relevant regulations for affiliate code of conduct.
Note: Board reserves the right to seek any information or data from the entity, as it may deem to be fit, to satisfy itself to the compliance by the entity.

Appended Formats:

Schedule-E / Format: E-1A-NGPL		Quarterly Progress Report on Natural Gas Pipelines: Physical Parameters			
1. Name of Entity					
2. Project Name					
3. Report for the Quarter ending				4. Year	
5. Natural Gas Pipeline Length (Kilometers)	6. Diameter in Inches	7. For Quarter		8. Cumulative (since inception)	
		Target*	Actual	Target	Actual
Diameter-1					

[1] Subs. by sub-reg. (c) of Reg. 2, *ibid*. (w.e.f. 29.03.2016).

Diameter-2					
Diameter-3					
Diameter-4					
9. No. of Compressors, intermediate terminals & deliver terminals			10. Compressors	11. Intermediate Terminals	12. Delivery Terminals
Till last quarter					
Added during quarter					
Total at the end of quarter					
13. Average Heat Value of Natural Gas (MMBTU per SCM)					
14. Project completion status- Actual versus approved target (%)		15. For Quarter		16. Cumulative	
		Target%*	Actual %	Target %	Actual %
(Not Applicable for already commissioned pipelines)					
Main line					
Spur line					
17. Design Capacity (MMSCMD)					
Existing capacity					
Added during the quarter					
Total at the end of quarter					
18. Any other information (Please write in the box)					
* Target figures may be given wherever applicable. Quarterly target may be taken as 1/4th of annual target.					
19. Important guidelines for submitting the report:					
1) In case data is nil for any of the columns; please enter zero '0' (2) Report must be submitted within 30 days from the close of Quarter. (3) A scanned copy of the report stamped & signed by a person of General Manager or above rank, duly authorized by Director of the company, should be uploaded within 10 days from date of submitting the report online as per instructions given for uploading the report.					
14. Note: Please note that due to technical reasons, the information sought in columns / rows may have to be rearranged as required while implementing the online reporting system.					

Schedule-E / Format: E-1B-NGPL	Quarterly Progress Report on Natural Gas Pipelines: Financial Parameters
1. Name of Entity	

2. Project Name					
3. Ownership Details	Name		Share (%)		
	Name		Share (%)		
	Name		Share (%)		
	Name		Share (%)		
4. Report for the Quarter ending			5. Year		
All figures to be submitted in Lacs Rupees unless specified otherwise					
Capital Investments					
6. Fixed Assets		12. Revenue Earned			
Opening balance		13. Natural Gas Pipeline Tariff Charged			
Direct additions		Zone	Gas Transported	Tariff	Total
Transfer from Capital Work-in-Progress			(MMBTU)	(Rs./MMBTU)	Tariff
Deletions		Zone-1			
Closing balance		Zone-2			
7. Capital Work-in-Progress (CWIP)		Zone-3			
Opening balance		Zone-4			
Additions		Zone-5			
Transfer to fixed assets		Other income			
Deletions / Transfers		Total Revenue			
Closing balance		14. Profit / Loss			
8. Operating Expenses		Profit before tax			
Cost of goods sold		Tax			
Utilities - Power and Fuel		Profit after tax			
Salaries		15. Loans Status: (a) Term Loans			
Repair and maintenance		Opening balance			
Gen. administrative expenses		Added			

Insurance		Repaid	
Others		Closing balance	
Total Operating Expenses		Average Interest Rate (%)	
9. Financial Expenses		(b) Working Capital Loans	
Interest on Working capital		Opening balance	
Interest on term loans		Added	
Total Financial Expenses		Repaid	
10. Depreciation		Nett change	
11. Total Expenses		Average Interest Rate (%)	
16. Any other information (Please write in the box)			
17. Important guidelines for submitting the report:			
1) In case data is nil for any of the columns; please enter zero '0' (2) Report must be submitted within 60 days from the close of Quarter. (3) A scanned copy of the report stamped & signed by a person of General Manager or above rank, duly authorized by Director of the company, should be uploaded within 10 days from date of submitting the report online as per instructions given for uploading the report. (4) Annual report for the year-end (4th Quarter) should be submitted duly certified by a Chartered Accountant (CA) (5) Please ensure that sum total of figures submitted for four quarters of the year is equal to the company's audited annual data.			
18. Note: Please note that due to technical reasons, the information sought in columns / rows may have to be rearranged as required while implementing the online reporting system.			

Schedule-E / Format: E-2-NGPL				Monthly Report on Supply of Natural Gas by Sector			
1. Name of Entity							
2. Name of Pipeline							
3. Length of Pipeline				4. Design Capacity (MMSCMD)			
5. Report for the month of				6. Year			
7. Months	8. Total Natural Gas Supplied (MMSCMD)	9. Sector-wise Break up Natural Gas Supplied (MMSCMD)					
		Power	Fertilizers	City Gas	Petrochem & Refineries	Sponge Iron & Steel	Others/Internal Consumption
April							
May							

June							
July							
August							
September							
October							
November							
December							
January							
February							
March							
10. Cumulative Total							
11. Cum. Utilization %			12. Any other information (Please write in the box)				
13. Important instructions for submitting report:							
1) In case data is nil for any of the columns for the month, please enter zero '0' (2) Report must be submitted by 20th of the following month by the transporting entity (3) A scanned copy of the signed & stamped report must be uploaded within 7 days from the date of submitting report online as per instructions given for uploading the report.							
14. Note: Please note that due to technical reasons, the information sought in columns / rows may have to be rearranged as required while implementing the online reporting system.							

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Schedule F

[see regulation 15 *(1)*]

Quality of Service Standards

General.

The purpose of specifying the quality of service standards is to specify the minimum level of performance expected of the entity in laying, building, operating or expanding the natural gas pipeline in terms of service to be provided to the customers and other entities. In order to enable the entity to satisfactorily comply with the quality of service standards, other stakeholders, like, customers and other entities are also expected to diligently fulfill certain minimum responsibilities. While the authorized entity shall have to mandatorily comply with the quality of service standards, it may widely advertise the minimum responsibilities expected of the customers and other entities and also incorporate the same suitably in the contracts. The quality of service standards are indicated below:-

1. **System upkeep and customer classification.**

(1) Entity's responsibility:

(a) to ensure upkeep of the system as per the technical standards, specifications including safety standards specified under the relevant regulations for technical standards and specifications, including safety standards at all points of time;

(b) to ensure that the in case of disruption of supplies in the natural gas pipeline, city or local natural gas distribution networks shall be accorded the first priority for use of the line pack volumes in the natural gas pipeline.

The contracts with the customers should accordingly contain a specific clause on dealing with interruptibility in natural gas supplies;

(c) to maintain the quality of natural gas in the natural gas pipeline as per the technical standards, specifications and safety standards in the relevant regulations for technical standards and specifications, including safety standards.

(2) Customer's responsibility:

(a) to ensure safety of equipment and facilities, if any provided by the entity within the premises;

(b) to clearly state the purpose of gas usage and ensure use against the same connection.

2. **Request for connection.**

Entity's responsibility:

(a) after obtaining the authorization, entity to publish in newspaper and its official website its plan to lay, build, operate or expand natural gas pipeline as per the authorized route for the information of the general public;

(b) to provide connectivity promptly provided the customer has necessary safety and statutory clearances;

3. **Metering and billing.**

Entity's responsibility:

(a) responsible for ensuring delivery of natural gas, which is metered;

(b) to make the customer aware of the specifications of the entity's metering unit;

(c) to ensure accurate meter reading, and in case the customer demands

(i) institute a suitable mechanism to ensure periodic reconciliation of the readings as per the entity's metering unit with that as per the customer's metering unit, if any;

(ii) provide for joint meter reading as per the entity's metering unit;

(d) to ensure correct billing for transport of natural gas as per the terms and conditions of the contract, indicating the applicable natural gas pipeline tariff. The bill should also contain customer name and address, serial number, volume (in both MMBTU and SCM), taxes/ levies, if any, amount, due date, etc;

4. **Disconnection of supply.**

Entity's responsibility:

(a) give proper notice explaining in detail the reason before disconnection;

(b) ensure immediate disconnection, if proving hazardous to public safety;

5. **Interruptions in natural gas pipeline.**

Entity's responsibility:

(a) give due notice to customers for planned maintenance;

(b) ensure the earliest possible resumption of supplies after interruption; and

(c) ensure prompt recovery from unplanned interruptions;

6. **Emergency response handling.**

(1) Entity's responsibility:

(a) to ensure in-position of the emergency response plan to –

(i) handle emergencies in co-ordination with the police, fire department, local administration and hospitals;

(ii) ensure 24X7 manning of emergency cell for handling emergencies;

(iii) put-in place a clear responsibility chart depicting roles for individuals in the times of emergency.

(b) ensure availability of disaster management plan, a copy of which should be made available to the Board as well as the local administration of the city or area through which the natural gas pipeline is passing.

(2) Customer's responsibility:

(a) inform the entity of any potentially hazardous situation at the earliest;

(b) help the entity's personnel to contain the emergency situation, if required.

7. **Information disclosure and customer awareness.**

Entity's responsibility:

(a) to provide on request information about the route of pipeline, pipeline capacities and specifications, like, pressure, calorific value of natural gas, etc.;

(b) to educate the customers through customer awareness campaigns on-

(i) appropriateness of burner configuration of the appliance in getting best results from usage of natural gas;

8. **Maintain database.**

Entity's responsibility:

to maintain a credible database management system to handle the data requirements of the Board and also the record of customer complaints received and action taken on the same.

Schedule G

[see regulation 16 *(1) (d)*]

Procedure for the termination of grant of authorization of natural gas pipeline.

The procedure for implementing the termination of the authorization of the entity to lay, build, operate or expand natural gas pipeline following default by the entity as per the provisions of regulation 16 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008, shall be as under:

1. On approval of termination of the authorization by the Board, the entity shall be required to submit a detailed statement of the ongoing activities in the natural gas pipeline, investments, liabilities and such other information as may be directed by the Board within a period of thirty days from the date of receipt of notice of termination by the entity.

2. The authorized entity shall be required to continue the operations of the natural gas pipeline at the same level till such time another agency or entity, as per the decision of the Board, takes over the full control of the natural gas pipeline. The Board reserves the right to appoint any other entity or agency to manage and operate the natural gas pipeline till such period of time and on such terms and conditions as it may deem fit.

3. The Board may, in any manner as it deems fit including through an issue of an advertisement, invite expression of interest or bids from entities interested in taking over the management and operation of the natural gas pipeline.

4. On receipt of expression of interest or bids, as the case may be, the Board may take an appropriate view on the procedure for evaluation and subsequent grant of authorization and an entity shall be selected to take over the operations of the natural gas pipeline from the defaulting entity.

5. The defaulting entity shall have to provide an undertaking to indemnify the newly authorized entity for any liability which may arise later as a result of its past actions.

Schedule H

[see regulation 17 (1)]

Information to be provided for natural gas pipeline authorized by Central Government before the appointed day.

To,
Secretary,
Petroleum and Natural Gas Regulatory Board, Ist
Floor, World Trade Centre
Babar Lane, Connaught Place,
New Delhi – 110 001.

Sub: Information in respect of Natural Gas Pipeline < Name> from <originating point> to <last delivery point>

(Attach separate sheets for providing information wherever necessary)

Part-I – General, technical and financial details of the entity and the natural gas pipeline project		
1	Details of the entity	
A	Name of the entity	
B	Type of firm – Public limited company / Private limited company / Partnership firm / Proprietorship firm / Others (please specify) (attach copy of articles of association / partnership deed, etc.)	
C	Date of incorporation and date of commencement of business	
D	Address of registered office	
E	Name, addresses, telephone numbers, E-mail ID of all directors / partners / proprietor (please provide full details with STD code and pin code)	
F	Particulars of the authorization granted by the Central Government for laying, building, operating or expanding the natural gas pipeline before the appointed day. Details of NOCs', clearances, etc. considered relevant by the entity to be provided. (Copies of the authorization and other documents to be enclosed).	
2	Financial details	
A	Share capital or proprietor's own Funds	
B	Loans – amount, tenure, moratorium period, rate of interest, taken from and asset mortgaged / hypothecated for securing the same (if any)	
C	Reserves (if any)	
D	Fixed Assets	

E	Current Assets	
F	Current Liabilities	
G	Sales Turnover	
H	Profit After Tax	
	(Attach copies of audited Profit and Loss Account and Balance Sheet for the last 3 financial years) - In case the entity is a subsidiary company, copies of the audited Profit & Loss Account and Balance Sheet for the last three financial years of the parent company to be attached.	
3	Business Activities of the entity	
A	Original cost and WDV of assets along with year of commissioning, detailed break-up of the operating costs, natural gas pipeline tariff, during the last three years, etc.	
B	Details of technical or operational tie-up or collaboration with any other entity for laying, building, operating or expanding the natural gas pipeline	
C	Details of other business, if any, being carried out by the promoters for the last three years	
4	Ownership and affiliate details	
A	Details of promoters	
B	Details of affiliates of the entity mentioning the business relationship ("Affiliate" means as defined in the relevant regulations for affiliate code of conduct)	
C	The entity undertakes to produce all relevant records and documents of itself and its related entities on demand by the Board.	
D	The entity undertakes to abide by the relevant regulations for affiliate code of conduct.	Yes / No
E	Is the entity a body corporate registered under Companies Act, 1956?	Yes / No
F	Is the entity promoted by company registered under Companies Act, 1956?	Yes / No
G	The entity undertakes to becomes a body corporate (in case it is not a body corporate at the time of providing the information herein) registered under the Companies Act, 1956 on the grant of authorization.	Yes / No
5	Technical details of the natural gas pipeline	
A	Name of the natural gas pipeline	

B	Physical map indicating the route of the natural gas pipeline including all spur-lines, entry and exit points for natural gas and the details of the existing and proposed points of inter-connection in the natural gas pipeline.	
C	Technical specifications of the infrastructure in the natural gas pipeline. Note: (a) Attach copy of the DFR alongwith the management approval of the investments and (b) Provide full details of the natural gas pipeline design, pressure rating, diameter, thickness, class, etc., route details, pipeline corrosion protection arrangements, main block valves, isolation valves, emergency shutdown valves, metering arrangements, compressors, intermediate and delivery stations, technical standards and specifications including safety standards being complied with, etc.	
D	Development plan envisaged for the natural gas pipeline project - design and installed capacity of the natural gas pipeline along with the details of phased-out plans for augmentation of the capacity and capital expenditure to be provided.	
E	Has the entity obtained the Right-of-Way required for laying, building, operating or expanding the natural gas pipeline as on the appointed day? Note: (a) In case the answer is no, please give specific reasons. (b) If yes, documentary proof to be provided.	Yes/ No

F	Year-wise progress actually achieved by the entity in: (i) creation of the physical infrastructure in the natural gas pipeline is to be provided; (ii) the value of the fixed assets created head wise and the capital work-in-progress corresponding to the physical infrastructure created till the appointed day is to be provided; and (iii) comparison of sub-clause (i) and (ii) with the levels as specified in the targets specified in the DFR of the project and the terms and conditions of authorization. The purpose being to avoid any time over-run or cost over-run, which may adversely affect the natural gas pipeline tariff. <u>Note</u>: (a) Documentary proof that the head-wise assets created and reflected as fixed assets in the books of accounts are ready for use is to be enclosed. (b) The stage of completion in respect of the capital work-in-progress is to be indicated and compared with that indicated in the DFR. (c) Details of the financial commitments actually made by the entity till the appointed day to be separately indicated and documentary proofs to be submitted. Please state the specific reasons for shortfalls, if any, in meeting the time schedule and specific targets for completion of the activities of laying, building, operating or expanding natural gas pipeline as specified in the DFR.	Percentage completion to be indicated activity-wise with reference to the time schedule and the targets specified in the DFR.
G	Complete details of the arrangements made by the entity for sourcing of natural gas for the natural gas pipeline to be provided. In case the entity has secured any firm capacity tie-ups, copies of the agreements to be enclosed.	

H	i) Volume of natural gas actually transported in the natural gas pipeline during the last three years till the appointed day; ii) Reasons for variations in the actual volumes transported versus the projections in the DFR; iii) Volume of natural gas proposed to be transported and sold on an annual basis during the rest of the economic life of the project. Note: (a) Volumes to be indicated in MMSCMD and MMBTU and the basis for energy equivalence to be provided. (b) Volume actually transported to be provided customer-wise for each of the tariff zone. (c) Details of arrangements to be made by the entity for securing capacity tie-ups for the natural gas pipeline to be clearly specified. (d) In case of the achievement of firm capacity tie-ups, copies of the agreements to be enclosed.	
I	Have all applicable technical standards, specifications including safety standards, as notified by the Board been considered and complied with while designing, laying, building, expanding or operating the CGD network? Provide details.	Yes/ No
J	Copies of all the necessary statutory clearances, permissions and no objection certificates obtained by the entity from the Central and State Governments and other statutory authorities as applicable to the natural gas pipeline project to be attached.	
K	Attach copy of the Disaster Management Plan in place.	
L	Is the project entitled to any subsidy or entitled for any exemption or deferment or waiver of any statutory levy including income tax from the State / Central Government? If yes, give complete details indicating the year-wise utilization plan of the entity.	Yes / No
Part-II: Any other submission considered as relevant by the entity		
Note: The Board shall monitor the actual progress made by entity against the targets fixed for the entity on a quarterly basis and take further action in case of any deviation or shortfall, which is to be determined on an annual basis in the manner as indicated in Schedule D.		

DECLARATION

1. Certified that the above information is true to the best of my / our knowledge and belief and the information and data given in the Annexure and statements are correct, complete and truly stated, and if any statement made herein is found to be incorrect, I / We shall be liable for proceeding and for punishment under the provisions of the Act.

2. I/ we also undertake to provide any further information or data as may be required by the Board within the stipulated time.

Date:
Place:

Name and Signature of Authorized Signatory

Official Seal

Instructionsforprovidinginformation:

1. All entries in the form and annexed documents should be legible with no cuttings.

2. Details requiring separate statement shall be provided giving clear reference of the point against which the same is being attached.

3. All pages of the information format and all annexure, statements, etc need to be serially numbered and initialed by the person or official authorized by the applying entity through a notarized Power of Attorney.

4. Any information or data filled in the information format needs to be substantiated by attaching relevant proof of the same.

5. The information format is required to be submitted in three copies (two hardcopies and one soft copy) with all the enclosures in addition to the original.

Incomplete information format is liable to be summarily rejected.

Schedule I

[see regulation 18 *(1)*]

Application for grant of authorization for Natural Gas Pipeline to entities not authorized by Central Government.

To,
The Secretary,
Petroleum & Natural Gas Regulatory Board, Ist
Floor, World Trade Centre
Babar Lane, Connaught Place,
New Delhi – 110 001.

Sub: Application for Grant of Authorization for Natural Gas Pipeline <Name> from < originating point> to <last off-take/ delivery point>

(Attach separate sheets for providing information wherever necessary)

Part I - General, technical and financial details of the entity and the natural gas pipeline project		
1	Details of the entity	
A	Name of the entity	
B	Type of firm – Public limited company/ Private limited company/ Partnership firm/ Proprietorship firm / Others (please specify) (Attach copy of articles of association/ Partnership deed, etc.)	
C	Date of incorporation and date of commencement of business	
D	Address of registered office	
E	Name, addresses, telephone numbers, E-mail ID of all directors / partners / proprietor (please provide full details with STD Code and pin code)	
2	Information and data to be provided by the entity in support of the eligibility criteria as specified under sub-regulation (2) of regulation 18.	
A	Non-refundable application fee under regulation 5 (6) (a)	Rs. <_>
	Demand draft or pay order	
	Demand draft or pay order no. and date	
	Name of issuing bank and branch	
B	Entity is technically capable of laying and building natural gas pipeline	
	Documentary evidence in support of the technical capability of the entity in terms of the qualifying criteria under regulation 5 (6) (b), (i) to (iv) to be attached.	
C	Entity is technically capable of operating and maintaining a natural gas pipeline	
	Documentary evidence in support of the technical capability of the entity in terms of the qualifying criteria	

	under regulation 5 (6) (c), (i) to (iv) to be attached	
D	Entity agrees to abide by therelevant regulations for technical standards and specifications, including safety standards	
E	Entity has adequate financial strength to execute the proposed natural gas pipeline, operate and maintain the same and meets the financial criterion in terms of having a minimum combined net worth as specified under regulation 5 (6) (e). Note: All documents in support of the calculations of the minimum combined net worth duly certified by a Chartered Accountant to be attached	Yes/ No
F	Has any penalty been imposed on the entity under section 28 or punished under Chapter IX of the Act? In case the answer is yes, please submit full details	Yes/ No
G	Copies of all the necessary statutory clearances, permissions and no objection certificates obtained by the entity from the Central and State Governments and other statutory authorities as applicable for the proposed natural gas pipeline project to be attached.	
H	In case entity is not registered as a company under the Companies Act, 1956, the entity undertakes to become a company registered under the Companies Act, 1956 on grant of authorization. Full details of the promoters of the entity to be provided. Note: In case the entity seeks an exemption from registering under the Companies Act, 1956, detailed justifications shall be submitted to the Board	Yes/ No
I	Technical specifications of the natural gas pipeline	
	Details of route of the natural gas pipeline depicting the following in a physical map to be provided:	

	(i) the entry and exit points for natural gas; (ii) intermediate tap-off points; (iii) spur lines; (iv) compressors; (v) point of inter-connection in the natural gas. Note: (a) Full technical details regarding the natural gas pipeline design, pressure rating, diameter, thickness, class, etc., route details, pipeline corrosion protection arrangements, main block valves, isolation valves, emergency shutdown valves, metering arrangements, compressors, intermediate and delivery stations, technical standards and specifications including safety standards being complied with, etc. to be provided separately.	
J	Details of the physical and financial progress in laying, building, operating or expanding of natural gas pipeline as on the appointed day:	
	i) Copy of the DFR of the project to be attached. Note: The entity shall also enclose the documentary proof of the formal approval of the investments as per the DFR of the project by its management.	
	ii) Has the DFR of the proposed natural gas pipeline project for which authorization is being sought been appraised by any financial institution?	Yes/ No
	iii) Details of the development plan envisaged for the project to be provided with respect to the design and installed capacity of the natural gas pipeline along with details of phased-out plans for capital expenditure on augmentation of the installed capacity, if any.	
	iv) Has the entity secured the right of way for laying, building, operating or expanding the proposed natural gas pipeline? Note: (a) If the answer is no, please state reasons. (b) If yes, documentary proof to be submitted.	Yes/ No

	v) Complete details of the arrangements made by the entity for sourcing of natural gas for natural gas pipeline to be provided. In case any firm tie-up has been achieved, copy of the agreement to be enclosed.	
	vi) Extent of physical progress in laying, building, operating or expanding of the natural gas pipeline project achieved by the entity till the day immediately before the appointed day as against the time schedules and targets specified in the DFR. Note: (a) The onus of proving the physical progress actually made by the entity lies with the entity and the entity shall submit all necessary documentary proofs in support. (b) The comparison of actual progress with the levels as specified in the time schedules and targets in the DFR of the project is with the purpose to avoid any time over-run or cost over-run, which may adversely affect the natural gas pipeline tariff. (c) Please provide specific reasons for shortfalls, if any.	<in percentage terms>
	vii) Extent of financial commitment actually made by the entity in the natural gas pipeline project till the day immediately before the appointed day as against the estimated capital expenditure identified in the feasibility report. Note: (a) Year-wise gross and net blocks of the physical infrastructure created to be separately provided asset-head wise. (b) Details of capital work-in-progress and the stage of completion to be indicated. (c) The onus of proving the financial commitment actually made by the entity lies with the entity and the entity shall submit all necessary documentary proofs in support.	<in percentage terms>
	viii) Volume of natural gas transported in the natural gas pipeline during the last three years till the appointed day and the	<in percentage terms>

	reasons for variations in actual volumes transported versus the projections made in this regard in the DFR. Note: (a) Data on volume indicated in sub-clause viii) should also be separately provided zone-wise and customer- wise. (b) Volume of natural gas proposed to be transported and delivered zone-wise and customer-wise on an annual basis during the rest of the economic life of the project to be separately indicated. (c) Entity to disclose the arrangements for securing capacity tie-ups and enclose the copy of the agreement for firm capacity tie-up achieved, if any. (d) Volume to be indicated in MMSCMD and in MMBTU with the basis of energy equivalence.	
	ix) Entity to enclose the copies of the internal procedures and guidelines as approved by its management prescribing the basis of compliance by the entity to any technical standards, specifications, including safety standards and the quality of service to customers, if any.	
3	Financial details of the entity	
A	Share capital or proprietor's own funds	
B	Loans – amount, tenure, moratorium period, rate of interest, taken from and asset mortgaged or hypothecated for securing the same, if any.	
C	Reserves, if any	
D	Fixed Assets (head-wise asset details)	
E	Current Assets	
F	Current Liabilities	
G	Sales Turnover	
H	Profit after Tax	
	(Attach copies of audited Profit and Loss Account and Balance Sheet for last three financial years)- In case applicant is a subsidiary company, copies of audited Profit & Loss Account & Balance Sheet for last three financial years of the parent company to be attached.	

4	Business activities of the entity	
A	Original cost and WDV of assets along with year of commissioning, detailed break-up of the operating costs, unit natural gas pipeline tariff charged during the last three years, etc.	
B	Details of technical or operational tie-up or collaboration with any other entity in respect of the natural gas pipeline project (enclose copies of such agreements, MOUs'/ HOA)	
C	Details of other business, if any, being carried out by the promoters for the last three years	
5	Ownership and affiliate details	
A	Details of promoters	
B	Details of all affiliates of the entity mentioning the business relationship between the entity and the affiliates ("Affiliate" means as defined in the relevant regulations for affiliate code of conduct)	
C	The applicant undertakes to produce all relevant records and documents of itself and its related entities on demand by the Board.	
D	The applicant undertakes to abide by the relevant regulations for affiliate code of conduct.	Yes / No
6	Other details	
A	Copy of Disaster Management Plan to be attached	
B	Is the project entitled to any subsidy, tax waiver or exemption or deferment of any levy including income tax from the State/Central Government? If yes, give details.	Yes / No
Part-II:	Any other submission considered as relevant by the entity with regards to its application for grant of authorization for natural gas pipeline by the Board.	

DECLARATION

1. Certified that the above information is true to the best of my / our knowledge and belief and the information and data given in the Annexure and statements are correct, complete and truly stated, and if any statement made herein is found to be incorrect, I / We shall be liable for proceeding and for punishment under the provisions of the Act.

2. I/ we also undertake to provide any further information or data as may be required by the Board within the stipulated time.

Date:

Place:

Name and Signature of Authorized Signatory

Official Seal

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6. Incomplete information format is liable to be summarily rejected.

Schedule J

[see clause 11 (c) of the form of grant of authorization in Schedule D]

Service Obligations of entity

1. **General.**

(a) The entity shall obtain all statutory permits, clearances and approvals from the concerned approving authorities and shall at all times ensure the validity of said permits, clearances and approvals.

(b) During the continuance of the authorization, the entity shall transport natural gas along the authorized pipeline route in accordance with the terms of this authorization, charge the approved natural gas pipeline tariff and abide by the extant rules and regulations, including such revisions as the case may be.

(c) The entity shall provide extra capacity in the natural gas pipeline as specified under clause *(j)* of sub-regulation *(5)* of regulation 6, which shall be available for use on common carrier basis by third party on open access and non-discriminatory basis.

(d) he entity shall put in place an appropriate system and procedures for :

(i) protection of its property;

(ii) prevention of loss and waste in the operation of the natural gas pipeline;

(iii) safe operation of natural gas pipeline following the technical standards and specifications including safety standards as notified by the Board;

(iv) redressal of consumer grievances;

A documented copy of the said systems & procedures shall be provided by the authorized entity to the Board. Modifications, if any, suggested by the Board shall be carried out by the entity.

(e) The authorized entity shall specify its own obligations as well those of the other entities in the contracts for sourcing and transport of natural gas as may be specified in the relevant regulations for access code.

(f) In case the authorized entity laying, building, operating or expanding natural gas is also engaged in the activity of marketing of natural gas, it shall:

(i) state the approved pipeline tariff to be paid under the contract for the transport of natural gas expressed in Rs./ MMBTU and other relevant terms proposed in the contract;

(ii) not exert undue pressure on the customer;

(iii) not make any offer or provide any promotional material to the customer that is inconsistent with the contract being offered to or entered into with the customer;

(iv) not make any representation or statement or give any answer or take any measure that is false or is likely to mislead a customer; and

(v) shall adhere to the provisions under the relevant regulations for affiliate code of conduct.

(g) The entity shall be under an obligation to provide connectivity to the consumer within a tariff zone in a natural gas pipeline on receipt of a specific request, the consumer undertaking to pay the applicable natural gas pipeline tariff, subject to availability of capacity and the technical and economic viability of the proposed connectivity.

(h) The entity shall insure all the assets used in the activity of transport of natural gas including on the line-fill volumes and the insurance policy in this regard shall also cover third party liabilities.

2. **Construction, Operation & Maintenance.**

(a) The entity shall not undertake any excavation or related work, which shall disturb or interfere with the surface of the traveled portion of any road / highway, water body, canal, river, railway crossing, forest, etc. unless a permit for the same has been first obtained from the appropriate authorities and the Government and all works subsequently undertaken by the entity shall be carried out in line with the terms of approval and to the satisfaction of the approving authority and the Government.

(b) The entity shall not deviate from the permission granted in clause 2 (a) above without the prior approval of the approving authority and the Government.

(c) The entity shall during the construction, maintenance and operation of the natural gas pipeline system use all reasonable precaution to avoid damage or injury to any person or property. The entity shall further be liable for any loss, injury or damage attributed to the negligence of the entity or its agents and shall indemnify the affected parties.

(d) The entity shall establish a centralized control room for monitoring and control of the natural gas pipeline system, including the disaster management system.

(e) The entity shall furnish on regular basis to the Board, the map including detailed "as built" drawings, accurately depicting the size, depth & location of pipelines, related equipment, location of marker posts indicating the route, pipeline gradient, etc. of the natural gas pipeline and regularly update the same for any change, addition or deletion.

(f) The entity shall ensure compliance of all necessary quality checks and inspection certification before providing connectivity to any customer.

(g) The entity shall properly purge, isolate, blind or dismantle any gas pipeline segment, equipment etc, which is not in use for long time or has been abandoned, to ensure complete safety and necessary modifications shall be carried out in the maps & drawings.

(h) The entity shall have proper systems and procedures including designated

facilities for undertaking inspection, testing, calibration and repair of meters and equipments, safety equipments, etc.

(i) Put in position the disaster management plan including mutual aid system and offsite or onsite emergency plan.

(j) Any other service obligation, which the Board may specify from time to time.

3. **Services and information to be maintained by the entity.**

(a) The entity shall have a current mailing address and telephone number of all locations where the natural gas pipeline is being set-up and operated.

(b) The entity shall maintain a database and provide to the Board on request:
   (i) details of the customers and shippers of natural gas;
   (ii) the copies of contracts with the customer and shippers of natural gas; and
   (iii) details of renewal or extension of contracts at clause (a) and (b).

4. **Confidentiality of Consumer Information.**

(a) The entity shall not disclose customer information to any person other than the Board, without the consent of the customer in writing, except when the information has been sufficiently aggregated such that an individual consumer's information cannot be separately identified, or where the consumer information is required to be disclosed:
   (i) for billing or market operation purposes;
   (ii) for law enforcement purposes;
   (iii) when past due accounts of the consumer have been passed to a debt collection agency.

(b) The entity shall inform customers regarding the conditions described in paragraph 4 (a) under which customer information may be released to a third party without the consumer's consent.

(c) The entity shall not use consumer information obtained for a purpose other than for which it was obtained.

5. **Complaints:**

(a) The entity shall provide the address and telephone number of its customer service centre for lodging of any complaint and widely advertise the same from time to time.

(b) The entity shall make all reasonable efforts in resolving the complaints received in a time bound manner.

(c) The entity shall maintain and periodically provide to the Board, the details of:

   (i) complaint received by the entity or referred to by the Board;

(ii) method and time of disposal of complaint;

(iii) complaint pending for redressal; and

(iv) comment on the quality of service provided by the entity and suggestions, if any.

[F. No. S-Admn/II/8/2007-Vol.I]
AJAY TYAGI, Secy.

Foot Note: Principal regulations were notified *vide* No.G.S.R.340(E), dated 6th May, 2008 and subsequently amended *vide* G.S.R.802(E), dated 19th November, 2008, G.S.R. 769(E), dated 20th October, 2009, G.S.R. 38(E), dated 18.01.2010, G.S.R. 480 (E), dated 07.06.2010, G.S.R. 594(E) dated 9th July, 2010, F. No. PNGRB/M(C)/48, dated 17th February, 2014, F. No. PNGRB/NGPL/REGULATIONS/AMEND-2014, dated 8th August, 2014, F. No. L-MISC/VI/I/2007, dated 1st January, 2015, F. No. PNGRB/NGPL/REGULATIONS?AMEND-2015, dated 22nd May, 2015., F. No. VKS/DB/03/NGPL, dated 29th March, 2016 and F. No. PNGRB/Auth/2-NGPL(08)/2022 dated 17th November, 2022 and F. No. PNGRB/Comm/7Misc (5)/2025 (E-5734)/02 dated 15th September 2025.